

Annual Report 2003
VastNed Retail N.V.

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Supervisory board

W. Nijman, chairman (as from May 1, 2003)
Mrs. A.L. Deriga, vice-chairman
D. van den Bos
F.W. Mulder
N.J. Westdijk

Board of management

VastNed Management B.V.
Represented by:
R.A. van Gerrevink, CEO
H.K.M. Roovers, CIO
T.M. de Witte, CFO (as from June 16, 2003)

Financial calendar 2004

Tuesday April 6, 2004

Annual general meeting of shareholders

Thursday April 8, 2004

Ex dividend quotation

Thursday May 6, 2004

Payment date of dividend

Wednesday May 19, 2004

First three months' results*

Wednesday August 11, 2004

Semi-annual results*

Wednesday November 10, 2004

First nine months' results*

Wednesday February 23, 2005

Annual results 2004*

* After trading

This is an English language version of the 2003 Dutch annual report of VastNed Retail.

In case of inconsistencies between the two, the Dutch version shall prevail.

2003, a year of consolidation, strengthening of the organisation and circulation of the portfolio.

Preface CEO

Ladies and gentlemen, readers of this annual report,

In the context of a desire for increased transparency in annual reports and other forms of reporting, I consider it desirable to give you some insight into what has kept us at VastNed Retail busy in the 2003 financial year, and into our vision of the near future.

Due to active asset management, 2003 was characterised for VastNed Retail by consolidation and circulation of the property portfolio. VastNed Retail has earmarked the Netherlands, Spain, Belgium and France as core countries.

In the spring of 2003, the shopping centre Madrid Sur was acquired. This concerns a beautifully located shopping centre in which in the autumn various rent revisions were effected which have led to 10% higher rental income compared to the existing contracts at the time of acquisition.

The French property portfolio has not undergone major changes. VastNed Retail is, however, looking for new typical VastNed Retail properties. Various opportunities have already been considered. VastNed Retail is still considering a possible transfer to the so-called SIIC regime (Société Investissements Immobilier Cotée). The benefits of the regime are the omission of actual and deferred taxes on the property portfolio in France. Among the disadvantages are the

prepayment of profits tax on unrealised surplus value, a less flexible structure and the costs of VastNed Retail's stock exchange listing in France (in addition to its listing in the Netherlands).

Germany continues to be a problem child. The property portfolio had to be written down sharply over 2003 with € 42 million. The structure that was chosen in the past has proved not to be ideal for executing active management. In the context of lowering the risk profile, VastNed Retail has opted for disposal of the German property portfolio. Discussions are taking place with various parties about the sale. They have, however, so far not led to a concrete transaction.

In 2003 VastNed Retail has asked an international appraiser for an appraisal report that assesses the value on a property by property base.

The Dutch portfolio has undergone a considerable circulation, as a number of more vulnerable properties in the portfolio were sold above the last appraisal value. Over the past 18 months properties were sold to a total of almost € 90 million. The occupancy rate in the Netherlands continued to be high. VastNed Retail will aim to maximise the Dutch property portfolio, and reallocate it where possible. 'Area' focus will increasingly play a major role in this, in order to gain as much insight as possible into socio-economic changes, which can then be responded to alertly.



R.A. van Gerrevink

In Belgium VastNed Retail has a profitable property portfolio of over € 250 million. It is held by Intervest Retail, a Bevak listed on Euronext Brussels. The occupancy rate in 2003 amounted to 92.7%. This relatively low percentage is mostly due to the low occupancy rate of the factory outlet in Messancy that was recently taken into operation.

The board of management expects to resolve the 'situation' in Germany before the end of 2004. If the divestment is realised, means will be freed for reinvestment in our four core countries. Reinvestment opportunities have been surveyed in those four countries and interesting options have been identified.

VastNed Retail now has a full and well-qualified team. The management team has been completed with a new CFO, Tom de Witte, and a new CIO (as per July 1, 2004), Hans Pars. The research department, too, has been augmented. After the take-over of Forum Management as per January 1, 2003 VastNed Retail has highly skilled teams at its disposal in each of the four core countries.

Much effort has gone into making the company comply with the Tabaksblat Code. A great deal of work has gone into this in 2003. Despite that many conditions are written for the large AEX funds, VastNed Retail is almost fully in compliance with the Code. The board of management believes that good corporate governance and transparency can offer the shareholders a great deal of benefit. In that respect the phrase 'what you see is what you get' applies to this annual report.

In our assessment, the year 2004 will be another year of consolidation and reallocation. The board of management believes that before the end of the year new capital will be available in order to further flesh out our ambitions in the four core countries.

Sincerely,
Reinier van Gerrevink

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VastNed Retail has earmarked the Netherlands, Spain, Belgium and France as core countries.

Paris, 118-120 Rue de Rivoli





Profile and strategy

VastNed Retail N.V., founded in 1986, is a (closed-end) property investment company with variable capital that makes long-term investments in well-let individual retail properties, shopping centres and retail warehouses at good and top locations in the Netherlands, Spain, Belgium, Germany, France, Italy and Portugal. The Netherlands, Spain, Belgium and France have been earmarked as core countries. The issuing and buying of shares takes place at the decision of the board of management, subject to the approval of the supervisory board.

The property portfolio of this specialised investment company at year-end 2003 represented a value of € 1,612 million and at that time was constituted as follows:

- 50 % individual retail properties;
- 34 % shopping centres;
- 15 % retail warehouses;
- 1 % other property.

The shares have been listed on Euronext Amsterdam since November 1987.

Objectives and strategy

The investments are aimed at realising a combination of direct return based on gross rental income and indirect return due to value growth of the property portfolio.

VastNed Retail focuses on active management of the property portfolio. Quality and optimisation of the properties will be central, as well as maintaining the desired solvency ratios. Currency risks are excluded by investing exclusively in the eurozone.

Expansions will only take place if market conditions are favourable, if they increase profitability and if the solvency ratios allow it. A regular healthy circulation of the property portfolio is secured through the sale of properties.

Furthermore, the aim is to keep all the properties in the portfolio under the company's own management as much as possible, where possible through locally operating organisations, in order to:

- be able to deliver the highest possible added value;
- maximise gross rental income;
- limit operating expenses;
- realise an optimal value of the property through adequate maintenance and renovation of existing properties.

Currency risks are excluded by investing exclusively in the eurozone.

Project development

VastNed Retail does not concern itself with project development. It acts within the boundaries that apply for Fiscal Investment Institutions pursuant to Article 28 of the Netherlands Corporation Tax Act 1969.

Financing

The starting point is that the financing of the property portfolio with loans remains limited to approximately 40 - 45% of the market value of the property. This rule may be temporarily deviated from in case of interesting acquisition opportunities, and provided the interest rate is at an acceptable level compared to the return on property. VastNed Retail also remains within the financing limits as meant in Article 28 of the Netherlands Corporation Tax Act 1969.

Dividend policy

VastNed Retail's dividend policy is aimed at distributing the direct investment result fully or virtually fully to the shareholders. In order to fulfil the fiscal conditions for investment institutions, at least the fiscal result must be paid out in cash.

Organisation

With approximately 80 employees, VastNed Management, Forum Management (and its subsidiaries) and Intervest Management (until December 31, 2003) manage the larger part of the investments of VastNed Retail and VastNed Offices/Industrial.

VastNed Management has no profit objective, but facilitates the fund with directory board and management. The collaboration between VastNed Retail, VastNed Offices/Industrial and VastNed Management is ruled by a cost allocation agreement. The costs incurred are charged on to both funds based on causation without mark-up for profit. 67% of the VastNed Management shares are held by VastNed Retail and 33% by VastNed Offices/Industrial. Forum Management provides services exclusively for VastNed Retail's French and southern European property portfolios. All Forum Management shares are owned by VastNed Retail.

Independent management is the best way to ensure optimum letting to creditworthy tenants and for maintaining the properties in a good state. Executing the commercial and administrative management ensures direct contact with the tenants and with the property market, so that market developments may be responded to alertly and operating expenses are kept limited in a responsible way.

Technical management is subcontracted to local specialists. By maintenance, redevelopment and divestment of properties that no longer fit the portfolio, an optimal state and value of the property are secured in relation to the return to shareholders.



Barcelona → Charleroi → Zundert → Witten

The property markets in the various countries are subordinate to applicable legislation and local regulations. A local network, as well as knowledge in the areas of financing and local culture, provides a head start in operating the property.

VastNed Retail aims, where possible, to carry out these activities from within the country itself.

In general, for reasons of efficiency, the property portfolio in the respective country should represent a value of at least € 200 million. The activities of Forum Management and its subsidiaries, which manage the property portfolio in France and the south European countries, should be viewed in that light. As of January 1, 2003, this management organisation is wholly owned by VastNed Retail. The management of the German property portfolio has been largely subcontracted to Oppenheim Immobilien-Kapitalanlagegesellschaft mbH in Wiesbaden.

The Belgian property portfolio is managed from Antwerp by a team of property experts of Intervest Retail.

Report of the supervisory board

Introduction

During the 2003 financial year the supervisory board met on six occasions. In these meetings a large number of topics were discussed, such as the state of affairs and risks in the property portfolio, the strategy and risks of the company as such, the financial results and their reporting in press releases, semi-annual report and annual report, changes in the board of management and supervisory board, the supervisory board's own functioning and that of the board of management, corporate governance and the institution of subcommittees of the supervisory board including these committees' reports. The supervisory board has also met in the absence of the board of management. The board of management has ensured that the supervisory board was provided with good information so that the supervisory board could execute its supervisory role optimally. None of the members of the supervisory board was frequently absent.

Composition of the supervisory board

The supervisory board was composed as follows:

Mr. W. Nijman (September 21, 1946), chairman

Member of the supervisory board since 1986. Since 1996 he has also been a member of the supervisory board of VastNed Offices/Industrial. Since May 1, 2003 Mr. Nijman is chairman of both supervisory boards. Mr. Nijman worked for Douwe Egberts from 1974 to 1980 in various financial positions. From 1980 to 1989 he was employed by International Flavors & Fragrances as financial director. From 1989 to 2000 he was with Bestfoods, first as financial director Benelux and later as senior director finance & ICT Europe. From 2000 to 2003 Mr. Nijman was vice-president finance BFO / treasurer Parent & Holding of Unilever N.V.

Mrs. A.L. Deriga (February 1, 1933), vice-chairman

Member of the supervisory board since 1986. From 1986 to 1996 she was chairman and from 1996 vice-chairman. From 1996 she has been a member and vice-chairman of the supervisory board of VastNed Offices/Industrial. From 1961 to 1990 Mrs. Deriga fulfilled various positions within the Buhrman Groep, inter alia as director of the Stichting Pensioenfond. Presently she is chairman of the Noord-Holland circle of the Groep BCD of the Nederlands Centrum voor Directeuren en

By giving the shareholders insight into the prudent corporate government as applied by us, they are able to make a good assessment of the risk profile.

Commissarissen, and deputy secretary and treasurer of the Stichting Vrijwillige Hulpdienst Buitenveldert.

Mr. D. van den Bos (January 17, 1940)

Member of the supervisory board since 2001.

Mr. Van den Bos is also a member of the supervisory board of VastNed Offices/Industrial. From 1965 to 1983, Mr. Van den Bos was employed by the Hollandsche Beton Groep, where he was charged inter alia with project development activities. From 1983 to 1998 he was employed by PGGM, most recently as director of property, as well as assistant director of investments. Presently, he is inter alia a member of the supervisory board of Amvest N.V., member of the Aufsichtsrat O.I.K., Germany (until the end of April 2004) and chairman of the Anlageausschuss GIREF, also in Germany.

Mr. F.W. Mulder (May 31, 1940)

Member of the supervisory board since 1996.

Mr. Mulder has been a member of the supervisory board of VastNed Offices/Industrial from 1986. From 1975 to 1990, Mr. Mulder fulfilled managerial positions with Koninklijke Wegenbouw Stevin B.V. and subsequently with Avéro Verzekeringen. He is also a member of the supervisory board of the Hypothekers Associatie B.V., of Bartels Engineering B.V. and of hotel Nassau Bergen B.V., as well as member of the board of management of the Stichting Preferente Aandelen Arcadis N.V. and of the Stichting Beheer Faciliteiten NijSmellinghe (hospital). In addition, Mr. Mulder is a director of Citrosuco Europa B.V., which is part of Citrosuco Paulista SA, Matao, Brazil, and a director of Congeltec B.V., part of Irving & Johnson Ltd, Capetown, South Africa.

Mr. N.J. Westdijk MBA (June 20, 1941)

Member of the supervisory board since 2000.

Mr. Westdijk is also a member of the supervisory board of VastNed Offices/Industrial. In the past, Mr. Westdijk was chairman of the board of management of Koninklijke Pakhoed N.V. and chairman of the board of management of Connexxion Holding N.V. Presently, Mr. Westdijk is non-executive member of the board of management of Fortis N.V., member of the supervisory board of WoltersKluwer N.V., member of the supervisory board of Connexxion Holding N.V., and chairman of the supervisory board of Eneco Energie N.V.

All the members of the supervisory board are Dutch nationals.

Corporate governance

Adoption

Partly as a result of the publication of the corporate governance code of the Tabaksblat commission (the Code), the supervisory board has devoted extra attention in the second half of 2003 and early 2004 to the corporate governance structure. An external inquiry showed that the VastNed funds had a less transparent corporate governance structure compared to other companies listed on Euronext Amsterdam, referring especially to the availability of information in the annual report and on the website. Meanwhile a start has been made with the elevation of the level of transparency and improvement of corporate governance as such. In October 2003 the VastNed funds launched a new website, which provides extensive information to private and



Emmeloord → Deventer → Turnhout → Bonn → Castellón → Neuwied-Niederbieber

institutional investors. The website has recently been adapted to make it correspond further with the definitive text of the Code.

Objective

Also, in this annual report we have aimed to acquaint the reader better with the company's corporate governance. The supervisory board and the board of management have taken a number of steps that have fulfilled virtually all the requirements as laid down in the Code. The supervisory board emphatically supports the board of management in its intention to fulfil the requirements of the Code as soon and as well as possible. By giving insight into the prudent corporate governance as applied by us, shareholders are able to assess the risk profile properly.

Articles of association

At the publication of this annual report, the board of management has already fulfilled the majority of the requirements set by the Code. The company also intends to review the articles of association and bring them into compliance with the Code. This integral change to the articles of association will be put to the vote at the general meeting on April 6, 2004.

Appointment of committees

In the 2002 financial year, the company had already established an audit committee. In 2003 the supervisory board has appointed a remuneration committee. The selection and appointment committee is composed of the entire supervisory board.

Audit committee

The audit committee is composed of Messrs. D. van den Bos, F.W. Mulder and W. Nijman. Until May 1, 2003 Mr. Nijman was chairman of the audit committee. On May 1, 2003 Mr. Van den Bos was appointed chairman due to the appointment of Mr. Nijman as chairman of the supervisory board. The audit committee met on six occasions in 2003. It is the task of the audit committee to advise the supervisory board in the area of finance. Topics that were addressed were financial reporting, budgeting, the role of the external auditor, tax law, compliance (inter alia with the Autoriteit Financiële Markten; (AFM) and the International Financial Reporting Standards (IFRS)), financing, internal control, ICT systems and the follow-up of recommendations of the external auditor, as well as the findings of the audit by the external auditor.

All audit committee reports have been presented to all members of the supervisory board and discussed at the following meeting of the supervisory board.

Remuneration committee

In 2003 a remuneration committee was established. The committee is chaired by Mr. N.J. Westdijk and has Mr. F.W. Mulder and Mr. W. Nijman as members. It is the task of the remuneration committee to advise the supervisory board in the area of the remuneration policy to be pursued. This committee has met on two occasions in 2003.

Reports of these meetings have been presented to the members of the supervisory board. The remuneration of the members of the management board is fitting for the character and the level of the activities.



Barcelos → Eindhoven → The Hague → Harderwijk

The variable remuneration component has to be brought into compliance with the demands of the Code. A relevant proposal will be drawn up and put to the general meeting of shareholders for approval.

Selection and appointment committee

As indicated above, the selection and appointment committee consists of the entire supervisory board. The supervisory board has met three times to discuss selection and appointments. In that context VastNed Management B.V. has appointed Mr. T.M. de Witte as financial director (CFO) and Mr. J. Pars as director Southern Europe. The supervisory board has also made proposals to the holders of the priority shares with regard to filling existing and anticipated vacancies on the supervisory board.

Changes to the supervisory board

Until May 1, 2003, the supervisory board was headed by Mr. D. Luteijn. Mr. Luteijn has retired from his position on the supervisory board due to his appointment as chairman of the board of management of the energy company Delta N.V. The supervisory board is grateful to Mr. Luteijn for the work he has done initially as member of the supervisory board of Vaste Waarden Nederland N.V. and later of VastNed Retail and VastNed Offices/Industrial, and wishes him good luck in his new position. The supervisory board has chosen Mr. W. Nijman as its chairman as from May 1, 2003.

Profile of the supervisory board

The supervisory board profile guarantees that the supervisory board is composed properly, meaning that based on available knowledge and experience effective supervision can be exerted on the board of management of the company. This profile is included in the chapter Corporate Governance in this report and is also available from the website and at the offices of the company.

The supervisory board certifies that all its members are independent as meant in the Code.

Retirement scheme

The retirement scheme for the next few years is as follows:

- A.L. Deriga, 2004 (not eligible for re-election)
- N.J. Westdijk, 2004 (eligible for re-election)
- D. van den Bos, 2005 (eligible for re-election)
- W. Nijman, 2006 (not eligible for re-election)
- F.W. Mulder, 2007 (not eligible for re-election)

Strictly speaking, according to the Code Mr. Nijman should have to retire as he has been on the supervisory board for more than 12 years. The supervisory board considers his retirement undesirable at the present time, as this would lead to a sudden loss of knowledge for the company. The supervisory board endorses the best practice principle III.3.5 (a member of the supervisory board has a maximum term of three times four years), but has decided to postpone implementing it for the moment, as it might damage the continuity of the supervisory board.



Alicante → Meppel → Breda → Venray → Amiens

Appointments and reappointments

The supervisory board has the wish to be composed of six members. With that number of members the requirements set in the supervisory board profile can amply be fulfilled. Due to Mr. Luteijn's departure, a vacancy has been created which needs to be filled. The meeting of the holders of priority shares will draw up a nomination for this vacancy.

At the general meeting of shareholders of April 15, 2003 Mr. F.W. Mulder, who was due for retirement in accordance with the retirement scheme, was re-elected. At the general meeting of shareholders of April 6, 2004 Mr. N.J. Westdijk is due for retirement in accordance with the retirement scheme. Mr. N.J. Westdijk has made himself available for re-election. The meeting of the holders of priority shares will draw up a nomination for this vacancy.

In accordance with the retirement scheme, Mrs. A.L. Deriga retires and is not available for re-election. The supervisory board is deeply grateful to Mrs. Deriga for her contributions during her long term of office in the service of VastNed Group. She held the position of chairman of the supervisory board from the foundation of VastNed (now VastNed Retail) and from 1996 as vice-chairman of the supervisory board of both VastNed Retail and VastNed Offices/Industrial. The meeting of the holders of priority shares will draw up a nomination for this vacancy.

Annual accounts 2003

We hereby present you with VastNed Retail's annual accounts for 2003, as well as the report of the board of management. We are in agreement with the annual accounts as presented to you by the board of management and as audited by Deloitte Accountants. We recommend that you adopt the annual accounts as presented.

Dividend and reserving policy

In line with previous years, VastNed Retail will pay out the direct investment result to its shareholders in full. A part of the dividend can be taken up by the shareholders as stock dividend to the charge of the share premium reserve. This in fact adds part of the direct investment result to the other reserves.

Dividend proposal

We are in agreement with the proposal of the board of management to pay out a dividend per share, having a € 5.- nominal value, as follows:

- 5 % in cash on the A priority shares;
- an optional dividend on the ordinary shares of:
 - € 2.45 in cash plus a percentage in shares yet to be determined, depending on the share price, to the debit of the share premium reserve, or
 - € 4.24 in cash.



Antwerp → Murcia → Goor → Lisbon → Roanne

IFRS

Starting in 2005, the company will have to publish its reports in compliance with the International Financial Reporting Standards. In the lead-up to these new reporting regulations, already in 2004 the company will no longer charge the costs of asset management to shareholders' equity. In 2004 this causes on the one hand a decrease of the direct investment result, but on the other hand an improvement of the indirect investment result of the same amount.

Staff

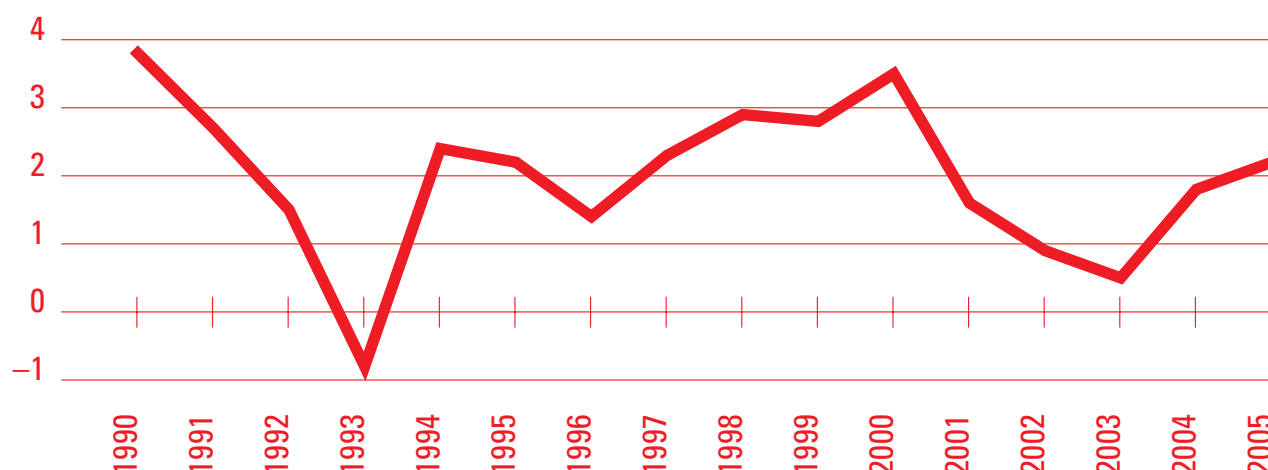
Last, but certainly not least, we would like to express our appreciation to the board of management and the employees for their efforts, loyalty and the results achieved in difficult market conditions during the reporting year.

Rotterdam, February 25, 2004

For the supervisory board
W. Nijman, chairman

Real growth of GDP in eurozone (in %)

Source: OECD/Consensus Forecast



Report of the board of management

Economy and markets in general

Economy

In the past few years, economic growth in the eurozone has been under pressure. A genuine recession, as in 1993, has so far failed to occur. That in itself is remarkable, as the world economy, in addition to the cyclical downturn, was also hit by a number of incidents, such as SARS and a record heat wave. The outlook for 2004 and 2005 indicates a slight recovery of economic growth. The economy of the United States is the big motor of this recovery, as this economy had already found its way towards economic recovery at the end of 2002. The present economic climate in the eurozone is not rosy, but historically speaking it can be considered relatively good. Of the seven countries in which VastNed Retail holds its investments, only the Netherlands and Portugal can be said to be in recession. In 1993 the situation was different, when the Netherlands was the only country not in recession.

The government budget deficits in the eurozone have increased due to the slowdown in growth, and there is a dispute between countries participating in the euro whether the stabilisation treaty has been violated or not. The actual situation is that budget deficits of the various countries are being controlled

better than in the past and that the deficits compare favourably with that of the United States. The discussion on the stabilisation treaty appears not to be of any great influence on the euro, judging from the currency's good performance in the final quarter of 2003.

Property market

The property market traditionally has a late-cyclical character. This means that if the economic situation changes, the change is not immediately reflected in the property market. The downturn in the economy that has set in since 2001 has for that reason only in 2003 clearly impacted the property market in terms of decreased demand for property. Occupancy rates have meanwhile fallen in every segment of the property market, but the office market and the market for industrial premises have been hit especially severely. The retail market has a somewhat more stable character. Economic recovery, as is being projected for 2004 and beyond, will not immediately translate into an improvement of the property market; the property market's recovery will lag behind.

The value of property has not dropped off during the slowdown in growth. High cash returns compare relatively favourably to the present low interest rates. As a result there is a great deal of interest for property



The Hague → Tienen → Milan → Bergen → Gelsenkirchen → Mâcon

from private individuals. They use the low interest rates to finance part of the investments in property with borrowed money in order to achieve higher returns. Various institutional investors, too, make use of loans to finance investments in property and increase return. A separate category is formed by the very large German open-end property funds, which have large amounts of private capital at their disposal that is being invested without loans in the European property market. The degree of use of loans in the property market of the eurozone on balance appears sound in the present interest climate.

Investment demand in the past year focused increasingly on the retail market in the eurozone, with investor demand for well-let retail properties remaining high. Due to competition between buyers surprisingly high selling prices were sometimes achieved.

Despite the reduced economic growth in the eurozone, the retail market continues to show undiminished demand for retail floor space by international retail chains such as Mediamarkt, Hennes & Mauritz, Mexx and Zara. An international chain like C&A has been turned around successfully and is developing new shop concepts. Local retail markets continue to be dynamic, as is proved by the start-up and expansion of new and successful retail formulas. Department stores have been under pressure as a retail formula in the eurozone for years, and in lesser economic times problems with these formulas surface, as is the case in the present economic climate. A number of retail chains that have undergone too rapid growth or whose retail formula is outdated, have trouble keeping their heads above

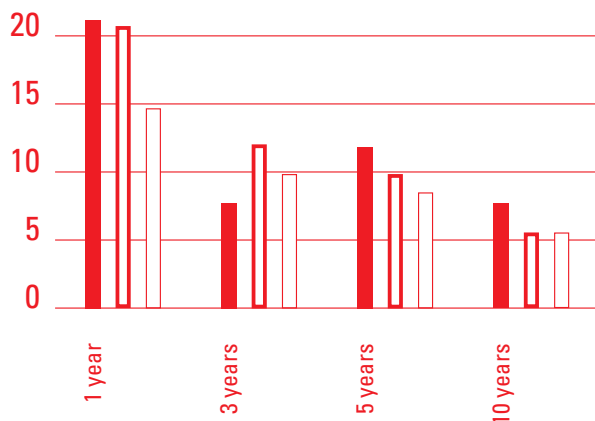
water in the present economic climate. The focus then is swiftly put on rationalisation of the number of shops and/or adjustment of the retail formula. Discount formulas do well, as the consumer has less money to spend, and price plays a bigger role in the buying decision.

There are no reliable and unequivocal statistics on the occupancy rate in the various countries in which VastNed Retail is active. Any pronouncements on that topic are mainly based on personal knowledge of the market. In general VastNed Retail observes that the occupancy rate in the eurozone is decreasing slightly. Qualitatively lesser retail locations are being hit hardest.

The internet has developed further as a retail channel and is showing high growth figures. Absolute turnover has been relatively modest compared to that of the retail market in its entirety, but the market share has undeniably grown. A typical internet seller like Dell is directly competing with e.g. Mediamarkt in terms of PC sales. This competition will expand in 2004 to inter alia the sale of televisions. In the areas of books, CDs and DVDs, too, internet resellers like Amazon.com and Bol.com have acquired a sturdy position compared to shop-bound retailers. Internet is expected to develop further as a sales channel next to the shop-bound retail trade.

Total annual return (in %)

Source: Global Property Research (GPR), Bloomberg



■ GPR 250 Europe
■ GPR 250 The Netherlands
□ VastNed Retail

Stock exchange

Over the last five years investors have experienced stormy times on the Amsterdam stock exchange. The CBS Herbeleggingsindex Algemeen for shares fluctuated wildly. Indices for listed property funds and bonds were relatively stable. The property funds on average performed best over this period. The higher direct return compared to bonds makes listed property funds more attractive.

The good performance of property compared to bonds and shares has not escaped the private investor's notice. The private investor buys shares not only in listed property funds but also in property companies and such to increase his interest in property. Products like property partnerships have a higher risk profile, often due to a limited spread with only a few properties in their property portfolio.

The disappointing performance of shares on the stock exchange has increased the share of property in the investment portfolios of the institutional investors. A number of these investors have increased the target weight of property, so that they do not have to sell. Some other institutional investors have, in response to the high weight of property in their portfolio, mainly reduced the interest in listed property funds, as these funds have the highest liquidity.

Risks

In the short term a further increase in the value of the euro compared to the dollar might delay the recovery of economic growth in the eurozone. Inflation, too, will come under pressure, which has a depressing effect on the indexation of rent contracts. The low interest rate, however, is favourable for the property market.

Disappointing economic growth can put further pressure on the markets for retail premises, and can lead to a decrease of the occupancy rate.

The small population growth in the eurozone has become a matter for concern. The importance of this has increased since the immigration control of economic refugees has been tightened everywhere in the eurozone. Smaller population growth means that the property market has to focus more on quality and less on quantity. To achieve that, regulation of the property market must get more attention. In the long run, a policy aimed at quantity will lead to a structurally lower occupancy rate at the present level of population growth.

The Netherlands

Economy

The disappointing economic growth in 2003 is remarkable. The tight labour market and the high level of inflation of the past few years have damaged competitiveness, and we now feel the pain. The excessive optimism of the Dutch consumers in the past decade, measured in terms of consumer

In the Netherlands, VastNed Retail has a property portfolio that consists largely of solitary shops and some shopping centres. There is a wide spread in terms of numbers of properties and tenants.

Rotterdam, 22 Korte Hoogstraat





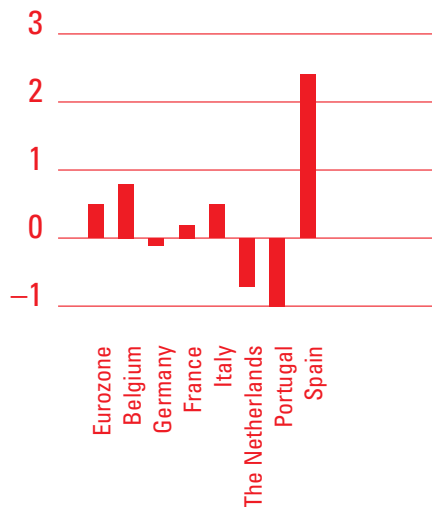
NIEUW:

GATHERING
CAROL SPARK
JOSS SEINE
VERBODEN FINE
KUNSTEN
AD. VAN DER WEG
PATRICIA WEN
ERIC MARTIN
THE DISTANCE
AIR
THE CORAL
AND TIDDER
MIGUEL COSTER
SEBASTIAN TELL
EXTINCE
SOPHIA
FANDRAS
MUSEUM
GLAYE

HADI
1-2-3-4

Expected growth of GDP 2003 (in %)

Source: Consensus Forecast



confidence, has been replaced in 2003 by a more average level of consumer confidence.

Through discussions between the social partners and the government, also known as the ‘poldermodel’, the climate has swung back and moderation, which characterised the Netherlands in previous decades, has made a comeback. It seems just a matter of time before this will generate positive results in the economy.

The development of house prices plays a supporting role. The strong rise in house prices is caused by scarcity on the housing market and that scarcity continues. The affordability of houses is under pressure however, and that may lead to a fall in house prices if the economic tide continues to be unfavourable. This may have a negative effect on consumer spending.

Property market

The Dutch retail market has a relatively high amount of retail floor space, with quite a number of projects still under development. Pressure of the economy has caused the occupancy rate to fall at lesser retail locations in 2003. At some locations the occupancy rate is even low. Increasingly, new retail projects open without being fully let. Retail warehousing is experiencing particular difficulties due to decreased spending in retail sectors related to living. Supermarkets, headed by Albert Heijn, have embarked on a price war. It would seem to be a matter of time before the first casualties in this sector are counted. The big supermarket chains are expected to benefit from this with increased market share. In the reporting year Vendex KBB announced it will reorganise its V&D department stores. A number will

be closed and others will be refurbished into a different retail formula. The V&D formula is struggling with its identity. Withdrawing department stores from retail areas can have local consequences if the vacated space is not relet. There continues, however, to be a healthy dynamic in view of the number of retail chains that starts up or expands in the Dutch retail market.

Development of the property portfolio

Properties

In the Netherlands, VastNed Retail has a property portfolio that consists largely of solitary retail properties and some shopping centres. There is a considerable spread in terms of numbers of properties and tenants.

Of the large number of tenants, many belong to nationally operating retail chains. None of these tenants has a dominant position in the Dutch property portfolio.

Acquisitions

In the 2003 financial year no acquisitions have taken place.

Sales

In the context of the circulation of the property portfolio, a number of properties have been sold in the course of the financial year. This concerns the following properties:

- Amsterdam, 201-217 and 202-218 Parnassusweg
- Breda, 137b and 137c Ginnekenstraat
- Capelle a/d IJssel, shopping centre ‘De Terp’
- De Bilt, 112 Hessenweg
- Leidschendam, 13a Weigelia

The Netherlands

Ten largest tenants

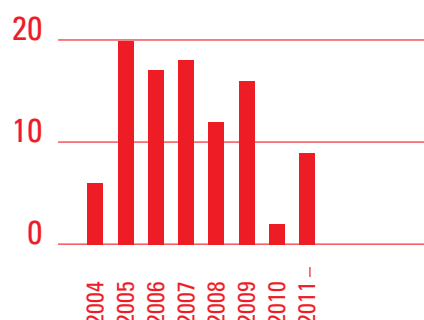
Percentage of theoretical rental income
as per January 1, 2004

Ahold	4.0
Vendex KBB	3.8
Laurus	3.6
Blokker	3.3
AS Watson	3.0
Retail Network	2.0
Megapool	1.4
Easy Everything	1.3
Free Record Shop	1.2
Schoenenreus	1.0

Total **24.6**

Expiry dates of rent contracts (in %)

Expiry dates and/or renewal dates of rent contracts
with the option of rent adjustment (weighted for gross
rental income)



- Rotterdam, 171-173 and 192-202 Beijerlandse laan
 - Tilburg, 115a Tobias Asserlaan
 - Zaandam, 86 Westzijde
- The proceeds from these sales amounted to € 29.4 million. A sales profit of € 0.3 million was realised on these sales.

Appraisals

The appraisals that took place in 2003 have shown a value increase of € 6.1 million.

Occupancy rate

In the 2003 financial year the occupancy rate was 97.9% (2002: 98.5%). The occupancy rate was at a high level throughout the year, and rose slightly (quarter on quarter) during 2003.

Expiry dates of rent contracts

The spread of the expiry dates is presented above.

Spain

Economy

The Spanish economy is going through a strong period. Of the seven countries in which VastNed Retail invests, growth of GDP is by far the highest in Spain. The favourable interest rate development of the past few years has had a major effect on consumer spending. Mortgages tend to have short-term interest rates with a term not exceeding one year. Next to this bonus to the consumer, the favourable interest rate development has caused an unprecedented rise of house prices and correspondent mortgages. It is largely the interest rate risk that may pose a danger to Spain's economic growth in the next few years.

A sharp increase of the short-term interest rate would not only lead to a direct decrease of disposable income, but may also generate a wealth effect due to a decrease of house prices. A sharp increase of the interest rate would seem to be more likely in the long run than in the short run.

Property market

The Spanish retail market has seen a stormy development in the area of shopping centres. Despite the fact that building regulations for shopping centres have been tightened, many new shopping centres are at various stages of development. Not all these projects are now expected to be actually built. Even so, in some areas of Spain a surplus of shops will arise. The developments in the inner cities and the peripheral retail trade (often referred to abroad by 'retail warehousing') have lagged behind the shopping centres. In these markets there are still sufficient (re)development and modernising opportunities. The occupancy rate of the market as a whole has decreased, but is still high in absolute terms. Some international retailers such as Mediamarkt and Ikea are very successfully rolling out their retail formulas in Spain. For the first time Inditex, the parent company of inter alia Zara, is having trouble in some areas in its home market to improve turnover in existing shops.

Spain

Ten largest tenants

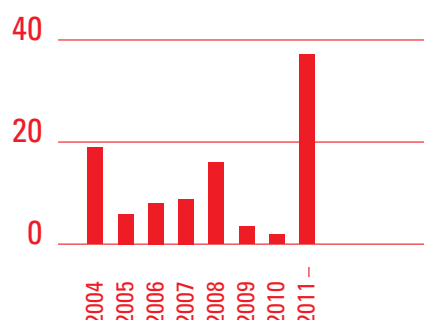
Percentage of theoretical rental income
as per January 1, 2004

Inditex	5.7
Eroski	5.7
Media Markt	4.9
Leroy Merlin	3.4
Cinebox	2.6
McDonalds	2.4
Mango	2.0
Cinesa	1.9
Cortefiel	1.9
Grupo Zena	1.7

Total 32.2

Expiry dates of rent contracts (in %)

Expiry dates and/or renewal dates of rent contracts
with the option of rent adjustment (weighted for
gross rental income)



Development of the property portfolio

Properties

In Spain, VastNed Retail has a property portfolio that consists of 15 properties. These concern mostly shopping centres. It also holds a few retail warehouses. Of the high number of tenants, the larger part belongs to internationally operating retail chains. None of these tenants has a dominant position in the Spanish property portfolio. In February 2003 VastNed Retail has taken a 'Mediamarkt' in Castellón de la Plana into operation.

Acquisitions

Madrid Sur

In May 2003 VastNed Retail has strengthened its position on the Madrid market by acquiring the shopping centre Madrid Sur. This acquisition can be split in two, to wit: the acquisition of the hypermarket and the acquisition of the associated shopping centre.

The hypermarket was acquired in a sale and leaseback transaction from Eroski. Acquisition took place at € 21.4 million. This hypermarket has a gross lettable floor space of over 10,000 square metres. The rent contract with Eroski, the second largest retailer in Spain, has a term of 25 years, with a termination option by the tenant after twelve years. The hypermarket is fully owned by VastNed Retail.

VastNed Retail has also acquired the Mall-part of the shopping centre for € 43.0 million. The Mall-part has over 13,000 square metres of gross lettable floor space. This acquisition took place in the form of a joint venture with Lar-Grosvenor, in which VastNed Retail

has a controlling interest of 50.1525%. Approximately 65% of the rent contracts, which represent 50% of the rental value of the total project, was renegotiated in the autumn and has resulted in a rent, which is more than 10% higher than at the time of acquisition.

Sales

No sales took place in the 2003 financial year.

Appraisals

The appraisals that took place in 2003 have shown a value increase of € 4.5 million. The value increase was limited by a write-down of 8% on Parque Vistahermosa in Alicante.

Occupancy rate

The occupancy rate for the 2003 financial year was 96.6% (2002: 97.1%). Most properties have an occupancy rate of 100%. However, the property Parque Vistahermosa in Alicante, which was taken into operation in 2002, had an occupancy rate of 87.0%. In 2004, too, great efforts will be made to increase the occupancy rate of this project.

Expiry dates of the rent contracts

The expiry of the rent contracts is shown above.

The relatively high percentage of possible expiries in 2004 is due to some large retail chains such as Inditex, which exclusively enter into rent contracts with a expiry term of one year.



Paris → Antwerp → Bruges → Badalona → Dortmund

Belgium

Economy

Prognoses concerning the Belgian economy tend to be based on the development of the three large economies France, Germany and the United Kingdom, as well as on that of the Netherlands, the countries that border on Belgium. The development of the economy as a result shows many similarities with that of the eurozone, with the Belgian economy benefiting to some extent from the loss of competitiveness of the Netherlands; as a result at present it performs better than the Dutch economy. An important element in the Belgian economy is the relatively favourable development of the government deficit due to a deal with Belgacom which is favourable in the short term. Even though this deal is a one-off, it does mean that the Belgian economy is suffering less from budget cuts than those of its neighbours.

Property market

Annually, only a single new shopping centre is added in Belgium. Obtaining development permission is a time-consuming and costly affair, which is a major obstacle for developers. The 2003 reporting year was a special year with the opening of three new shopping centres or phases thereof. There is a great deal of interest for newly added retail space, and they are well let. The inner cities are holding back for the moment. That can be concluded from the decrease of the key money that must be paid to a departing retailer. The lessor sees stable rental values. Retail warehousing (in Belgium referred to as 'baanwinkels') is stable and continues to experience

demand for expansion. In both the inner cities and the periphery, the weaker retail areas are having difficulty in the present economic climate.

The occupancy rate has declined somewhat, but is still at a high level in absolute terms. Hema is very active in Belgium and is beginning to set up in smaller towns as well. C&A is busy expanding new concepts and there are also initiatives for starting up new fashion chains by international retailers.

Development of the property portfolio

Properties

The Belgian property portfolio consists of inner city solitary retail properties and retail warehouses.

Acquisitions

No acquisitions took place in the 2003 financial year.

Sales

Some sales did take place. These concerns the following properties:

- Antwerp, 1 Hovenierstraat
- Antwerp, 27 Korte Gasthuisstraat (apartments)
- Marcinelle, 17 Rue des Champs
- Mechelen, 39-41 Bruul (apartment)
- Mortsel, 71 and 73 Statielei (apartments)
- Rixensart, 11 Rue Robert Boisacq
- Runkst, 46 Sint-Hubertusplein
- Waver, 46 Rue Pont du Christ (apartments)
- Wilrijk, 658-662 Boomsesteenweg (land swap)

Property was sold to a total of € 2.4 million. A book profit of € 0.3 million was realised on those sales (77% share VastNed Retail).

Belgium

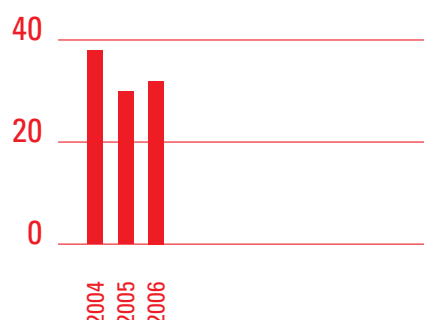
Ten largest tenants

Percentage of theoretical rental income
as per January 1, 2004

H&M	10.5
Aldi	6.0
Euroshoe	3.9
Vögele	3.6
IC Company's	2.6
Megapool	2.2
Het Genoegen	2.0
Gamma	1.6
Piocheur	1.6
Brantano	1.5
Total	35.5

Expiry dates of rent contracts (in %)

Expiry dates and/or renewal dates of rent contracts
with the option of rent adjustment (weighted for gross
rental income)



Appraisals

The appraisals that took place in 2003 show a value increase of € 2.9 million (77% share VastNed Retail).

Occupancy rate

In the 2003 financial year the occupancy rate was 92.7% (2002: 96.7%). The decrease in 2003 was due to taking into operation the factory outlet in Messancy, with an occupancy rate of approximately 40%. As the factory outlet centre is still in the start-up phase, in 2004 great efforts will be made to increase the occupancy rate.

Expiry dates of the rent contracts

The expiry of the rent contracts is presented above. The concentration of the termination options in the period from 2004 to 2006 is due to local legislation (3-6-9 year contracts).

Germany

Economy

The performance of the German economy in terms of growth has for some years been considerably lower than of the eurozone as a whole. Structural problems play a role a part, which is the reason why economists have doubts about the strength of any future recovery. Performance in 2003 only served to confirm that picture. Growth came from export, while the local economy continued to disappoint. Due to stubbornly high unemployment and concerns about the economy the Germans keep their wallets in their pockets. Export continues to fuel the economy. The reason for that is probably the strength of the German brands and the

high quality of German research and development.

Despite the fact that the German economy disappoints again and again, in the long term there is some light at the end of the tunnel. Most important is probably that the country after the expansion of the EU is located very centrally within it. Germany should be able to benefit from that eventually.

Property market

The German retail trade had already suffered from shrinking consumer spending in 2002. In 2003 the situation was somewhat better, but even so consumer spending decreased year on year. The longstanding decline of the consumer's position is the reason for that and emerged at the time when the economic situation worsened. After a longstanding battle against the economic climate, reorganisation of the market position is now the key word to characterise the policy of the average retailer. The developments in the German retail market must be viewed against this background. Weaker retail areas in small and medium-sized cities are now hit by a relatively low occupancy rate. The recently adopted extension of opening hours on Saturday will intensify the competition between retail areas and further affect the position of weaker retail areas. In the long run, economic recovery may improve the situation somewhat.

The German private investor has invested a great deal of money in the German open-end property funds and the larger part of this money will be invested in Germany itself. Scarcity of top investment opportunities in the retail market has forced up the investment value of this type of property.

Germany

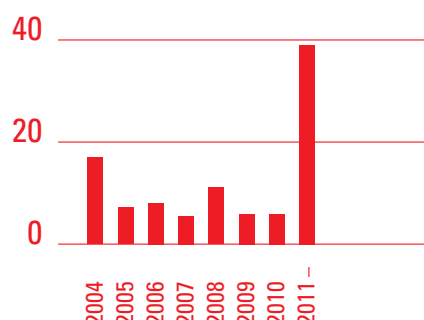
Ten largest tenants

Percentage of theoretical rental income
as per January 1, 2004

Praktiker	7.3
AVA (Allgemeine Handelsgesellschaft)	5.5
Marktkauf	4.4
Spar	3.4
H&M	2.5
Famila	2.3
REWE	2.2
Coop	2.0
Bauhaus	1.9
Extra	1.8
Total	33.3

Expiry dates of rent contracts (in %)

Expiry dates and/or renewal dates of rent contracts
with the option of rent adjustment (weighted for gross
rental income)



Development of the property portfolio

Properties

VastNed Retail's property portfolio is concentrated in the west of Germany and consists of 38 properties.

Acquisitions and sales

Neither acquisitions nor sales took place during the 2003 financial year. Discussions have taken place, however, with potential buyers of the entire property portfolio or parts thereof. So far, these have not yet led to a transaction. The board of management will persevere in its intention to sell the German property portfolio or parts thereof in order to concentrate on its core countries. This is because the board of management expects that the property portfolio in combination with continuing weak consumer confidence does not offer any outlook on improvement of the results.

Appraisals

At the end of 2003 VastNed Retail has had the properties in the German portfolio appraised by an independent international appraiser. Previously, the published value of the German property portfolio was based on German valuation rules. The international appraiser has valued the properties in the German portfolio in accordance with international valuation rules (International Valuation Standards and the Valuation Standards of the RICS). According to the appraisal these properties represent a value of € 220 million. This value has been recognised in the annual accounts.

Occupancy rate

The occupancy rate of the property portfolio amounted to 91.3% in 2003 (2002: 94.5%).

Expiry dates of the rent contracts

The expiry dates of the rent contracts are presented above. It should be remarked that the contracts with an indefinite term have been reported in 2004.

France

Economy

Within the eurozone, France is the country that can compete in the industrial arena with Germany and the United States. The success of the car and aerospace industry amply illustrates that. The early introduction of the high-speed train already marked France's industrial leadership. Export is an important motor for the French economy, also in 2003. Next to export, the consumer has over the past few years contributed to growth. In the year under review this contribution diminished sharply under pressure from the economic situation; consumers started to economise once more. Economic indicators do present favourable underlying economic developments, which will continue in 2004 and fuel the economic recovery. The strength of the euro against the dollar does, however, present concerns for competitiveness.

France

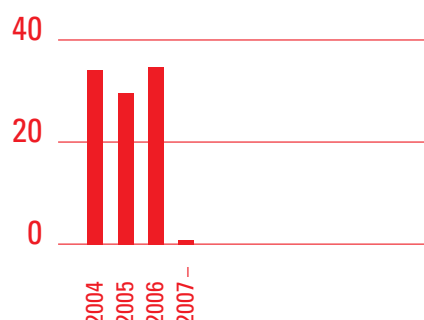
Ten largest tenants

Percentage of theoretical rental income
as per January 1, 2004

H&M	20.5
Kingfisher (Castorama)	7.8
Auchan	6.9
Armand Thiery	6.2
Ultima Gate	3.9
Vivarte (La Halle + Minelli)	3.9
Fnac	2.7
Rallye Group (Go Sport + Courir)	2.1
Douglas	2.1
Jennyfer	1.7
Total	57.8

Expiry dates of rent contracts (in %)

Expiry dates and/or renewal dates of rent contracts
with the option of rent adjustment (weighted for gross
rental income)



Property market

In the previous decade France implemented important restrictions with regard to the development of new shopping centres. The focus of developers consequently shifted to France's inner cities. Today's theme is the regeneration of the inner cities, a trend comparable to that in the Netherlands in the nineties. Retail warehouse supply is highly fragmented and outdated. It is very difficult indeed to develop good retail parks. When they are realised, they are well let and are sold for top prices. The transaction volume in the French retail market has decreased, also in relation to southern European countries like Italy, Spain and Portugal.

Under pressure from the economic situation, retailers have become wary; that is especially noticeable in the lesser retail locations. The occupancy rate has fallen somewhat, but continues to be at a high level in absolute terms.

Large retailers such as Sandinvest, Mondial Moquettes and Pinault Printemps Redoute are beginning to realise that the retail property portfolio has great value. This has led to a number of sale and leaseback transactions in order to improve the balance sheet position.

Development of the property portfolio

Properties

VastNed Retail's French property portfolio consists of 43 properties. These concern largely individual shops, but the portfolio also contains three shopping centres and two large-scale retail trade properties.

Acquisitions and sales

Neither sales nor acquisitions have taken place during the 2003 financial year.

Appraisals

The appraisals that took place in 2003 showed a value increase of € 9.0 million.

Occupancy rate

The occupancy rate in the 2003 financial year was 99.4% (2002: 99.7%).

Expiry dates of rent contracts

The expiry dates of the rent contracts have been presented above.

Other countries

Economy

The Italian economy is doing relatively well, driven by a good contribution from exports. Consumers continue to spend more than expected and the economic indicators are ground for a positive outlook for 2004.

The Portuguese economy is being hard hit by a strong decline of private spending that aim to balance the financial balance sheet, after the debts of the private sector had risen too far in the previous decade.

Property market

The Italian property market at present suffers from a fundamental shortage of modern retail facilities. This market is still highly fragmented with a strong emphasis on small shops. The larger retail chains do



Malaga → Hilversum → 's-Hertogenbosch → Langenfeld

better than the local retailer, which may lead to reorganisation. The development of new shopping centres is subject to strict regulation, but can count on wide interest from retailers and investors. In Portugal, the modernisation of the retail apparatus was already incepted in the nineties, and is continuing today. The development of the inner city retail apparatus lags behind. The decline in the economy has put the retail market under pressure, which is particularly noticeable in the weaker retail locations.

Italy

Development of the property portfolio

Properties

The Italian property portfolio consists of a shopping centre in Parma and an individual shop in Milan. Both properties are fully let.

Appraisals

The appraisals have led to a value increase of € 2.3 million.

Acquisitions and sales

Neither sales nor acquisitions have taken place in 2003. VastNed Retail intends to sell both properties.

Portugal

Development of the property portfolio

Properties

The Portuguese property portfolio consists of nine shops of the optician's chain MultiOpticas. These shops were acquired through a sale and leaseback transaction, and are let under long-term contracts. The occupancy rate is 100%.

Appraisals

The appraisals have led to a value decrease of € 0.3 million.

Financial results

Direct investment result

The direct investment result increased by 5.3% from € 64.3 million in 2002 to € 67.7 million in 2003. The direct investment result per share, calculated over the average number of ordinary shares in issue, which increased due to stock dividend, increased by 2.2% from € 4.15 to € 4.24.

Gross rental income

Total gross rental income increased in 2003 by 4.3% to € 128.9 million (2002: € 123.6 million). This increase was mainly due, next to indexation and rent improvements, to expansions in the property portfolio in 2002 and 2003. This increased gross rental income, particularly in Spain, Belgium and Portugal. Gross rental income in the Netherlands decreased due to sales at the end of 2002 and in 2003. Gross rental



Overpelt → Burgos → Leidschendam → Leeuwarden → Barcelona

income was further negatively affected by a decrease in the occupancy rate in the German and Belgian property portfolio. The financial occupancy rate of the total property portfolio expressed as a percentage of the theoretical rental income decreased slightly from 97.6% in 2002 to 96.0% in 2003. The decrease of the occupancy rate was mainly due to the consequences of the weak economy in Germany and the taking into operation of the factory outlet in Messancy.

Operating expenses

The operating expenses expressed as a percentage of gross rental income decreased in 2003 from 15.4% to 15.3% and came to € 19.7 million (2002: 19.0 million). This small decrease in 2003 is due to the relative decrease of the Dutch property portfolio in relation to the entire property portfolio, which has higher operating expenses. The operating expenses of the German portfolio continued to be high, as they were in 2002, due to high provisions for doubtful debtors and service costs that could not be charged on.

Interest, general expenses, tax on income and minority interests

Despite the fact that the property portfolio increased on balance, due to a slightly lower interest rate on the total loans interest expenses stayed at approximately the same level as in 2002, at € 32.7 million.

General expenses, after allocation of the costs of asset management, rose in 2003 from € 1.9 million to € 2.5 million. This rise compared to 2002 is largely due to higher pension costs, mainly as a result of additional back service obligations of € 0.4 million in

total. Further, consultancy expenses increased by € 0.3 million due to the fact that Forum Management was included in the consolidation as from January 1, 2003.

Tax on income increased from € 1.4 million in 2002 to € 1.7 million in 2003. This increase was mainly due to the previously mentioned acquisition of Forum Management, which is subject to taxation. The result due to third parties increased from € 4.3 million to € 4.6 million, largely as a result of the acquisition of the Spanish shopping centre 'Madrid Sur' via a 50,1525% interest in a Spanish company. The minority shareholder in this company is Lar-Grosvenor. The interest in this Spanish company has been fully consolidated in the annual accounts as per April 1, 2003.

Indirect investment result

The indirect investment result over 2003 amounted to € 27.0 million negative (2002: € 17.8 million negative). The indirect investment result is composed of unrealised revaluations on the property portfolio of € 17.9 million negative (2002: € 8.3 million negative), realised positive sales results in relation to the last reported appraisal value of € 0.7 million (2002: € 1.5 million), less allocations to the provision for deferred taxes of € 3.8 million (2002: € 3.2 million) and the costs of asset management of € 5.9 million (2002: € 7.8 million).

The indirect investment result per share came to € 1.69 negative (2002: € 1.14 negative).

Average interest rates and years of interest rate revision

	Amount (x € million)	Average interest rate (in %)
2004	152.0	3.51
2005	36.4	5.63
2006	63.1	4.80
2007	104.4	4.75
2008	116.5	4.45
2009 –	125.6	5.14

Unrealised revaluation

The negative unrealised revaluation is caused by the write-down of the German property portfolio of € 42.4 million. The unrealised revaluation of the property portfolios in the other countries was € 24.5 million positive.

The value of the property portfolios in France and Italy in particular increased by percentages well above local inflation. In Spain the increase was limited by an 8% write-down of the shopping and leisure park Parque Vistahermosa. This project was taken into operation in 2002 and at year-end 2003 had an occupancy rate of 87.0%.

Costs of asset management

The costs of asset management fell in 2003 by € 1.9 million from € 7.8 million in 2002 to € 5.9 million in 2003. This decrease is due to the take-over of Forum Management as per January 1, 2003, as a result of which the costs of asset management charged by this company in previous years disappeared from the consolidated figures.

Financing with shareholders' equity and loans

Due to the optional dividend for 2002 proposed to the shareholders of either € 4.15 fully in cash or € 2.65 in cash and 4.17% in shares charged to the share premium reserve, during the 2003 financial year 500,783 shares were issued due to stock dividend. That was equivalent to 76.8% of the shares in issue opting for stock dividend (2002: 84.2%). Group equity expressed as a percentage of investments decreased in 2003 by 51.6% at year-end

2002 to 50.7% at year-end 2003. This decrease was mainly due to the write-down of the German portfolio and the expansion of the Spanish property portfolio with the property Madrid Sur. The acquisition price (including acquisition costs) of this property based on 100% amounted to € 64.4 million. The shopping centre was financed with a long-term mortgage loan of € 30.7 million with an annually adjustable interest rate (2.98% as per December 31, 2003). The hypermarket was financed with a long-term mortgage loan of € 12.6 million with a fixed interest rate of 4.78%.

The ratio between long-term loans (more than 1 year) and short-term loans (shorter than one year) changed from 61/39 to 75/25 mainly as a result of the financing of the Madrid investment. In addition, in connection with the previously mentioned sales, short-term loans in particular was redeemed and in the Belgian property portfolio a shift from short-term loans to long-term loans took place of € 25 million (3 year term). The average term of the long-term loans rose slightly from 4.0 to 4.3 years.

The average interest rates and the years of interest rate revisions of the total of long-term loans of € 598.0 million have been presented above.

The average interest rate of the long-term loans for 2003 amounted to 4.73% (2002: 5.08%). The short-term interest bearing loans had an average interest rate of 3.12% in 2003 (2002: 3.86%).

The appraisals that took place in the Dutch property portfolio in 2003 showed a value increase of € 6.1 million.

Houten, shopping centre Het Rond





bart smit

bart smit

bart smit

bart smit

bart smit

SOAPINO

Dividend per share (in €)

2001	4.01
2002	4.15
2003	4.24

Shareholders' equity per share

Shareholders' equity per share, including the direct investment result, decreased mainly due to the write-downs in the German property portfolio from € 48.80 to € 46.90.

Dividend proposal

VastNed Retail's dividend policy in principle entails putting the direct investment result fully or virtually fully at the disposal of the shareholders. In line with previous years an optional dividend is proposed to the shareholders that may be paid out either fully in cash or partly in cash and partly in the form of stock dividend to be charged to the share premium reserve. In order to fulfil the fiscal conditions for fiscal investment institutions, at least the fiscal result must be paid out in cash.

In accordance with this dividend policy, it will be proposed to the general meeting of shareholders on April 6, 2004 to declare a dividend of € 4.24 per ordinary share.

Taking into account the said fiscal pay-out obligation as well as the share price on that date, shareholders will be able to choose between the dividend being paid out either fully in cash, or € 2.45 in cash and a percentage of shares in VastNed Retail yet to be determined, to be charged to the share premium reserve.

Risk management

Investing in a property fund involves risk. These risks depend on the one hand the property itself, but on the other also on the way in which the property is financed and the way in which the acquisition is structured (fiscally).

Risks inherent in property

With its property portfolio VastNed Retail aims to achieve a combination of direct return based on gross rental income and indirect return based on value growth of the property portfolio. The level of the return is in principle dependent on the risk profile of the property concerned. The return may be negatively affected by the general economic situation in the countries in which VastNed Retail is active and by local market circumstances leading to oversupply of or a decrease of the demand for property. Also, the return and the associated risks are determined to a large extent by the character and location of the property and the extent to which the property must compete with nearby property projects. In addition the return can be negatively affected by rising operating expenses due to for instance amended regulations concerning environmental, safety or maintenance standards or a new permission policy. Changes in fiscal regulations and rent legislation may have great influence on the return to be achieved. An important risk factor is the quality of the tenant and the rent contract. A financially weak tenant may lead to the cessation of cash flow and eventually to vacancy, as the property cannot immediately be relet.



Nice → Schoorl → Antwerp → Mönchengladbach → Wesel

Portfolio management

VastNed Retail's management is constantly taking stock of the development of aforementioned factors, both before acquisition and during the investment period of the property. Based on the best possible assessment of these risk factors, a risk profile is attached to the property. Depending on the risk profile a certain return must be achieved. VastNed Retail utilises an internal arithmetical model on the basis of which periodically the anticipated future return is calculated for each property. This anticipated return is set against the return achieved based on the risk profile as assessed.

VastNed Retail aims on the one hand for the best possible balance between risk profile and return of each individual property. On the other hand the company aims to mitigate the total portfolio risk by maintaining a spread in the portfolio in terms of geographical location, size of the properties, quality of the tenants et cetera.

In addition internal administrative and organisational measures have been put in place aimed at limiting risks as much as possible. Examples are a careful investment selection procedure, screening of tenants before entering into contracts, controlling rent arrears, timely anticipation of future rent cancellations and contract revisions, controlling of the occupancy rate et cetera.

Currency risks are excluded by investing exclusively in the eurozone.

Financing risks

The portfolio can be financed partly from shareholders' equity and partly with loans. A relative increase of loans compared to shareholders' equity can result in a higher return (so-called 'leverage'), but also leads to increased risk. If returns from property fall, at a high degree of leverage there is a risk that the interest and repayment obligations on the loans and other financial obligations can no longer be met. Financing with new loans can then no longer be obtained or only on very unfavourable terms. In order to be able to meet the financial obligations, property must then be sold, often not at the most favourable terms.

In order to limit that risk, it is VastNed Retail's policy that the financing of the property portfolio is limited to approximately 40 to 45% of the market value of the property. This policy may be temporarily deviated from in case of interesting acquisition opportunities and an acceptable interest rate in relation to the return on property.

Due to the financing with loans, the return becomes dependent on interest rate development. In order to limit this risk, the company aims in the composition of the loan portfolio for a ratio of one third short-term loans and two thirds long-term loans. Within the long-term loans, a balanced spread is sought over the years in terms of interest revision dates and refinancing dates.



Turnhout → Lyon → Amsterdam → Leek → Sens

Fiscal risks

Tax law plays an important part in the investment in property. Important tax aspects are inter alia corporate income tax, transfer tax, turnover tax and local levies.

Transfer tax

Especially at the acquisition of property, the transfer must be structured in such a way that transfer tax or comparable levies due are limited. The tax authorities may take the position that transfer tax is due.

VastNed Retail aims to limit the abovementioned risk by preceding careful analysis of the fiscal risks by the board of management, supported by expert internal and external tax lawyers. In certain cases guarantees may also be sought from the seller of the property.

Corporate income tax

VastNed Retail is a fiscal investment institution; pursuant to this the company is under certain circumstances not subject to corporate income tax on the return achieved on the Dutch property portfolio. There is a possibility that VastNed Retail could no longer fulfil the conditions of a fiscal investment institution, so that the company would become subject to corporate income tax on both its direct and indirect result. The conditions mainly concern the composition of the pool of shareholders, the fiscal financing ratios and the fiscal pay-out obligation.

VastNed Retail limits this risk by frequent and careful checking by the board of management and the supervisory board, supported by expert internal and external tax lawyers, that the company continues to meet the abovementioned conditions.

In order to control the aforementioned risks the board of management uses risk analyses concerning the objectives. It has drawn up a manual for this and implements systematic monitoring and reporting. The risk limitation and control mechanisms are adequate and effective.

IFRS

As a publicly listed company, in accordance with the European regulations VastNed Retail will draw up its annual accounts from the start of the 2005 financial year based on the International Financial Reporting Standards (IFRS). Since comparative figures for 2004 must be included in the 2005 annual accounts, as per January 1, 2004 an 'IFRS' opening balance sheet will be drawn up.

As a fund belonging to the NextPrime segment of Euronext, VastNed Retail will include in its semi-annual report 2004 an overview of the effects of the implementation of IFRS on this opening balance sheet as per January 1, 2004 and on the 2004 result.

Together with other property funds and interested parties in the property sector (such as EPRA) VastNed Retail is closely involved in the assessment of the consequences of the implementation of IFRS by property funds.

Below an overview is presented of the principal changes for VastNed Retail of the implementation of IFRS.

VastNed Retail will include in its semi-annual report 2004 an overview of the effects of the implementation of IFRS.

Presentation of realised and unrealised value movements in the profit and loss account

Under IFRS, realised and unrealised value movements must be recognised in the profit and loss account, and no longer in the revaluation reserve as was done so far. Consequently, the result according to the profit and loss account consists of the total investment result and the generally accepted distinction between direct and indirect investment result threatens to disappear. Also, the costs of asset management can no longer be recognised via the revaluation reserve. VastNed Retail and other investment funds would favour to continue to be able to see the distinction between direct and indirect investment result directly in the profit and loss account. A model for this that also complies with IFRS is being prepared. As announced previously, VastNed Retail will no longer recognise the costs of asset management in the revaluation reserve starting from the 2004 financial year.

Provision for deferred tax liabilities

Based on IFRS it might be concluded that the provision for deferred tax liabilities should be valued at nominal value. Property funds have objected to this based on the following arguments:

- Valuation at nominal value conflicts with the fair value model that IFRS endorses in its basic principles. Valuation at present value would be more logical since property funds hold investments for extended periods, so that a possible tax payment would manifest itself beyond the horizon (or not at all, see below).

- Valuation at nominal value does not take the fiscal structure into account. In many cases, in order to delay taxation, a property fund will agree with a buyer to buy shares of a property company liable to corporate income tax. The price of the shares will then be reduced with the present value of the provision for deferred tax liabilities. Based on the present size of VastNed Retail's deferred tax liabilities, if the tax liabilities were recognised at nominal value net asset value at year-end 2003 would decrease by approximately € 1.30 per share. In principle this change does not affect the future direct investment result.

Neither the property funds nor their auditors at present agree on whether under IFRS the provisions for deferred tax liabilities should be valued at nominal value.

Rent discounts, rent-free periods, key money, rent incentives and letting costs

It is the principle of the IFRS that income and expenses must be allocated as much as possible to the periods to which they relate (the so-called 'matching' principle). Pursuant to this rent discounts, rent-free periods, key moneys, rent incentives and letting costs should be spread across the running time of the new contract (straight-lining) in the profit and loss account.

Based on the present valuation principles, rent discounts, rent-free periods, key moneys, rent incentives and letting costs are fully recognised in the result of the period in which the costs emerge. As a consequence of this regulation, if IFRS is applied a (limited) positive result might ensue on equity and result. The long-term effect is neutral.

Part of the sales proceeds will be used to strengthen the solvency ratio. The remainder provides room for making new attractive investments, both in existing and in new properties.

Pensions

The present pension schemes at VastNed Management will in all likelihood be characterised under IFRS as 'defined benefit'. Consequently, an assessment will have to be made of the future pension costs taking future salary rises, average working week, inflation et cetera into account. Based on that, a provision will have to be made with a view to spread the pension costs more equally over the years. VastNed Retail has asked its pension insurer to assess the above effects. The outcome at present is not yet known and therefore hard to estimate.

Notes to the annual accounts

Under IFRS a number of additional data will have to be disclosed in the notes. VastNed Retail aims to prepare a draft text of the 'IFRS' annual accounts in the course of 2004.

Outlook for 2004

At present it is assumed that an economic recovery in the eurozone will arrive at the earliest in the second half of 2004 or in early 2005. The influence of the present economic climate on the market for retail properties has so far remained relatively limited. Consumer spending has been relatively stable, with the exception of spending in certain sectors (such as home improvement, luxury items and to a lesser extent clothing). In addition, differences are visible in the economic climates of the various countries in which VastNed Retail is presently active. The increased demand for property investment in southern Europe appears to be stabilising; the relatively high inflation in these countries appears to be developing in the direction of the inflation in the countries of north-western Europe. The interest rates are expected to stay at historical low levels.

The size of VastNed Retail's property portfolio is expected to decrease somewhat in 2004 due to the intended sale of properties in Spain, Germany, France and Italy. Part of the sales proceeds will be used to strengthen the solvency ratio. The remainder provides room for making new attractive investments, both in existing and in new properties. Furthermore in 2004 inter alia the letting efforts concerning the factory outlet in Messancy and Parque Vistahermosa in Alicante will lead to an increase in gross rental income. The quality of the property portfolio will improve further due to the realisation of the intended sales and due to new investments in high-quality property.



Malaga → Vichy → Maastricht → Zaandam → Dortmund-Aplerbeck → Dinant → Malaga

Starting from 2004, as indicated earlier, VastNed Retail will recognise the costs of asset management in the direct investment result. If this recognition had been applied in 2003, the direct investment result per share would have been € 0.37 lower, at € 3.87 per ordinary share. The indirect investment result would have increased by € 0.37. The new recognition method therefore does not affect the total investment result.

Based on the aforementioned developments, and barring exceptional circumstances, including global tensions and their contiguous unpredictable economic consequences, for 2004 on balance a marginal increase of the direct investment result per ordinary share is anticipated, partly depending on the number of shareholders opting for stock dividend.

Rotterdam, February 25, 2004
The board of management

In the spring of 2003 the shopping centre Madrid Sur was acquired. It concerns a beautifully located shopping centre where in the autumn various rent renewals were achieved.

Madrid, Madrid Sur





Corporate Governance

Introduction

On December 9, 2003 the text of the Tabaksblat Code (the Code) has become definitive. The Code is a guideline for company management, accountability and transparency. VastNed Retail welcomes the Code as it offers a clear benchmark as to what requirements company management must meet. The company has already taken several steps to bring the company management system into compliance with the Code. At present, VastNed Retail complies virtually fully with all the conditions of the Code. Reference is made to the corporate governance checklist. Insofar as material company interests, contractual relations or significant costs do not oppose it, VastNed Retail will take further steps to improve the corporate governance, such as the change to the articles of association that will be put to the general meeting of shareholders on April 6, 2004. Each year in a separate part of its annual report, VastNed Retail will explain the corporate governance and in case of material changes to the structure, will put those to the general meeting of shareholders for discussion.

Code of conduct

VastNed Retail has drawn up a code of conduct, which applies to the board of management and all staff. The text of this code of conduct can be found on www.vastned.nl.

Organisational structure VastNed Group

VastNed Retail is part of the VastNed Group. The VastNed Group is composed of VastNed Retail, VastNed Offices/Industrial and their respective subsidiaries. Management, as well as asset management and property management, are executed by VastNed Management. The shares in this company are held by VastNed Retail and VastNed Offices/Industrial. As a result of this joint management cost benefits can be realised and synergic knowledge exchange takes place.

Legal structure

The legal structure of the VastNed Group consists of two publicly listed companies which have the status of investment companies with variable capital pursuant to Article 2:76a of the Netherlands Civil Code.

VastNed Management can realise cost benefits and synergic knowledge exchange takes place.

An investment company with variable capital is a public limited company:

- which has the exclusive objective of investing its capital in such a way that the risks are spread, in order to allow its shareholders to share in the returns,
- whose board of management has the authority pursuant to the articles of association to issue, acquire and dispose of shares in its capital,
- whose shares, with the exception of shares to which the articles of association grant an extraordinary right regarding authority in the company, are entered in the price list of the stock exchange and
- whose articles of association stipulate that the company is an investment company with variable capital.

VastNed Management

VastNed Management has no independent profit objective and has entered into an agreement with VastNed Retail and VastNed Offices/Industrial for the distribution of costs (cost allocation agreement). Costs relating directly to the company or the property of the company or its subsidiaries are recognised there. Other costs that cannot be allocated directly are borne by VastNed Management and charged on to VastNed Retail and VastNed Offices/Industrial based on actual work (proportionally to the Dutch property portfolio).

The shares in VastNed Management are held for two-thirds by VastNed Retail and for one third by VastNed Offices/Industrial. This proportion originates in the size of the property portfolios at the time when the cost allocation agreement was entered into in January 1996. The agreement has a 10-year term.

The cost allocation agreement provides in specific change of control clauses, meaning that in case of a public offer on VastNed Offices/Industrial the functioning of VastNed Retail is not affected.

VastNed Retail

The legal structure of VastNed Retail, its major subsidiaries and participations is presented below.

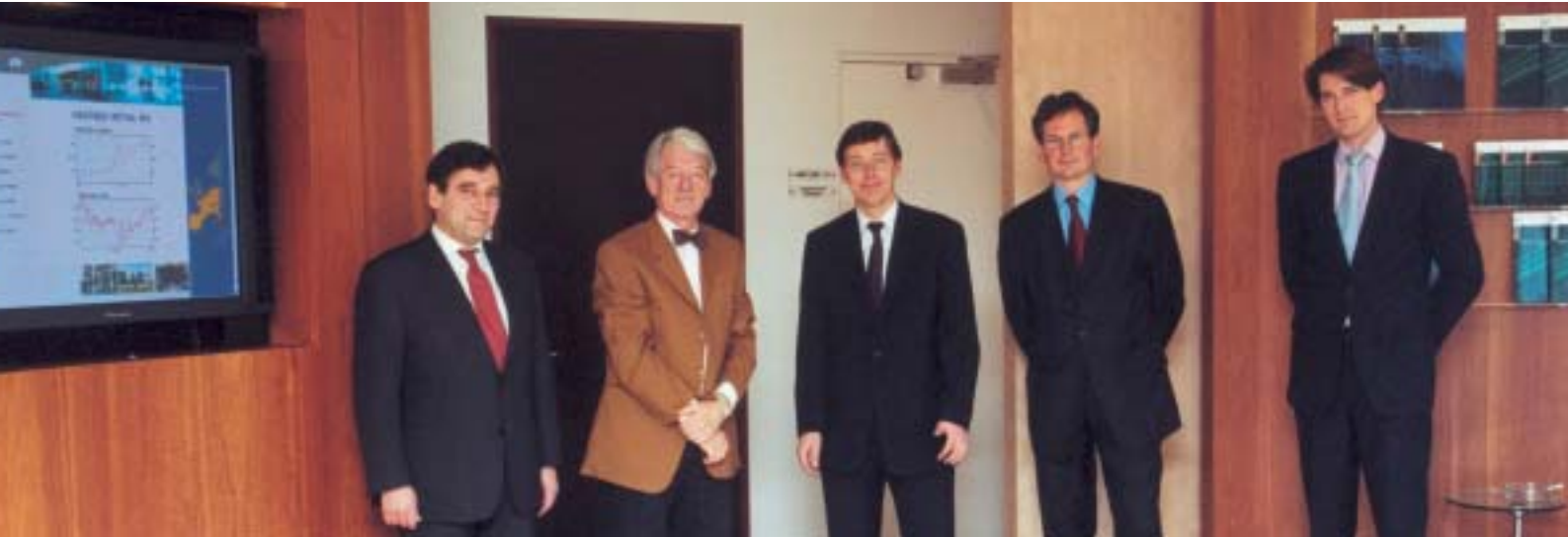
VastNed Retail

VastNed Retail is a publicly listed company, which also has direct ownership of the Dutch retail portfolio, with the exception of Winkelcentrum Het Rond CV, and has the status of a fiscal investment institution.

Het Rond, Houten

The limited partnership Winkelcentrum Het Rond holds VastNed Retail's investment in Winkelcentrum Het Rond in Houten. As a limited partner, VastNed Retail has a 49.5% interest in this limited partnership. Due to the fiscally transparent structure of this limited partnership, the income from this interest comes under the regime of the fiscal investment institution. Het Rond Houten, a 50% subsidiary of VastNed Retail, acts as managing partner. This company has an interest of 1% in the limited partnership. VastNed Management is director of Het Rond Houten.

VastNed Retail consolidates this subsidiary and the limited partnership fully, and recognises the minority interests as group equity.



Managementteam: R.A. van Gerrevink, H.K.M. Roovers, T.M. de Witte, J. Pars and A.G.H. du Pont

Foram International Holdings and Foram Management

Foram International Holdings is the holding company for the French and southern European investments of VastNed Retail. These investments are held by local companies. VastNed Retail is also (indirect) shareholder in Foram Management. This company, together with its subsidiaries and VastNed Management executes the asset management of the French and southern European property portfolios. Foram International Holdings is a fiscal unity with VastNed Retail and also has the status of a fiscal investment institution.

VastNed Retail Immobilienfonds OIK nr 30 (OIK) and VastNed Retail Germany

VastNed Retail Immobilienfonds OIK nr 30 (OIK) and VastNed Retail Germany hold the investments in Germany. OIK is managed by Oppenheim Immobilien Kapitalanlagegesellschaft mbH. On behalf of VastNed Retail, Mr. R.A. Van Gerrevink, Mr. H.K.M. Roovers and Ms A.L. Deriga are on the board of the Anlageausschuss. VastNed Management manages VastNed Retail Germany.

Intervest Retail

VastNed Retail has a 77% interest in Intervest Retail, a Bevak listed on Euronext Brussels. A Bevak materially has a tax-free status and as such is comparable to a Dutch fiscal investment institution. On behalf of VastNed Retail, Mr. R.A. Van Gerrevink, Mr. H.K.M. Roovers in addition to three independent members are on the board of management of Intervest Retail. VastNed Retail consolidates this subsidiary fully and recognises the minority interest as group equity. As from January 1, 2004 Intervest Retail carries out its own property and asset management. This means

that all employees have an agreement with Intervest Retail without the intervention of a joint management company. Until December 31, 2003 asset and property management were carried out by Intervest Management, a wholly owned subsidiary of VastNed Retail.

Management

Introduction

VastNed Management is statutory and sole director of VastNed Retail. This company is represented by its statutory board of management. The board of management carries out the daily management of the company within margins agreed with the supervisory board.

The board of management puts the operational and financial objectives, the strategy and the margins to be observed to the supervisory board for approval. The statutory board of management, the director Southern Europe and the company secretary jointly are the management team. This management team as a rule meets every fortnight.

The board of management is responsible for having at its disposal full and correct information.

As from January 1, 2004 Interinvest Retail carries out its own asset and property management.

Curricula vitae of the directors

*Reinier A. van Gerrevink (March 3, 1950),
statutory director, CEO*

Mr. Van Gerrevink joined the VastNed Group on September 1, 2002 as Chief Executive Officer. In 1993 he joined Rodamco Europe as Chief Financial Officer. From 1995 to 1999 he was Directeur Général Rodamco France. In 1999 he joined Robeco, where he was charged with inter alia legal affairs. Since 2001 he has held the positions of Chief Financial Officer and Chief Operating Officer with Weiss Peck & Greer in New York. Mr. Van Gerrevink is a member of the supervisory board of Stichting Stadsherstel Rotterdam. Mr. Van Gerrevink holds a degree in Dutch law from the University of Utrecht.

*Huub K.M. Roovers (November 20, 1943),
statutory director, CIO*

Mr. Roovers has been with VastNed since June 1, 1989. He is Chief Investment Officer of the VastNed Group. Before coming to VastNed, Mr. Roovers gained considerable experience in the property sector with Blauwhoed and Rodamco.

*Mr. Tom M. de Witte, (September 7, 1966),
statutory director, CFO*

Mr. De Witte joined the company on June 16, 2003 as Chief Financial Officer. Previously Mr. De Witte worked as an auditor with Deloitte Accountants, where he was involved in property commissions almost full-time. Mr. De Witte graduated in civil law and business administration from Erasmus University Rotterdam. At the same university he qualified as a certified public accountant.

*J. (Hans) Pars (August 16, 1962),
director Southern Europe*

Mr. Pars joined the company on June 1, 2003 as director Southern Europe. Mr. Pars was previously with Zadelvast Beheer, Stichting Pensioenfondsen Hoogovens and most recently with Rodamco Europe, where he held the position of managing director Central Europe. Mr. Pars has gained experience in the property sector in the Netherlands, Belgium, France, Germany and Eastern Europe. He graduated in structural engineering from the Technical University Eindhoven and in property studies from the University of Amsterdam.

All members of the board of management have reported their most important additional functions. None of them are members of the supervisory board of any other publicly listed company. Acceptance of such a function would require approval of the supervisory board.

Curriculum vitae of the company secretary

*Arnaud G.H. du Pont (May 25, 1966),
general counsel/company secretary VastNed Group*

Mr. Du Pont is general counsel/company secretary to the VastNed Group and as such he is charged inter alia with investor relations. Before Mr. Du Pont joined the VastNed Group in January 2000, he was a tax lawyer with BDO and PricewaterhouseCoopers respectively. Mr. Du Pont graduated in fiscal law from the Erasmus University Rotterdam.



Breda → Tiel → The Hague

Remuneration of the board of management

The directors of VastNed Management receive for their activities a remuneration of a level and structure that are such that qualified and expert directors can be attracted and retained. The fixed salary contains a pension component. On the remainder of the fixed salary no pension rights are built up. The remuneration committee of the supervisory board is presently considering a composition of the variable part of the remuneration, which aims to achieve a link between performance and short-term and long-term objectives. These objectives will be determined in advance; they are measurable and the directors have influence on their realisation.

Below an overview is given of the annual remuneration of VastNed Management's board of management. In the annual accounts an overview is included of the remuneration recognised to the charge of the direct investment result.

	Years of service	Fixed salary	Pension component
R.A. van Gerrevink	2	418,000	318,000
H.K.M. Roovers	15	175,000	n/a
J. Pars, (as from June 1, 2003)	1	200,000	175,000
T.M. de Witte, (as from June 16, 2003)	1	145,000	120,000
Total		938,000	613,000

The remuneration has been converted to full year salaries where applicable.

Summary of employment contracts of the board of management

Reinier A. van Gerrevink

Mr. Van Gerrevink is entitled to a fixed salary of € 418,000 (level 2003), of which the pension component is € 318,000. Mr. Van Gerrevink joined the company on July 1, 2002. In case of involuntary dismissal by the general meeting of shareholders, Mr. Van Gerrevink is entitled to a fee of € 600,000. If the employment contract is terminated due to a merger of take-over, a fee of € 800,000 will be paid. These regulations were stipulated at the conclusion of the employment contract. Mr. Van Gerrevink was appointed for an indefinite period.

The retirement age for Mr. Van Gerrevink is 63. His pension is determined in accordance with the so-called 'final pay formula', with the principle that the pension will amount to at least € 160,000, price-index linked, at the age of 63, related to the pension component at the time of the agreement of the employment contract of € 300,000. Should the basic salary be raised, the pension will be raised accordingly. For this scheme there is no own contribution.

Huub K.M. Roovers

Mr. Roovers is entitled to a fixed annual salary of € 175,000. His retirement age is 60. Since Mr. Roovers has already reached retirement age, no pension premiums are payable. In case of involuntary dismissal, Mr. Roovers is not entitled to a fee, since he has already reached retirement age. Mr. Roovers' employment contract expired on December 31, 2003. The contract for his activities as director was extended until June 30, 2004. Mr. Roovers is planned to transfer his tasks and the statutory directorship to Mr. Pars.



Alençon → Arnsberg → Ghent → Lüneburg → Hannover-Langenhagen

Tom M. de Witte

Mr. De Witte is entitled to a fixed salary of € 145,000 (level 2003), of which the pension component is € 120,000. Mr. De Witte joined VastNed Management on June 16, 2003. The retirement age for Mr. De Witte is 65. His pension is premium free. Mr. De Witte's pension is determined in accordance with the so-called 'final pay formula'.

In case of involuntary dismissal, Mr. De Witte is entitled to a fee to be determined in accordance with the system of the so-called 'kantonrechttersformule', taking account of his 12 years of service at the time of appointment. These regulations were stipulated at the conclusion of the employment contract. If in case of a merger or take-over of one of the VastNed funds, the employment contract is terminated, on the initiative of VastNed Management an indemnity fee of 15 months' salary will be paid. Mr. De Witte was appointed for an indefinite period.

Hans Pars

At the time of publication of this annual report, Mr. Pars is not a statutory director of VastNed Management. In the middle of this year, Mr. Pars will succeed Mr. Roovers in his responsibilities and at that time will be appointed as statutory director. VastNed Management has already received approval of the Autoriteit Financiële Markten. Mr. Pars joined the company on June 1, 2003.

Mr. Pars' employment contract has a basic salary of € 200,000, with a pension component of € 175,000. His retirement age is 65. During a period of 10 years after his appointment, VastNed management will annually pay an additional pension contribution of € 7,000 over and above the normal contribution. The pension is premium free.

Mr. Pars' pension is determined in accordance with the so-called 'final pay formula'.

In case of involuntary dismissal, Mr. Pars is entitled to a fee to be determined in accordance with the system of the 'kantonrechttersformule', taking account of his 10 years of service at the time of appointment. These regulations were stipulated at the conclusion of the employment contract. If in case of a merger or take-over of one of the VastNed funds, the employment contract is terminated within two years of his joining the company, on the initiative of VastNed Management an indemnity fee of 15 months' salary will be paid. Mr. Pars was appointed for an indefinite period.

The maximum dismissal fees can, in view of the above, amount to more than one year's salary.

VastNed Management will hold to the employment contracts agreed with the members of the board of management and the dismissal schemes included therein.



Nancy → Cannes → Utrecht

Share ownership

Overview of share ownership of the members of the board of management

R.A. van Gerrevink

Number of shares as at January 1, 2003	1,700
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Movement of number of shares as at May 5, 2003	71
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Movement of number of shares as at September 5, 2003	(1,500)
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Number of shares as at December 31, 2003	271
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Price of purchase on May 5, 2003	stock dividend
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Price of sale on September 5, 2003	€ 40.70
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Mr. Van Gerrevink has acquired all shares at his own cost. VastNed Retail has not provided any guarantees with regard to these shares. The above shareholding has been reported to the Autoriteit Financiële Markten and is available from www.afm.nl. The other directors did not hold any shares in VastNed Retail during 2003.

VastNed Retail has drawn up regulations as meant in Article 46d of the Netherlands Act on the Supervision of the Securities Trade 1995. These regulations determine during which periods the members of the supervisory board, members of the board of management and employees of VastNed Management can trade shares of VastNed Retail (open periods). The closed periods, in which trade is not permitted, concern the periods preceding the publication of the financial reports. The full text can be viewed on www.vastned.nl.

Other information

Transactions of members of the board of management

None of the members of the board of management has made any transactions with VastNed Retail other than those that result from their employment contract.

Conflicting interest of members of the board of management

None of the members of the board of management has gone into competition with VastNed Retail in any way. No donations by VastNed Retail to members of the board of management or their family members have taken place, no member of the board of management has provided unjustified benefits to third parties nor provided business opportunities from VastNed Retail to either himself or his family. In the context of the corporate governance pursued by VastNed Retail, the directors declare to operate in conformity with the Code in all abovementioned cases.

No (potential) conflicts of interest have occurred. If such should occur, the respective member of the board of management reports it to the chairman of the supervisory board and will refrain from participation in the discussion of and decision on the matter in which the member has a conflict of interest. In addition, transactions with a conflict of interest will be agreed under the conditions that are customary in the industry.

Loans to members of the board of management

VastNed Retail has not provided loans to the members of its management board, nor have the members provided loans to VastNed Retail.



Madrid → Thoiry → Alicante → Brussels → Wedemark-Mellendorf

Country boards of management

The Netherlands

In addition to the management team, which has central control and coordination over the various country portfolios, the Dutch team of property specialists is directly headed by Mr. Roovers. Central control of the various country organisations is also exercised from the Netherlands. These activities take place from the head office in Rotterdam.

Belgium

The Belgian activities, classified under Intervest Retail, are managed by Gert Cowé (CEO), Nicolas Mathieu (CFO) and Rudi Taelemans (CIO). Mr. Van Gerrevink and Mr. Roovers, in addition to three independent directors, are on the board of management of Intervest Retail. These activities are executed from the Antwerp office.

Germany

The German property portfolio is largely managed by Oppenheim Immobilien Kapitalanlagegesellschaft mbH. This is a property management company not associated with VastNed Retail. These activities are executed from Wiesbaden.

France and southern Europe

The French and southern European activities are controlled by Mr. J. Pars. He heads the country organisations in Spain and France.

Spain and Portugal

The Spanish organisation, VastNed Management Spain, is headed by Javier Hortelano de la Lastra. VastNed Management Spain has six employees in total and executes tasks in the area of asset management and administration. The property management is mostly subcontracted to third parties and is controlled by VastNed Management Spain. The company has its office in Madrid. From this location the activities in Portugal are also controlled. These activities are too small in terms of size to justify establishing a branch there.

France and Italy

The French organisation, VastNed Management France, is headed by Benoit Dantec. VastNed Management France has four employees in total. These are responsible for asset management and administration. The property management is executed locally and is partly subcontracted to third parties. VastNed Management France is also responsible for the Italian property portfolio. VastNed Retail intends to discontinue its activities in Italy. In that context, and in view of the small size of the Italian property portfolio, no Italian branch has been established.

Supervisory board

Introduction

The supervisory board of VastNed Retail consists of the same members as the supervisory board of VastNed Offices/Industrial and VastNed Management. They are a personal union.

The supervisory board supervises the daily policy of the board of management of VastNed Retail and provides the board of management with advice.

Tasks

The supervisory board supervises the daily policy of the board of management of VastNed Retail and provides the board with advice. In the fulfilment of its task, the supervisory board considers the interests of VastNed Retail. In that, the board weighs all relevant interests of all stakeholders in VastNed Retail (including the shareholders). The supervisory board carries responsibility for the quality of its own functioning. VastNed Retail provides the supervisory board with the necessary means for the execution of its task. In case his functioning should be inadequate, structural incompatibility of interests and other problems, a supervisory board member will offer his resignation.

The tasks of the supervisory board include:

- Supervision and monitoring of, and advising the board of management on:
 - realisation of the objectives of the company;
 - strategy and the risks associated with the business activities;
 - the set-up and functioning of the internal risk management and control systems;
 - the financial reporting process;
 - compliance with legislation and regulations;
- The publication, compliance with and upholding of the corporate governance structure of the company;
- The approval of the annual accounts and the approval of the annual budget and important investments and divestments of the company;
- The selection and nomination of the external auditor of the company;
- The selection of the board of management, at present VastNed Management, including the members of the

board of management of VastNed Management (henceforth: board of management), the proposal for the adoption by the general meeting of shareholders of VastNed Retail of the remuneration policy for members of the board of management, the determination of the remuneration (taking account of the stated remuneration policy) and the contractual employment conditions of the members of the board of management;

- The selection of the members of the supervisory board and the proposal regarding the remuneration of its members to be adopted by the general meeting;
- The evaluation and assessment of the functioning of the board of management and the supervisory board as well as their individual members (including an assessment of the profile of the supervisory board and the induction, education and training programme);
- The handling of and decisions regarding reported potential conflicts of interest between VastNed Retail on the one hand and members of the board of management, the external auditor and the major shareholder(s) on the other;
- The handling of and decisions regarding reported supposed irregularities that concern the functioning of members of the board of management.

The supervisory board will annually draw up and publish a report at the conclusion of the financial year on the functioning and the activities of the supervisory board and its committees in that financial year.

For a full overview of the tasks of the supervisory board, reference is made to the regulations drawn up by the supervisory board, which can be viewed on www.vastned.nl.



Milan → Wilhelmshaven → Barcelona → Paderborn → Völklingen

Chairman of the supervisory board

The chairman of the supervisory board has a coordinating task. The chairman monitors compliance with the requirements of best practice principle III.4.1 of the Code. He is supported in this by the company secretary. The company secretary is appointed and dismissed by the board of management, either on the initiative of the supervisory board or not, subject to supervisory board approval. The chairman is neither a previous member of the board of management nor an employee of VastNed Retail or one of its subsidiaries.

Profile of the supervisory board

Profile of the supervisory boards of VastNed Retail, VastNed Offices/Industrial and VastNed Management.

Preamble

VastNed Management B.V. (the management company) provides management and directory board for two publicly listed property investment companies: VastNed Retail N.V. and VastNed Offices/Industrial N.V. (together: 'VastNed'). These funds invest in the Netherlands and in selected European countries that are part of the monetary union.

The supervisory boards of both funds and the management company are a personal union.

The business objective of both funds is to achieve a combination of direct return based on rental income and indirect return due to value growth of the property portfolio.

To achieve this objective, VastNed Management maintains a small, high quality management organisation. The supervisory board supervises the policies of the board of management, including the investment policy, and supports the board of management with advice. The members of the supervisory board are appointed by the shareholders of the respective funds. They are expected to have the confidence of the shareholders.

Profile

- The supervisory board must be composed as the law prescribes. For VastNed this means that the supervisory board should be able both qualitatively and quantitatively to supervise effectively in terms of knowledge and experience the management of both publicly listed companies.
- The supervisory board shall have at least four and at most six members.
- The following qualities must be represented on the supervisory board:

Primary:

- Knowledge of and experience with institutional investors, such as pension funds;
- Financial knowledge, both on the financing side and the administrative side;
- Knowledge of the retail world, preferably international, including the property side of the retail sector;
- Knowledge of the property and property investment world inter alia in the area of offices and semi-industrial property;

The ten largest tenants in the Belgian property portfolio generate 35.5% of the theoretical rental income in Belgium.

Antwerp, 28-30 Leysstraat







Supervisory board: D. van den Bos, N.J. Westdijk, Mrs. A.L. Deriga, F.W. Mulder and W. Nijman

Secondary:

- Experience in leading publicly listed funds, including experience with investor relations of such funds;
- Experience with high quality professional organisations such as lawyer firms, audit firms, tax advisers et cetera.
- The supervisory board aims for such a composition in terms of size and personnel that the retirement scheme does not lead to lack of continuity within the supervisory board.
- The supervisory board aims to have the shareholders appoint at least one female member.
- The supervisory board will compose two committees from its midst, to wit an audit committee and a remuneration committee. The supervisory board as a whole will also function as the selection and appointment committee.

Composition of the supervisory board

- W. Nijman, chairman
- A.L. Deriga, vice-chairman
- D. van den Bos
- F.W. Mulder
- N.J. Westdijk

The curricula vitae of the supervisory board members and the retirement scheme are included in the report of the supervisory board.

Audit committee

Tasks

The audit committee is charged with supervising the financial affairs of VastNed Retail in the broadest sense of the word. For a complete overview of the tasks of the audit committee, you are referred to www.vastned.nl.

Procedural tasks

Four times per year the audit committee draws up a report of its deliberations and findings. At least once a year the committee will report on the developments in the relation with the external auditor. Once every four years a thorough assessment is made of the functioning of the external auditor. The external auditor receives the financial information on which the quarterly and semi-annual reports are based and is given the opportunity to respond to it. The audit committee is the first point of contact for the external auditor when irregularities are observed.

The committee decides whether members of the board of management and the external auditor are present at its meetings. The committee meets at least once a year with the external auditor in the absence of the members of the board of management.

Composition

The audit committee consists of three independent members. Mr. Nijman can be characterised as a financial expert. Mr. Van den Bos is chairman. Mr. Nijman and Mr. Mulder are members of the audit committee.

The supervisory board aims for such a composition in terms of size and personnel that the retirement scheme does not lead to lack of continuity within the supervisory board.

Remuneration committee

Tasks

The remuneration committee is charged with advising the supervisory board on the remuneration policy in the broadest sense of the word. For a complete overview of the tasks of the remuneration committee, you are referred to www.vastned.nl. Its tasks include making a proposal to the supervisory board regarding the remuneration policy to be pursued for members of the management board to be adopted by the general meeting of shareholders, and the same for individual members of the board of management.

Procedural tasks

In addition, the remuneration committee draws up the remuneration report to be adopted by the supervisory board. The remuneration report of the supervisory board is placed on the website of the company and contains information as meant in the best practice principle II.2.10 and II.2.12 of the Code.

Composition

The remuneration committee consists of three independent members. None of them are members of the board of management of another Dutch publicly listed company. Mr. Westdijk is chairman. Mr. Mulder and Mr. Nijman are members.

Selection and appointment committee

VastNed Retail's selection and appointment committee has the same composition as the supervisory board.

Tasks

The tasks of the selection and appointment committee include drawing up selection and appointment criteria, the periodical assessment of the size and composition of the supervisory board and the board of management as well as the functioning of the members of the supervisory board and the board of management, making proposals for (re)appointments, supervising the board of management concerning the appointment of senior management and taking concrete decisions with regard to selection and appointment.

The supervisory board receives reports of the meetings of the three committees.

Remuneration of the members of the supervisory board

The members of the supervisory board receive a fee of € 22,689 annually. The chairman receives a fee of € 27,226 annually.

All members of the supervisory board are also members of the supervisory boards of VastNed Offices/Industrial and VastNed Management. The fee for their membership of the supervisory board also covers the membership of the supervisory board of VastNed Offices/Industrial. For the membership of the supervisory board of VastNed Management, no separate fee is paid. The members do not receive further fees in addition to those mentioned other than a fee for costs as incurred.



Bielefeld → Sittard → Mechelen → Oosterhout → Veenendaal

Share ownership

Overview of share ownership of the supervisory board

A.L. Deriga

Number of shares as at January 1, 2003 1,624

W. Nijman

Number of shares as at January 1, 2003 988

During 2003 no changes in the share ownership took place.

Statement share ownership

Members of the supervisory board hold shares in VastNed Retail only for long-term investment; the shares have been purchased at their own cost. When purchasing and selling shares, they shall act in accordance with the regulations adopted by the company as meant in Article 46d of the Netherlands Act on the Supervision of the Securities Trade 1995. Transactions are reported to the Autoriteit Financiële Markten (www.afm.nl) in accordance with the regulations drawn up to that end.

VastNed Retail has also drawn up regulations to regulate trading in publicly listed securities. Transactions are reported quarterly to the compliance officer of VastNed Retail.

Conflicting interests of members of the supervisory board

A member of the supervisory board reports a material conflicting interest to the chairman of the supervisory board. In the context of the corporate governance pursued by VastNed Retail, the members of the supervisory board state that they shall act in accordance with the Code and the respective member

shall refrain from participation in the discussion of and decisions of the matter in which the member has a conflicting interest. In addition, transactions with a conflicting interest will be agreed under the conditions as customary in the industry.

Decisions on entering into transactions with major shareholders, i.e. shareholders holding more than 10% of the share capital in issue, must be approved by the supervisory board and shall be entered into under the conditions as customary in the industry. VastNed Retail at present does not have a delegated supervisory board member. When applicable, the supervisory board shall confirm the best practice principles III.6.6 and III.6.7.

Loans to members of the supervisory board

VastNed Retail has not supplied loans to any member of the supervisory board, nor has any member of the supervisory board supplied loans to VastNed Retail.

Independence

None of the members of the supervisory board is or has been a director or employee of VastNed Retail or of any company associated with it. Neither has any member received fees other than for his membership of the supervisory board, nor has any member had a major business relationship with VastNed Retail or any company associated with it during one year preceding his appointment. None of the directors is a shareholder, director or supervisory board member of a company that holds at least 10% of the shares in VastNed Retail. The above also applies to the direct family members of the respective member.



Thoiry → Porto → Neumünster → Apeldoorn → Hengelo → Brussels

Stichting Prioriteit VastNed Retail and protection measures

The Stichting Prioriteit VastNed Retail holds the priority shares and has specific authority regarding the appointment of members of the supervisory board and the board of management, as well as regarding extraordinary decisions such as changes to the articles of association, the winding up or liquidation of VastNed Retail. On the board of the Stichting are the members of the supervisory board and the board of management of VastNed Management. The articles of association of VastNed Retail provide the option to issue priority shares to the Stichting Prioriteit VastNed Retail. In this way, a dilution of authority can be achieved. The board of management of VastNed Retail certifies it will not use this option in any circumstance. For further information regarding these special controlling rights reference is made to the annual accounts.

General meeting of shareholders and voting rights

At the general meeting of shareholders of VastNed Retail, the state of affairs is commented upon and the general meeting is asked for approval of subjects set out in the law and in the articles of association. The board of management and the supervisory board supply the general meeting of shareholders with all information required unless a material interest opposes that. VastNed Retail will announce the meeting by placing an announcement in the Officiële Prijscourant of Euronext and at least one nationwide daily newspaper. Agenda and shareholders' circular are

available at the offices of VastNed Retail and from www.vastned.nl. In these announcements, inter alia the ultimate filing date is given for exercising voting rights on the share.

The minutes of the general meeting of shareholders will be made available at the latest three months after the meeting pursuant to best practice principle IV.3.8.

In the proposal that will be put to the general meeting of shareholders of April 6, 2004 for approval, the present system of binding nominations will be brought into accordance with best practice principle IV.1.1 of the Code.

In case of a serious private offer on a part of the company, the company will act in accordance with draft article 2:107a of the Netherlands Civil Code.

VastNed Retail does not comply with best practice principle IV.1.7 (registration date) of the Code, as the articles of association of the company do at present not provide for it.



Antwerp → Oberhausen → Arnhem → Lisbon → Doetinchem → Zeist → Sneek

Financial reporting and the external auditor

Financial reports are drawn up in accordance with internal procedures. The board of management is responsible for the correctness, completeness and timeliness of the financial reports. The external auditor is also involved in the content and publication of the financial reports other than the annual accounts. The external auditor will attend the general meeting of shareholders and can be asked to comment on the correctness of the annual accounts.

The external auditor will in any case attend the meetings of the supervisory board and of the audit committee in which the annual accounts are discussed.

Code of conduct and whistleblower's code

VastNed Retail has drawn up a code of conduct which applies to all employees including the board of management. A whistleblower's code has also been implemented, which allows employees and members of the board to report abuses within the company without fear for their own employment. The texts of these regulations have been published on www.vastned.nl.

Rotterdam, February 25, 2004
The board of management

Closing prices share VastNed Retail 2003 (in €)

(Source: Bloomberg)



The share / the stock exchange listing

Listing on Euronext

The VastNed Retail share is listed on Euronext Amsterdam. Since March 2003 it has been included in the MidKap index. Daily average turnover in 2002 was 23,397 shares. In 2003 this decreased to 21,707 shares on average.

VastNed Retail makes use of various liquidity providers. These guarantee the continuous liquidity of the share. In 2003 Kempen & Co, Rabobank and ABN Amro acted as liquidity providers for VastNed Retail, with Kempen & Co acting as paid liquidity provider.

Return

VastNed Retail realised the following return, expressed as a percentage of the 2002 closing price of € 41.25. The closing price of 2003 was € 42.60.

(In percentages)

Dividend return	10.0
Movement share price/indirect return	3.3

Total return	13.3
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Share price

The share price all year moved below net asset value. During 2003 the share price showed the above pattern.

Shareholders' equity per share, including the direct investment result, decreased from € 48.80 to € 46.90. Compared to the movement in the share price, this led on balance to a decrease of the so-called discount (difference between share price and net asset value) from 15.5% to 9.2% (expressed as net asset value per share at year-end). The decrease of the discount can also be observed in other Dutch property investment companies.

Market capitalisation based on the share price as at December 31, 2003 amounted to € 687.9 million compared to € 645.4 million at year-end 2002.

The lowest share price of € 36.34 was listed on March 12, 2003, while the highest share price of € 44.20 was listed on December 2, 2003.

As far as VastNed Retail is aware, no shareholders can be characterised as major investors (> 25 %).

Starting in 2004, VastNed Retail will put the presentation for the analysts' meeting on its website at starting time of this meeting.

Investor relations

VastNed Retail pursues an active investor relations policy, which brings the fund to the attention of institutional and private investors in various ways. Price sensitive information is always divulged to the general public by way of press releases, and placed on the company's website (www.vastned.nl). Published information is commented upon in contacts with the press, with individual investors and analysts. At the publication of annual and semi-annual results, VastNed Retail holds an analysts' meeting. At the publication of the nine months' figures of 2003, for the first time a conference call was used to comment on these results to analysts. This method will in the future be used for further comments on the three months' and nine months' results. Starting in 2004, VastNed Retail will place the presentation for the analysts' meeting on its website at starting time of this meeting. These meetings cannot be followed via webcast in view of the costs involved. Briefly before the publication of the financial information, no analysts' meetings, presentations to or direct meetings with investors will take place.

Analysts' reports are not evaluated in advance nor corrected other than for factual correctness. VastNed Retail does not provide fees to any party for the drawing up of analysts' reports.

Annual accounts 2003

Consolidated balance sheet as per December 31

Before profit appropriation (x 1,000)

	2003	2002
Assets		
Investments		
Property in operation	1,603,572	1,534,611
Property not in operation	8,705	54,564
	<u>1,612,277</u>	<u>1,589,175</u>
Receivables	18,931	67,911
Other assets	20,363	16,713
	<u>1,651,571</u>	<u>1,673,799</u>
Liabilities		
Shareholders' equity		
Capital paid-up and called	80,734	78,230
Share premium reserve	432,276	434,862
Reserves	176,509	186,074
Undistributed earnings	67,719	64,304
	<u>757,238</u>	<u>763,470</u>
Minority interests	60,723	56,983
	<u>817,961</u>	<u>820,453</u>
Provisions	24,156	20,395
Long-term liabilities	598,049	498,159
Short-term liabilities	211,405	334,792
	<u>1,651,571</u>	<u>1,673,799</u>
Total liabilities		

Consolidated profit and loss account

(x 1,000)

	2003	2002
Investment income		
Gross rental income	128,904	123,648
Operating expenses	(19,656)	(18,987)
<i>Net rental income</i>	109,248	104,661
Expenditure		
Interest	(32,706)	(32,774)
General expenses	(2,532)	(1,864)
	(35,238)	(34,638)
<i>Direct investment result before tax</i>	74,010	70,023
Tax on income	(1,693)	(1,384)
<i>Direct investment result after tax</i>	72,317	68,639
Minority interests	(4,598)	(4,335)
Direct investment result	67,719	64,304
Indirect investment result	(26,979)	(17,759)
<i>Total investment result</i>	40,740	46,545

Movements in shareholders' equity

(x 1,000)

	2003	2002
Direct investment result	67,719	64,304
Indirect investment result		
Result on disposals	663	1,528
Unrealised revaluation	(17,875)	(8,270)
Movement deferred taxes	(3,825)	(3,189)
Costs of asset management	(5,942)	(7,828)
	(26,979)	(17,759)
Dividend paid	(46,903)	(41,563)
Other movements	(69)	(79)
<i>Movement in shareholders' equity</i>	(6,232)	4,903

Consolidated cash flow statement

(x 1,000)

	2003	2002
Cash flow from operating activities		
Direct investment result	67,719	64,304
Movement in receivables	8,813	6,298
Movement in other assets	154	303
Movement in short-term liabilities	(10,873)	9,186
Movement in provisions	3,761	2,500
Other movements in the revaluation reserve	(11,012)	(11,665)
<i>Cash flow from operating activities</i>	58,562	70,926
Cash flow from investment activities		
Property acquisitions	(86,645)	(111,688)
Property disposals	71,993	24,923
Cash flow from property	(14,652)	(86,765)
Movements in minority interests	3,740	(2,130)
<i>Cash flow from investment activities</i>	(10,912)	(88,895)
Cash flow from financing activities		
Costs of stock dividend	(82)	(79)
Other movements	13	–
	(69)	(79)
Dividend paid	(46,903)	(41,563)
Long-term borrowings drawn down	130,800	98,699
Long-term borrowings redeemed	(30,910)	(12,534)
	99,890	86,165
<i>Cash flow from financing activities</i>	52,918	44,523
Net cash flow	100,568	26,554
Payable to cash and bank as at January 1	(242,705)	(269,259)
Payable to cash and bank as at December 31	(142,137)	(242,705)
<i>Movement in cash and bank balances</i>	100,568	26,554

Notes to the consolidated annual accounts

(x 1,000)

General

Licence pursuant to the Netherlands Act on the Supervision of Investment Institutions

The licence as referred to in Article 5, subsection 1(a) of the Netherlands Act on the Supervision of Investment Institutions was granted to the company on December 16, 1991.

Fiscal status

VastNed Retail N.V. has the fiscal status of an investment institution as referred to in Section 28 of the Netherlands Corporate Income Tax Act 1969. This implies that conditional on compliance with specific conditions, the company is exempted from the obligation to pay corporate income tax. These conditions mainly concern the composition of the company's assets and the distribution of the fiscal result in the form of a cash dividend. Some participating interests do not have the fiscal status of investment institutions.

Principles of consolidation

Consolidated are all the participations in which the company, either alone or together with subsidiaries, has a controlling interest. This means that in the case of full consolidation the part of the equity and the result due to third parties is classified under Minority interests. Participations in joint ventures are consolidated proportionally provided that at least equal influence can be exerted on policy by each of the participants.

Principles for the valuation and determination of assets and liabilities

General

Unless indicated otherwise, all assets and liabilities have been stated at nominal value, while all amounts are in thousands of euros.

Investments

Property in operation

The valuation of the property in operation is at market value excluding sales-related costs.

Market value is taken to mean the value realised in a private sale of the property concerned in a fully let state.

Factors taken into consideration when determining a property's commercial value include the differences between market and contractual rent, operating expenses, vacancy, maintenance status and future developments. The market value is appraised annually by independent chartered property surveyors. In order that the best possible match be made with market value throughout the year, half the properties of which the portfolio is made up are appraised as at June 30, and the remainder as at December 31. The former portion of the portfolio is not adjusted as at December 31, unless specific conditions prevail warranting premature adjustment on the basis of internal appraisals.

Movements in value compared with the appraisal as at the year-end of the previous financial year are recognised in the revaluation reserve, taking account of investments and acquisitions (including acquisition costs) during the year under review and for deferred tax liabilities. Results realised on the disposal of properties compared with these properties' most recent appraisal value are also taken into this reserve.

Property not in operation

The valuation of property not in operation is effected at the lower of cost price or estimated market value. The cost price includes costs for work contracted but not yet performed and capitalized interest. Estimated negative discrepancies are taken to the revaluation reserve at such time.

Property not in operation is transferred to the item Properties in operation with effect from the date on which such properties are handed over.

Receivables

Receivables are stated at nominal value less a provision for bad debts.

Other assets

Cash at bank and in hand

This item concerns cash at banks and in hand including deposits, call money and bank account credit balances.

Tangible fixed assets

Tangible fixed assets are stated at acquisition price less straight-line depreciation based on the expected life of the assets concerned.

Shareholders' equity

Share premium reserve

Capital tax payable on issue of shares and other issue-related costs are deducted from the share premium reserve. Allowance is made in the issue price of shares for the estimated profit from operations in the current financial year until the issue date and for the appreciation in value of property calculated until the issue date. The profit component for the financial year included in the issue price and the remuneration for the share in value appreciation are both taken into the share premium reserve.

Provisions

The provision for deferred tax liabilities is included for the net present value of the potential liabilities for the payment of tax resulting from differences between fiscal and commercial valuations. Where possible, offsettable losses are taken into account.

Accounting principles for the determination of the result

Investment income

Gross rental income

Gross rental income relates to rents charged to tenants during the year under review.

Operating expenses

Operating expenses include all costs relating directly to the operation of properties, such as maintenance costs, costs of property management, insurance costs and property tax.

Expenditure

Interest

Interest relates to the interest on borrowings and debts attributable to the year under review less capitalised construction interest. Unless agreed otherwise, the interest rate for capitalised construction interest is the prevailing average interest rate for short-term loans.

General expenses

General expenses include inter alia personnel costs, housing costs, publicity costs and costs of consultants. Costs relating to asset management are charged to the revaluation reserve and represent actual costs incurred. Costs relating to property management are taken into operating expenses.

Tax on income

This concerns taxes on the profit of the companies that are not fiscal investment institutions.

Indirect investment result

The indirect investment result comprises unrealised and realised movements in the value of investments, movements in deferred tax liabilities and the costs of asset management.

The components of the indirect investment result are included in the revaluation reserve.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The funds included in the statement consist of cash and the short-term portion of amounts payable to banks. Interest income and expenditure have been stated under cash flow from operating activities. Dividend expenditure is stated under cash flow from financing activities.

Notes to the consolidated balance sheet

Investments

	2003	2002
Property in operation		
Position as at January 1	1,534,611	1,488,532
Acquisitions	64,408	42,257
Investments in existing properties	4,762	17,464
Taken into operation	49,320	55,646
Transferred to property not in operation	(2,878)	(676)
Disposals	(31,163)	(63,658)
	<u>1,619,060</u>	<u>1,539,565</u>
Revaluation	(15,488)	(4,954)
	<u>1,603,572</u>	<u>1,534,611</u>
<i>Position as at December 31</i>	1,603,572	1,534,611
Analysis by country		
The Netherlands	535,023	556,571
Spain	346,650	267,300
Belgium	256,707	215,998
Germany	220,000	260,987
France	200,362	191,015
Italy	34,400	32,100
Portugal	10,430	10,640
	<u>1,603,572</u>	<u>1,534,611</u>

Specific portions of the property portfolio serve as security for the loans contracted. Reference is made to the property overview included elsewhere in this annual report with respect to details of properties.

	2003	2002
Property not in operation		
Position as at January 1	54,564	68,088
Acquisitions and investments	1,725	44,114
Transferred from property in operation	2,878	676
	<u>59,167</u>	<u>112,878</u>
Taken into operation	(49,320)	(55,646)
Revaluation	(1,142)	(2,668)
	<u>8,705</u>	<u>54,564</u>
<i>Position as at December 31</i>	8,705	54,564
Analysis by country		
The Netherlands	5,592	3,397
Belgium	3,113	41,542
Spain	—	9,625
	<u>8,705</u>	<u>54,564</u>

Receivables

	2003	2002
Accounts receivable	5,062	8,328
Taxes	2,883	8,398
To be received from disposals	1,104	41,271
Other receivables and prepayments	9,882	9,914
	18,931	67,911

The item receivables includes items having a term in excess of one year with a total of 0.4 million (2002: 3.2 million).

Other assets

	2003	2002
Cash at banks	19,600	15,796
Other fixed assets	763	917
	20,363	16,713

Shareholders' equity**Authorised share capital**

The authorised share capital totals 375.0 million, and is divided into 60,000,000 ordinary shares with a nominal value of 5.- and 15,000,000 priority shares of 5.-. For an explanation of the rights vested in priority shares, reference is made to 'Other information' as given elsewhere in this annual report.

Capital paid-up and called

	2003		2002	
	Number	Amount	Number	Amount
Position as at January 1	15,645,974	78,230	15,173,065	68,852
Stock dividend	500,783	2,504	472,909	2,365
Redenomination of shares	—	—	—	7,013
<i>Position as at December 31</i>	16,146,757	80,734	15,645,974	78,230

The number of ordinary shares and priority shares in issue as at December 31, 2003 totalled 16,146,747 and 10 respectively.

Share premium reserve

	2003	2002
Position as at January 1	434,862	444,319
Stock dividend	(2,504)	(2,365)
Costs of stock dividend	(82)	(79)
Redenomination of shares	—	(7,013)
<i>Position as at December 31</i>	432,276	434,862

The total value of the share premium reserve as at December 31, 2003 has been granted fiscal recognition.

Reserves

This item consists of the revaluation reserve and other reserves.

Revaluation reserve	2003	2002
	<hr/>	<hr/>
Position as at January 1	52,013	69,772
Result on disposals	663	1,528
Unrealised revaluation	(17,875)	(8,270)
Movement in deferred taxes	(3,825)	(3,189)
Costs of asset management	(5,942)	(7,828)
	<hr/>	<hr/>
<i>Position as at December 31</i>	25,034	52,013

A total of 22.3 million of the revaluation reserve is realised as at December 31, 2003.

Other reserves	2003	2002
	<hr/>	<hr/>
Position as at January 1	134,061	115,549
Addition from profit appropriation	17,401	18,512
Other movements	13	–
	<hr/>	<hr/>
<i>Position as at December 31</i>	151,475	134,061

Undistributed earnings	2003	2002
	<hr/>	<hr/>
Position as at January 1	64,304	60,075
Profit appropriation:		
– Dividend paid	(46,903)	(41,563)
– Addition to other reserves	(17,401)	(18,512)
Direct investment result	67,719	64,304
	<hr/>	<hr/>
<i>Position as at December 31</i>	67,719	64,304

Analysis of indirect investment result

	Result on disposals		Unrealised revaluations		Movements in deferred taxes		Costs of asset management		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
The Netherlands	344	1,449	6,130	4,448	–	–	(1,854)	(2,021)	4,620	3,876
Spain	–	–	4,470	7,288	(1,081)	(1,741)	(1,064)	(1,985)	2,325	3,562
Belgium	319	94	2,922	686	–	(54)	(700)	(566)	2,541	160
Germany	–	(15)	(42,427)	(27,564)	40	1,064	(1,499)	(1,557)	(43,886)	(28,072)
France	–	–	8,971	5,381	(2,193)	(1,333)	(675)	(1,456)	6,103	2,592
Italy	–	–	2,323	2,692	(604)	(793)	(113)	(243)	1,606	1,656
Portugal	–	–	(264)	(1,201)	13	(332)	(37)	–	(288)	(1,533)
	663	1,528	(17,875)	(8,270)	(3,825)	(3,189)	(5,942)	(7,828)	(26,979)	(17,759)

Net asset value per share

	2003	2002	2001
Number of ordinary shares in issue as at December 31	16,146,747	15,645,964	15,173,055
Shareholders' equity (before profit appropriation) as at December 31	757,238	763,470	758,567
Shareholders' equity per ordinary share (before profit appropriation) as at December 31 (in)	46.90	48.80	49.99

Provisions

This item concerns provisions for deferred tax liabilities. The provisions amount to 45.7 million (2002: 40.7 million) nominally, and may largely be characterised as long-term.

Long-term liabilities

Long-term liabilities are made up entirely of loans drawn down and mortgage loans with terms ranging from 1 to 14 years and bearing interest at percentages from 2.527 to 6.490. 455.7 million (2002: 360.9 million) of the residual principle has a remaining term in excess of five years. Mortgage rights have been granted on a number of properties. A positive/negative mortgage covenant has been issued in respect of the mortgage loans. As at December 31, 2003 14.3% of the loans have a variable interest rate and 85.7% of the loans have a fixed interest rate.

The outstanding loans with a fixed interest rate bear interest at an average of 4.75 % (2002: 5.04%) as per December 31.

The average interest rate is calculated as the weighted average interest rate on the residual principles with a term of more than one year until the next interest rate revision date.

Movements in long-term liabilities were as follows during the year under review:

	2003	2002
Position as at January 1	498,159	411,994
Short-term portion as at January 1	4,071	7,027
	502,230	419,021
Drawn down	130,800	98,699
Redemptions	(30,854)	(15,490)
	602,176	502,230
Residual principle	602,176	502,230
Less: short-term portion as at December 31	(4,127)	(4,071)
<i>Position as at December 31</i>	598,049	498,159

Short-term liabilities

	2003	2002
Payable to banks	161,737	258,501
Investment creditors	15,100	30,850
Accounts payable	5,218	7,975
Dividend	118	122
Redemption of long-term liabilities	4,127	4,071
Taxes	166	51
Prepaid rent	4,764	6,782
Interest	4,871	4,896
Other liabilities and accruals	15,304	21,544
	211,405	334,792

Payable to banks

Payable to banks relate to short-term credits and cash loans. The total credit facility as at December 31, 2003 amounted to 371.9 million, of which 210.2 million remained undrawn as at December 31, 2003.

By way of security for the credit facilities, it has been agreed with the lenders that property will only be mortgaged on behalf of third parties subject to the lender's approval.

Rights and liabilities not included in the balance sheet

A long-term alliance exists between VastNed Retail, VastNed Offices/Industrial and VastNed Management, as well as a long-term agreement for the allocation of expenses. The mutual rights and obligations are laid down in these agreements.

At the acquisition of the 50.1525% interest in the shopping centre Madrid Sur (appraisal value 42.5 million), it has been agreed with the minority shareholder that it has the right during the period from March 11, 2005 up to and including March 10, 2006 to sell 50% or 100% of its 49.8475% minority interest to VastNed Retail at the then current market price.

Notes on the consolidated profit and loss account

Net rental income

	Gross rental income		Operating expenses		Net rental income	
	2003	2002	2003	2002	2003	2002
The Netherlands	46,402	49,587	5,915	7,230	40,487	42,357
Spain	25,789	19,576	3,081	1,855	22,708	17,721
Belgium	18,848	17,691	2,353	1,485	16,495	16,206
Germany	19,145	19,503	6,867	6,642	12,278	12,861
France	15,291	14,884	1,090	1,553	14,201	13,331
Italy	2,422	2,279	290	215	2,132	2,064
Portugal	1,007	128	60	7	947	121
	128,904	123,648	19,656	18,987	109,248	104,661

Operating expenses	2003	2002
Maintenance	5,973	6,086
Administrative and commercial management *	5,156	4,946
Insurance	559	418
Property tax	1,766	1,919
Other expenses	6,202	5,618
	19,656	18,987

Other expenses includes inter alia the provision for doubtful debtors, service costs that could not be charged on, and letting expenses.

* 4% of gross rental income, consisting of external expenses and general expenses, is allocated to operating expenses.

Interest

	2003	2002
Interest	33,792	34,806
Capitalised interest	(1,086)	(2,032)
	32,706	32,774

General expenses

	2003	2002
Personnel costs	4,838	2,946
Remuneration supervisory board	63	59
Consultancy and audit costs	1,719	1,372
Appraisal costs	755	638
Other expenses	3,762	7,224
	11,137	12,239
Costs of asset management	(5,942)	(7,828)
Allocated to operating expenses	(2,663)	(2,547)
	2,532	1,864

Other expenses include inter alia the costs of asset management paid to third parties, publicity costs and housing and office costs.

During 2003 on average 73 (2002: 62) people (full-time equivalents) were employed by VastNed Group.

Personnel costs have been allocated to VastNed Retail based on actual work done.

VastNed Retail has no employees.

In the year under review, wages and salaries totalled 6.2 million (2002: 4.7 million), 0.6 million in social security charges (2002: 0.3 million) and pension premiums 2.0 million (2002: 1.1 million).

After allocation to VastNed Offices/Industrial, the following amounts remain: wages and salaries 2.8 million (2002: 1.7 million), social security charges 0.3 million (2002: 0.1 million) and pension premiums 0.9 million (2002: 0.5 million).

Remuneration of the statutory directors in 2003

	Salaries (incl. social security charges)	Pension premiums	Payment at termination of employment	Total	Shareholding
R.A. van Gerrevink	422	267	–	689	271
H.K.M. Roovers	183	298	–	481	–
H.W.P.J. Sleven (until December 18, 2002)	–	–	500	500	–
T.M. de Witte (from June 16, 2003)	84	30	–	114	–
	689	595	500	1,784	271
of which allocated to VastNed Offices/Industrial	(385)	(333)	(280)	(998)	
	304	262	220	786	

Remuneration of the supervisory board

	Remuneration 2003	Shareholding
W. Nijman	25	988
D. Luteijn (until May 1, 2003)	9	–
A.L. Deriga	23	1,624
D. van den Bos	23	–
F.W. Mulder	23	–
N.J. Westdijk	23	–
	126	2,612
of which allocated to VastNed Offices/Industrial	(63)	
	63	

No option rights have been granted to the statutory directors and the supervisory board. Neither have loans or advances been provided to them nor guarantees given on their behalf.

Expense ratio

The expense ratio for 2003 amounted to 8.43% (2002: 8.49%).

The expense ratio is calculated by dividing the total expenses of the reporting period by average shareholders' equity. Total expenses include operating expenses, interest, general expenses, tax on income, the allocation to the provision for deferred tax liabilities and the costs of asset management. These expenses are corrected for the part of these expenses that are allocated to third parties.

Company balance sheet as at December 31

Before profit appropriation (x 1,000)

	2003	2002
Assets		
Investments		
Property in operation	485,872	507,971
Property not in operation	5,592	3,397
Participations in group companies	512,433	542,285
	<u>1,003,897</u>	<u>1,053,653</u>
Receivables		
Accounts receivable	59	776
Group companies	24,597	7,484
Other receivables and prepayments	2,411	42,521
Cash at bank	2,000	—
	<u>29,067</u>	<u>50,781</u>
<i>Total assets</i>	<u>1,032,964</u>	<u>1,104,434</u>
Liabilities		
Shareholders' equity		
Capital paid up and called	80,734	78,230
Share premium reserve	432,276	434,862
Reserves	176,509	186,074
Undistributed earnings	67,719	64,304
	<u>757,238</u>	<u>763,470</u>
<i>Total shareholders' equity</i>	<u>757,238</u>	<u>763,470</u>
Long-term liabilities	197,047	161,828
Short-term liabilities		
Payable to banks	66,396	155,628
Group companies	—	756
Investment creditors	2,097	1,304
Accounts payable	652	1,619
Other liabilities and accruals	9,534	19,829
	<u>78,679</u>	<u>179,136</u>
<i>Total liabilities</i>	<u>1,032,964</u>	<u>1,104,434</u>

Company profit and loss account

(x 1,000)

	2003	2002
Company result	25,323	23,608
Result of participating interests in group companies	42,396	40,696
<i>Direct investment result</i>	<i>67,719</i>	<i>64,304</i>

Notes to the company annual accounts

General

The company profit and loss account has been rendered in abbreviated form pursuant to Article 402 of Book 2 of the Netherlands Civil Code. The company has availed itself of the provisions of Article 379, subsection 5 of Book 2 of the Netherlands Civil Code. The list as referred to in this Article has been filed at the offices of the Commercial Register in Rotterdam.

The company has issued certificates of guarantee for a number of group companies in accordance with Article 403, Book 2 of the Netherlands Civil Code.

Principles for the valuation of assets and liabilities and the determination of the result

The valuation principles for assets and liabilities and the method of determining the result are identical to those used in the consolidated annual accounts, and reference is therefore made to the Notes thereto.

The participating interests in group companies have been stated at net asset value.

Participations in group companies	2003	2002
Position as at January 1	542,285	567,586
Acquisitions and capital paid up and called	131,826	202
Share in results	42,396	40,696
Disposals	(149,313)	(700)
Revaluations on balance	(31,194)	(11,383)
Payments received	(23,567)	(40,766)
Liquidation payments received	–	(13,350)
<i>Position as at December 31</i>	<i>512,433</i>	<i>542,285</i>

Rotterdam, February 25, 2004
The board of management

Other information

Special controlling rights

The company's articles of association confer special controlling rights on the A and B priority shares. The A priority shares have been placed at par with the Stichting Prioriteit VastNed Retail. The objective of this foundation is to acquire ownership of the A priority shares in the company's capital and to exercise all rights vested in such shares, including the voting right, the receipt of dividend and other distributions and all that which is related thereto in the broadest sense.

The board of Stichting Prioriteit VastNed Retail consists of the members of the board of management and of the supervisory board of VastNed Retail; they are the directors A and directors B respectively of the Stichting Prioriteit VastNed Retail.

The articles of association do not entitle directors A to cast more votes than directors B. Thus the requirements of appendix X, article 10 of the Stock Exchange Regulations are complied with. B priority shares will not be issued.

Profit distribution

The company's articles of association stipulate that a dividend is paid out on the priority shares insofar as they have been issued. A dividend amounting to 5% of the nominal value is paid on the priority shares. The remaining profit is placed at the disposal of the general meeting of shareholders.

The company may make distributions to shareholders insofar as shareholders' equity exceeds the sum of the capital paid-up and called augmented by the reserves required by law to be maintained.

In order to retain its fiscal status as an investment institution, the company must distribute the fiscal profit within eight months after the end of the reporting year.

Profit appropriation

The board of management proposes to pay out the dividend as follows:

- 5% in cash on the priority shares;
- an optional dividend on the ordinary shares of;
 - 2.45 in cash, augmented by a percentage in shares yet to be determined, depending on the share price, to the debit of the share premium reserve, or
 - 4.24 in cash;

and to add the remainder of the distributable profit to the other reserves. Shareholders opting for distribution in cash plus shares must ensure that this is effected prior to May 31, 2004. After this date, they can only claim the cash dividend within the parameters laid down in the articles of association.

Transactions with directly interested parties

During the 2003 financial year, the members of the supervisory board and the board of management of VastNed Retail had no personal interest in any investments made by the company. To the company's best knowledge, no property transactions were effected during the year under review involving persons or institutions that could be regarded as having a direct interest in its company.

Interests of major investors

To the best of the company's knowledge, no parties can be regarded as major investors in the sense of the the Royal Decree on the Netherlands Investment Institutions Supervision.

Auditor's report

Introduction

We have audited the financial statements of VastNed Retail N.V., Rotterdam, for the year 2003. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at December 31, 2003 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code and the Netherlands Act on the Supervision of Investment Institutions.

Rotterdam, February 25, 2004
Deloitte Accountants

Property portfolio 2003

Property in operation

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
The Netherlands				
Alkmaar	Laat 165-167	Shop	345	77
	Payglop 6 and 14	Shops	165	59
Almelo	Grotestraat 22, 24, 32, 32a, 35a, 36, 37, 83 and 85	Shops	1,235	323
	Oude Markt 3	Shops	1,096	176
Amersfoort	Achter de Kamp 92	Shop	1,150	171
	Arnhemsestraat 18 and 20	Shops	208	58
	Julianaplein 7-10	Shops	1,052	206
	Langestraat 8	Shop	409	84
Amsterdam	Van Baerlestraat 86, 108 and 110	Shops	355	138
	Bos en Lommerweg 279 and 281	Shop	155	38
	Buikslotermeerplein 88, 90 and 123	Shops	9,681	1,004
	Ceintuurbaan 133	Shop	120	32
	Ferdinand Bolstraat 65, 79, 81, 88, 92, 95, 97, 101, 109, 120, 122, 124 and 126	Shops	1,175	637
	Heiligeweg 47	Shop	60	44
	Jan Evertsenstraat 100, 106 and 108	Shops	270	114
	Johan Huizingalaan 154 and 156	Shop	510	44
	Kalverstraat 9, 162, 164, 182 and 208	Shops	1,073	502
	Kinkerstraat 115	Shop	97	32
	Leidsestraat 5, 64 and 66	Shops	1,246	280
	Linnaeusstraat 22	Shop	170	36
	Osdorppelein 801, 802, 803, 804, 815-822 en 881-885	Shops	3,937	709
	Paleisstraat 21	Shop	310	46
	Reguliersbreestraat 9, 10-22/Amstel 8	Shops	1,845	927
	Reguliersdwarsstraat 95 and 97	Shop	225	73
	Stadionweg 75	Shop	70	27
Apeldoorn	Adelaarslaan 86-146/Talingweg 54	Shops	2,190	212
	De Eglantier 409	Shop	56	13
	Deventerstraat 5, 6, 14 and 14b	Shops	937	224
Arnhem	Bakkerstraat 3a, 4 and 6	Shops	871	219
	Koningstraat 12, 13, 14 and 15	Shops	4,764	472
	Looierstraat 44 and 46	Shop	454	54
	Rijnstraat 23/Varkensstraat 34	Shops	322	104
	Vijzelstraat 24	Shop	150	68
Assen	Gedempte Singel 11 and 13/Mulderstraat 8	Shops	893	88
Baarn	Brinkstraat 34	Shop	220	26
Bemmel	Dorpsstraat 31, 31a-31e/Kloosterplaats 1/Dr Poellstraat 1	Shops	1,719	217

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Bennekom	Dorpsstraat 8	Shop	250	40
Bergen op Zoom	Wouwsestraat 48	Shop	150	42
Beverwijk	Breestraat 11 and 65-69/Nieuwstraat 9	Shops	2,825	280
Bilthoven	Julianalaan 53	Shop	160	33
Bodegraven	Kerkstraat 22 and 24	Shop	296	35
Boxmeer	Hoogkoorpassage 14, 16, 18 and 22	Shops	566	70
	Steenstraat 110	Shop	270	39
Boxtel	Rechterstraat 42 and 44	Shop	877	94
	Stationstraat 18 and 20	Shop	750	74
Breda	Eindstraat 14	Shops	260	159
	Ginnekenstraat 3, 19, 80 and 80a	Shops	403	277
	Grote Markt 29/Korte Brugstraat 2	Shops	102	86
	Karnemelkstraat 14	Shop	430	65
	Karrestraat 25	Shop	125	114
	Ridderstraat 19	Shop	100	55
	Torenstraat 2/Korte Brugstraat 14	Shop	90	76
	Veemarktstraat 30 and 32	Shops	310	107
Brielle	De Reede 36-50	Shopping centre	1,610	230
Brunssum	Kerkstraat 45	Shop	560	101
Bussum	Havenstraat 154-158	Shop	370	67
	Kerkstraat 1	Shop	1,012	113
	Nassaulaan 12	Shop	277	76
	Nassastraat 12, 14 and 16	Shops	301	73
	Veerstraat 11 and 13	Shops	360	99
Capelle a/d IJssel	De Wingerd 247-267	Shops	1,589	212
	Lylantse Baan 7	Retail warehouse	13,702	863
Coevorden	Friesestraat 14/Weeshuisstraat 9	Shop	203	48
Culemborg	Everwijnstraat 6-14/Markt 53	Shops	535	93
Dalfsen	Van Bloemendalstraat 6 and 8/ Wilhelminastraat 5	Shops	430	57
De Bilt	Hessenweg 160 and 162	Shops	360	76
Dedemsvaart	Julianastraat 13, 15, 17 and 19	Shops	1,190	131
Delft	Hippolytusbuurt 1	Shop	750	97
	Markt 23	Shop	37	26
	Oude Langendijk 2 and 11	Shops	270	84
	Wijnhaven 9	Shop	139	35

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
The Hague	Dierenselaan 11 and 161	Shops	275	56
	Fahrenheitstraat 567-571	Shop	165	59
	Frederik Hendriklaan 101, 103 and 128	Shops	210	105
	Gravenstraat 1	Shop	382	62
	Grote Markt 4	Shop	964	187
	Herengracht 40 and 40a	Shops	115	26
	Hoogstraat 24, 26, 27 and 27a	Shops	810	166
	Korte Poten 10, 13, 42 and 46	Shops	284	173
	Lange Poten 7 and 21	Shops	380	131
	Noordeinde 9, 16, 18, 48 and 54	Shops	1,014	281
	Plaats 17, 21, 23 and 25	Shops	1,327	174
	Plein 10 and 11	Shops	918	165
	Spuistraat 13	Shop	813	240
	Venestraat 43	Shop	48	36
	Vlamingstraat 43	Shop	163	79
Deventer	Brink 95/Spijkerboorsteeg 33 and 37	Shops	259	50
	Lange Bisschopstraat 7, 11, 13, 15, 34 and 50	Shops	1,838	302
Didam	Hoofdstraat 5 and 7	Shop	520	46
	Oranjestraat 6, 8 and 10	Shop	520	45
Dinteloord	Raadhuisplein 7-9	Shops	575	47
Doetinchem	Dr. Huber Noodstraat 2	Shops	1,825	269
	Korte Heezenstraat 6/Heezenpoort 13, 15 and 21	Shops	310	79
	Nieuwstad 57-59	Shops	1,686	128
	Terborgseweg 27	Shop	1,110	102
Doorwerth	Mozartlaan 52-66/van der Molenallee 107-125	Shopping centre	2,854	316
Dordrecht	Voorstraat 262, 276, 305, 341 and 343	Shops	963	210
Drachten	Zuidkade 2	Shop	150	47
Ede	Molenstraat 128-136	Shop	419	64
Eerbeek	Stuyvenburchstraat 44 and 141	Shops	800	119
Eindhoven	Franz Leharplein 3, 5, 6 and 7 / Willaertplein 12 and 13	Shops	1,046	131
	Frederiklaan 108 and 110 / Schootsestraat 101-109	Shops	2,070	193
	Orionstraat 137-159	Shopping centre	3,102	439
	Rechtestraat 25, 44, 46 and 48	Shops	3,423	634
	Shopping centre 'Woensel' 113	Shop	115	70
	Woenselse Markt 19, 20 and 21	Shop	810	127
Elst	Kleine Molenstraat 6	Shops	582	71
Emmeloord	Lange Nering 65 and 92	Shops	434	70

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Enschede	Boulevard 1945 nr. 372	Shop	3,460	393
	Dotterbloemstraat 10	Shop	900	83
	Haverstraatpassage 14	Shop	215	43
	Kalanderstraat 6	Shop	124	85
	Langestraat 9-17a	Shops	2,030	323
	Raadhuisstraat 9	Shop	289	48
Ermelo	Stationsstraat 60, 62 and 64	Shops	770	142
Geldermalsen	Geldersestraat 15	Shop	140	29
	't Hooghuys 1-6	Shops	680	79
Goes	Lange Kerkstraat 9	Shop	65	30
Goor	Grotestraat 57, 59 and 63	Shops	859	56
Gouda	Hoogstraat 5	Shop	190	40
	Kleiweg 77-95 and 103	Shops	2,287	636
	Markt 52	Shop	284	41
Groesbeek	Spoorlaan 1	Shop	1,100	132
Groningen	Brugstraat 2, 4 and 6	Shop	1,010	114
	Dierenriemstraat 198/2	Shop	914	100
	Herestraat 41	Shop	270	117
	Nieuwe Ebbingestraat 32	Shop	88	29
	Stoeldraaijerstraat 17	Shop	266	57
	Vismarkt 31, 31a, 31b and 31c	Shop	275	116
	Zwanestraat 22, 41 and 43	Shops	664	98
Haaksbergen	Spoorstraat 45	Shop	800	91
Haarlem	Gen. Cronjéstraat 56 and 58	Shop	200	64
	Grote Houtstraat 90	Shop	195	55
Hardenberg	Fortuinstraat 6, 6a and 21/			
	Middenpad 3, 5 and 7	Shops	613	83
	Voorstraat 10	Shops	1,173	119
Harderwijk	Markt 14	Shop	470	66
	Shopping centre 'Vuldersbrink'	Shopping centre	4,637	642
Harlingen	Kleine Bredeplaats 8a-10a/			
	Grote Bredeplaats 26-26b	Shop	970	89
	Voorstraat 71	Shop	294	52
Harmelen	Dorpsstraat 152, 154 and 154a-154f	Shop	1,000	190
Heemstede	Binnenweg 135, 137, 167 and 181	Shops	603	172
Heerde	Dorpsstraat 57, 59 and 61	Shop	1,303	166

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Heerlen	Akerstraat 20	Shop	500	41
	Heerlerbaan 241	Retail warehouse	2,771	186
	Saroleastraat 38	Shop	225	99
Helden-Panningen	Kepringelehof 3, 5, 9 and 11	Shops	2,990	311
Helmond	Veestraat 1 and 39	Shops	376	129
	Markt 15, 17, 19, 21, 23 and 25/Veestraat 2a	Shops	1,615	208
Hengelo	De Telgen 9	Shop	105	47
	Marktstraat 2, 4 and 6	Shops	302	66
	Molenstraat 4	Shop	120	32
's-Hertogenbosch	Hinthamerstraat 48	Shop	130	59
	Hoge Steenweg 19, 21 and 23	Shop	555	195
	Schapenmarkt 17, 19 and 21	Shop	476	126
Hillegom	Hoofdstraat 66	Shop	235	25
Hilversum	Kerkstraat 55, 87, 91 and 98	Shops	469	221
	Schoutenstraat 6 and 8	Shops	187	83
Hoensbroek	Kouvenderstraat 17, 19 and 21	Shops	388	46
Hoogeveen	De Nije Nering 1-66	Shops	3,417	247
	Hoofdstraat 157	Shop	75	23
Hoogezand	Gerecht Oost 133 and 135	Shops	160	53
Hoorn	Grote Noord 114 and 118	Shops	165	74
	Nieuwsteeg 24	Shop	134	60
Houten	Shopping centre 'Het Rond'	Shopping centre	20,672	3,937
Joure	Midstraat 153-163	Shopping centre	1,901	216
Kerkrade	Hoofdstraat 13	Shop	194	33
Krimpen a/d IJssel	Brink 1-7	Shops	1,168	149
Leek	Tolberterstraat 3-5	Shops	565	69
Leeuwarden	Ruiterskwartier 127 and 135	Shops	361	76
	Wirdumerdijk 7	Shops	520	172
Leiden	Botermarkt 4 and 5	Shops	732	114
	Haarlemmerstraat 53, 107, 109, 202, 208, 213, 218 and 239/			
	Duizenddraadsteeg 2	Shops	1,536	330
	Korevaarstraat 2e and 2f	Shops	240	40
	Maarsmansteeg 2	Shop	121	30
	Vismarkt 2 and 3	Shop	135	45

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Leidschendam	Berkenhove 9	Shop	90	56
	Eglantier 9, 14 and 16	Shops	550	161
	Rozemarijnhof 7	Shop	250	100
	Weigelia 14 and 15	Shops	500	93
Lelystad	Stadhuisplein 75	Shop	1,632	222
	Stadhuissstraat 2 and 68	Shops	632	133
Leusden	Grutterij 6	Shop	150	39
Maastricht	Muntstraat 16, 18 and 20	Shops	245	201
	Wolfstraat 8	Shops	789	275
Meppel	Hoofdstraat 50, 86, 88, 90 and 92	Shops	443	79
Middelburg	Korte Delft 1	Shops	210	33
	Lange Delft 59	Shop	200	46
Middelharnis	Westdijk 22-24	Shop	325	66
Mijdrecht	Prinses Margrietlaan 24-52	Shopping centre	2,225	342
Neede	Oudestraat 57-59/Es 26a	Shop	300	44
Nijkerk	Oosterstraat 2, 2a, 4 and 4a	Shops	420	44
Nijmegen	Broerstraat 26 and 70/Plein 1944 nr, 151	Shops	2,086	455
	Houtstraat 35	Shop	594	61
	Molenstraat 130, 132, 134, 136, 138 and 140	Shops	2,085	240
	Plein 1944 nr. 2	Shop	164	50
Oldenzaal	Bisschopstraat 37-37a	Shop	530	67
Oosterhout	Arendshof 48, 50 and 52	Shop	349	88
	Arendstraat 9, 11 and 13	Shops	1,329	309
Oss	Heschepad 49 and 51/Molenstraat 21-25	Shops	2,803	293
	Kerkstraat 8	Shop	435	28
Oudenbosch	Prof. van Ginnekenstraat 35 and 40/Kade 4	Shops	498	67
Purmerend	Hoogstraat 19/Zuidersteeg 16	Shops	1,003	151
	Kaasmarkt 7	Shop	135	48
	Padjedijk 4, 6 and 8	Shops	339	67
Renkum	Dorpsstraat 21-23	Shop	520	47
Ridderkerk	St. Jorisplein 30	Shops	325	102
Rijswijk	Herenstraat 46 and 48	Shops	136	45
Roden	Heerestraat 94	Shops	280	49

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Roermond	Hamstraat 34 and 38/Veldstraat 19	Shops	1,763	132
	Steenweg 1/Schoenmakersstraat 2 and 6-18	Shops	2,423	384
Roosendaal	Nieuwe Markt 51	Shop	200	46
Rotterdam	Beijerlandse laan 72-78	Shops	653	172
	Groene Hilledijk 217 and 218	Shops	345	77
	Keizerswaard 73	Shop	459	75
	Korte Hoogstraat 22, 24 and 26/Soetensteeg 1	Shops	940	120
	Lijnbaan 35-43	Shops	912	189
	Noordmolenstraat 57 and 59	Shop	220	61
	Westblaak 27	Shop	336	35
	Zuidplein Hoog 587, 667 and 731	Shops	247	155
	Zwart Janstraat 4, 8, 24, 34, 36, 38, 55-61, 58, 60, 63, 71, 72, 73, 84 and 136	Shops	1,697	541
Scheveningen	Keizerstraat 183	Shop	280	22
Schiedam	Broersvest 50, 52 and 54	Shops	372	54
	's-Gravelandseweg 559-563 and 569-575	Shops	180	31
	Hof van Spaland 35, 36 and 40	Shops	552	108
	Hoogstraat 93	Shop	340	25
Schoonhoven	Lopikerstraat 27 and 29	Shop	277	63
Schoorl	Heerweg 3 and 5/Duinvoetweg 2 and 4	Shops	1,500	177
St. Oedenrode	Heuvel 32	Shop	220	26
Sittard	Bergerweg 51-53	Retail warehouse	2,800	218
	De Kemperkoul	Shopping centre	1,772	228
Sliedrecht	Kerkbuurt 148	Shop	132	27
Sneek	Gedempte Pol 15 and 17	Shop	120	16
	Oosterdijk 58	Shop	75	30
	Schaapmarktplein 4	Shop	200	38
Soest	Dillenburglaan 2/			
	Van Weedestraat 11, 13 and 141-149	Shops	2,249	315
Stadskanaal	Europaplein 3, 20, 53, 60 and 73	Shops	658	132
	Navolaan 12	Shops	2,077	115
Steenwijk	Oosterstraat 22, 24 and 26	Shop	272	56
Tiel	Waterstraat 29 and 51a	Shops	185	80
Tilburg	Heuvel 29, 30 and 31	Shops	298	92
	Westermarkt 28, 29, 35, 36, 37, 38, 139, 140 and 141	Shops	6,137	714

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Uden	Marktstraat 32	Shop	420	111
	St. Janstraat 60	Shop	584	58
Utrecht	Achter Clarenburg 19	Shop	91	42
	Choorstraat 13	Shop	139	55
	Lange Elisabethstraat 6 and 36	Shops	323	136
	Nachtegaalstraat 55	Shop	2,000	212
	Oudegracht 126, 128, 134, 136, 153, 155 and 161/Vinkenburgerstraat 8, 12 and 14	Shops	5,483	997
	Roelantdreef 249	Shop	170	94
	Rijnlaan 6	Shop	145	28
	Steenweg 9/Choorstraat 9 and 9bis	Shops	300	121
Vaassen	Dorpsstraat 22	Shop	550	65
Veenendaal	Hoofdstraat 25, 40 and 42	Shops	1,675	156
	Bevrijdingslaan 10	Retail warehouse	4,500	285
Veghel	Kalverstraat 8-16	Shops	446	91
Velp	Hoofdstraat 77-79	Shop	440	54
Venlo	Lomstraat 30, 32 and 33	Shops	515	166
	Vleesstraat 74	Shop	120	44
Venray	Grotestraat 2-4/Grote Markt 2a-4	Shops	1,166	143
Vianen	Voorstraat 84	Shop	150	36
Vlaardingen	Hoogstraat 165	Shop	120	26
Voorburg	Herenstraat 107 and 109	Shop	330	24
Voorschoten	Schoolstraat 30	Shop	280	24
Vriezenveen	Westeinde 19-29	Shops	2,720	282
Wageningen	Stadsbrink 2-42 and 69-71	Shops	6,058	488
Wassenaar	Langstraat 188 and 190	Shop	290	63
Weesp	Herengracht 26	Shop	365	46
Winschoten	Langestraat 22 and 24	Shops	570	86
Winterswijk	Dingstraat 1 and 3	Shop	2,335	254
	Misterstraat 8, 10, 12, 14, 33, 43 and 45	Shop	1,512	405
	Weurden 2 and 4	Shops	278	57
	Wooldstraat 26	Shops	604	76
Wolvega	Van Harenstraat 4, 4a-4c/ Pastoriestraat 7, 7I-III	Shops	417	70

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Woudenberg	Voorstraat 26	Shop	256	23
IJmuiden	Lange Nieuwstraat 497 and 499	Shop	150	51
IJsselstein	Utrechtsestraat 75	Shop	300	67
Zaandam	Gedempte Gracht 37 and 80	Shops	290	93
	Westzijde 24-30	Shops	2,395	328
Zeewolde	Flevoplein 1-6	Shops	2,033	270
	Kerkplein 23/Torenstraat 3	Shops	397	84
	Kerkstraat 6-18	Shops	689	115
	Torenstraat 6-8	Shop	195	35
Zeist	Scheeperslaan 1, 1a, 1b and 1c/ Steijnlaan 24 and 24a	Shops	325	74
	Slotlaan 194/Huydencoperweg 9a	Shop	90	41
Zierikzee	Dam 12	Shop	53	23
	Verre Nieuwstraat 2 and 4	Shop	130	22
Zoetermeer	Lijnbaan 285-297	Shopping centre	2,482	401
Zuidhorn	Hoofdstraat 21/Overtuinen 4-16	Shops	1,100	141
Zundert	Markt 16a, 17 and 18	Shops	1,062	116
Zutphen	Beukerstraat 28 and 40	Shops	631	82
Zwolle	Broerenstraat 7	Shop	72	14
	Diezerstraat 62 and 78	Shops	235	134
	Kleine A 11 and 13	Shop	1,050	183
	Luttekestraat 26	Shop	65	30
	Roggenstraat 3 and 6	Shops	156	72
<i>Total property in operation the Netherlands</i>			279,866	45,131
Spain				
Alicante	Calle Antonio Ramos Carratala	Retail warehouse/leisure	34,609	5,061
Badalona	Passeig Olof Palme 28-36	Shopping centre	11,396	3,229
Barcelona	Ronda Universidad 35	Shop	645	173
	Baricentro, Barbera del Valles	Shop	484	111
Burgos	Ctra de Santander, Km. 2.5	Shopping centre	9,832	1,627
Castellón de la Plana	Calle Grecia 4	Retail warehouse	5,109	763

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Getafe	Poligono Getafe Norte	Shopping centre	5,586	1,570
León	Ordono II 18	Shop	591	196
Madrid	Avenida Guadalajara	Shopping centre	8,254	3,591
	Avenida Pablo Neruda 91-97	Shopping centre	13,232	3,265
	Avenida Pablo Neruda 91-97	Shopping centre	10,173	1,600
	Calle Serrano 36/Goya 15	Shop	615	316
	Calle Tetuán 19/Calle Carmen 3	Shop	429	426
Malaga	Avenida Simón Bolívar	Shopping centre	15,336	3,897
Murcia	Molina de Segura	Shopping centre	10,342	2,361
<i>Total property in operation Spain</i>			126,633	28,186
Belgium				
Aalst	Albrechtlaan 56	Retail warehouse	1,000	63
	Kalfstraat 3	Retail warehouse	9,726	677
	Nieuwstraat 10	Shop	145	60
Aartselaar	Antwerpsesteenweg 13/4	Retail warehouse	990	99
Alleur	Avenue de l'Expansion 16	Other	2,221	124
Andenne	Avenue Roi Albert 39	Retail warehouse	4,701	271
Ans	Rue de Français 393	Retail warehouse	3,980	314
Antwerp	Abdijstraat 29, 82 and 84	Shops	295	70
	Breydelstraat 33	Shop	144	43
	Carnotstraat 18 and 20	Shop	1,298	96
	De Keyserlei 47 and 49	Shops	178	96
	Frankrijklei 27	Shop	624	70
	Groendalstraat 11	Shop	39	21
	Huidevettersstraat 12	Shop	791	248
	Korte Gasthuisstraat 27	Shop	155	63
	Leysstraat 17, 28 and 30/Kipdorpvest 32-34	Shops	2,019	861
	Meir 99	Shop	384	350
	Schuttershofstraat 24/Kelderstraat 7	Shop	320	61
	Schuttershofstraat 30 and 32/Arme Duivelstraat 2	Shops	120	96
Balen	Molsesteenweg 56	Retail warehouse	1,871	115
Bastogne	Route de Marche 104	Retail warehouse	593	37
Beaumont	Rue Germain Michiels 40	Retail warehouse	1,113	94

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Bergen	Chaussée de Binche 101	Retail warehouse	1,000	65
	Grand Rue 19	Shop	170	70
	Rue de la Chaussée 31 and 33	Shop	380	144
Boechout	Hovesesteeweg 123-127	Retail warehouse	1,022	63
Borgloon	Sittardstraat 10	Retail warehouse	996	52
Bree	Toleikstraat 30	Retail warehouse	855	51
Bruges	Steenstraat 80	Shop	2,670	756
Brussels	Elsensesteenweg 16, 41, 43 and 65	Shops	6,748	1,476
	Leuvenseweg 610-640	Retail warehouse	2,964	288
	Louizalaan 7	Shop	248	208
	Nieuwstraat 98	Shop	162	145
	Verwelkomingsstraat 13 and 15	Other	4,260	267
Charleroi	Rue de la Montagne 5 and 7	Shop	948	182
Chênée	Rue de la Station 23	Retail warehouse	2,881	212
Diest	Hasseltsestraat 15	Shop	200	33
Dilsen-Stokkem	Rijksweg 17	Retail warehouse	992	69
Dinant	Tienne de l'Europe	Retail warehouse	4,330	291
Flémalle	Rue de la Fabrique 6	Retail warehouse	2,835	190
Froyennes	Rue des Roselières 6	Retail warehouse	950	73
Genk	Guillaume Lambertlaan 115	Retail warehouse	3,109	216
	Hasseltweg 74	Retail warehouse	2,099	177
Ghent	Veldstraat 81/Zonnestraat 6-10	Shop	3,510	392
	Volderstraat 15	Shop	279	81
Gerpennes	Rue de Bertransart 99	Retail warehouse	990	64
Glain	Rue Saint-Nicolas 572	Retail warehouse	1,990	98
Grivegnée	Rue Servais Malaise	Retail warehouse	2,000	113
Hannut	Rue de Huy 63	Retail warehouse	3,015	177
Hasselt	Genkersteenweg 76 and 282	Retail warehouse	3,261	190
Heusden-Zolder	Inakker	Retail warehouse	1,019	61
Hoboken	Zeelandstraat 6 and 8	Retail warehouse	2,490	176

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Kamphenhout	Mechelsesteenweg 38-42	Retail warehouse	3,002	170
Kapellen	Eikendreef 5	Retail warehouse	906	46
La Louvière	Rue Albert 1 ^{er} 84-86	Shop	190	54
Leopoldsburg	Lidostraat 7	Retail warehouse	1,670	91
Leuven	Bondgenotenlaan 69-73	Shop	1,589	518
Liège	Rue Pont d'Ile 35, 45 and 54	Shops	520	201
Malmedy	Avenue des Alliés 14b	Retail warehouse	813	51
Mechelen	Bruul 39, 41, 42 and 44 Yzerenleen 30	Shop	1,788	519
		Shop	350	48
Merksem	Bredabaan 474 and 476	Shop	470	92
Messancy	Route d'Arlon 199 Rue de l'Institut 44	Retail warehouse	17,943	3,311
		Retail warehouse	1,998	103
Moeskroen	Petite Rue 18	Shop	235	37
Mortsel	Statielei 71 and 73	Shop	425	114
Olen	Lammerdries 6	Retail warehouse	13,452	739
Oostende	Torhoutsesteenweg 610	Retail warehouse	1,000	79
Overpelt	Burgermeester Misottenstraat 5	Retail warehouse	877	75
Philippeville	Rue de France	Retail warehouse	3,705	285
Roeselare	Brugsesteenweg 524	Retail warehouse	1,000	73
Schelle	Provinciale Steenweg 453 and 455	Retail warehouse	2,962	181
Scherpenheuvel	Mannenbergh 26	Retail warehouse	600	68
Seraing	Boulevard Pasteur 47	Retail warehouse	1,263	88
Sint-Job-in- 't-Goor	Handelslei 10	Retail warehouse	600	60
Sint-Niklaas	Kapelstraat 119	Retail warehouse	940	77
Sint-Truiden	Hasseltsesteenweg 69 Kattestraat 25	Retail warehouse	850	79
		Retail warehouse	1,401	92
Tielt-Winge	Aarschotsesteenweg 1-6	Retail warehouse	18,866	1,381

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Tienen	Slachthuisstraat 36	Retail warehouse	4,871	381
Turnhout	Gasthuisstraat 5, 7 and 32	Shops	2,790	526
Vilvoorde	Leuvensestraat 39 and 41/Nowélaan 41	Shop	485	99
	Luchthavenlaan 5	Retail warehouse	6,345	440
	Mechelsesteenweg 30	Retail warehouse	8,440	648
Waterloo	Chaussée de Bruxelles 284	Retail warehouse	1,198	103
Waver	Rue du Commerce 26	Shop	140	50
	Rue du Pont du Christ 46/Rue Barbier 15	Shop	343	107
Wilrijk	Boomsesteenweg 643-645, 666-672	Retail warehouse	6,721	569
	Oude Baan 55-79	Overig	20,170	810
<i>Total property in operation Belgium</i>			221,998	22,674
Germany				
Arnsberg	Brückencenter	Shopping centre	12,142	1,069
Bielefeld- Brackwede	Hauptstrasse 120 and 122	Shops	3,290	310
Bonn	Arcadia-Passage	Shopping centre	2,840	328
Deggendorf	Industriestrasse 30	Retail warehouse	7,650	932
Dortmund	Hansastrasse 30	Shops	3,402	390
Dortmund- Aplerbeck	Eggensteinstrasse 7	Retail warehouse	4,450	407
Gelsenkirchen	Klosterstrasse 21	Shops	265	67
	Von-der-Recke-Strasse 1	Shops	354	93
Gelsenkirchen- Buer	St. Urbanus-Kirchplatz 7	Shops	1,455	178
Halle	Am Treff 5	Shop	7,626	805
Hannover	Badenstedter Strasse 128 and 130	Retail warehouse	10,535	1,160
Hannover- Langenhagen	Hans-Böckler-Strasse 55 and 57	Shops	1,629	210
Hennef	Adenauerplatz 7 and 8/ Bahnhofstrasse 38 and 40	Shops	2,815	210
Jettingen- Oberjettingen	Heilbergstrasse 5	Retail warehouse	5,815	482

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Korschenbroich	Hannen-Center	Shops	3,602	680
Langenfeld	Ganspohlerstrasse 5	Shops	3,013	553
	Marktplatz 2-4-6/Solinger Strasse 2/ Bachstrasse 1	Shops	3,562	618
Lübeck	Schwartauer Allee 92-96/Karlstrasse 1-3	Shops	4,785	608
Lüneburg	Grosse Bäckerstrasse 5	Shop	2,070	522
Marl	Marler Stern	Shopping centre	2,563	607
Mönchengladbach	Hindenburgstrasse 75/ Steinmetzstrasse 20-22/Lichthof 29-31	Shops	9,932	2,197
Monheim	Heinestrasse 1-9/21	Shopping centre	11,903	1,517
	Heinestrasse 2-4-4a-4b/10-12/ Rathausplatz 2-14	Shopping centre	8,637	1,024
Neumünster	Haart 190	Retail warehouse	7,785	754
Neuwied- Niederbieber	Neuer Weg 53	Shop	1,600	165
Oberhausen	Havensteinstrasse 44, 46 and 48/ Helmholtzstrasse 9	Shops	5,064	496
Paderborn	Bahnhofstrasse 38	Shops	1,464	109
Preetz	Hufenweg 24	Shopping centre	8,929	1,029
Saarbrücken	Saargemünder Strasse 85, 87 and 89	Shop	1,232	197
Tuttlingen	Rudolf-Diesel-Strasse 28-30	Retail warehouse	4,920	427
Unna	Massener Strasse 61	Shop	1,003	126
Völklingen	Bismarckstrasse 11	Shops	3,239	261
Wedemark- Mellendorf	Wedemarkstrasse 96	Shop	4,004	486
Wesel	Rudolf-Diesel-Strasse 20	Shops	2,298	149
Wiesbaden	Hagenauer Strasse 23-23a-23b-23c	Retail warehouse	2,598	373
Wilhelmshaven	Brommystrasse	Shops	5,834	563
Witten	Berliner Strasse 18	Shops	2,865	363
	Marktstrasse 2	Shops	3,697	621
<i>Total property in operation Germany</i>			170,867	21,086

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
France				
Agen	Boulevard de la République 36	Shop	700	51
Alençon	Rue aux Sieurs 40-44/ Rue de la Cave aux Boeufs 1-7/ Rue du Cygne 12	Shop	2,368	201
Amiens	Rue des Trois Cailloux 7-9	Shop	560	229
Angers	Rue d'Alsace 9 Rue Lenepveu 25-29	Shop Shops	67 4,664	41 734
Annecy	Rue Vaugelas 22	Shop	60	13
Besançon	Grande Rue 22 Place Pasteur 3	Shop Shop	52 52	37 8
Boulogne-sur-Mer	Rue Adolphe Thiers 29	Shop	246	27
Bourges	Rue Mirebeau 14 and 16	Shops	121	59
Brest	Rue de Siam 70	Shop	818	76
Cannes	Rue d'Antibes 40	Shop	948	266
Carcassonne	Place Carnot 16	Shop	90	17
Chambéry	Place Saint-Léger 228	Shop	40	41
Charleville Mézières	Rue de la République 35-37	Shop	105	34
Chaumont	Rue Victoire de la Marne 28-42	Shops	1,370	137
Dax	Rue des Carmes 7-9	Shop	248	42
Dieppe	Grande-Rue 84-86	Shop	100	42
Dijon	Rue du Bourg 39 bis/ Rue Jules Mercier 20 bis	Shop	40	28
Grenoble	Grande Rue 11 Rue des Clercs 18	Shop Shop	73 75	17 19
Laval	Rue du Général de Gaulle 41/ Rue de Rennes 14	Shop	450	50
Limoges	Centre commercial Beaubreuil	Shopping centre	4,334	355
Lyon	Rue Victor Hugo 5	Shop	90	38

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Mâcon	Rue Carnot 11/ Rue Rameau 39 and 51-53 Rue Philibert Laguiche 11-13/ Place aux Herbes 53-56	Shop Shop	160 1,148	63 62
Nancy	Rue Saint-Jean 45-55	Shops/offices	4,915	1,608
Nice	Route de Grenoble Avenue Jean Médecin 8 bis/ Rue Gustave Deloye 5	Retail warehouse Shop	2,067 362	436 151
Paris	Boulevard Saint-Germain 104 Rue de Rivoli 118-120	Shop Shops	1,278 3,843	610 2,543
Plaisir	Centre Commercial Plaisir-Sablons	Shopping centre	15,772	2,149
Roanne	Rue Bourgneuf 18/Passage Bourgneuf 7 Rue Charles de Gaulle 51-53	Shop Shops	812 830	13 120
Sainte-Geneviève-des-Bois	Centre Commercial La Croix Blanche	Retail warehouse	8,068	1,081
Saint-Etienne	Rue Saint-Jean 27	Shop	60	8
Sens	Grande Rue 43 and 82	Shops	2,388	108
Soissons	Rue Saint-Martin 57	Shop	400	43
Thoiry	Centre Commercial Val Thoiry	Shopping centre	14,826	3,656
Thonon-les-Bains	Rue des Arts 16/Impasse du Manège	Shops	320	73
Toulon	Rue de Jean Jaures 82/Rue Racine 11	Shop	1,609	126
Troyes	Rue Émile Zola 117	Shop	360	132
Valence	Rue Victor Hugo 25/ Rue Pasteur 1-3	Shop	200	48
Vichy	Rue Georges Clémenceau 12/ Rue Ravy-Breton 2	Shops	1,437	137
<i>Total property in operation France</i>			78,526	15,729
Italy				
Milan	Via Torino 2	Shop	1,100	958
Parma	Via Silvio Pellico	Shopping centre	11,489	1,523
<i>Total property in operation Italy</i>			12,589	2,481

	Location	Type of property	Lettable area (sqm)*	Gross annual rent (x 1,000)**
Portugal				
Barcelos	Rua porta Nova 41	Shop	128	25
Braga	Avenida Central 78-80	Shop	471	107
Lisbon	Damiao de Góis 41	Shop	150	75
	Rua Moraes Soares 93	Shop	257	72
	Rua do Carmo 100-110/Rua do Ouro 287, 291, 293 and 295	Shop	942	341
Porto	Praça do Marquês de Pombal 152	Shop	279	68
	Praça Mouzinho de Albuquerque 119-124	Shop	149	70
	Rua de Brito Capelo 160	Shop	164	57
	Rua Santa Catarina 325-329	Shop	529	175
<i>Total property in operation Portugal</i>			3,069	990
<i>Total property in operation</i>			893,548	136,277

* Excluding apartments

** Per January 1, 2004

Notes to the property portfolio in operation

Theoretical rental income as at January 1, 2004 relates to full occupancy;

- In the Netherlands, virtually all rent contracts are concluded for a five-year period, granting the tenant the option of renewing the lease by another five years. Annual rent increases are based on the cost of living index;
- In Spain virtually all rent contracts are concluded for a minimum period of 5 years. Annual rent increases are based on the index of the cost of living;
- In Belgium rent contracts are normally concluded for a period of 3, 6 or 9 years, with a mutual termination option after 3 and 6 years. Annual rent increases are based on the index of the cost of living;
- In Germany, virtually all rent contracts are concluded for a 5 or 10 year period, granting the tenant the option of renewing the lease. Annual rent increases are effected as soon as the cost of living index has gone up by 5 or 10 points;
- In France, rent contracts are normally concluded for a period of 9 or 12 years, the tenant having the option of renewing the lease every 3 years. Annual rent increases take place based on the rise of the construction cost index, unless agreed otherwise.
- In Italy virtually all rent contracts are concluded for a period of 12 years. Annual rent increases are based on the index of the cost of living, 75% of which is charged to the tenant. In some cases a 100% indexation is possible.
- In Portugal there are two kinds of rent legislation. Under the 'old' legislation rent contracts are concluded for an indefinite period and can in principle only be terminated by the tenant. The 'new' legislation is similar to that in Spain, meaning that rent contracts are usually concluded for a minimum period of 5 years and that annual rent increases are based on the costs of living. These rules are being implemented more frequently, especially by internationally oriented tenants.

Appraisers

- Aquirre Newman in Madrid
- C.B. Richard Ellis in Amsterdam
- Cushman & Wakefield Healey & Baker in Amsterdam, Brussels, Frankfurt, Lisbon, Madrid and Milan
- Kroese & Paternotte in Amsterdam
- Retail Consulting Group in Paris

Property not in operation

Location		Type of property
The Netherlands		
Almere	Randstad 22-87/111	Shops
Amsterdam	Reguliersdwarsstraat 93-101	Apartments
Rotterdam	Korte Hoogstraat 15	Shop
Belgium		
Elewijt-Zemst	Kamphenhoutsebaan/Keizer Karellaan	Site
Olen	Lammerdries 6	Shops

Checklist Tabaksblad Code

Best practice principle	Short description	Page	Comply/explain
	Compliance with and enforcement of the code		
I.1	Broad outline of the corporate governance structure in separate chapter the annual report.	42	Comply
I.2	Substantial changes in the corporate governance structure shall be submitted to the general meeting of shareholders (AGM).	42	Comply
	Management board (MB)		
II.1.1	MB members appointed for 4 years	46	Explain
II.1.2	Financial reporting by MB to supervisory board (SB)	44	Comply
II.1.3.a	Risk analyses of objectives of the company	35	Comply
II.1.3.b	Code of conduct	42	Comply
II.1.3.c	Manual for financial administration	58	Comply
II.1.3.d	Internal reporting system	36	Comply
II.1.4	Explanation of internal risk management and control system	36	Comply
II.1.5	Analysis of sensitivity	34	Comply
II.1.6	Protection of whistleblower	58	Comply
II.1.7	Test supervisory board memberships of MB members	45	Comply
	Remuneration		
II.2.1	Contingent condition share options	N/a	Comply
II.2.2	Performance criteria share options	N/a	Comply
II.2.3	Lock-up shares from share regulations	N/a	Comply
II.2.4	Minimum exercise price	N/a	Comply
II.2.5	No modification of option conditions	N/a	Comply
II.2.6	SB securities transaction regulations different from those in 'own' company	56	Comply
II.2.7	Dismissal fee no more than 1 (or 2) times fixed annual salary	47	Explain
II.2.8	No loans to MB and SB members	48	Comply
	Determination and disclosure of remuneration		
II.2.9	Remuneration report including overview of policy for next few years	14	Comply
II.2.10	Information requirements remuneration report	Website	Comply
II.2.11	Immediate publication of important elements of MB member employment contract at appointment	46	Comply
II.2.12	Explanation of special remuneration in remuneration report	Website	Comply
II.2.13	Remuneration report on website	55	Comply
II.2.14	Value of share options of MB and personnel in notes on the annual accounts	N/a	Comply
	Conflicting interests		
II.3.1.a	MB member does not enter into competition with the company	48	Comply
II.3.1.b	MB member does not make material gifts to family members	48	Comply
II.3.1.c	MB member does not provide unjustified benefits to third parties	48	Comply
II.3.1.d	MB member does not provide business opportunities to himself or his family	48	Comply
II.3.2	Reporting arrangement conflicting interests	48	Comply

Best practice principle	Short description	Page	Comply/ explain
II.3.3	Not participate in decisions regarding situations with conflicting interest	48	Comply
II.3.4	Conflicting interest situations handled as customary in industry	48	Comply
Supervisory board			
Duties and procedure			
III.1.1	Division of duties SB in regulations placed on website	50	Comply
III.1.2	Inclusion of SB report in annual report	11	Comply
III.1.3	Personal information members SB	11	Comply
III.1.4	Policy interim retirement members SB	50	Comply
III.1.5	Report of absence of SB members	11	Comply
III.1.6	Supervising duties SB	50	Comply
III.1.7	General committee SB	11	Comply
III.1.8	SB meeting strategy	11	Comply
III.1.9	Provision of means SB for performing its duties	50	Comply
Independence			
III.2.1	No more than one SB member does not have to comply with provision III.2.2	N/a	Comply
III.2.2.a	SB member has not been director or employee of the company in last 5 years	N/a	Comply
III.2.2.b	SB member does not receive other fee than for SB membership	55	Comply
III.2.2.c	SB member has not had business relationship with the company before appointment	56	Comply
III.2.2.d	SB member is not MB member of a company of which a director of the company is SB member	45	Comply
III.2.2.e	SB member does not have interest of at least 10 percent in company	57	Comply
III.2.2.f	SB member is not director or SB member of a legal entity that has at least a 10% interest in company	57	Comply
III.2.2.g	SB member has not been temporary director of the company in last 12 months	56	Comply
III.2.3	Statement of independence	14	Comply
Expertise and composition			
III.3.1	Profile SB	51	Comply
III.3.2	Presence of financial expert	54	Comply
III.3.3	Presence of induction programme	51	Comply
III.3.4	Number of SB memberships of SB members	11	Comply
III.3.5	Maximum term SB members of 3 times 4 years	15	Explain
III.3.6	Retirement scheme	14	Comply
Chairman SB and company secretary			
III.4.1.a	Supervision of following induction programme	51	Comply
III.4.1.b	Supervision of timely receipt of information	51	Comply
III.4.1.c	Supervision of sufficient time for discussion	51	Comply
III.4.1.d	Supervision of functioning SB committees	51	Comply
III.4.1.e	Supervision of assessment SB and MB members	51	Comply
III.4.1.f	Supervision of SB choosing vice-chairman	51	Comply
III.4.1.g	Guarantee contacts SB and MB with works council	N/a	Comply
III.4.2	Chairman SB is not former MB member of company	51	Comply

Best practice principle	Short description	Page	Comply/ explain
III.4.3	Guarantee of supervision by company secretary. Secretary is appointed and dismissed by MB after SB approval	51	Comply
	Composition and duties three core committees of SB		
III.5.1	SB draws up regulations for each committee	54	Comply
III.5.2	SB report states composition committees, number of meetings and topics discussed	13-14	Comply
III.5.3	SB receives committee reports	55	Comply
	<i>Audit committee (AC)</i>		
III.5.4.a	Supervision of risk control and ICT systems	54	Comply
III.5.4.b	Supervision of financial information provision	54	Comply
III.5.4.c	Supervision of follow-up recommendations external auditor	54	Comply
III.5.4.d	Supervision of internal audit service	N/a	Comply
III.5.4.e	Supervision of tax planning	54	Comply
III.5.4.f	Supervision of relationship with external auditor	54	Comply
III.5.4.g	Financing of company	54	Comply
III.5.4.h	ICT applications	54	Comply
III.5.5	AC is first point of contact for external auditor	54	Comply
III.5.6	Chairman AC is not chairman SB or former MB member of company	12	Comply
III.5.7	AC has at least one financial expert	54	Comply
III.5.8	AC decides who is present at its meetings	54	Comply
III.5.9	AC meets at least once a year in absence of MB	54	Comply
	<i>Remuneration committee (RC)</i>		
III.5.10.a	RC makes proposal to SB about remuneration policy to be pursued	55	Comply
III.5.10.b	RC makes proposal to SB about remuneration of individual MB members	55	Comply
III.5.10.c	RC draws up remuneration report in accordance with best practice provision II.2.9	55	Comply
III.5.11	Chairman RC is not chairman SB, former MB member of company or MB member of other listed company	12	Comply
III.5.12	No more than 1 RC member is MB member of other Dutch listed company	11-12	Comply
	<i>Appointment committee/SB</i>		
III.5.13.a	Draw up selection criteria and appointment procedures SB and MB members	55	Comply
III.5.13.b	Evaluation size and composition SB and MB	55	Comply
III.5.13.c	Assessment of functioning of SB and MB members	55	Comply
III.5.13.d	Proposals for (re)appointments	14	Comply
III.5.13.e	Supervision of MB policy concerning appointment procedures senior management	55	Comply
	Conflicting interests		
III.6.1	SB member reports conflicting interest immediately to chairman SB	56	Comply
III.6.2	Respective SB member does not participate in discussion and decision making concerning conflicting interest	56	Comply
III.6.3	Conflicting interest transactions made on conditions customary in industry	56	Comply
III.6.4	Transactions with shareholders of at least 10% of shares in company made on conditions customary in industry and require SB approval	56	Comply
III.6.5	SB regulations contain regulations on conflicting interests	51	Comply

Best practice principle	Short description	Page	Comply/ explain
III.6.6	Delegated SB member has no more rights than SB member	56	Comply
III.6.7	SB member who takes on management duties retires from SB	56	Comply
	Remuneration		
III.7.1	SB member has no options on shares in the company	N/a	Comply
III.7.2	Shareholding in the company is long-term investment	56	Comply
III.7.3	SB sets regulations for ownership and transactions in securities by SB members other than in 'own' shares	56	Comply
III.7.4	Company does not provide personal loans to SB members	56	Comply
	One tier board structure		
III.8.1	The chairman of the board is not and has not been an executive director	N/a	Comply
III.8.2	The chairman of the board checks composition and functioning of the board	N/a	Comply
III.8.3	The board implements III.5 of this code	N/a	Comply
III.8.4	Majority of board members is charged with daily affairs	N/a	Comply
	Shareholders		
IV.1.1	Amplified majority requirement binding nomination of SB or MB member can be annulled by second meeting of shareholders	57	Explain
IV.1.2	Voting rights attaching to financing preference shares based on the real value of the capital contribution	N/a	Comply
IV.1.3	Publication of position of MB if private bid is made for substantial part of the business	57	Comply
IV.1.4	Dividend policy shall be separate item on the agenda	Agenda	Comply
IV.1.5	Proposal to pay dividend shall be separate item on the agenda	Agenda	Comply
IV.1.6	Discharge of MB and SB shall be separate items on the agenda	Agenda	Comply
IV.1.7	Company sets registration date for voting rights and access to general meeting	57	Explain
	Depositary receipts for shares		
IV.2.1	Trust office has the confidence of depositary receipt holders and is independent of the company	N/a	Comply
IV.2.2	The board of the trust office shall be appointed by the board of the trust office	N/a	Comply
IV.2.3	Maximum term for appointment of board members is 3 times 4 years	N/a	Comply
IV.2.4	Board of trust office shall be present at AGM	N/a	Comply
IV.2.5	Company does not provide non-public information to trust office	N/a	Comply
IV.2.5	In exercising its voting rights, the trust office shall be guided primarily by the interests of the depositary receipt holders	N/a	Comply
IV.2.6	Trust office reports on its activities	N/a	Comply
IV.2.7	Report must fulfil a number of requirements	N/a	Comply
IV.2.8	The trust office shall issues proxies to depositary receipt holders who so request	N/a	Comply

Best practice principle	Short description	Page	Comply/ explain
Information provision/logistics AGM			
IV.3.1	Analysts' meetings and press conference are announced in advance and can be followed via webcasting or conference call	60	Explain
IV.3.2	Assessment of analysts' report only on factual inaccuracies	60	Comply
IV.3.3	Company pays no fees for preparation of analysts' reports	60	Comply
IV.3.4	No analysts' meetings and such shortly before publication of regular financial information	60	Comply
IV.3.5	SB and MB provide AGM with all information unless contrary to interests of company	57	Comply
IV.3.6	The company shall place all information, which it is required to publish pursuant to company and securities laws, on a separate part of its website, or uses hyperlinks to that end	Website	Comply
IV.3.7	Shareholders' circular of all facts and circumstances relevant to approval requested from shareholders	Agenda	Comply
IV.3.8	AGM minutes are published within three months after the AGM	Website	Comply
IV.3.9	MB gives overview of protection measures and states under which conditions these would be implemented	57	Comply
Responsibility of institutional investors (II's)			
IV.4.1	II's annually publish voting right policy on website	N/a	Comply
IV.4.2	II's annually reports on voting right policy on website	N/a	Comply
IV.4.3	II's quarterly report on their website how they voted at AGM's in concrete cases	N/a	Comply
Audit of the financial reporting and the position of the external auditor			
Financial reporting			
V.1.1	SB supervises procedures concerning preparation and publication of financial reports	50	Comply
V.1.2	AC assesses how auditor is involved in financial reporting	54	Comply
V.1.3	MB carries responsibility for internal procedures securing timely provision of full and correct information	44	Comply
Appointment, remuneration and assessment of external auditor			
V.2.1	External auditor is present at AGM and can be questioned	58	Comply
V.2.2	MB and AC report annually to SB on relation with external auditor	54	Comply
V.2.3	MB and AC assess external auditor once every 4 years	54	Comply
Internal audit function			
V.3.1	External auditor and AC prepare the work schedule of the internal auditor	N/a	Comply
Relation and communication of external accountant with company organs			
V.4.1	The external auditor is present at SB meeting in which the report of the audit of the annual accounts and its approval are discussed	58	Comply

Best practice principle	Short description	Page	Comply/ explain
V.4.2	Chairman of AC can request external accountant to attend AC meeting	54	Comply
V.4.3.A	Lay-out demands 2:393 subsection 4 the Netherlands Civil Code concerning audit	80	Comply
V.4.3.B	Lay-out demands 2:393 subsection 4 the Netherlands Civil Code concerning financial figures	80	Comply
V.4.3.C	Lay-out demands 2:393 subsection 4 the Netherlands Civil Code concerning internal risk management and control systems	80	Comply

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