VastNed **Retail**

Annual Report 2007

VastNed Retail offers private and institutional investors an investment product which is primarily focused on retail property. This offers investors the opportunity to profit from the dynamics of retail markets, striving for a high total return.

VASTNED

Key figures

	2007	2006	2005	2004	2003
Results (x € 1 million)					
Gross rental income	**120.6**	110.7	106.8	119.5	128.9
Direct investment result	**64.4**	62.5	59.6	62.2	61.8
Indirect investment result	**180.1**	110.4	98.3	8.0	(21.1)
Investment result	**244.5**	**172.9**	**157.9**	**70.2**	**40.7**
Balance sheet (x € 1 million)					
Investment properties	**2,093.1**	1,730.7	1,487.5	1,360.3	1,612.3
Equity	**1,214.9**	1,048.1	930.8	847.1	818.0
Equity VastNed Retail shareholders	**1,135.8**	977.7	862.5	778.7	757.2
Long-term liabilities	**617.3**	479.0	409.5	453.6	598.0
Average number of ordinary shares in issue [1]	**16,706,552**	16,892,880	16,851,120	16,585,999	15,980,734
Number of ordinary shares in issue (at year-end) [1]	**16,362,097**	16,876,183	16,903,156	16,746,189	16,146,747
Per share (x € 1)					
Equity VastNed Retail shareholders at beginning of year (including dividend)	**57.93**	51.02	46.48	46.53	48.80
Final dividend previous financial year	**(2.60)**	(2.47)	(3.74)	(4.24)	(4.15)
Equity VastNed Retail shareholders at beginning of year (excluding dividend)	**55.33**	**48.55**	**42.74**	**42.29**	**44.65**
Direct investment result	**3.85**	3.70	3.54	3.75	3.87
Indirect investment result	**10.79**	6.53	5.83	0.48	(1.32)
Investment result	**14.64**	**10.23**	**9.37**	**4.23**	**2.55**
Other movements	**0.57**	0.25	(0.02)	(0.02)	(0.30)
Interim dividend	**(1.12)**	(1.10)	(1.07)	–	–
Equity VastNed Retail shareholders at year-end	**69.42**	**57.93**	**51.02**	**46.50**	**46.90**
Share price (at year-end)	**65.70**	77.00	53.75	53.50	42.60
Dividend in cash	**3.85**	3.70	3.54	3.74	4.24
or in cash	**2.47**	3.30	2.54	2.40	2.45
and in shares charged to the share premium reserve	[2]	0.53%	1.55%	2.63%	4.00%
Dividend yield as a percentage of equity VastNed Retail shareholders at beginning of year (excluding dividend)	**7.0**	7.6	8.3	8.8	9.5
Ratio equity/ investment properties (in %)	**58.1**	60.6	62.6	62.3	50.7
Ratio long-term loan capital/ short-term loan capital (in %)	**66/34**	67/33	69/31	80/20	75/25

VastNed Retail has reported its figures in accordance with IFRS since 2005. The 2004 key figures have been adjusted.
The 2003 key figures have not been adjusted.

1 Taking share buybacks into account.

2 A percentage of shares yet to be determined, charged to the share premium reserve.

VastNed Retail N.V.

Max Euwelaan 1, 3062 MA Rotterdam
PO Box 4444, 3006 AK Rotterdam
Telephone +31 10 24 24 300
Fax +31 10 24 24 333
www.vastned.nl
info@vastned.nl

Supervisory board

W.J. Kolff, chairman
N.J. Westdijk, vice-chairman *
P.M. Verboom **
J.B.J.M. Hunfeld ***

* Chairman remuneration committee
** Chairman audit committee as from April 3, 2007
*** Member of the supervisory board as from April 3, 2007

Board of management

VastNed Management B.V.
Represented by:
R.A. van Gerrevink, CEO
T.M. de Witte, CFO
J. Pars, CIO

This is an English translation of the Dutch version of the 2007 annual report. In case of inconsistencies, the Dutch version shall prevail.

Financial calender 2008

Tuesday April 8, 2008
General meeting of shareholders

Thursday April 10, 2008
Ex final dividend trading 2007

Friday May 2, 2008
Payment date final dividend 2007

Monday May 19, 2008
First three months' result 2008 (before trading)*

Monday August 11, 2008
Semi-annual results 2008 (before trading)*

Wednesday August 13, 2008
Ex interim dividend 2008 trading

Monday September 1, 2008
Payment date interim dividend 2008

Monday November 10, 2008
Nine months' results 2008 (before trading)*

Monday March 2, 2009
Annual results 2008 (before trading)*

* Followed by webcast via www.vastned.nl

VastNed Retail share

Quotation: NYSE Euronext Amsterdam and NYSE Euronext Paris
ISIN: NL0000288918
Ticker: VASTN.NL

Annual Report 2007
VastNed Retail N.V.

Reinier A. van Gerrevink

Preface CEO

Dear readers of this annual report,

Today's (March 5, 2008) key issue is of course the possible sale of the fund by means of an auction. This process was initiated by the receipt of an indicative offer from IEF Capital. After rejection of this offer by the board of management and the supervisory board ('substantially below the company's real value'), IEF Capital decided to go public, thus bringing your fund in play. The management has decided to do its utmost to get interested parties to make serious offers that reflect the true value of the VastNed Retail share.

One of the key elements in determining the company's true value is rent growth potential. In the course of 2007, approximately 8.8% of the rents was reviewed, resulting in an approximately 15% rent increase. Similar increases are noticeable in the comparison of the new rent with the ERV (Estimated Rental Value, the rent that our extend appraisers use as market rent indication in the various countries). We believe that there is considerable hidden value that will emerge in the future. In addition, as appeared during the appraisal at year-end, the yield on the property portfolio is still relatively high, and similar properties cannot be acquired at appraisal value in the open market. Another key element is the potential value in our development portfolio, which is valued at significantly higher yields than comparable (realised) properties achieve in the open market. Furthermore, the buyer will not bear any acquisition costs, i.e. net of transfer tax and additional costs. These purchase costs are immediately deducted from the value at acquisition (so they have at some point been borne by you). This gain amounts to some 6% on average on the entire property portfolio, and thus represents an enormous sum of money. Also, there is the 'browsing premium', which is hard to quantify. Building up a property portfolio of this size takes a great deal of time, money and energy.

At the end of last financial year, your fund was already trading at close to the level of the disclosed offer of € 70 per share based on external appraisals. At the end of the first quarter of 2008, net asset value is expected to exceed the indicative offer referred to. As the management of the company, we know that VastNed Retail's outlook is extremely favourable, because the fund and its organisation have now rubbed out the last spots, such as the difficult project in Belgium (the factory outlet Messancy that was sold) and the settlement of the sale in 2004 of the German property portfolio, for which the rent guarantees have now largely been 'bought off'. Selling this portfolio was quite a feat, in view of its poor quality. The resources flowing from that sale have meanwhile fully been reinvested in all our designated core countries. One of the latest acquisitions, 56 shops in great locations in Lille, France, is a good fit with our property portfolio, more than half of which consists of high street shops. In Turkey, too, we have just bought two retail properties in one of the busiest streets in the world.

All in all, 2007 has been a very successful year indeed, with investment of € 166.7 million in standing investments, and € 21.1 million in disposals made to improve the overall quality of the property portfolio. National and international demand for prime locations is very strong, and supply is limited. Retail chains like Starbucks want to come to the Netherlands, but find it difficult to achieve optimum scale.

Netherlands

In 2008, the development project in Houten will be completed. This concerns an extension to an existing shopping centre, initiated because Houten has grown considerably in the last ten years and has good growth forecasts. Retail Park Roermond, which is in a strategic location and involved an investment of approximately € 55 million, will also open its doors shortly. This is a major step for VastNed Retail, and first impressions are very favourable! Here a formula is used that represents a breakthrough for retail parks in the Netherlands.

Spain

Here, too, we have many plans for extensions or redevelopment. Good progress has been made on the strengthening of our shopping centre in Alicante. Part of the leisure section (cinemas and suchlike) is being converted into retail space for an electronics retailer who anchors this part of the centre. This also explains why vacancy in Spain is a little higher than normal. After realisation of this adjustment, it is set to decrease. In Spain, too, pleasing rent increases have all in all been realised. Upward pressure on rents will continue, in spite of doubts on the outlook of the Spanish economy.

France

Our largest investment of last year was in 56 shops in Lille in northern France. It was a unique opportunity, as it is rare for a portfolio of so many shops in good locations to come up for sale. Lille is a major city with over 1.1 million people and an emerging city centre where not all (inter)national retailers are yet represented. However, you may spot Louis Vuitton in one of our properties, and several other leading brands. The upside in this portfolio will gradually start to appear. We estimate that on average market rents are considerably higher than present rents! The first transactions in this property portfolio have meanwhile resulted in a 40% rent increase for the relevant properties. Furthermore, the local team is working hard on the redevelopment of Plaisir, a retail core area just outside Paris, near Versailles. Here, too, our expertise formed the basis of the project; the actual realisation was entrusted to an external developer. Our reward is the return at which the project is (re)acquired. Work is also ongoing on the expansion of the CC (Centre Commercial) Val Thoiry in Thoiry, near Geneva, and on improving the Limoges-Corgnac shopping centre. Some retail warehouses were acquired and the total property portfolio reached a value of over € 470 million, so that a critical mass is met in France.

Belgium

In November 2007 the so-called Heytens portfolio was acquired, comprising 21 retail warehouses ('baanwinkels'). Our Belgian team has identified a number of other potential investments, and is working hard on redeveloping the existing property in Olen (also 'baanwinkels'). The plans are ready, we are waiting now for the final permits to be issued. In the Belgian market, too, there is considerable scarcity of good retail products, which has caused initial yields to fall sharply.

Turkey
After the acquisition of Elysium Shops in January 2007, the Turkish property portfolio has been expanded with two shops on the best and busiest shopping street in Istanbul. We have appointed an experienced Turkish manager who has worked with British food retailer Tesco and German project developer ECE. Several acquisition opportunities are being investigated.

There is more to tell; elsewhere in this report, detailed information is provided. I would like to finish by thanking you for your loyalty as shareholders. The fund is in play just as it is clean in terms of quality and outlook, so that we can now focus all our attention on profitable growth and excellent performance.

Yours sincerely,
Reinier A. van Gerrevink, CEO

List of definitions

AFM	Dutch Authority for the Financial Markets
Bevak	(Belgian) investment company with fixed capital
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Investment Officer
Code	The Dutch corporate governance code
EPRA	European Public Real Estate Association
GPR	Global Property Research
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IRS	Interest Rate Swap
IVBN	Dutch Association of institutional property investors
SIIC	Société d'Investissements Immobiliers Cotées
US	United States

Definitions

Average (financial) occupancy rate
100% less the average (financial) vacancy rate.

Average (financial) vacancy rate
The market rent applicable for a particular period of vacant properties, expressed as a percentage of the theoretical rental income for the same period.

Gross rent
Contractually agreed rent for a particular property, taking the effect of straightlining of lease incentives into account.

Gross rental income
The gross rent recognised for a certain period after deduction of the effects of straightlining of lease incentives.

Gross yield
Theoretical annual rent expressed as a percentage of the market value of the property.

Lease incentive
Any compensation, temporary lease discount or expense for a tenant upon the conclusion or renewal of a lease agreement.

Market rent
The estimated amount for which a particular property may be leased at a given time by well-informed parties who are prepared to make a transaction, who are independent and who act prudently and free from duress.

Market value
The estimated amount for which a particular investment property might be traded between well-informed parties who are prepared to make a transaction, who are independent and who act prudently and free from duress.

Net initial yield
Net rental income expressed as a percentage of the acquisition price (including transaction costs) of the respective investment property.

Net rental income
Gross rental income less net service charge expenses and operating expenses attributable to the respective period, such as maintenance costs, management expenses, insurance, letting costs and property tax.

Net yield
Theoretical net rental income expressed as a percentage of the market value of the respective investment property.

Occupancy rate
100% less the vacancy rate.

Straightlining
Phasing the costs of lease discounts, rent-free periods and lease incentives over the duration of the lease contract.

Theoretical annual rent
The annual gross rent at a given time, excluding the effects of straightlining of lease incentives and such, plus the annual market rent of any vacant properties.

Theoretical rental income
The gross rent attributable to a particular period excluding the effects of straightlining of lease incentives and such, plus the market rent of any vacant properties applicable to the same period.

Vacancy rate
The annual market rent of unleased properties at a certain point in time expressed as a percentage of the theoretical annual rent at the same point in time.

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Uden

Thoiry

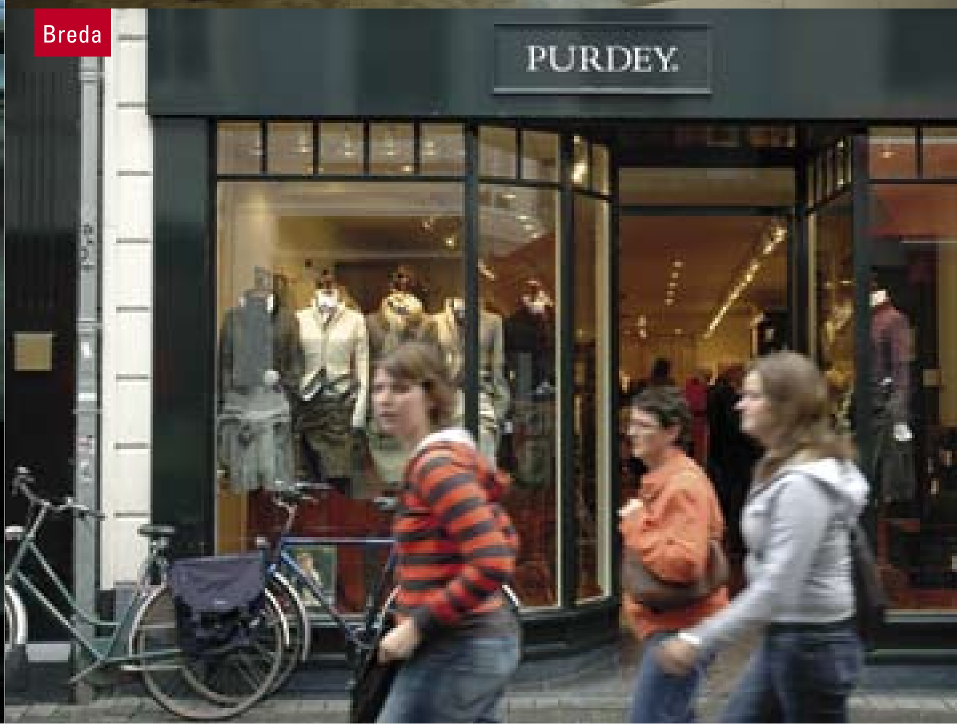
VastNed Retail pursues an active acquisition policy. New investment opportunities are constantly being assessed.

Antwerp

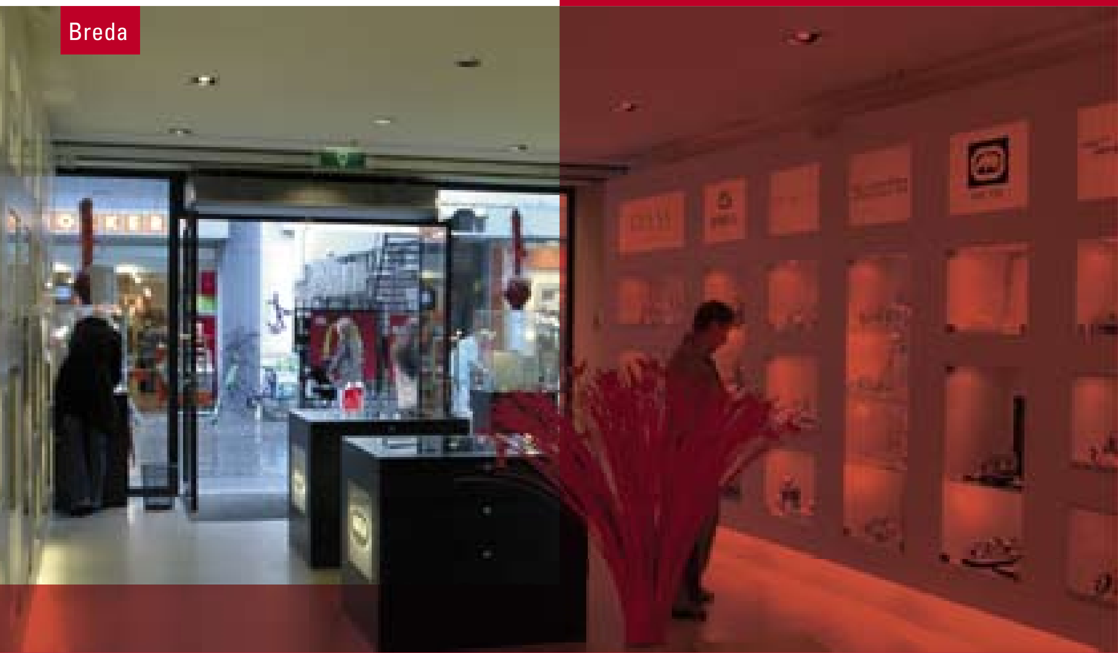
Amsterdam


The Hague

Murcia



Breda



Profile and strategy

History

VastNed Retail N.V., founded in 1986, is a (closed-end) property investment company with variable capital which makes long-term investments in well-let individual retail properties, shopping centres and retail warehouses, primarily in the eurozone.
The issuing and purchasing of shares takes place at the decision of the board of management, taking into account the margins and conditions set by the supervisory board. The shares have been listed on NYSE Euronext Amsterdam since November 9, 1987 and on NYSE Euronext Paris since December 20, 2004, and will be included in the Amsterdam AMX index on March 3, 2008. VastNed Retail is part of the VastNed Group.

Vision

Investing in retail property is clearly linked to the retailers who run their business in these shops. This means that in the long run the rent is dependent on the retailer's profits. The retailer's success and the competitiveness of the location are therefore major factors in the long-term success of the retail property investor.

Mission and strategic objective

VastNed Retail offers private and institutional investors an investment product which is primarily focused on retail property. This offers investors the opportunity to profit from the dynamics of retail markets, striving for a high total return.

The total return consists of a combination of direct return based on rental income and indirect return based on value growth of the property portfolio.
In the longer term, the objective is to raise the dividend per share through active management of the portfolio.

Investment product and investment methodology

VastNed Retail pursues its strategic objective by focusing on the following investment products and by using the following investment methodology:

- a mix of individual retail properties, shopping centres and retail warehouses, striving for a balanced investment mix. A ratio of high street shops of between 35% and 60%, of shopping centres of between 20% and 50% and of retail warehouses of between 10% and 30% is aimed for;
- focus on shopping areas and lessees who distinguish themselves through dynamism and competitiveness;
- a balanced risk return profile of the investments;
- focus on four core countries: the Netherlands, Spain, France and Belgium; and focus on the development of Turkey as a future core country with a desired size of approximately 10% of the total property portfolio;
- aiming for sufficient critical mass in the core countries, so that local management disposes of a sufficient number of functionalities, and;
- focus on an optimum spread within the property portfolio, using the following spread criteria: countries, regions, cities, spreading in categories, number of properties, number of lessees, limitation of the size of the property and limitation of the size of individual lessees.

Size

At year-end 2007, VastNed Retail's property portfolio represented a value of € 2,093.1 million and at that time was composed as follows:

- 45% high street shops;
- 40% shopping centres;
- 11% retail warehouses, and;
- 4% other.

Fiscal structure

VastNed Retail qualifies as a fiscal investment institution as meant in Section 28 of the Dutch 1969 Corporate Income Tax Act. This means that no corporate income tax is due in the Netherlands.
In Belgium all investments have been incorporated in the property Bevak Intervest Retail, which is also exempt from income tax. The French property portfolio equally is exempt from corporate income tax under the locally applicable SIIC regime.
An attractive tax climate is an important factor in investment selection. The investments in Spain, Turkey and Portugal are subject to regular taxation.

Financing policy

The starting point is that the financing of the property portfolio with loan capital remains limited to approximately 40 to 45% of the market value of the property. This principle can temporarily be deviated from should interesting acquisition or sales opportunities present themselves, and provided the interest rate is at an acceptable level compared to the yield on the property. In this context VastNed Retail will always stay within the financing limits as meant in Section 28 of the Dutch 1969 Corporate Income Tax Act. Also, a balance is aimed for between financing with short-term and long-term fixed-interest periods. In prevailing circumstances interest derivatives are used. In times when the VastNed Retail share price trades at a premium compared to net asset value, it may be attractive to issue new shares. The starting point for this is that the issuing of new shares will only take place if there are investment opportunities in the foreseeable future.

Currency policy

VastNed Retail aims to avoid currency risks by investing primarily in the eurozone. When currency risks occur, their scope is limited by careful matching of the currencies of assets and liabilities on the one hand and income and expenditure on the other. Please refer to the chapter on risk management included elsewhere in this annual report.

Dividend policy

VastNed Retail's dividend policy is aimed at putting the direct investment result fully at the disposal of the shareholders. In order to comply with the conditions for fiscal investment institutions, at least the fiscal result must be paid out in cash. The dividend is placed at the shareholders' disposal in the form of an interim dividend of 60% of the direct investment result for the first six months of the financial year, and a final dividend after conclusion of the financial year.

Acquisition policy

VastNed Retail pursues an active acquisition policy. New investment opportunities are constantly being assessed. In the acquisition of pipeline projects, the development risks are generally transferred to contracted project developers and building contractors. In case of early involvement in the design and the composition of the tenant mix, leasing risks may be accepted. Our policy is that acquisitions will only take place if the market conditions are favourable, if the risk return profile is balanced and if the capital ratios permit it. In this context, acquisition opportunities are constantly weighted against financial alternatives such as share buybacks.

Risk management

VastNed Retail pursues an active policy in the area of assessing and, if necessary, taking appropriate action regarding the risks associated with investing in property. In this context, a distinction is made between strategic risks, operational risks, financial risks, reporting risks and compliance risks.

Organisation

VastNed Retail pursues an active management of its property portfolio; in the countries in which it operates or will operate, fully-fledged local management is aimed for. With approximately 100 employees in total, VastNed Management in Rotterdam, VastNed Management España in Madrid, VastNed Management France in Paris, Intervest Retail and Intervest Offices, both in Antwerp, and VastNed Emlak Yatırım ve İnşaat Ticaret in Istanbul manage the investments of VastNed Retail and VastNed Offices/Industrial. VastNed Management has no profit objective, but facilitates the funds with directory board and management. A cost allocation agreement applies to the collaboration between VastNed Retail, VastNed Offices/Industrial and VastNed Management. Costs incurred are charged on, without mark-up for profit, based on causation. 67% of the shares in VastNed Management are held by VastNed Retail, and 33% by VastNed Offices/ Industrial. Self management is the best condition for optimum leasing to creditworthy tenants and for guarding the state in which the properties are kept. Carrying out commercial and administrative management ourselves where possible makes for direct contact with the tenants and the property market, so that market developments can be alertly responded to and operating expenses can be responsibly controlled. Technical management is largely subcontracted to local specialists. By maintenance, renovation and disposal of objects that no longer fit in with the property portfolio, an optimum state and value of the property are secured for the benefit of the return for shareholders. The property markets in the various countries are subject to locally applicable legislation and regulations. A local network as well as specialised know-how in the area of financing and of local culture provide a head start in terms of operating the property. VastNed Retail strives to undertake these efforts from within the country itself where possible.

From left to right Pieter M. Verboom, N.J. (Klaas) Westdijk, Wouter J. Kolff, Jeroen B.J.M. Hunfeld

Antwerp

Report of the supervisory board

Introduction

The supervisory board of VastNed Retail held nine regular meetings in 2007 which were attended by the board of management. The supervisory board also met in the absence of the board of management, and there were also other meetings of the supervisory board. The topics discussed at these meetings included the state of affairs and risks in the property portfolio, the strategy and risks of the company as a whole, as well as aspects thereof, such as entering new markets, the financial results and their disclosure in press releases, the appointment of a new member of the supervisory board and a new member of the audit committee, the supervisory board's own functioning and the functioning of the board of management and the company secretary, the functioning of the external auditor, the supervisory board's remuneration and the remuneration of the board of management, corporate governance and the functioning of the subcommittees of the supervisory board, including the reporting by these committees. Regarding the strategy of the company as a whole, the supervisory board commissioned a study into the pros and cons of a merger with VastNed Offices/Industrial.
The findings of this study were positive. However, it has not resulted in further steps, like a proposal to the general meeting of shareholders, since VastNed Retail on October 12, 2007 received an indicative offer on all its shares from IEF Capital, which was supported by a major shareholder.
This scuppered further detailing of a possible merger.
The supervisory board has been provided with sufficient information by the board of management at all times, so that the supervisory board was able to properly fulfil its supervisory role. None of the members of the board was frequently absent.

Indicative offer on VastNed Retail shares

As stated earlier, VastNed Retail received an indicative offer on the shares in VastNed Retail on October 12, 2007. The supervisory board and the board of management have evaluated this offer, at a price of € 70 per share, supported by an external financial adviser. Based on this evaluation, in which a great number of valuation methods was used, the supervisory board and the board of management have decided that the indicative offer is too low and does not reflect the true value of the VastNed Retail shares. Based on the price and the indicative nature of the offer, the supervisory board in a letter of October 29, 2007 informed IEF Capital that the offer does not reflect the true value of the VastNed Retail shares.

Following the press release of November 6, 2007 in which IEF Capital disclosed having made an indicative offer on all shares in VastNed Retail, VastNed Retail informed the market of its rejection of this indicative offer in a press release of November 7, 2007. Further contact with the management of IEF Capital did not strengthen the basis for further discussions. Subsequently, the supervisory board in the interests of all the shareholders decided to open a data room for a wider group of interested parties. On December 14, 2007 the data room was opened to parties selected by VastNed Retail. On February 1, 2008, indicative offers were received on VastNed Retail and on parts of the property portfolio. After consultation with the parties that had made indicative offers, the board of management and the supervisory board announced in a press release of February 8, 2008 that the parties who had made these offers needed more time to submit definitive offers. We expect to be able to make further announcements on the offering process in the middle of March 2008.

In the context of the offering process, the supervisory boards of VastNed Retail, VastNed Offices/Industrial and VastNed Management have consulted with one another, focusing on the consequences of a public offer for the collaboration agreement for cost allocation between the three companies.

Corporate governance supervisory board

A major component of the corporate governance structure is the structure of the supervisory board as an organ of the company. The supervisory board is continuously focused on that and on corporate governance in general.

The general meeting of shareholders on April 3, 2007 approved an amendment of the Articles of Association to lay down the indemnity system for the members of the supervisory board and the board of management.

Annual accounts 2007

The annual report drawn up by the board of management includes the 2007 financial statements audited by Deloitte Accountants B.V. We are in agreement with this report and with the 2007 financial statements. We recommend that you adopt the 2007 financial statements in the form as presented.

Dividend and reservation policy

In line with previous years, VastNed Retail will distribute the direct investment result fully to its shareholders. Part of the dividend can be paid out to the shareholders as stock dividend, charged to the share premium reserve. The supervisory board has granted the board of management the authority to buy back shares in the company in order to prevent dilution of the direct investment result per share due to stock dividend, charged to the share premium reserve, while at the same time guaranteeing the fiscally favourable character of the payout.

Dividend proposal

We are in agreement with the proposal of the board of management to distribute a final dividend per share of € 5.00 nominal value as follows:

- 5% in cash on the priority shares;
- a payout on the ordinary shares, after deduction of the interim dividend of € 1.12, of € 2.73, of which:
  - € 2.73 in cash less 15% dividend withholding tax, or;
  - € 1.35 in cash less 15% dividend withholding tax, plus a percentage in shares yet to be determined, depending on the share price, but approaching a cash equivalent of € 1.38, charged to the share premium reserve, without deduction of dividend withholding tax.

Composition of the supervisory board

The supervisory board is composed as follows:
W.J. Kolff, chairman
N.J. Westdijk, vice-chairman
P.M. Verboom (chairman audit committee)
J.B.J.M. Hunfeld (member audit committee)

The curricula vitae of the supervisory board members are included in the chapter on corporate governance included elsewhere in this annual report.

Committees of the supervisory board

The supervisory board has three active committees: the audit committee, the remuneration committee and the selection and appointment committee. The audit committee and the remuneration committee each have two members. The selection and appointment committee is comprised of the chairman and the vice-chairman of the supervisory board.

Audit committee

There has been a change in the composition of this committee in 2007. Up to April 3, 2007, the audit committee comprised Mr P.M. Verboom and Mr F.W. Mulder. On April 3, 2007, Mr Mulder retired from the supervisory board, thus also retiring as chairman of the audit committee. In this context, Mr J.B.J.M Hunfeld, after being appointed as a member of the supervisory board, was appointed as a member of the audit committee and Mr Verboom was appointed as chairman of the audit committee. In 2007 the audit committee met on four occasions. It is the task of the audit committee to advise the supervisory board in the area of finance. Topics that were addressed included financial reporting, budgeting, the role of the external auditor, tax law, compliance (inter alia with the Authority for the Financial Markets), IFRS, interest rate and financing risks, letting risks, catastrophe and liability risks, debtor risks, internal control, IT systems, legal risks 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 made available to all members of the supervisory board and were discussed at the following meeting of the supervisory board.

Remuneration committee

The remuneration committee comprises of Mr N.J. Westdijk (chairman) and Mr W.J. Kolff. It is the task of the remuneration committee to advise the supervisory board in the area of the remuneration policy to be pursued for the directors. This committee met on three occasions in 2007. The remuneration committee has prepared the 2007 remuneration report, which will be discussed by the general meeting of shareholders on April 8, 2008. In this report the committee has formulated proposals for the remuneration of the individual directors. The document includes a report on the personal bonuses to be awarded to the directors in 2007. All members of the remuneration committee are also members of the supervisory board of VastNed Management. Coordination with the remuneration committee of VastNed Offices/Industrial takes place in the meetings of the supervisory board of VastNed Management, since the directors manage both funds and their remuneration reflects their activities for both funds.

Selection and appointment committee

As stated before, the selection and appointment committee is comprised of the chairman and the vice-chairman of the supervisory board. The supervisory board met three times for discussions in the area of selection and appointments.

Changes on the supervisory board

The general meeting of shareholders has appointed Mr J.B.J.M. Hunfeld as a member of the supervisory board, gaining VastNed Retail valuable knowledge and experience of the retail sector and of internationally operating companies. Mr Hunfeld succeeded Mr F.W. Mulder, who retired having reached the maximum term to the member of supervisory board provided in the articles of association.

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 of the board of management of the company. This profile is available on the website of the company; copies can be obtained at the office of the company. The supervisory board certifies that all its members are independent as defined in the Dutch corporate governance Code.

Retirement roster

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

- P.M. Verboom, 2008 (eligible for re-election)
- N.J. Westdijk, 2009 (eligible for re-election)
- W.J. Kolff, 2010 (eligible for re-election)
- J.B.J.M. Hunfeld, 2011 (eligible for re-election)

The articles of association stipulate that a term of office is limited to three terms of four years. Thus, VastNed Retail acts in accordance with best-practice provision III.3.5 of the Code.

Jos van Rey, alderman housing, economic affairs and spatial planning, Roermond

'The opening of the Retail Park has made Roermond the number one shopping city.'

The Hague

Madrid


Leidschendam

The Hague

A major component of the corporate governance structure is the structure of the supervisory board as an organ of the company.

General meeting of shareholders

The agenda of the general meeting of shareholders of April 8, 2008 and the associated shareholder circular will be published in the middle of March 2008.

Personnel

The supervisory board is grateful to the board of management and the company's employees for their efforts, loyalty and the results realised during the year under review.

Rotterdam, March 5, 2008
For the supervisory board,
W.J. Kolff, Chairman

From left to right Hans Pars, Reinier A. van Gerrevink, Arnaud G.H. du Pont, Tom M. de Witte

Report of the board of management

Economy and markets in general

Economy

The interim adjustment of economic growth customary in economic cycles arrived in the second half of 2007, originating from the financial sector of the economy. Incorrect pricing of risks associated with loans in the American mortgage sector forces banks into significant write-downs on those loans, as they are now valued at higher risk values. Due to economic globalisation, these loans are distributed throughout the international banking sector, so that the financial sector outside the American economy are also affected by these write-downs.

Uncertainty about the capitalisation of sister banks made banks reluctant to loan each other money, so that even the smallest risk on a loan was analysed, in some cases forcing up commercial interest rates on loans. This constituted an adjustment in the development of the global economy, resulting in lower economic growth in the second half of 2007 and also in 2008. It is striking that the cause of the problem lies in the American economy, which contains many imbalances, one of which is that consumers are loaded with debt.

As a first reaction, central banks provided each other with the liquidity needed to prevent the financial economy from collapsing completely. The ECB led the way. Then the FED was the first central bank to lower short-term interest rates. The risk of a recession in the American economy is compounded by the imbalances contained in it. Other central banks are expected to follow in the FED's wake in the first half of 2008. Commercial banks, for their part, led by the leading American banks, have issued shares to boost their risk-bearing capital. This extends the influence on the banking sector from countries with a surplus of capital, such as Asian and oil-exporting countries.

The correction of economic growth was fanned by rising inflation due to price increases of a range of raw materials. This is a more stubborn problem; possible second-round effects of these price increases might create a wage-price spiral. The capital market considers the risk of a second-round effect on inflation to be very small in view of the long-term interest rate on government bonds in the eurozone. Based on a real interest rate of 2 to 3% and the ECB's long-term inflation target of 2%, the long-term interest rate at the time of writing is just over 4%. This is of no concern to investors, who focus on inflation.

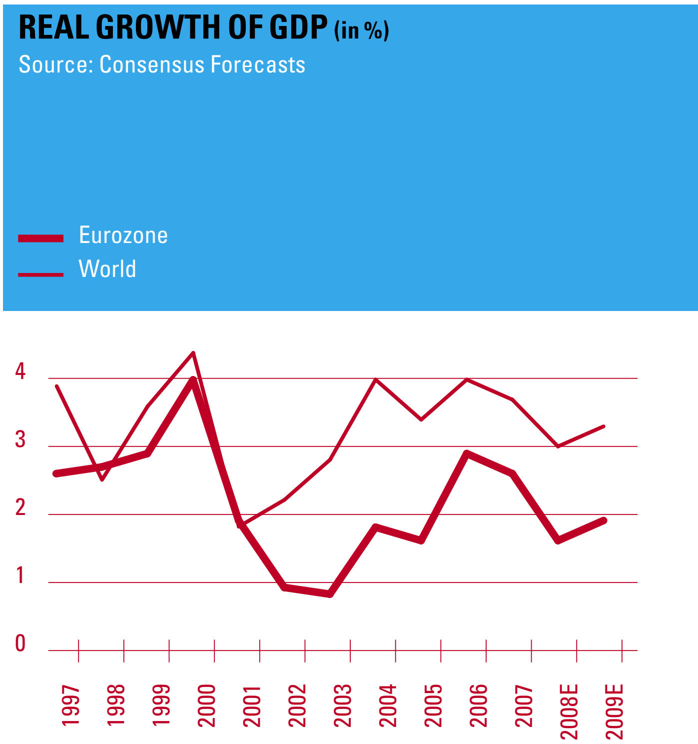
As a result of these developments, economists have lowered their growth forecasts for the global economy. These developments are likely to lead to several quarters of recession in the American economy and a slowdown of the global economy and the economy of the eurozone. In the eurozone, the strong euro is also a factor, as it affects competitiveness. It should be kept in mind that many countries in the eurozone are used to, and their economies geared to, a strong currency, so that the long-term effects of the strong euro can be kept in check. There is clearly scope for higher economic growth in the eurozone in 2009, mainly due to strong underlying development of the world economy and the strong rise of employment in the eurozone.

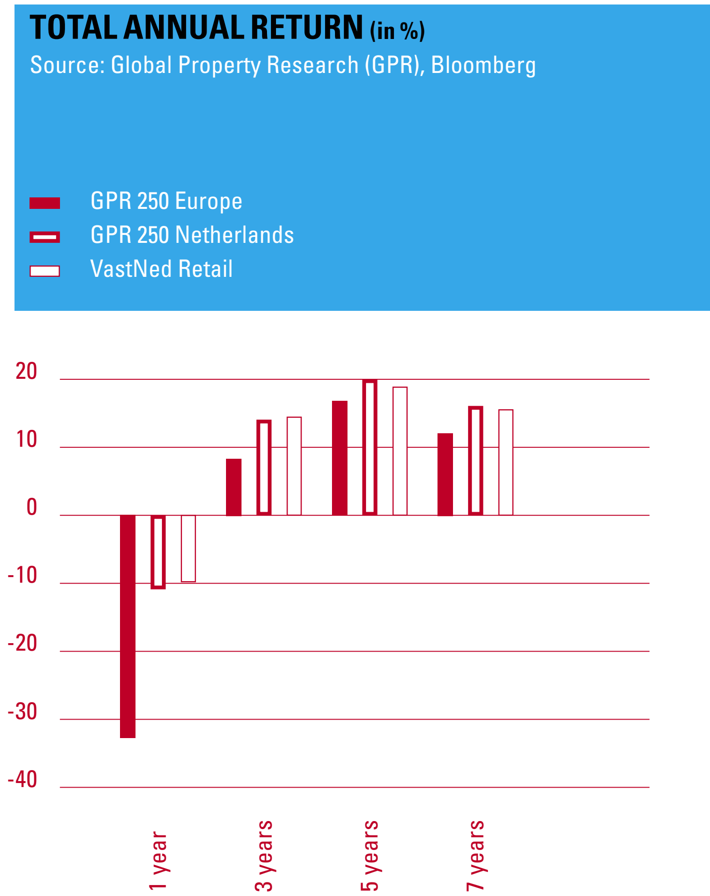
Retail market

The significant value increases of retail property in recent years were mainly due to a state of supply and demand favourable to value increases. The underlying rental stream has only partly supported this value increase. The situation appears to be changing, with a strong increase of market rents occurring in good to prime locations. This time, it is not demand for retail property from investors that is the prime driver of value, but strongly increased demand from retailers for retail space generated by an increase of disposable income due to economic growth. Due to a degree of scarcity of good to top retail locations, this demand drives up rents of newly concluded rent contracts. Realised higher cash flows and higher cash flow forecasts increasingly affected property values in 2007. For the next few years, too, new realised higher rental income or the anticipated improvement of rental income are expected to be the main drivers of the value development of retail property.

For investors, the success of the retailer is ultimately the main driver of long-term rent and value increases. Understanding retail trends therefore remains essential.

Institutional investors continue to consider property an attractive investment option, especially for diversification purposes against shares and bonds. For attractiveness, investment in well-spread retail property portfolios in good and prime locations matches investment in government bonds.





On the far side of Europe, VastNed Retail has selected Turkey and made its first investments. Good prospects for long-term economic growth, strong population growth and considerable room for improvement of disposable income make this country attractive. Turkey is important in terms of spreading of retail portfolios, a role Spain used to play in VastNed Retail's property portfolio. Just like Spain in recent years, Turkey provides a counterweight to the highly developed economies of countries like the Netherlands, France and Belgium.

A key theme in Turkey is modernisation of the retail system and the arrival of international retail brands. New shopping centres are replacing local markets and dispersed individual shops. Existing central shopping streets are changing through redevelopment from old shops to modern retail properties where major retail chains can do business. A major change is under way in Istiklal Caddesi in Istanbul, Turkey's premier shopping street. Seven days a week this shopping street bustles with mainly young, modern and well-educated residents looking for entertainment and the latest trends in retail. The pedestrian area is highly favoured by international retailers, which will accelerate the renovation of this shopping street, which is Turkey's absolute prime retail area. In time, it will match all the major shopping streets in cities like London and Paris. Istanbul, whose population almost outnumbers the Netherlands, has several other shopping streets of this calibre that are also modernising and increasing their international appeal.

Retail innovation is an abiding theme, as it is in the other countries where VastNed Retail operates. The trend towards more modern and larger retail floor areas continues apace. Whenever VastNed Retail has the opportunity to realise this in her protfolio, realised rent levels immediately rise. The importance of the retail experience, too, is an ongoing trend. In most cases, the retailer creates the retail experience in his formula. VastNed Retail provides the right retail space for these formulas to blossom, which drives home the importance of high-quality asset management.

China, too, is providing innovation. Within a short period of time, three Chinese retail chains have opened for business in the Netherlands. The Chinese furniture maker Kuka opened a shop in Villa Arena; sports brand Li-Ning opened its first outlet in the Netherlands in Maastricht, and shoe producer Kangnai started up in The Hague. And that will not be the end of it, as Chinese companies are ready for expansion into Europe.

Ageing is increasingly impacting the retail sector. The 45 to 70-year-old demographic group is now dominant in the Western economies. This group has a low mortgage in relation to the value of their home and is mainly interested in quality, deep and wide product ranges, comfort, service and experience, and is prepared to pay a little extra for this. Retailers achieve lower volumes, but higher margins.

A number of trends are in line with this. Consumers want top quality and replace items by products of higher quality in terms of design and luxury. H&M has responded to that trend by having well-known fashion designer Karl Lagerfeld and celebrities like Madonna design collections. The sense of exclusivity is enhanced by limiting the time the range is sold. The trend of personalising products also keys into this. Enabling consumers to apply their own design to a part of a product gives it a uniqueness that consumers are happy to pay for. For example, consumers can personalise a box of Kleenex by having their own design put on it, creating a showpiece in their living room. This kind of trends can be extended into inspiration and experience. Products like Philips' Aurea LCD TV or the Nintendo Wii game computer offer completely new sensory experiences. The possibilities are limitless, and these trends will find their way to the consumer.
Additionally, consumers tend to choose for a particular retail area based on various considerations. The joint considerations 'efficient' and 'close' more or less cover people's daily shopping needs, which are generally provided by shopping centres in residential areas. The combination of 'choice' and 'accessibility' takes the consumer a bit further afield, for example to a large shopping centre or a retail park. The combination of 'choice' and 'leisure' is provided by (historical) city centres. VastNed Retail applies these consumer choices in its portfolio management. However, every retail area must have sufficient critical mass and be dynamic and competitive. The resulting mix of shops, shopping centres and retail parks provides the additional benefit of a good spread of the retail investments.

Risks

The dollar fell strongly against the euro in 2007. Little has changed in the situation of the government budget deficits and the trade balance in the United States, nor in the high level of consumer debt. A new factor is that an increasing number of consumers can no longer repay their debts, which strongly impacts the growth prospects of the American economy. Market sentiment has turned against the dollar, increasing the possibility of the dollar weakening further. However, it may be argued that the present weakness of the dollar already sufficiently reflects these problems. From that point of view, the dollar is close to or has already hit its lowest point. In the short term, the growth of the eurozone is impacted by the present weakness of the dollar. A further fall of the dollar will heighten the sense of crisis. Economic growth in the eurozone will come under considerable pressure, not only from the weak dollar, but also from economic sentiment, leading to lower inflation and even falling interest rates.

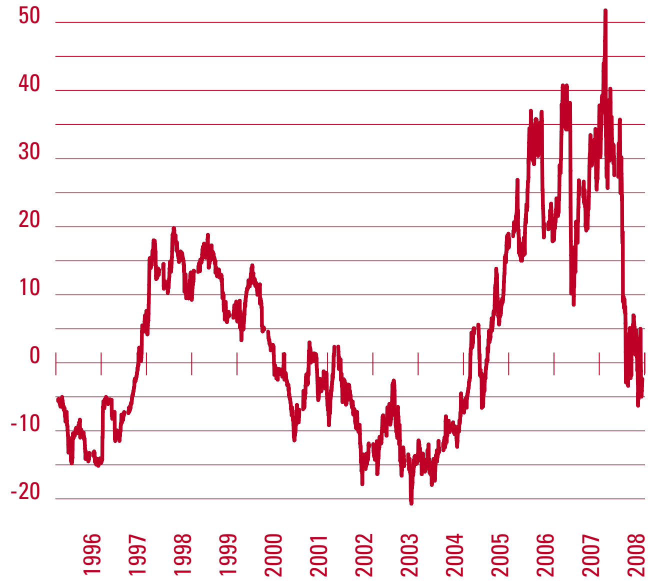
The oil price is reaching new heights, measured in dollars. The supply and demand situation in the oil markets remains unstable. The background of this lack of stability is the mismatch between increasing demand from the Asian countries and low oil exploration activity due to a long period of low oil prices in combination with the fact that many oil reserves are located in politically unstable areas. In spite of the high oil price, the mismatch of supply and demand carries the risk that in the next few years the oil price will rise to new heights. This may disrupt the present stability of interest rates and inflation, which may negatively impact economic growth.

House prices in the eurozone rose further in 2007. This is a global phenomenon due to strong demand and limited supply. In many countries, it is almost impossible for first-time buyers to get on the property ladder. In some countries mortgage durations have been extended from 30 to 50 years to enable people to buy homes. The high level of house prices is a threat to consumer spending. In the American economy a turnaround is taking place; house prices are falling, saddling consumers with mortgage debts and thus affecting consumer spending. While retail spending is only part of this, it will not dodge the trend. A comparable scenario to that facing consumers in the American economy could also occur elsewhere, with similar consequences for consumer spending and retail spending.

Limited population growth in the eurozone has become a structural factor. This matter has gained importance as immigration policies for economic refugees have been tightened up all over the eurozone. Limited population growth means that the property market must focus on quality over quantity. That requires more focus on regulating the property market. At the present population growth, a policy focusing on quantity will eventually lead to structural vacancy in weaker shopping areas.

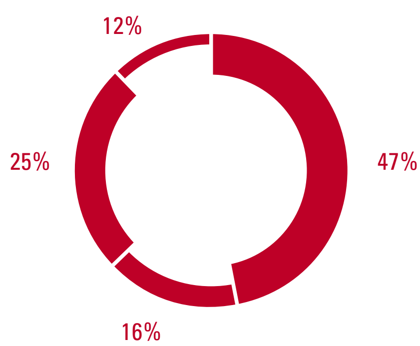
Disappointing economic growth may put pressure on the retail market and push up vacancy.

DUTCH PROPERTY FUNDS
Development premium (discount) (in %)



VASTNED RETAIL
Industry spread total property portfolio (in %)

Non-food 47%
Food 16%
Living and Leisure 25%
Other 12%

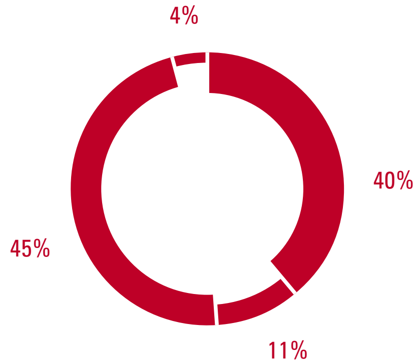


Stock exchange

Historically, share prices of listed property funds are subject to cyclical movements. Periods in which the shares trade at a premium compared to net asset value are followed by periods of discounts. In the first half of 2007, the property funds listed on NYSE Euronext Amsterdam traded at a premium compared to net asset value, but this fell to a discount in the second half. Increased interest rates appear to be the major cause of this, as they tend to affect the funds' profit growth. There also appears to be an anticipation that property values might start to fall. In the short term, rising rent levels seem to provide adequate compensation. Initial yields are rising independently of property values. Furthermore, upside pressure on interest rates will diminish, mainly because of the credit crunch as economic growth forecasts have been downgraded.
The present correction of the international economic cycle has the major effect of stabilising interest rates and perhaps even lowering them. In that context, returns achieved on property funds will rapidly become more attractive, and so correspondingly will the property funds themselves. Demand for property is high among both institutional and private investors. Internationalisation is a major theme. While in the past shareholders of property funds tended to be Dutch, they now come from far and wide. And not only institutional investors, but also private investors are looking beyond their national borders.

VASTNED RETAIL
Sector spread total property portfolio (in %)

Shopping centres 40%
Retail warehouses 11%
High street shops 45%
Other 4%



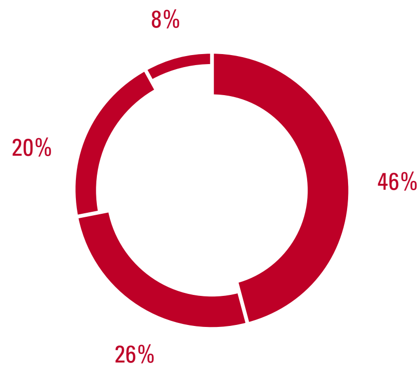
Netherlands

Economy

Last year was a positive year for the Dutch economy with economic growth at 3.5%, well above the 2.7% growth rate of the eurozone. The economy is competitive, employment is growing rapidly and consumer spending is rising fast. The lean years are over, and the future is bright. Of course the Dutch economy will remain sensitive to international economic cycles and cyclical fluctuations will continue to occur, but times of painful structural adjustments are behind us. Due to the credit crisis in the American economy and the strong euro, growth in 2008 will be lower than in 2007. There has been a shift in the political landscape. The incumbent government is more focused on social issues, and comprises centrist political parties.

NETHERLANDS
Industry spread (in %)

Non-food 46%
Food 26%
Living and Leisure 20%
Other 8%



Retail market

The retail trade in the Netherlands is flourishing. After an excellent 2006, 2007 was also a very good year for both the food and non-food sectors. Retail spending was buoyed by a strong recovery of consumer confidence and readiness to make large purchases. Forecasts for 2008 have been adjusted, but growth might bounce back due to strong employment growth and low unemployment.

Albert Heijn emerged victorious from the price war, and saw its market share increase. More generally, full-service supermarkets are outperforming food discounters, as was to be expected. Present-day consumers focus on quality, luxury, service and comfort. The price war is over, although the supermarket sector will attempt to keep its price image up. In the fashion sector, H&M and Zara are being joined by ever more new or revived formulas that are capable of the same turnaround rates and rapidly changing collections. Various formulas also follow in H&M's footsteps, commissioning special collections designed by celebrities. The success of H&M and C&A's internet operations is striking. Their strong brand recognition is a major factor in that success.

In the first half of 2007, the investment market was marked by broadly falling initial yields. Not just prime locations were sought after; many kinds and types of retail property were also in demand. In the course of 2007, this caused rents and rental values to rise sharply. For the next few years the outlook is that this type of growth will be a major cause of further value increases of Dutch retail property.

Spain

Economy

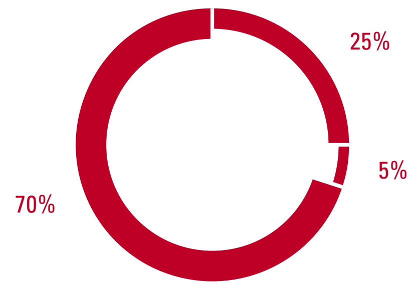
There seems to be no end to the series of fine growth figures of the Spanish economy. Growth in 2007 at 3.8% was again above the eurozone average of 2.7%. Of course, Spain will not escape the international economic cycle, and the growth forecast for 2008 is lower than the rate achieved in 2007. Major concerns are sharply increased house prices and the impact that a consolidation or fall of these prices might have on the economy. So far, the impact of high mortgages is mainly apparent on new housing estates, where newly opened shopping centres are experiencing low customer numbers. In established districts, where mortgages are well below the value of the house, the retail trade continues to do well.

Retail market

Retail spending in Spain developed positively in recent years on the back of the economic boom, although growth of consumer spending has decreased somewhat. Discounters in food and non-food are

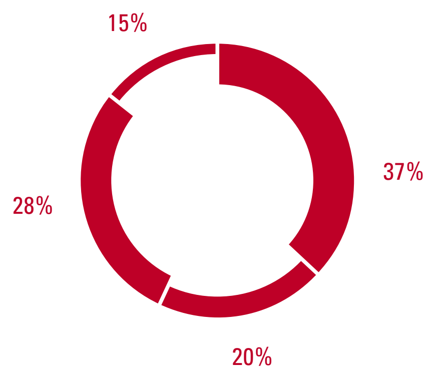
NETHERLANDS
Sector spread (in %)

Shopping centres 25%
Retail warehouses 5%
High street shops 70%



SPAIN
Industry spread (in %)

Non-food 37%
Food 20%
Living and Leisure 28%
Other 15%

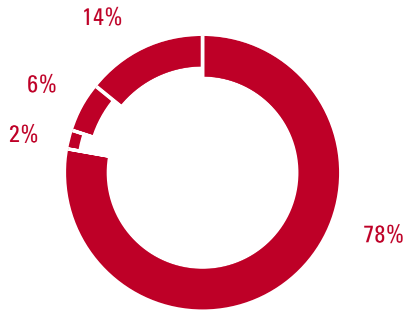


showing solid growth. In the supermarket sector, Mercadona in particular is thriving, with its combination of an attractive price/quality ratio and a strong presence of its house brand on its outlet shelves. The non-food sector is dominated by fashion group Inditex with formulas like Zara. It is experiencing rising competition from H&M and C&A as well as from the new discount formula Primark. Demand for retail property remains high and focused on inner city prime locations. Spain has one of the highest rates of retail floor area per head in Europe, but a large proportion is inefficient. The renovation of the retail supply is marked by a rapid development of shopping centres and retail parks. In some parts of the country this development is moving too rapidly, so that a relatively high volume of retail floor area floods the market, increasing the risk of vacancy. In some places, this development has been restricted by government regulations, but the number of shopping centres planned for development is still high. Inner city shopping areas are not well developed in every city, but when they are, they are highly in demand with national and international retailers. Rents in these locations have risen strongly in recent years.

The sharp fall of initial yields of recent years levelled off in the first half of 2007. Since then, strong letting results have become the dominant factor in the total value growth of retail property. For the next few years, the outlook is that further value growth of retail property in Spain will mainly be driven by rental growth and rental value development.

SPAIN
Sector spread (in %)

Shopping centres 78%
Retail warehouses 2%
High street shops 6%
Other 14%



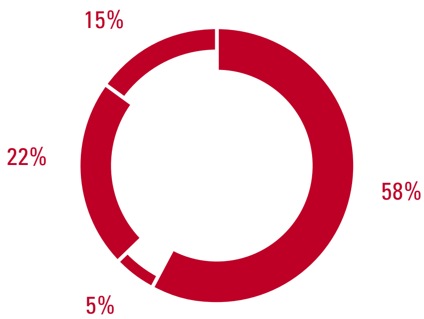
France

Economy

The 1.9% growth rate of the French economy in 2007 continued to lag behind the eurozone's 2.7%. Consumer confidence in France and readiness to make large purchases have been below the eurozone average for years. The French economy is clearly not steaming ahead, as all the figures continue to be poor. But there is something the French can be proud of: the strong euro has helped France to become the fifth largest economy, overtaking Great Britain. This new position is a boost for France, whose weak economy is publicly deplored. The cause of this weakness lies in structural problems in the economy, for instance in the labour market. In France, social issues outweigh competitiveness and innovative strength. Parliament has great difficulty in carrying through real reforms, and is often confronted with street protests. Perhaps president Sarkozy can change that. In the short term, 2008 will be another difficult year in view of the downturn of the international economy.

FRANCE
Industry spread (in %)

Non-food 58%
Food 5%
Living and Leisure 22%
Other 15%



Retail market

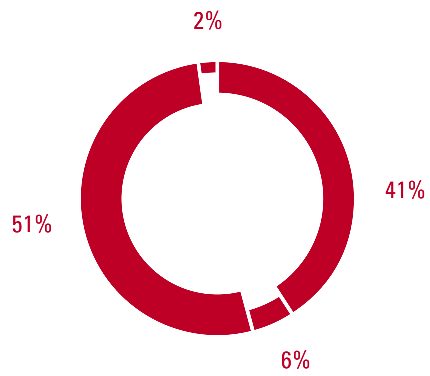
Retail spending in food has not risen in years and occasionally even contracted. This has resulted in strong growth of discount formulas and, together with the strong development of supermarkets, has put considerable pressure on hypermarkets to change their price image. It seems unlikely that this market will soon regain its volume. Margins remain under pressure.

The non-food sector, however, has managed to turn its fortunes around. The fashion retail trade is a dynamic sector, with many foreign retailers operating in the French market. After rapid expansion, H&M and Zara are now in competition with British New Look's formula New Mim. The expansion leads to upward pressure on rent prices for the larger shopping centres and inner cities. This is compounded by sharply limited growth of retail space due to stricter government regulations.

In the first half of 2007, the investment market was marked by broadly falling initial yields. Not just prime locations were sought after; many other kinds and types of retail property were also in demand. Shopping centres and retail property portfolios were often sold at auction, and interest was high. Initial yields decreased to levels close to or below the short-term interest rate. In the course of 2007, strong growth of rents and rental values became dominant factors in value determination, and this is set to continue in the next few years. Growth of rents and rental values is the key to further value growth of the French retail property.

FRANCE
Sector spread (in %)

Shopping centres 41%
Retail warehouses 6%
High street shops 51%
Other 2%



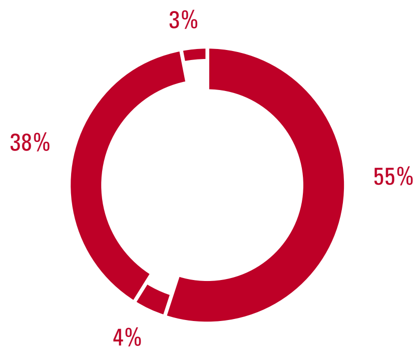
Belgium

Economy

The Belgian economy performed just below the eurozone rate at 2.6% vs 2.7%. This was disappointing, as Belgium had been expected to maintain its growth rate above the eurozone average. The number of new company start-ups rose to record levels in 2007; this was a political ambition. It shows that business has regained its dynamism. Disappointments were the development of wage costs and the loss of market share of Belgian companies abroad. Export is a major factor for Belgium. Disappointing economic growth might also be affected by the strong language divisions in the country. The impact of these divisions on national politics is at an unprecedented level.

BELGIUM
Industry spread (in %)

Non-food 55%
Food 4%
Living and Leisure 38%
Other 3%



Amber Cannoot, floormanager H&M, Bruges

'It is an inspiring, real fun, building to work. At the heart of ancient Bruges, with the original façade intact, it has a really authentic appeal. And then to realise it is a former shopping centre.'

The significant value increases of retail property in recent years were mainly due to a state of supply and demand favourable to value increases.

Amsterdam


Cannes

Paris

Retail market

Retail spending in Belgium seems reluctant to grow. Low volume growth or even contraction seem to be the trend. On the upside, consumer confidence has recovered to above the eurozone average. Readiness to make large purchases has increased; 2007 even recorded the highest score of the last thirty years. These figures are bound to come under pressure from the international economic downturn in 2008, but it does show that when times are good, consumers are willing to consume more. The food sector is experiencing strong price competition, with discount formulas showing further growth. In the non-food sector, things are picking up. New arrivals on the Belgian market were mainly fashion formulas, such as New Yorker, New Look and Sfera. International and national retail chains particularly want to expand in the superior retail locations. The presence of more than one outlet of the same retail formula in a prime shopping area is no longer exceptional. The bigger players like H&M are now also expanding into smaller cities in Belgium. The second half of 2007 was marked by clearly falling initial yields in the retail property investment market. Not just prime locations, but also many other kinds and types of retail property were in demand. High street shops, larger retail properties and retail property portfolios were often sold at

auction, and interest was high. In the course of 2007, strong growth of rents and rental values became dominant factors in value determination. This is set to continue in the next few years. Growth of rents and rental values is the key to further value growth of the Belgian retail property.
The new IKEA act has brought decision-making on retail property closer to local authorities. Retail property development has clearly stepped up a gear. In 2008 and 2009, especially many new shopping centres, will come on the market, but there are also retail parks on the drawing board. There are considerable regional differences, with more development taking place in Wallonia than in Flanders.

The retail property market is still a relatively small market for investors. Finding investment properties is hard, since in the past few shopping centres were developed, and many prime inner city shops are privately owned. As development begins to get under way, the tide appears to be turning. The enormous demand from investors puts constant downward pressure on initial yields.

Turkey

Economy

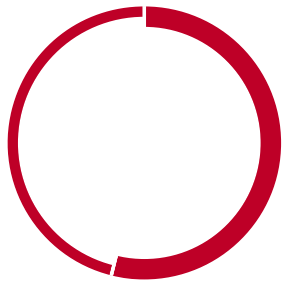
For a number of years, the Turkish economy has grown at a rate well above that of the eurozone. Against an average growth rate of the eurozone of some 2%, the Turkish economy performs at nearly 5% growth. Next to strong growth, the Turkish economy is also showing a number of major imbalances, including a considerable budget deficit that must be compensated by external financing. External financing currently mainly comprises investment in the Turkish economy by foreign companies. If those foreign companies find it more difficult to raise capital due to the American credit crunch, Turkey will be vulnerable. This might lead to a sharp cooling of the economy in the short term. For VastNed Retail, this does not detract from the long-term potential of the economy, and the cooling is an opportunity rather than a threat.

Retail market

The Turkish retail market is modernising at a rapid pace. Local markets and dispersed shops are being replaced by modern shopping centres. Development of shopping centres is relatively easy, and it is not unusual for a new centre to be built close to or even next to an existing one. Good knowledge of the local

BELGIUM
Sector spread (in %)

Retail warehouses 54%
High street shops 46%



market is crucial to understand the associated risks. VastNed Retail prefers smaller, but modern shopping centres that are well anchored in the local community. The company presently focuses on Istanbul, a metropolis numbering almost as many people as the Netherlands. The city has several major, very busy shopping streets, some of which are pedestrianised in European fashion. These streets offer attractive investment opportunities, but only to investors who are patient and take their time. VastNed Retail has invested this time, and the first acquisitions in these shopping streets have been realised.
Although initial yields in the investment market have fallen rapidly, as in all the other countries, there is still a yield premium to be achieved that far exceeds current yields in the eurozone. This premium is a compensation for the risk associated with an emerging market. In the long term, this premium will add more to VastNed Retail's result. In the short term, risks may dominate from time to time and contribute less to the result.

Property portfolio

The year 2007 proved to be successful in many areas. The occupancy rate remained at the level of frictional vacancy, rent improvements were at a historic high, while statutory indexation rates provided good support to total rent growth. These developments were reflected in the appraisals, which reached record levels. Also, the momentum of the acquisition process has been maintained. This process, and the sale of a number of properties with poor yield prospects, have significantly improved the risk return profile. VastNed Retail's property portfolio is characterised by spreading in terms of countries and regions, types and numbers of tenants, as well as types of investment properties.

Reporting continues to be a major factor, and in that context this annual report has implemented the best-practice principles concerning reporting as formulated by the industry organisations IVBN and EPRA. The board of management wholeheartedly supports the continuous revision and occasional updating of such principles since they contribute to a better mutual comparability of property funds and to increased transparency of reporting in general.

Properties

The property portfolio consists for the greater part of individual retail properties; in addition, investments are made in small and medium-sized shopping centres and retail warehouses. At year-end 2007 the total property portfolio consisted of 656 properties (year-end 2006: 570) spread across six countries, with a total lettable floor area of 712,350 square metres (year-end 2006: 672,049 square metres). The size of the property portfolio in operation amounted at year-end 2007 to € 2,064.4 million (year-end 2006: € 1,709.6 million).

Letting and occupancy rate

During 2007 leasing in the property portfolio generally developed in the desired direction.

Occupancy rate

The occupancy rate of the total property portfolio and its different segments are as follows (in %, year-end 2007 and annual average):

	Year-end 2007	Average 2007	Average 2006
Netherlands	98.4	97.9	97.7
Spain	96.4	96.0	97.4
France	97.9	96.8	98.4
Belgium	99.3	95.9	95.4
Turkey	97.7	97.7	–
Portugal	100.0	100.0	100.0
Total	***97.9***	***96.9***	***97.4***

The occupancy rate at year-end 2007 improved in particular due to the sale of the factory outlet in Messancy in Belgium. This will benefit the average occupancy rate in 2008. In the 2007 financial year the average occupancy rate was under some pressure from poor leasing results in the factory outlet in Messancy and the retail/leisure property Parque Vistahermosa in Alicante in Spain. The average occupancy rate in 2007 was 96.9% (2006: 97.4%).

Leasing activity

A considerable number of lease transactions were concluded in 2007. These lease operations, which we refer to as 'leasing activity', comprise new leases and lease renewals. The first category comprises leasing vacated spaces to new tenants and the second concluding new contracts with existing tenants.

New contracts realised an on average 15% higher gross rent in VastNed Retail's core countries. An overview is presented below:

	New Leases		Lease renewals		Leasing activity
	Change*	Volume**	Change*	Volume**	Volume**
Netherlands	11.7	4.7	17.1	1.3	6.0
Spain	9.4	3.2	9.8	6.1	9.4
France	5.0	4.6	9.7	4.6	9.3
Belgium ***	27.8	7.6	30.7	6.5	14.1
Total	**14.6**	**4.7**	**16.1**	**4.1**	**8.8**

* Change expressed as a percentual increase of new rent compared to old rent.
** Volume expressed as a percentage of total theoretical gross rent.
*** Belgium excluding factory outlet in Messancy.

Leasing activity concerns lease contracts concluded in 2007. The raised rent levels will largely affect 2008, contributing to the direct investment result. In new leases, we not only managed to raise the rent level compared to the old rent, but also compared to market rents as issued by appraisers. The increase amounted to 14%. Taking the rent-free periods, lease discounts and lease incentives into account, the total increase was 9.5%.

Rent-free periods, rent discounts and lease incentives

Rent-free periods, rent discounts and lease incentives expressed as a percentage of gross rental income increased to 2.1% (2006: 1.6%). In 2008, the percentage is expected to fall due to the sale of the factory outlet in Messancy, Belgium. Apart from that effect, the board feels that these levels are in line with the market.

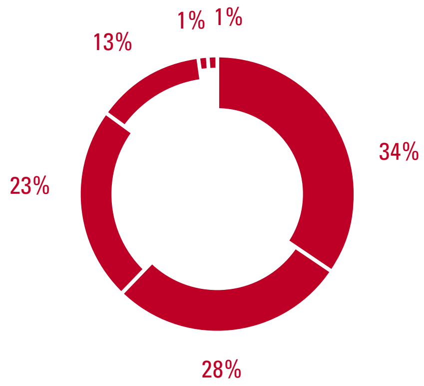
Rent-free periods, rent discounts and lease incentives (in %)

	2007	2006
Netherlands	(0.4)	(0.3)
Spain	(2.8)	(2.2)
France	(1.0)	(1.1)
Belgium	(6.0)	(4.0)
Turkey	(0.2)	–
Portugal	–	–
Total	**(2.1)**	**(1.6)**

The above percentages were calculated using straightlining, i.e. the amounts of the rent-free periods, rent discounts and lease incentives are deducted from gross rent over the full duration of the lease contracts.

VASTNED RETAIL
Composition property portfolio (in %)

Netherlands 34% Belgium 13%
Spain 28% Turkey 1%
France 23% Portugal 1%



VASTNED RETAIL
Ten largest tenants
Percentage of theoretical rental income as at 31 December, 2007.

H&M	4.8
Inditex	2.6
Maxeda	1.5
Blokker	1.4
Auchan	1.4
Eroski	1.4
Ahold	1.3
A.S. Watson	1.3
Media Markt	1.2
Charles Vögele	1.1
Total	18.0

Tenants

VastNed Retail leases its properties to a large number of tenants. The total number of tenants, excluding apartment tenants, amounted to 1,894 at year-end 2007. A list of the larger lessees is presented in the graph on the left. None of the tenants is so dominant as to constitute a risk to VastNed Retail's rental income.

Market rent

At year-end 2007, VastNed Retail's property portfolio was leased at on average 94.1% of market rent. For this calculation, market rents are defined as determined by independent appraisers during their latest appraisal for the determination of the book value at year-end 2007, augmented in prevailing cases by mall income, compared to the theoretical rental income of the property portfolio. The latter consists of gross rental income as at year-end 2007, including mall income and the estimated turnover rent, augmented by vacancy at market rent level. This underleasing is the result of cases of overleasing and underleasing in various countries. The board of management sees ample opportunity for future rent increases in the conservative estimates provided by appraisers.

Under/overrent (x € 1 million)

	Gross theoretical rent	Market rent	Under/over-rent (in %)
Netherlands	48.1	49.9	96.4
Spain	35.9	36.9	97.2
France	26.5	30.9	85.9
Belgium	18.8	19.4	97.2
Turkey	1.2	1.6	76.7
Portugal	1.1	1.2	89.0
Total	**131.6**	**139.9**	**94.1**

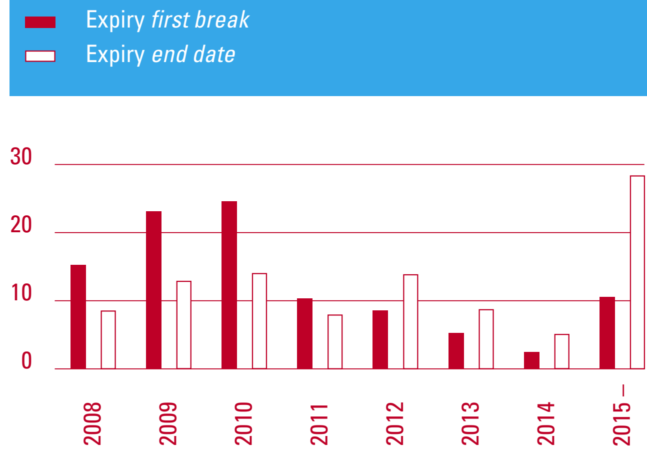
Expiry dates of lease contracts

VastNed Retail is active in six counties, with different types and durations of lease contracts resulting from local legislation and customs. The various graphs present the expiry dates of the total property portfolio and the individual countries. The average duration is 6.0 years. Upon expiry, lease contracts offer the option of rent adjustment in VastNed's favour. Taking into account the term until the next possible termination date on the part of the tenant, the average duration is 3.7 years (year-end 2006: 3.4 years). VastNed Retail considers the expiry dates of the lease contracts to be well spread.

VASTNED RETAIL

Expiry dates lease contracts total property portfolio (in %)

Expiry dates and renewal dates of lease contracts (weighted for gross rental income).
Average duration is 3.7 years.



Acquisitions

In 2007, acquisitions (including commitments) were made in the Netherlands, France, Belgium and Turkey for € 221.7 million in total.

Acquisitions and commitments 2007 (x € 1 million) and net initial yield (NIY, in %)

	Amount	NIY
Netherlands		
– Amsterdam, 255 Buikslotermeerplein	1.8	5.2
– Borculo, 7, 9 Lichtenhorst	4.3	5.8
– Heerlen, 140 In de Cramer	7.4	6.1
– Hendrik-Ido-Ambacht, Shopping centre 'Hoog Ambacht' *	22.3	5.6
– Houten, 1-5 Achterom/ 130-134 Spoorhaag*	4.2	–
– Lelystad, Wisselplein*	21.8	5.3
– IJsselstein, 45 Utrechtsestraat	1.7	5.1
France		
– Lille, 56 high street shops and 100 apartments on different addresses	96.0	5.0
– Lille (Seclin), 'Terres et Eaux'	3.4	6.6
– Toulon (La Garde), Les Quatre Chemins	5.9	6.3
– Augny, Rue du Bois d'Orly	2.3	6.5
– C.C. Val Thoiry (expansion)	6.7	5.8
Belgium		
– 21 Retail warehouses, on different addresses	21.3	5.8
Turkey		
– Istanbul, 'Elysium Shops', 3 Kazim Orbay Caddesi	9.8	7.0
– 34 Istanbul, Istiklal Caddesi	8.8	5.0
– 98 Istanbul, Istiklal Caddesi	4.0	4.1
Total	**221.7**	

* Investment properties in pipeline.

Disposals

In 2007 disposals totalled € 21.1 million, and concerned investment properties in the Netherlands, France and Belgium. These disposals have strongly improved VastNed Retail's risk return profile.

It concerned the following properties (x € 1 million):

	Amount
Netherlands	
– Leiden, 2e-f Korevaarstraat	0.5
– Amersfoort, 18-20 Arnhemsestraat	0.8
– Dinteloord, 7-9 Raadhuisplein	0.5
– Heerlen, 20 Akerstraat	0.5
– Rotterdam, 217 Groene Hilledijk/ 119-121 Meerdervoortstraat	0.5
– Schiedam, 50-54 Broersvest	0.5
– Schiedam, 93 Hoogstraat	0.2
– Vlaardingen, 165 Hoogstraat	0.3
– Zeist, 1, 1a-c Scheeperslaan/24-24a Steijnlaan	1.0
– Zierikzee, 12 Dam	0.2
– Zierikzee, 2-4 Verre Nieuwstraat	0.2
– Enschede, 10 Dotterbloemstraat	1.1
– Amsterdam, 133 Ceintuurbaan	0.6
France	
– Vichy, Rue Georges Clemenceau	0.3
Belgium	
– Antwerp, 33 Breydelstraat	0.3
– Messancy, 44 Rue de l'Institut	1.0
– Charleroi, 5-7 Rue de la Montagne	3.0
– Messancy, 199 Route d'Arlon	9.6
Total	**21.1**

Value movements investment properties

The value movements of the property portfolio based on the appraisals by independent appraisers showed a record high with a total value movement of € 208.0 million positive (2006: € 127.7 million positive). These positive value movements are mainly due to rent increases. The lower initial yields of the investment properties (yield compression) also contributed to the value increases. Net yield on the property portfolio (theoretical net rental income divided by the appraisal value of the property portfolio) at year-end 2007 amounted to 5.7% against 6.2% a year earlier.

Value movements investment properties (x € 1 million)

	2007	2006
Netherlands	85.9	40.2
Spain	58.0	46.6
France	42.4	35.1
Belgium	21.5	3.6
Turkey	(1.2)	–
Portugal	1.4	2.2
Total	**208.0**	**127.7**

Appraisal methodology

VastNed Retail's property portfolio is appraised four times per year. The larger properties, with an (expected) value of at least € 2.5 million make up approximately 75% of the portfolio and are appraised quarterly by internationally reputed appraisers (please refer to the overview 'Property portfolio 2007' included elsewhere in this annual report). Smaller properties are appraised externally once a year, spread evenly across the quarters. After external appraisal, these properties are appraised internally in the following three quarters by extrapolation of the external appraisal. Virtually all the properties were appraised externally as per December 31, 2007. VastNed Retail ensures that the appraisers dispose of all relevant information needed to arrive at a balanced assessment.

Netherlands

Properties

The Dutch property portfolio at year-end 2007 made up 34% of VastNed Retail's total property portfolio. The Dutch property portfolio is characterised by a large number of properties, 403, and 868 tenants (excluding apartment tenants). The larger part consists of high street shops.

Letting and occupancy rate

The Dutch property portfolio is well let. Where possible, we continue to aim for further improvement of rent levels and tenants quality. This will benefit the frictional vacancy that has existed for some years, as well as strong cash flows from rental income. The occupancy rate at year-end 2007 amounted to 98.4% (2006: 97.4%). In 2007, the provision of rent-free periods in the Dutch property portfolio was very limited at 0.4% (2006: 0.3%) of gross rental income. Dutch retail property offers sufficient quality, but scarcity of quality offers scope for further permanent rent improvements. This is where asset management comes into its own. In this context, VastNed Retail has opted for a very active approach, in which in prevailing cases sitting tenants are bought out and replaced by better performing retailers at more attractive lease conditions.

Expiry dates of lease contracts

The lease contracts expiry schedule provides a good balance of risk spreading and opportunity. The chart on page 40 presents an overview of the existing lease contracts at year-end 2007. The average remaining contract term is 4.3 years (year-end 2006: 3.6 years). This is equal to the average term through to the next termination date.

NETHERLANDS
Ten largest tenants

Percentage of theoretical rental income as at 31 December, 2007.

Maxeda	3.8
Blokker	3.7
Ahold	3.5
A.S. Watson	3.3
Super de Boer	2.9
Macintosh	2.3
Etam Groep	1.7
Sperwer	1.3
Sligro	1.3
Charles Vögele	1.1
Total	24.9

NETHERLANDS
Top ten properties

As at 31 December, 2007 (x € 1,000).

	Appraisal value	Gross theoretical rental income	Occupancy (in%)	Number of tenants
Houten, shopping centre Het Rond*	36,500	4,350	100.0	84
The Hague, city centre	30,200	1,865	100.0	30
Utrecht, city centre	29,200	1,680	100.0	24
Amsterdam, city centre	23,200	1,089	100.0	13
Amsterdam, Buikslotermeerplein	18,800	1,202	100.0	3
Breda, city centre	17,300	1,021	97.1	11
Arnhem, city centre	13,800	852	100.0	14
Nijmegen, city centre	13,000	880	97.2	12
Capelle a/d IJssel, Lylandse Baan 7	12,500	880	100.0	3
Winterswijk, city centre	11,800	832	93.8	12

* Value based on 50% share in shoppingcentre Het Rond

Acquisitions
In 2007, a number of properties were acquired that further improved the quality of the property portfolio. It concerned the following properties.

Investment properties in operation
255 Amsterdam, Buikslotermeerplein
VastNed Retail has strengthened its position in shopping centre Boven 't IJ in Amsterdam, where VastNed Retail already owns 9,681 square metres of retail space, by acquiring a retail unit of 307 square metres let to national retail chain Bakker Bart. The attraction of the investment is that the property is let far below market rent and thus has scope for further improvement of the rent level in due time. Total investment amounted to € 1.8 million.

Borculo, 7,9 Lichtenhorst
In Borculo a property was acquired for € 4.3 million in total that is on a long-term lease to Super de Boer (1,500 square metres) and to Action, a national retail chain in the area of household goods (850 square metres).

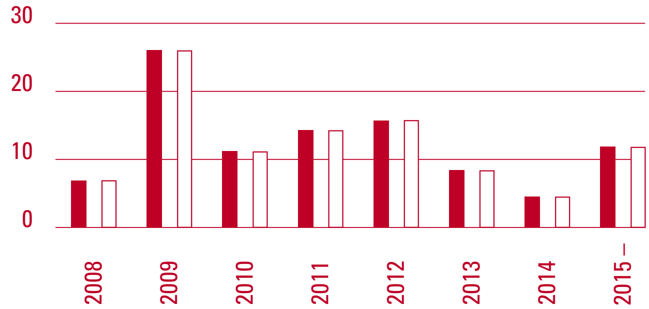
Heerlen, 140 In de Cramer
In 2007, VastNed Retail acquired a retail park in Heerlen. The property has a lettable floor area of 6,000 square metres with 120 on-site parking spaces. The property is on a long-term let to Intratuin. The attraction of the object is especially the strong location next to the local IKEA branch. Total investment amounted to € 7.4 million.

IJsselstein, 45 Utrechtsestraat
A 600 square metre shop was acquired for € 1.7 million that is leased to Hema.

Investment properties in pipeline
Houten, 1-5 Achterom en 130-134 Spoorhaag
This concerns the acquisition of a number of properties strategically located near shopping centre Het Rond in Houten (50% owned by VastNed Retail). The centre is currently being expanded. Since Houten is an urban development centre in the Utrecht region, we do not rule out further future expansions. Total investment amounted to € 4.2 million.

Lelystad, Wisselplein
In August 2007, VastNed Retail acquired part of a city centre development in Lelystad comprising 3,775 square metres of A-1 retail units and three large-scale shops of 4,075 square metres in total. Lease agreements have been concluded for this property with retail chains including H&M, Douglas, BCC and Scapino. The project is expected to be completed in the second half of 2009, and is subject to the project developer realising a 70% pre-letting rate. The seller has provided

NETHERLANDS
Expiry dates lease contracts property portfolio (in %)
Expiry dates and renewal dates of lease contracts (weighted for gross rental income).
Average duration is 4.3 years.
Expiry *first break*
Expiry *end date*



SPAIN
Ten largest tenants
Percentage of theoretical rental income as at 31 December, 2007.

Inditex	7.2
Eroski	4.9
Media Markt	4.2
Leroy Merlin	3.9
Cortefiel	2.3
Cinebox	2.2
Grupo Zena	2.1
Mc Donalds	1.9
Mango	1.4
Decimas	1.3
Total	31.3

a three-year rent guarantee for any remaining vacancy. Annual gross rental income is expected to amount to approximately € 1.3 million. The estimated acquisition price including purchase costs amounts to approximately € 21.8 million, resulting in a net initial yield of 5.3%.

Hendrik-Ido-Ambacht, shopping centre 'Hoog Ambacht'
The shopping centre in Hendrik-Ido-Ambacht concerns a centre that covers the needs of new housing estate Volgerlanden and has a lettable floor area of 7,745 square metres and 61 private and 328 public parking spaces. The centre will offer typical neighbourhood facilities, including two supermarkets let to full-service supermarket chain Plus and discounter Lidl. The project is expected to be completed in the second half of 2010, the agreement being subject to the project developer realising a 70% pre-letting rate. The seller has provided a three-year rent guarantee for any remaining vacancy. Annual gross rental income is expected to amount to approximately € 1.4 million. The estimated acquisition price including purchase costs amounts to approximately € 22.3 million, resulting in a net initial yield of 5.6%.

Progress investment properties in pipeline

Houten
The expansion of shopping centre Het Rond in Houten with 8,300 square metres of retail space and a cinema is ahead of schedule. Delivery is planned for August 2008.

Roermond
Retail Park Roermond will be delivered to VastNed Retail and open its doors in the middle of March 2008. The park's 36,200 square metres of large-scale retail units is largely let to international and national retail chains.

Disposals
A number of disposals were made in 2007 in order to improve the risk return profile. These disposals are set out on page 39.

Value movements investment properties
During 2007 the unrealised value movements amounted to € 85.9 million (2006: € 40.2 million). This took the net initial yield to 6.0% (year-end 2006: 6.6%).

Spain

Properties
The Spanish property portfolio at 28% is VastNed Retail's second largest market. The portfolio consists mainly of medium-sized shopping centres. Investments have also been made in retail parks and high street shops.

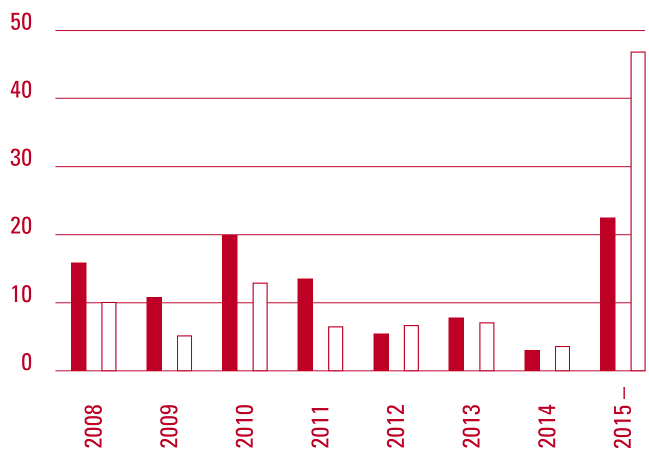
SPAIN
Top ten properties
As at 31 December, 2007 (x € 1,000).

	Appraisal value	Gross theoretical rental income	Occupancy (in%)	Number of tenants
Madrid, Centro Comercial Madrid Sur*	97,500	5,710	99.5	73
Madrid, Centro Comercial Las Rosas	82,700	4,570	100.0	110
Malaga, Centro Comercial La Rosaleda	80,500	4,903	98.4	88
Badalona, Centro Comercial Montigalá	65,700	3,984	91.8	57
Alicante, Parque Vistahermosa	56,100	4,979	86.3	17
Madrid, Centro Comercial Getafe III	55,000	3,823	100.0	55
Murcia, Centro Comercial Las Atalayas	44,300	2,998	100.0	48
Burgos, Centro Comercial El Mirador	31,900	2,109	99.5	46
Castellon de la Plana, Calle Grecia 4	16,400	855	100.0	1
Madrid, Calle Serrano 36	15,000	535	100.0	1

* Including hypermarket

SPAIN
Expiry dates lease contracts total property portfolio (in %)
Expiry dates and renewal dates of lease contracts (weighted for gross rental income).
Average duration is 4.7 years.

Expiry *first break*
Expiry *end date*



Noelia Rodriguez, shop-assistant , Joyeria Jose Luis, Madrid

'Wat I like so much about Getafe III is the accessibility of this shopping mall.'

Malaga

Antwerp

The Hague

VastNed Retail ensures that the appraisers dispose of all relevant information needed to arrive at a balanced assessment.

Alicante

Rotterdam

Letting and occupancy rate

The occupancy rate in the Spanish portfolio at year-end 2007 amounted to 96.4% (2006: 96.6%). In this figure, the rent guarantee concerning the Getafe III shopping centre has been recognised as rental income. The occupancy rate of Parque Vistahermosa in Alicante amounted to 86.3% at year-end 2007. The existing vacancy is kept under control by active asset management. In 2007, a new lease agreement was concluded with an electronics retailer for space vacated by the departure of the cinema operator. This lease agreement will take effect after receipt of the necessary permits from the council. Conversion of a cinema into retail space is also planned for shopping centre Montigalá in Badalona. During 2007 most properties were fully leased.

Expiry dates of lease contracts

In Spain, lease contracts are generally concluded for a period of five years. Deviations from this standard sometimes occur. For instance, in the Spanish property portfolio lease contracts with the fashion conglomerate inditex are concluded with an annual termination option. We do not feel this presents any great risk, since the short term of notice is compensated by the tenant being highly solvent and successful. The average duration of the lease agreements in the Spanish property portfolio, measured in time remaining to the end of the lease agreement, amounts to 8.3 years. Calculating to the first termination option, the average duration is 4.7 years (year-end 2006: 5.0 years).

Acquisitions

No acquisitions were made in 2007.

Disposals

No disposals were made in 2007.

Value movements investment properties

During 2007 unrealised value movements amounted to € 58.0 million positive (2006: € 46.6 million positive). Net yield at year-end 2007 amounted to 5.6% (year-end 2006: 6.0%).

France

Properties

At 23%, the French property portfolio is the third largest of VastNed Retail's property portfolios, and consists of 129 properties. These are mainly high street shops. In addition, investments have also been made in a number of medium-sized shopping centres, such as in Limoges, Plaisir, Thoiry and Dunkirk. The portfolio is spread throughout the country, with 18% of the value concentrated in Paris and 17% in Lille.

Letting and occupancy rate

The average occupancy rate amounted to 96.8% (2006: 98.4%). At year-end 2007 the occupancy rate amounted to 97.9% (2006: 97.3%). This increase was due to letting efforts inter alia for shopping centre Limoges-Corgnac, where vacancy fell from 25% to 17%. A rent guarantee was provided for the vacant apartments in the Lille portfolio.

Expiry dates of lease contracts

Lease contracts in France are usually agreed under the 3-6-9 system. The overview of expiry dates in the graph on page 47 shows that a large number of contracts expires in 2008 and could be terminated by tenants. This is not considered to be of great concern since the retail properties are in competitive locations, making it unlikely that many tenants will terminate their contract. The average duration of the lease agreements until the next termination date for tenants is 2.1 years. Based on the total duration of the lease agreements, this is 5.9 years.

Acquisitions

A number of acquisitions was made in 2007, the largest of which was a portfolio of 56 high street shops in Lille for € 80.4 million. Taking the transfer tax and the exit tax payable pursuant to the French SIIC regulation into account, gross investment totalled € 96.0 million. The theoretical gross rental income of this property portfolio amounts to € 4.8 million per year. Net yield, taking purchase costs into account, was guaranteed by the sellers of this portfolio at 5.0% for a period of two years.

Total lettable floor area amounts to 12,000 square metres. This corresponds to an average rent of approximately € 290 per square metre per year, which is considerably below market rent. Due to scarcity and the fact that many international retailers have not yet entered the Lille retail market, the board of management is convinced that it will succeed in realising the upside potential of the portfolio in the next few years. The largest part of the portfolio is located in the upmarket retail area near Rue de la Monnaie (20 shops) and in the more mass-market oriented retail area around Rue du Sec Arembault/ Rue Neuve (25 shops).

At over 1.1 million inhabitants, Lille is France's fourth city. The population is young, dynamic and trendy, and includes some 100,000 students. Average income in Lille is above the French average, and economic prospects are good. The city is in a very favourable location: it has an airport, is on a motorway hub and on the high-speed railway between Paris and Brussels and the Eurostar link to London.

FRANCE
Ten largest tenants
Percentage of theoretical rental income as at 31 December, 2007.

H&M	20.2
Armand Thiery	6.3
Auchan	5.6
PPR	3.5
DARTY	3.1
Vivarte	2.2
Rallye	1.9
LVMH	1.9
ETAM	1.9
Célio	1.9
Total	48.5

FRANCE
Top ten properties
As at 31 December, 2007 (x € 1,000).

	Appraisal value	Gross theoretical rental income	Occupancy (in%)	Number of tenants
Thoiry, Centre Commercial 'Val Thoiry'	93,900	4,690	100.0	61
Paris, Rue de Rivoli	63,800	2,973	100.0	7
Lille, city centre	67,700	2,838	100.0	48
Nancy, Rue Saint-Jean	34,800	2,058	100.0	7
Dunkirk, Place Emile Bollaert	29,200	2,153	95.3	18
Plaisir, Centre Commercial 'Plaisir-Sablons'	19,500	2,156	90.5	20
Limoges, Centre Commercial 'Carrefour Limoges-Corgnac'	18,600	1,410	83.4	18
Angers, Rue Lenepveu	17,100	941	100.0	5
Paris, Boulevard Saint-Germain	13,500	697	100.0	1
Nice, Route de Grenoble	8,300	512	100.0	1

The portfolio comprises a large number of French and international retail chains, including Bata, Fuji, IKKS, Cyrillus, Diesel, Jacadi, Georges Rech, Eram, Louis Vuitton and Ventilo.

Furthermore, VastNed Retail acquired three retail parks in various locations in France. The first acquisition was a retail warehouse unit in Lille (Seclin) for € 3.4 million, comprising approximately 2,300 square metres, let to the leading French outdoor chain Terres et Eaux for an annual rent of € 227,000. The property, constructed in 2000, provides a net initial yield of 6.6%, taking into account purchase costs and future SIIC exit tax.

In La Garde (Toulon), VastNed Retail acquired four retail warehouse units in retail park 'Les Quatre Chemins' with 1,967 square metres of retail space and 89 parking spaces on the roof of the property. The total annual rent amounts to € 376,000, which equates to an average rent price of € 191 per square metre. Tenants are the national retail chains Maison de Literie, Salon Center, Hygièna and Balitrant. The total purchase price amounted to € 5.9 million (including purchase costs), resulting in a net initial yield of 6.3%. VastNed Retail also acquired a property in Metz (Augny) with a total (retail) floor area of 3,173 square metres that is fully let to Magvet. Total annual rent is € 150,000, equating to a rent price of € 47 per square metre. The purchase price was € 2.3 million, leading to a net initial yield of 6.5%.

Investment properties in pipeline
Shopping centre Val Thoiry in Thoiry is being expanded by almost 6,000 square metres, which will be leased to DIY chain Leroy Merlin. The investment amounted to € 6.7 million, and the project will be completed in the second half of 2009.

Disposals
In 2007, one disposal was made in the French property portfolio: a property of € 0.3 million in Vichy.

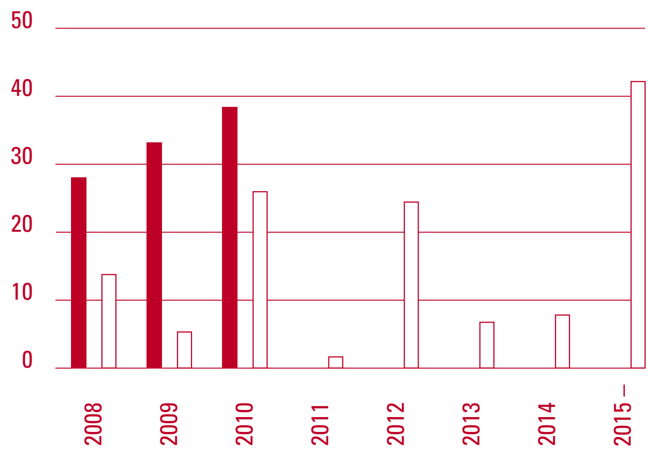
Value movements investment properties
The unrealised value movements in the French portfolio in 2007 amounted to € 42.4 million positive (2006: € 35.1 million positive).

Belgium

Properties
At year-end 2007 the Belgian property portfolio consisted of 97 properties in the categories high street shops (46%) and retail warehouses (54%). At year-end 2007, the Belgian property portfolio represented 13% of VastNed Retail's total property portfolio.

FRANCE
Expiry dates lease contracts property portfolio (in %)
Expiry dates and renewal dates of lease contracts (weighted for gross rental income).
Average duration is 2.1 years.

Expiry *first break*
Expiry *end date*



BELGIUM
Ten largest tenants
Percentage of theoretical rental income as at 31 December, 2007.

H&M	9.0
Aldi	5.7
Charles Vögele	4.2
Euro Shoe Unie	4.0
IC Companys	2.3
Piocheur	2.2
Inditex	2.1
Het Genoegen	2.1
Mitiska	2.0
Van Neerbos	1.9
Total	35.5

Letting and occupancy rate

The occupancy rate of the Belgian property portfolio in 2007 improved in comparison to previous years. The occupancy rate at year-end 2007 amounted to 99.3% (2006: 95.3%). This improvement of the occupancy rate was mainly due to the disposal of the factory outlet in Messancy.

Expiry of lease contracts

Lease contracts in Belgium are usually concluded under the 3-6-9 regime. This means that the tenant can terminate the lease contract after three years. This rarely occurs, as the tenant earns his living with the specific location of the shop. The overview of expiry dates presents two views: one using the end dates of the lease contracts, and a second from a more conservative angle, taking the first termination date for the tenant into account. In the first method, the possibility of rent increases plays a role; the second is relevant for risk management. The graph on the side presents the expiry dates of the Belgian property portfolio. The average duration is 6.8 years (year-end 2006: 2.0 years). The average time until the next termination date of the lessee is 2.5 years (year-end 2006: 2.6 years).

Acquisitions

In November 2007, a portfolio of retail warehouses was acquired comprising 21 retail warehouse units with a 100% occupancy rate for € 21.3 million. The units generate approximately € 1.3 million in gross annual rental income and an initial yield of 5.7%.

The 21 units are geographically spread across Belgium and are in excellent commercial locations, mainly in retail parks. The total lettable floor area is 17,351 square metres. All shops are fully leased at market prices. The average remaining duration of the contracts in this portfolio is 6.8 years. Some 75% of the shops is let by Decor Heytens; the other shops are let to Shoe Discount, Eldi, Baby 2000, Rév Interieur and Intermatelas.

Disposals

In 2007, a number of properties were sold in the context of improving the risk return profile, including the factory outlet in Messancy. These disposals have resulted in a clear improvement of the average quality of the Belgium property portfolio.

Value movements investment properties

During 2007 unrealised value movements amounted to € 21.5 million positive (2006: € 3.6 million positive), taking the net initial yield at year-end to 6.4% (2006: 6.7%).

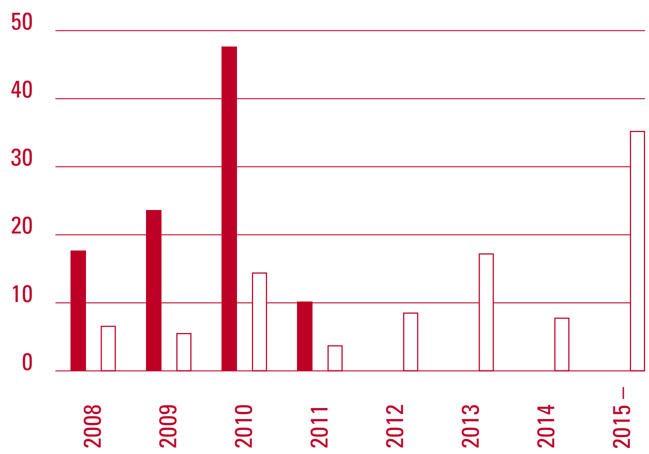
BELGIUM
Top ten properties
As at 31 December, 2007 (x € 1,000).

	Appraisal value	Gross theoretical rental income	Occupancy (in%)	Number of tenants
Antwerp, Meir/Groenplaats	37,100	1,929	98.8	12
Brussels, Elsensesteenweg/Louizalaan	29,600	1,864	100.0	11
Tielt-Winge, Gouden Kruispunt	19,600	1,537	100.0	23
Bruges, city centre	15,300	817	100.0	2
Mechelen, city centre	10,900	688	100.0	5
Province of Antwerp, Boomsesteenweg	10,900	727	100.0	8
Leuven, city centre	10,000	559	100.0	2
Turnhout, city centre	9,100	526	100.0	2
Ghent, city centre	8,700	543	100.0	6
Vilvoorde, Rooseveltcentre	8,600	698	91.9	14

BELGIUM
Expiry dates lease contracts total property portfolio (in %)
Expiry dates and renewal dates of lease contracts (weighted for gross rental income).
Average duration is 2.5 years.

Expiry *first break*

Expiry *end date*



Turkey

Properties and acquisitions
In 2007, VastNed Retail acquired three properties in Istanbul: the neighbourhood shopping centre Elysium Shops in January 2007, and two shops in December on the Istiklal Caddesi (Beyoğlu), Istanbul's main shopping street.

The newly developed Elysium shops are located on Kazim Orbay Caddesi 3 in Şişli, Istanbul and comprises 4,936 square metres of retail space and 200 parking spaces. A Tansaş (Migros) supermarket anchors the centre, which also contains a shopping gallery and a fitness club. The shops are mostly let to national retail chains. A rent guarantee has been provided for the vacant units. The rent level is relatively modest at an average of € 125 per square metre per year. Şişli is one of the most important and affluent districts of Istanbul. It has an excellent infrastructure, with all types of public transport represented. In the near vicinity of the shopping centre, where there are more than 200 apartments on the upper floors, various residential building projects are expected to be developed, further strengthening the district.
Annual rental income amounts to approximately € 687,000 million. The majority of the lease agreements contains a turnover rent clause, a fixed indexation rate of 3% and is fixed in US dollars. In order to mitigate the currency effect, the acquisition was financed with a dollar loan. The net initial yield after taxes and excluding turnover rent is approximately 7.0%.

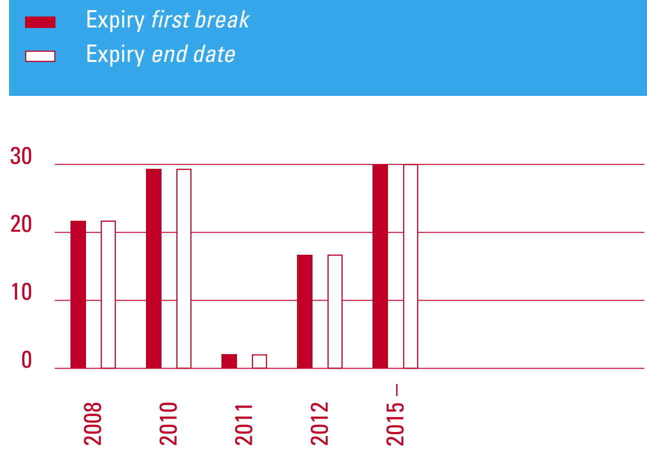
The individual shops on the Istiklal Caddesi are numbers 34 and 98. Number 34 is a shop in the very best part of the shopping street at 300 metres from Taksim square, which is the heart of the city. The shop is let to Turkish fashion chain Top Shop. Annual rental income amounts to € 301,000. After the lease agreement expires, we expect to be able to lease the shop at market levels.
The shop on Istiklal Caddesi 98 was acquired for € 4.0 million, and will be available for letting in the near future. We expect to let it quickly, realising a rent level of some € 270,000.

Letting and occupancy rate
The occupancy rate at year-end 2007 was equal to the average occupancy rate at 97.7%.

Expiry of lease contracts
The average duration of rent contracts is 4.7 years.

Value movements investment properties
Unrealised value movements amounted to € 1.2 million negative, and were mainly due to purchase costs.

TURKEY
Expiry dates lease contracts total property portfolio (in %)
Expiry dates and renewal dates of lease contracts (weighted for gross rental income).
Average duration is 4.7 years.



Portugal

Properties
The Portuguese property portfolio consists of nine shops which are let to the optician's chain MultiOpticas. The average occupancy rate in 2007 amounted to 100% (2006: 100%).

Value movements investment properties
External appraisals led to a value movement of € 1.4 million positive (2006: € 2.2 million positive).

Personnel and organisation

VastNed Retail strives to provide a challenging work environment that allows people to develop. The organisation is based on a transparent, informal company culture, in which the country teams have a high degree of responsibility based on a clear 'VastNed Group spirit'. In the annual evaluation meetings, challenging objectives are formulated in mutual consultation and matched to those of the Group, so that employees can realise their ambitions and develop themselves in that way.

In 2007, a country manager and a finance manager were appointed to manage the Turkish property portfolio. The Spanish country team was beefed up by expanding the asset management team.

The following table presents a number of personnel statistics. The staff in the Netherlands provides services to both VastNed Retail and VastNed Offices/Industrial. Depending on their size, the country teams comprise management, asset management, property management, (technical) project management and finance & control, either supported by head office or independently. In addition, there are various staff functions in the area of IT and research, and for secretarial, fiscal and legal services. The main part of these staff functions is centralised at head office in Rotterdam, and provide services to both VastNed Retail and VastNed Offices/Industrial. The Belgian team in Antwerp also has a relatively extensive staff department, partly due to Intervest's stock exchange listing.

Total number of employees during 2007 (in FTE's)

Geographical spread	
– Rotterdam, Netherlands	
– Retail	18
– Offices/Industrial	14
– Board of management and staff	18
– Antwerp, Belgium	
– Intervest Retail	13
– Intervest Offices	16
– Madrid, Spain and Portugal	8
– Paris, France	10
– Istanbul, Turkey	1
Number of employees signed on	19
Number of employees signed off	9
Male/Female	56/42
Percentage absence through illness	1.3

Sustainability

Sustainability is of great importance to VastNed Retail. VastNed Retail continuously aims for a balance between financially and economically favourable results, social interests and the environment. As stated under 'Personnel and organisation', VastNed Retail attaches great importance to a balanced personnel policy. In addition, environmental aspects are carefully considered in the pursuit of the investment policy. Both the board of management and the supervisory board support the initiative that VastNed Retail systematically registers various environmental aspects. In the middle of 2007, VastNed Retail started a pilot scheme taking stock of the various environmental aspects of its property portfolio, assisted by an expert consultancy. The pilot scheme was successfully concluded in 2007. Based on the findings, a system of regular annual checks has been introduced for the entire property portfolio, based on which action will be undertaken where necessary.

Risk management

Dutch corporate governance code

The third report on compliance with the Dutch corporate governance code ('the Code') of the Monitoring Commission Corporate Governance Code ('the Frijns Commission'), published in December 2007, observes that the application of the Code in the area of internal risk management by listed companies has improved slightly. The report provides additional recommendations regarding the description of the risk profile and the internal risk management and control systems. VastNed Retail, which has endeavoured to implement the Code since its introduction in 2004, has followed these recent recommendations to the best of its ability.

Remarkably, the Frijns Commission in its latest report has not provided further recommendations on the statement of the board of management about the functioning of the internal risk management and control systems. Thus, it appears to place more emphasis on a good description of the risk profile and the risk management and control systems than on the question as to on what basis the company can state itself to be 'in control'.

Description of the risk profile

Risks associated with the strategic objectives

The chapter 'Profile and strategy' states in which types of investment properties, which countries and what property sizes VastNed Retail intends to invest. The company has opted to focus on retail investments in countries in the eurozone, which are characterised by a stable political and economic climate, embedded in generally transparent rent and tax laws and regulations. Rent and value development and occupancy rates of the retail investments are highly dependent on demand for retail locations, which is generally determined by the nature and level of consumer spending and the dynamics of local and international retailers. The addition of Turkey as a new investment country in 2007 has added a new country risk, which is mitigated by our choice for the time being not to invest more than 10% of the total property portfolio in this country, and a clear investment focus on Western-oriented Istanbul. This limits VastNed Retail's currency risk, which is further mitigated by the fact that lease contracts are often concluded in euros or US dollars. In the latter case, the investments are also partly financed in US dollars, considerably decreasing our dollar exposure.

The investments are financed based on a solid financing and interest rate policy. We aim for relatively conservative financing ratios between shareholders' equity and loan capital – in principle financing no more than 45% of the market value of the investments with loan capital – taking the position that no more than a third of the loan portfolio is financed with short-term loan capital.

Due to its capital intensive character, VastNed Retail is sensitive to interest rate developments, which can impact the value of the property investments as well as current cash flows and thus the direct investment result. The interest rate risk is mitigated by acquiring interest rate derivatives from major international banks, fixing the interest rate on at least two thirds of the loan portfolio with a term to maturity of approximately five years. The interest rate derivatives are concluded in such way that the interest review dates are chronologically spread.

Sensitivity analysis

Below, the possible impact on the result is set out when the following risk factors change:

- An increase (decrease) of the interest rate of 1.0% leads to a decrease (increase) of the direct investment result of € 0.15 per share;
- A 1.0% increase (decrease) of the net initial yields used in the valuation leads to a decrease (increase) of the direct investment result 2007 of € 7.47 per share, and;
- A 1.0% increase (decrease) of the occupancy rate leads to a decrease (increase) of the direct investment result of € 0.08 per share.

Description of internal risk management and control systems

Actions

In 2007, both the board of management and the supervisory board and the country organisations have addressed the company's risk management. For example, in the context of the policy on acquisitions and disposals, all countries studied the development of the local economy, rent legislation and regulations, permit policies and such, and their impact on the future results of individual retail properties. Based on the annual determined action plan, both the board of management as well as the meetings of the audit committee and the supervisory board have addressed a number of major risks, including the set-up and functioning of the associated risk control measures, such as: strategic risks (in particular country choice), catastrophe risks (insurance), financial reporting risks, compliance risks (AFM and NYSE Euronext regulations, as well as permits and safety regulations, (re)financing and interest rate risks, IT risks and tax and legal risks). Significant adjustment of the internal risk management and control systems in respect of these risks was not deemed necessary.

Main strategic, operational, financial, legal and regulation and financial reporting risks, and the qualitative impact of these risks

The chapter 'Risk management' includes an overview of the risks identified by VastNed Retail, which also describes how these risks are controlled. A major element of the internal risk management and control system is the complex of internal control measures and administrative and organisational procedures as laid down in the Administrative Organisation manual, which we believe complies with the requirements of the Act on Financial Supervision and associated regulations.

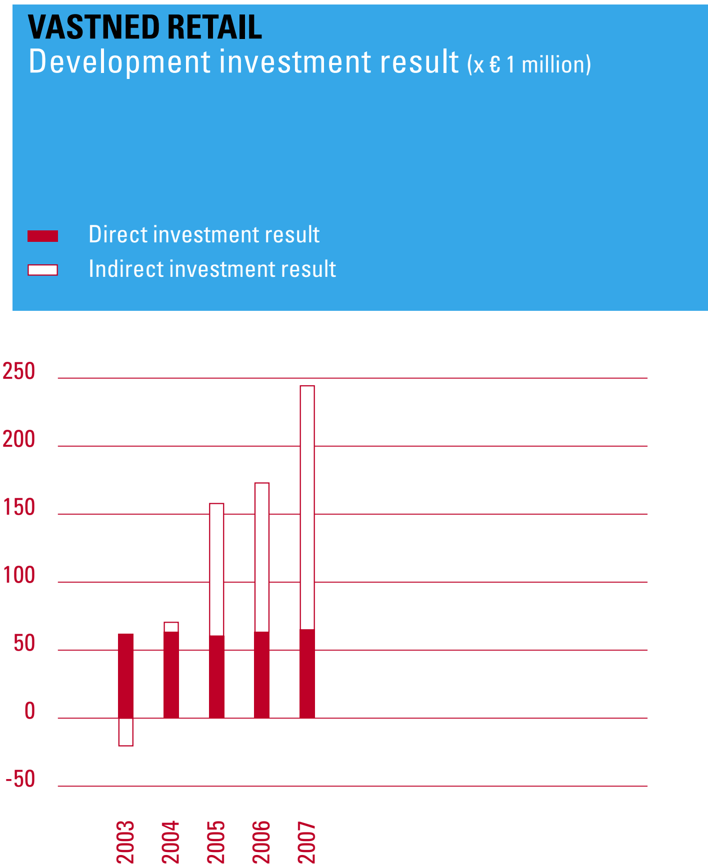
Results of the assessment of internal risk management and control systems

The board of management is of the opinion that the organisation of the risk management and control systems provides a reasonable degree of certainty that the financial reporting does not contain material misstatements. In addition, it is of the opinion that these risk management and control systems have functioned adequately during the reporting year and that there are no indications that they should not function adequately during the current financial year. During the reporting year, a number of administrative and organisational procedures were updated. Furthermore, the content and realisation procedures of the internal business reports were improved further. No material shortcomings have been observed in the risk management and control systems focused on controlling financial reporting risks.

Financial state of affairs

Investment result 2007 attributable to VastNed Retail shareholders

The graph on the side sets out the development of the investment result in the past five years.
In 2007, the investment result increased by over 40% from € 172.9 million in 2006 to € 244.5 million.
The investment result for 2007 consisted of a direct investment result of € 64.4 million and an indirect investment result of € 180.1 million.



Direct investment result

In 2007, the direct investment result rose, despite increased interest charges, by 3.1%, mainly due to the share buyback programme executed in the third quarter and in spite of the one-off gain in respect of damages concerning the factory outlet in Messancy recognised in 2006. This increase could be attributed in particular to increased net rental income due to rent indexations and lease renewals, as well as to the improved occupancy rate of the portfolio, even though these were limited by deteriorated operating results of the factory outlet in Messancy. The acquisitions made in 2006 and 2007, less the disposals made in the same period, also contributed positively to the 2007 direct investment result. Finally, a number of one-off tax gains in Spain and France of € 1.6 million in total also drove up the 2007 direct investment result.

Indirect investment result

The indirect investment result rose from € 110.4 million in 2006 to € 180.1 million in 2007, an increase of over 60%. The rise reflected also in 2007 ongoing strong demand for retail investment; buyers are prepared to acquire property at significantly lower initial yields than those included in external appraisals at the start of 2007. In addition to lower yields, the rise of the indirect investment result was also due to improved rent levels, as a result of both realised and expected future rent improvements. In Spain and France, this is supported by indexation rates of over 4% and 5% respectively, applicable since 1 January. The indirect investment result was reduced somewhat by purchase costs on the acquisitions realised in 2007 (€ 14.0 million) and a negative indirect result on Messancy (charge in 2007 of € 19.2 million and a negative result on disposals of € 5.4 million; deduction of the portion attributable to minority interests leaves € 7.2 million negative and € 3.9 million negative respectively).

Net income from investment properties

Gross rental income

Total gross rental income rose by almost 9% from € 110.7 million in 2006 to € 120.6 million in 2007. This rise is further explained in the table on the side.

- *Acquisitions*
  The rise of gross rental income in Spain was mainly due to the expansion of the Getafe III shopping centre acquired in October 2006. In France, the main drivers growth of gross rental income were the acquisition at the end of 2006 of the Limoges-Corgnac shopping centre and a property portfolio of a number of individual shops. The highstreet shops property portfolio in Lille, acquired in October 2007, also contributed to the growth in France. Furthermore, rental income in 2007 increased due to the first acquisition in Turkey of Elysium shops in Istanbul in early 2007 and in the Netherlands due to the acquisition of various smaller properties in 2006 and 2007.

- *Disposals*
  A limited number of properties was disposed of in the Netherlands, France and Belgium in 2007. The decrease of rental income in Belgium in 2007, however, was mainly due to the sale of a number of individual retail warehouses in the first half of 2006. The disposal of the factory outlet in Messancy was realised at the end of December 2007 and therefore has no effect on the total disposals in 2007.

- *Financialoccupancy rate*
  The financial occupancy rate fell marginally to 96.9% (2006: 97.4%), mainly due to the acquisitions of the Limoges-Corgnac shopping centre, which was let for 75% at the time, of the Plaisir-Sablons shopping centre near Paris that will be redeveloped, and of the retail and leisure property Parque Vistahermosa in

VASTNED RETAIL

Development gross rental income

(x € 1,000)

	Gross rental income 2006	Acquisitions	Disposals	Like-for-like growth	Gross rental income 2007
Netherlands	44,669	660	(322)	985	45,992
Spain	28,831	3,381	–	813	33,025
France	17,784	3,005	(5)	1,441	22,230
Belgium	18,405	145	(1,447)*	(53)	17,633
Turkey	–	624	–	–	624
Portugal	1,040	–	–	33	1,073
Total	110,729	7,815	(1,774)	3,807	120,577

* Including one-off damage of € 1,0 million concerning the factory outlet in Messancy


C1000

Marlies and Robbert-Jan Bruins, branche managers C1000, Capelle aan den IJssel

‘When a client enters our supermarket he should be overwhelmed by a feeling of profesionality and fun. Our vision is clear: products should be available and the shop is clean and has a warm atmosphere.’

The investments are financed based on a solid financing and interest rate policy.

Alicante


Lille


Istanbul


Winterswijk


Arnhem


Bussum

Alicante.

Net service charge expenses
Total net service charge expenses increased from € 3.1 million in 2006 to € 3.6 million in 2007. This sharp increase in 2007 was mainly due to the factory outlet in Messancy requiring higher than anticipated promotion, marketing and management costs, which could not be charged on in full to the tenants. This item increased compared to 2006 also due to a lower occupancy rate of the properties Parque Vistahermosa in Alicante and Plaisir-Sablons in Plaisir. In the latter shopping centre, located near Paris, an increasing number of units is intentionally kept vacant in anticipation of a planned redevelopment.

Operating expenses
Operating expenses expressed as a percentage of gross rental income increased compared to 2006 by 0.5% to 10.0% and thus came to € 12.0 million (2006: € 10.5 million). This increase was mainly due to additional write-offs of bad debts in the factory outlet in Messancy. Operating expenses also rose due to the acquisition of the expansion of the Getafe III shopping centre, for which ground rent is periodically payable.

Value movements investment properties
The value movements of the investment properties rose sharply from € 127.7 million positive to € 208.0 million positive. The higher value movements are due to ongoing strong demand for retail property investments, which is continuing in 2008, whereby buyers are prepared to acquire property at significantly lower initial yields than those included in the external appraisals in early 2007. Lower initial yields are supported by realised and anticipated rent growth associated with the ongoing strong demand for good retail locations, especially among international retailers with major expansion ambitions. The indexation rates of 4% and 5% respectively in Spain and France applicable as from 1 January 2008 will further support this value growth. The value growth of the Belgian property portfolio in 2007 was reduced by approximately € 10.0 million due to further write-downs for the factory outlet in Messancy. In France, the value increase was affected by the purchase costs of € 8.8 million in relation to the acquisition of the retail property portfolio in Lille. Purchase costs amounted to € 14.0 million in total.

Net result on disposals of investment properties
The net result on disposals amounted to € 6.5 million negative (2006: € 0.1 million positive). In addition to on balance positive results on the disposal of a limited number of smaller properties in the Netherlands, France and Belgium, this amount was mainly caused by a loss on the disposal of the factory outlet in

Messancy of € 5.4 million. Furthermore, in early 2008 a definitive settlement was reached with the buyer of the main part of the German property portfolio that was sold in 2004 concerning the dispute on the purchase price adjustment, which resulted in a deferred negative result on disposals of € 2.5 million.

Expenditure

Net financing costs

Net financing costs rose from € 22.7 million in 2006 to € 29.8 million in 2007. This increase was mainly due to additional interest-bearing loans taken up for the net acquisitions realised in 2006 and 2007 and for the share buyback programme of 500,000 shares for € 28.0 million effected in the third quarter of 2007. Additionally, the average interest rate on the total interest-bearing loan capital increased from 4.31% to 4.64%, mainly as a result of the rise of the short-term interest rate in the fourth quarter.

General expenses

General expenses increased by 15.8% to € 7.7 million (2006: € 6.7 million). This was mainly due to increased external consultancy costs in relation to tax and legal advice on abortive acquisitions and due to additional consultancy costs related to the indicative offer by IEF Capital in the second half of 2007 and the resulting offering process on VastNed Retail. The increase was also due to increased costs in relation to the VastNed Retail office in Istanbul, opened in the middle of 2007.

Income tax expense

Income tax expense showed an income of € 0.7 million, against an expense of € 0.9 million in 2006. This was due to one-off tax gains in France and Spain. In France, this was due to the release of a € 0.3 million tax provision made in 2004. In Spain, a € 1.3 million deferred tax asset was formed in relation to a tax liquidation loss, against which future tax gains in Spain can be set off.

Movement deferred taxes

The movement in deferred taxes decreased from € 15.2 million in 2006 to € 11.9 million in 2007.
In spite of higher unrealised value movements of the Spanish property portfolio, which resulted in a higher allocation to deferred tax liabilities than in 2006, the allocation fell compared to 2006 due to a one-off additional allocation to deferred tax liabilities of € 6.7 million recognised in 2006. This additional allocation was made in view of a tax rise in Spain, which meant that a higher effective tax rate (rise from 15% to 18%) had to be accounted for. This rate remained unchanged in 2007. In Turkey, a deferred tax asset of € 0.2 million was recognised due to a tax loss. Value

VASTNED RETAIL
Loan portfolio (x € 1 million, year-end 2007)

	Fixed interest*	Floating interest	Total	% of total
Long-term	467.0	71.1	538.1	67.1
Short-term	71.7	191.6	263.3	32.9
Total	538.7	262.7	801.4	100.0
% of total	67.2	32.8	100.0	

* Interest derivatives taken into account

movements in the Netherlands, Belgium and France do not result in movements in deferred tax liabilities due to locally applicable favourable tax regimes.

Investment result attributable to minority interests
The investment result attributable to minority shareholders of € 13.2 million (2006: € 6.6 million) consists of the direct and indirect investment results attributable to minority interests of € 3.7 million (2006: € 4.4 million) and € 9.5 million (2006: € 2.2 million) respectively. The fall of the direct investment result attributable to minority shareholders is mainly connected to the lower direct investment result of Intervest Retail, in which VastNed Retail holds a 72.4% (2006: 72.4%) interest. The lower result of Intervest Retail is largely due to the deteriorated operating result of the factory outlet in Messancy in 2007. The rise of indirect investment result attributable to minority interests was caused by significantly higher positive value movements of the Belgian property portfolio held by Intervest Retail and of the shopping centre Het Rond in Houten, the Netherlands.

Solvency and financing with loan capital

Shareholders' equity expressed as a percentage of the investment properties amounted to 58.1% as per December 31, 2007 (December 31, 2006: 60.6%). The ratio of short-term loan capital / long-term loan capital amounted to 34/66 as per December 31, 2007 (December 31, 2006: 33/67). Due to acquisitions, the loan portfolio increased in 2007 to € 801.4 million (year-end 2006: € 579.6 million).

On page 58, a summary is presented of the interest-bearing loans outstanding at year-end 2007.

The duration based on the expiry dates of the long-term loans amounts to 5.5 years (2006: 5.1 years). The duration based on the interest review dates of the long-term loans amounts to 5.6 years (2006: 4.5 years). Both increases are due to the objective stated in the financing and interest rate policy to increase these durations to at least five years.

Equity and results per share VastNed Retail shareholders

Equity per share shareholders VastNed Retail (in €)

	2007	2006
January 1	57.93	51.02
Final dividend previous financial year	(2.60)	(2.47)
	55.33	48.55
Direct investment result	3.85	3.70
Indirect investment result	10.79	6.53
	14.64	10.23
Value movements financial derivatives	0.32	0.26
Other movements	0.25	(0.01)
Interim dividend	(1.12)	(1.10)
December 31	69.42	57.93

At the shareholders' meeting of April 3, 2007, the total dividend for the 2007 financial year was declared at € 3.70 per share, of which an interim dividend of € 1.10 per share was already distributed in September 2006. The final dividend so came to € 2.60, of which the mandatory cash part amounted to € 2.20 and the optional part to € 0.40 in cash or 1 new share per 189 shares. In this context, holders of 23% (2006: 34%) of the total number of outstanding shares opted for stock dividend, increasing the total number of shares by 20,914 shares. In anticipation of the increase of the total number of shares due to stock dividend and to mitigate dilution, 35,000 shares were bought back at an average of € 76.59 per share. In the context of the share buyback programme announced in September 2007, another 500,000 shares were bought at an average share price of € 55.79. As these shares were acquired below net asset value, this had a positive impact on net asset value per share as recognised under Other movements.

The value movements financial derivatives concern the interest rate derivatives revalued at balance sheet date in accordance with IFRS. These value increases are due to a increased market interest rate compared to the fixed interest rate based on these derivatives, and are taken directly to equity as required by IFRS.

The investment result per share rose by 43% from € 10.23 to € 14.64 in 2007. The direct investment result per share rose by 4% to € 3.85 (2006: € 3.70).

The indirect investment result per share in amounted to € 10.79 2007 compared to € 6.53 in 2006.

Equity per share, including the final dividend to be distributed for 2007, increased by 19.8% from € 57.93 to € 69.42 per share. The table on page 59 shows the development during the financial year.

Dividend proposal

VastNed Retail's dividend policy in principle consists of distributing the direct investment result to the shareholders in full. As from 2005, an interim dividend is also distributed based on 60% of the direct investment result as disclosed in the semi-annual figures. In this context, an interim dividend of € 1.12 per share was distributed on September 3, 2007. In line with previous years, an optional dividend is proposed to the shareholders, giving the shareholders the option of receiving the final dividend either fully in cash or partly in cash and partly in stock dividend, charged to the share premium reserve. In order to comply with the fiscal conditions for fiscal investment institutions, at least the fiscal result must be paid out in cash. In accordance with the dividend policy described above, it will be proposed to the general meeting of shareholders to be held on April 8, 2008 to declare a final dividend of € 2.73 per ordinary share, being the 2007 direct investment result per share of € 3.85 less the interim dividend of € 1.12 per share. Taking into account the fiscal distribution obligation and the share price at that time, it will be possible to receive the final dividend either fully in cash or € 1.35 in cash and a percentage of VastNed Retail shares, charged to the share premium reserve, which will approach a value of € 1.38 per share. The final dividend will be made payable on May 2, 2008. The board of management will consider buying back shares approaching the number of new shares to be issued as stock dividend in order to mitigate the dilution effect on the direct investment result per share.

Outlook for 2008

The economies of the countries in which VastNed Retail operates, developed positively in 2007. Employment and retail spending developed favourably, particularly against the background of the developments in the United States. Rising inflation appears to reflect too rapid economic growth rather than an impending recession. Correspondingly, most economic institutes are convinced that economic growth in the countries in which VastNed Retail operates will remain relatively stable. In view of the threat of an excessive inflation rate in the eurozone, the European Central Bank is expected to keep its interest rate at the current 4% for the time being. Accordingly, the fall of the long-term interest rate incepted in early 2008 is expected to be reversed in the course of 2008. The short-term interest rate is expected to return to the level just prior to the credit crisis, partly due to rising mutual trust between banks, and level off at just above the European Central Bank's interest rate. These historically low interest rates, coupled with the positive rent developments in the next few years due to strong demand for good retail locations from especially international retail chains, drive the expectation that interest from investors for property, in particular in the retail sector, will continue to be strong and will boost the present historically relatively high property values. The high inflation rate in 2007, particularly in Spain and France, will result in relatively high rent indexations, further boosting rent growth for retail property.
Based on the developments described above, and also in view of the fact that the property developments in the pipeline in Roermond and Tongeren are expected to be taken into operation in March 2008 and that the expansion of shopping centre Het Rond in Houten will be completed in August 2008, all at relatively attractive initial yields, the board of management is positive about the prospects for the 2008 direct investment result. Despite the one-off tax gains recognised in 2007, resulting in a positive effect on the direct investment result of approximately € 0.10 per share, the direct investment result will amount to approximately € 4.00 per share for 2008, based on the developments described above and due to the sale of the factory outlet in Messancy, which has a positive effect of approximately € 0.09 per share.

This is exclusive of the one-off costs in relation to the ongoing offering process.

This outlook is based on current expectations, assessments and prognoses and on the information currently available to the company. These statements are subject to certain risks and uncertainties which are hard to evaluate, such as the general economic conditions, interest rates, exchange rates and amendments to statutory laws and regulations. No guarantees can therefore be given that these expectations will materialise. Furthermore, we are under no obligation to update the statements made here.

Rotterdam, March 5, 2008
The board of management

Amsterdam

Lille

The share and the stock exchange listing

Listing on NYSE Euronext

The VastNed Retail share has been listed on NYSE Euronext Amsterdam since November 9, 1987 and on NYSE Euronext Paris since December 20, 2004. As from March 2, 2007 VastNed Retail has been listed in the AScX index (Amsterdam Small Cap Index). The average daily trading volume in 2007 was 60,049 shares, which represents an increase compared to 2006 (37,943 shares daily). Due to the (relative) rise of daily trading volumes, VastNed Retail will return to the AMX index (MidCap) on March 3, 2008. VastNed Retail makes use of various liquidity providers to guarantee the continuous liquidity of the share. During 2007 Kempen & Co, ABN AMRO and Rabobank acted as liquidity providers for VastNed Retail, Kempen & Co acted as paid liquidity provider, ABN Amro and Rabobank as unpaid liquidity provider.

Indices

VastNed Retail is included in a number of indices. These indices support investors in the composition of their share portfolio. As stated above, VastNed Retail is listed on the AScX index, and as from March 3, 2008 on the AMX index. Our impression is that investors make limited use of these indices to guide them in the composition of their equity portfolios. Other indices, like Global Property Research (GPR) and the European Public Real Estate Association (EPRA) play a more important role, especially for international institutional investors.

As per December 31, 2007 the weighting in the GPR indices was as follows:

GPR 250 Global	0.20%
GPR 250 Global ex-North America	0.30%
GPR 250 Europe	0.95%
GPR 250 Europe ex-UK	1.55%
GPR 250 Eurozone	1.83%
GPR 250 Netherlands	12.1%

With EPRA, VastNed Retail is included in the following indices:

EPRA/NAREIT Global	0.20%
EPRA/NAREIT Global ex-Asia	0.36%
EPRA/NAREIT Global ex-North America	0.33%
EPRA/NAREIT Europe	1.08%

EPRA/NAREIT Europe (UK-restricted)	1.32%
EPRA/NAREIT Europe ex-UK	1.83%
EPRA/NAREIT Liquid 40	1.36%
EPRA/NAREIT Liquid 40 ex-UK	2.55%
EPRA/NAREIT eurozone	2.20%
EPRA/NAREIT Netherlands	11.83%

Return

In 2007, VastNed Retail realised the following return, expressed in euros and as a percentage of the 2006 closing price of € 77.00.

		Return 2007	Return 2006
Closing price 2007	65.70		
Closing price 2006	77.00		
Movement share price	(11.30)	(14.7)%	43.3%
Dividend May 2, 2007	2.60	3.4%	4.6%
Interim dividend September 4, 2007	1.12	1.5%	2.0%
Total return	**(7.58)**	**(9.8)%**	**49.9%**

Assuming immediate reinvestment of the dividends, the total return for 2007 amounts to 10.0% negative (2006: 51.4% positive).

Share price

At the beginning of 2007, the share quoted a 32.9% premium on the net asset value per share. The premium was justified by positive expectations regarding the property portfolio and strong demand for property shares. Equity per share attributable to VastNed Retail shareholders including the 2007 investment result increased from € 57.93 (December 31, 2006) to € 69.42 (December 31, 2007).

Despite this increase of the underlying value, the premium turned into a discount of 5.4% at year-end 2007. Other European property investment funds in 2007 also experienced a fall of the share price in the second half of 2007 after a very positive 2006. On November 7, 2007, VastNed Retail disclosed that it had received an indicative offer on all its shares of € 70.00 per share. This caused VastNed Retail's share price to rise from € 56.65 to € 68.20 on November 7, 2007.

Market capitalisation based on the share price at year-end 2007 amounted to € 1,075.0 million, compared to € 1,299.5 million at year-end 2006. The lowest share price of € 53.50 was quoted on August 16, 2007, while the share quoted the highest price of € 81.19 on February 22, 2007. VastNed Retail exploited these low share prices by acquiring 500,000 of its own shares between August 17 and September 21, 2007.

CLOSING PRICES VASTNED RETAIL SHARE IN 2007 (in €)

The following investors can be designated as major shareholders (>5%, as registered by AFM):

- Stichting Pensioenfonds PGGM 21.78%
- Nomura Asset Management Co.Ltd 6.13%
- Capital Research and Management Company 5.29%

Investor relations

In 2007, VastNed Retail has continued its active investor relations policy aimed at raising awareness of the fund among institutional and private investors. Various means are used in the pursuit of this policy, such as investor roadshows, press releases, the annual report, the VastNed website and the newsletter *Behind the Façade* introduced in 2006.

Investor roadshows

Investor roadshows are a crucial element of investor relations. In 2007, meetings were held with a large number of institutional investors in the Netherlands and abroad in France, the United Kingdom and the United States.

Press releases and publication of periodical reports

Price sensitive information is always disclosed to the general public by means of press releases, reported to the financial authorities (Authority for the Financial Markets in Amsterdam, NYSE Euronext Amsterdam and Autorité des Marchés Financiers in Paris) and placed on the company's website (*www.vastned.nl*). Only previously published information is commented upon in contacts with the press, with individual investors and analysts. At the publication of annual and semi-annual figures, VastNed Retail holds an analysts' meeting. At the publication of the first quarter results and nine months' results, a conference call is used to comment on these results to analysts. Both the analysts' meetings and the conference calls can be followed on audio webcast on *www.vastned.nl*. No analysts' meetings, presentations to or direct meetings with investors take place shortly before publication of financial reports. Analysts' reports are not evaluated in advance nor corrected other than for factual correctness. VastNed Retail does not provide fees to any party to draw up analysts' reports. Currently, VastNed Retail is being followed by some twelve (sell-side) analysts of reputed Dutch and foreign banks.

Annual report

In 2007, VastNed Retail's reporting gained high praise: the IVBN (Association of Institutional Property Investors) awarded the annual report a mark of 9.2 out of ten for transparency and compliance with IVBN recommendations, which was among the highest assessments of the IVBN member. The IVBN annually investigates the degree to which the IVBN members observe its recommendations.
The European association of listed property investment companies EPRA also annually surveys listed companies. In 2007, 78 companies were surveyed. VastNed Retail was awarded a fourth place in absolute points for compliance with the best-practice principles. This put VastNed Retail in the select company of the European property funds Land Securities, Rodamco Europe and SEGRO. VastNed Retail achieved a fifth place in the category Best Improvers. Transparency and clarity for all stakeholders in general and investors in particular are a major point of focus for VastNed Retail. All internal disciplines actively contribute to guaranteeing this level of quality and improve it where necessary.

Website

Our website *www.vastned.nl* provides up-to-date information on VastNed Retail in the broadest sense of the word, including the profile and strategy of the fund, the property portfolios in the various countries, investor information, corporate governance, media and tenants. Additionally, VastNed Retail also sets out the evaluation of the fund according to analysts' reports prepared by sell-side analysts.

Behind the Façade

Behind the Façade, VastNed Group's newsletter, had its first anniversary in 2007. The newsletter aims to inform all VastNed Retail's relations informally of topical issues affecting VastNed Retail. The newsletter focuses on the typical local atmosphere of the countries and cities where VastNed Retail operates.

Annual accounts 2007

Consolidated profit and loss account

(x € 1,000.-)

	Notes	2007	2006
Net income from investment properties			
Gross rental income	4, 26	120,577	110,729
Net service charge expenses	4	(3,640)	(3,095)
Operating expenses	4	(12,016)	(10,462)
Net rental income		104,921	97,172
Value movements investment properties in operation	5	208,456	128,921
Value movements investment properties under renovation	5	(502)	(1,223)
Total value movements investment properties		207,954	127,698
Net result on disposals of investment properties	6	(6,455)	73
Total net income from investment properties		**306,420**	**224,943**
Expenditure			
Financial income	7	1,182	368
Financial expenses	7	(30,948)	(23,110)
Value movements financial derivatives	7	–	(2)
Net financing costs		(29,766)	(22,744)
General expenses	8	(7,740)	(6,684)
Total expenditure		**(37,506)**	**(29,428)**
Investment result before taxes		**268,914**	**195,515**
Income tax expense	9	703	(872)
Movement deferred taxes	9	(11,850)	(15,150)
		(11,147)	(16,022)
Investment result after taxes		**257,767**	**179,493**
Investment result attributable to minority interests		(13,227)	(6,621)
Investment result attributable to VastNed Retail shareholders		**244,540**	**172,872**
Per share (x € 1)			
Investment result attributable to VastNed Retail shareholders	10	14.64	10.23
Diluted investment result attributable to VastNed Retail shareholders	10	14.64	10.23

Direct and indirect investment result

(x € 1,000.-)

	2007	2006
Direct investment result		
Gross rental income	120,577	110,729
Net service charge expenses	(3,640)	(3,095)
Operating expenses	(12,016)	(10,462)
Net rental income	104,921	97,172
Financial income	1,182	368
Financial expenses	(30,948)	(23,110)
Net financing costs	(29,766)	(22,742)
General expenses	(7,740)	(6,684)
Direct investment result before taxes	67,415	67,746
Income tax expense	703	(872)
Direct investment result after taxes	68,118	66,874
Direct investment result attributable to minority interests	(3,751)	(4,422)
Direct investment result attributable to VastNed Retail shareholders	**64,367**	62,452
Indirect investment result		
Value movements investment properties in operation	208,456	128,921
Value movements investment properties under renovation	(502)	(1,223)
Total value movements investment properties	207,954	127,698
Net result on disposals of investment properties	(6,455)	73
Value movements financial derivatives	–	(2)
Indirect investment result before taxes	201,499	127,769
Movement deferred taxes	(11,850)	(15,150)
Indirect investment result after taxes	189,649	112,619
Indirect investment result attributable to minority interests	(9,476)	(2,199)
Indirect investment result attributable to VastNed Retail shareholders	**180,173**	110,420
Investment result attributable to VastNed Retail shareholders	**244,540**	172,872
Per share (x € 1)		
Direct investment result attributable to VastNed Retail shareholders	3.85	3.70
Indirect investment result attributable to VastNed Retail shareholders	10.79	6.53

Consolidated balance sheet as at December 31

(x € 1,000.-)

Assets

	Notes	2007	2006
Investment properties in operation	12	2,062,078	1,706,337
Investment properties under renovation	12	3,054	3,054
Other assets in respect of lease incentives	12	2,395	3,260
		2,067,527	1,712,651
Investment properties in pipeline	12	25,574	18,054
Total investment properties		2,093,101	1,730,705
Tangible fixed assets		1,387	1,119
Financial derivatives	24	11,591	4,597
Deferred tax assets	13	2,422	–
Total fixed assets		**2,108,501**	1,736,421
Debtors and other receivables	14, 16	29,429	22,230
Income tax		145	675
Cash and cash equivalents	15, 16	13,748	7,007
Total current assets		**43,322**	29,912
Total assets		**2,151,823**	1,766,333

Equity and liabilities

	Notes	2007	2006
Capital paid-up and called	17	**84,381**	84,516
Share premium reserve	17	**405,181**	435,706
Hedging reserve in respect of financial derivatives	17	**8,471**	3,119
Translation reserve	17	**66**	–
Other reserves	17	**393,190**	281,500
Investment result attributable to VastNed Retail shareholders	17	**244,540**	172,872
Equity VastNed Retail shareholders		**1,135,829**	977,713
Equity minority interests	17	**79,113**	70,368
Total equity		**1,214,942**	**1,048,081**
Deferred tax liabilities	13	**57,669**	43,076
Provisions in respect of employee benefits	18	**1,915**	1,575
Long-term interest-bearing loans	19, 24	**538,092**	420,375
Long-term tax liabilities	20	**9,690**	3,684
Guarantee deposits and other long-term liabilities	21	**9,948**	10,278
Total long-term liabilities		**617,314**	**478,988**
Payable to banks	22	**191,635**	133,821
Redemption long-term liabilities		**71,735**	25,374
Financial derivatives	24	**302**	94
Income tax		**9,656**	4,544
Other liabilities and accruals	23	**46,239**	75,431
Total short-term liabilities		**319,567**	**239,264**
Total equity and liabilities		**2,151,823**	**1,766,333**

Consolidated statement of movements in equity

(x € 1,000.-)

		2007		2006
Equity as per January 1		1,048,081		930,818
Value movements financial derivatives		5,395		4,558
Direct investment result	68,118		66,874	
Indirect investment result	189,649		112,619	
Investment result		257,767		179,493
Share buyback	(30,653)		(7,395)	
Acquisitions and disposals of shares in subsidiaries	–		101	
		(30,653)		(7,294)
Final dividend previous financial year in cash	(42,297)		(36,019)	
Interim dividend in cash	(18,885)		(18,593)	
Dividend paid to minority interests	(4,525)		(4,858)	
Costs of stock dividend	(7)		(24)	
Dividend payment in cash		(65,714)		(59,494)
Translation differences net investments		66		–
Equity as per December 31		**1,214,942**		1,048,081
Value movements financial derivatives directly recognised in equity		5,395		4,558
Translation differences net investments		66		–
Investment result		257,767		179,493
Total result		**263,228**		184,051
Attributable to:				
VastNed Retail shareholders		249,958		177,265
Minority interests		13,270		6,786
		263,228		184,051

Consolidated cash flow statement

(x € 1,000.-)

	2007	2006
Cash flow from operating activities		
Investment result	257,767	179,493
Adjustments for:		
Value movements investment properties	(207,954)	(127,699)
Net result on disposals of investment properties	6,455	(73)
Net financing costs	29,766	22,744
Income tax	11,147	16,022
Cash flow from operating activities before changes in working capital and provisions	97,181	90,487
Movement current assets	5,373	(3,670)
Movement short-term liabilities	2,005	6,368
Movement provisions	340	81
	104,899	93,266
Interest paid (on balance)	(30,133)	(20,917)
Income tax paid	(1,057)	(4,548)
Cash flow from operating activities	**73,709**	67,801
Cash flow from investment activities		
Acquisition of investment properties and investments in existing properties	(200,041)	(95,784)
Disposal of investment properties	6,684	23,601
Cash flow from property	(193,357)	(72,183)
Movement tangible fixed assets	(268)	33
Cash flow from investment activities	**(193,625)**	**(72,150)**
Cash flow from financing activities		
Share buyback	(30,653)	(7,395)
Dividend paid	(61,207)	(54,633)
Dividend paid to minority interests	(4,525)	(4,858)
Interest-bearing loans drawn down	293,987	112,171
Interest-bearing loans redeemed	(70,945)	(48,359)
Cash flow from financing activities	**126,657**	(3,074)
Movement in cash and cash equivalents	**6,741**	(7,423)
Cash and cash equivalents as at January 1	7,007	14,430
Cash and cash equivalents as at December 31	**13,748**	7,007

Notes to the consolidated annual accounts
(x € 1,000.-)

1 General information

VastNed Retail N.V. ('the Company'), with its registered office in Rotterdam, the Netherlands, is a (closed-end) property investment company with variable capital which makes long-term investments primarily in individual retail properties, shopping centres and retail warehouses. At year-end 2007 the investments were concentrated in the four core countries: the Netherlands, Spain, France and Belgium. In 2007, the investment portfolio was expanded with a number of properties in Istanbul, Turkey. The company aims to add Turkey as a fifth core country to the four existing ones. VastNed Retail N.V. is listed on the stock exchanges in Amsterdam and Paris.

On October 20, 2006, the AFM granted to VastNed Management B.V. the licence as meant in 2:65 sub 1 part a of the Act of Financial Supervision as enacted in 2007 (previously Section 5 of the Act on the Supervision of Investment Institutions) pursuant to which this company can act as manager of the Company.

The consolidated annual accounts of the Company comprise the Company and its subsidiaries (jointly referred to as 'the Group') and the interests the Group has in subsidiaries and entities over which it has joint control.

2 Significant principles for financial reporting

a Statement of compliance

The consolidated annual accounts of the Company are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These standards comprise all new and revised Standards and Interpretations as published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), as far as they apply to the Group's activities, effective on the financial years starting from January 1, 2007.

New or amended standards and interpretations endorsed in 2007
The Group has applied IFRS 7 Financial Instruments: Disclosures, which became effective on January 1, 2007, as well as IAS 1 Capital Disclosures, which was changed due to this standard. This has resulted in a number of additional notes in the annual report (see in particular '24 Financial instruments').

Furthermore, the following interpretations for the year under review published by the International Financial Reporting Interpretations Committee became effective: IFRIC 7 Applying the restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies; IFRIC 8 Scope of IFRS 2; IFRIC 9 Reassessment of Embedded Derivatives; and IFRIC 10 Interim Financial Reporting and Impairment. The implementation of these interpretations did not result in adjustments to the accounting principles for financial reporting as applied by the Group.

New or amended standards and interpretations not yet effective

A number of new standards, amended standards and interpretations had not yet taken effect in 2007, but may be applied in advance. Unless stated otherwise, the Group has not made use of this. To the extent that these new standards, amended standards and interpretations are relevant to the Group, the effect their application might have on the consolidated accounts for 2008 and beyond is set out below.

– *IFRS 8 Operating Segments*
  This new standard, effective as from January 1, 2009, replaces IAS 14 Segment Reporting. This standard introduces new guidelines regarding the information on distinct segments to be disclosed. It is obligated to match the choice of the distinct segments and the related notes to the segments currently in use in internal reports. This is not expected to lead to major changes in the consolidated annual accounts.
– *IFRIC 11 Group and Treasury Share Transactions*
  This interpretation will affect financial years starting on or after March 1, 2007 and provides, supplementary to IFRS 2, an interpretation of the recognition of payments in or based on shares to the company's employees. The Group has already applied this IFRIC in the year under review; this did not lead to changes.
– *IFRIC 12 Service Concession Arrangements*
  This interpretation applies to financial years starting on or after January 1, 2008. It is not expected to have any impact on the 2008 annual accounts.
– *IFRIC 13 Customer Loyalty Programmes*
  This interpretation applies to financial years starting on or after January 1, 2008. This interpretation has no consequences for the Group since it does not have such programmes.
– *IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
  This interpretation applies to financial years starting on or after January 1, 2008. In view of the relatively limited size of the applicable defined benefit pension schemes in the Group, this interpretation is not expected to have a material effect on the 2008 annual accounts.
– *IAS 23 (Revised) Borrowing Costs*
  This amendment applies to financial years starting on or after January 1, 2009. The Group already applies this amendment, even though it has no effect on the principles for financial reporting applied by the Group, since the Group already capitalises financing costs directly attributable to the acquisition or construction of investment properties. The amendment of IAS 23 cancels the option to recognise all costs associated with taking out loans directly as costs at the time they are incurred.
– *IAS 1 (Revised) Presentation of Financial Statements*
  This amendement applies to financial years starting on or after January 1, 2009. This standard will impact the presentation of the 2009 annual accounts.

b Principles applied in the compilation of the financial reporting

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

Interim financial reports in the form of quarterly reports are presented in compliance with IAS 34 'Interim Financial Reporting'.

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

In the presentation of the annual accounts in compliance with IFRS, the board of management has made judgements concerning estimates and assumptions which impact the figures included in the annual accounts. The estimates and underlying assumptions concerning the future are based on historical experience and other relevant factors, given the circumstances at balance sheet date. The actual results may deviate from these estimates.

The estimates and underlying assumptions are evaluated regularly. Any adjustments are recognised in the period in which the estimate was reviewed, or if the estimate also impacts future periods, also in these future periods.

The principal estimates and assumptions concerning the future and other important sources of estimate uncertainties at balance sheet date which have a material impact on the annual accounts and which present a significant risk of material adjustment of book values in the subsequent financial year are included in '29 Accounting estimates and judgements'.

c Principles for consolidation

Subsidiaries
Subsidiaries are entities in which the Company has control. Control of an entity entails that the Company has the authority, either directly or indirectly, to determine the financial and operational policies of the entity in order to obtain benefits from the operations of this entity. In the assessment of whether this is the case, potential exercisable or convertible voting rights are taken into account. The financial statements of the subsidiaries are included in the consolidated statements as from the date at which control is obtained until such time when control ceases.
Minority interests are separately recognised in the balance sheet under equity. Minority interests in the result of the Group are also recognised separately in the profit and loss account.

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

Goodwill

All acquisitions of subsidiaries are recognised using the purchase accounting method. The costs of an acquisition are valued at the fair value of the underlying assets, equity instruments issued or debts taken over at the time of transfer, plus costs directly attributable to the acquisition. Acquired identifiable assets and (contingent) liabilities are initially recognised at fair value on the acquisition date. Goodwill is the amount by which at its first recognition the cost price of an acquired entity exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities. The value of the assets, liabilities and contingent liabilities of entities acquired before January 1, 2004 is based on the previously applied accounting principles.

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

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

d Foreign currencies

The items in the annual accounts of the separate entities of the Group are recognised in the currency of the economic environment in which the entity operates (the 'functional currency'). The currency of the main cash flows of the entity is taken into account in the determination of the functional currency. As a result, the euro is used as the functional currency in all foreign entities where the Group operates except the entities in Turkey, where the functional currency is the US dollar.
The consolidated annual accounts are presented in euros, the Group's reporting currency.

In the preparation of the annual accounts of the separate entities, transactions in foreign currency are recognised at the exchange rate effective on the transaction date. Foreign currency result arising from the settlement of these transactions are recognised in the profit and loss account.
At balance sheet date, monetary assets and liabilities in foreign currency are translated at the exchange rate effective on that date. Non-monetary assets and liabilities that are valued at fair value are translated at the exchange rate on the date on which the fair value was determined. Non-monetary assets and liabilities valued at historical cost are not translated.

Translation differences are recognised in the profit and loss account, with the exception of unrealised translation results on net investments and unrealised translation results on intercompany loans, which materially are part of the net investment.

In the preparation of the consolidated annual accounts, the items of all individual entities included in the Group's consolidation are recognised in euros whereby, if the relevant annual accounts are drawn up in a different currency, assets and liabilities are translated into euros at balance sheet date, and income and expenses are translated at exchanges rates approaching the exchange rates effective on the dates of the transactions.

The resulting exchange rate differences are recognised as a separate component in equity (Translation reserve). Exchange rate differences arising from translation of net investments in foreign activities and related hedges are also recognised in equity under Translation reserve. In case of a (partial) sale of an entity or foreign operation, the cumulative balance of the Translation reserve is recognised in the profit and loss account.

e Investment properties in operation and under renovation

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

Acquisitions and disposals of property available for letting are included in the balance sheet as investment properties at the time when the obligation to buy or sell is entered into by means of a signed agreement, at which time the conditions of the transaction can be identified unequivocally and any contingent conditions included in the agreement can no longer be invoked, or the chance that they will be invoked is small. Upon first recognition, the investment properties are recognised at acquisition price, plus costs attributable to the acquisition, including transfer tax, property agency fees, due diligence costs, and legal and civil-law notary costs.
Investment properties are classified as investment properties under renovation at such time when it is decided that for continued future use, an existing investment property must first be renovated and as a consequence is no longer available for letting during renovation.
Both investment properties in operation and under renovation are stated at fair value, corrected for any balance sheet items in respect of lease incentives (see under 'q Gross rental income'). The fair value is based on market value (costs borne by the buyer), i.e. the estimated value at which an investment property could be traded at balance sheet date between well-informed and independent parties who are prepared to enter into a transaction, both parties operating prudently and without duress. Account is taken of differences between market rent and contractual rent, operating expenses, vacancy, maintenance and future developments. All investment properties in operation and under renovation are appraised at least once per year by independent certified appraisers.

The valuation methodology is based on international appraisal guidelines (RICS Appraisal and Valuation Standards). In order to present the fair value at balance sheet date in (interim) financial statements as accurately as possible the following system is used:
– All investment properties in operation and under renovation with an expected individual value exceeding € 2.5 million are appraised externally every quarter. Once a year, evenly spread across the various quarters, an extensive appraisal report is drawn up by the external appraiser. In the other quarters an update of the most recent extensive report by the external appraiser is considered sufficient.
– Investment properties with an expected individual value of € 2.5 million or less are appraised externally at least once per year, evenly spread across the different quarters. Based on the outcome of these appraisals (each quarter approximately 25% of all investment properties with an individual value of € 2.5 million or less) the fair value of the part not externally appraised in that quarter is determined internally by extrapolation. In the context of the offering process, virtually all properties were appraised externally at year-end 2007.
– In the selection of the external appraisers, reputation, independence, relevant experience with the location and the type of investment property are taken into account. For every investment property, the external appraiser is replaced in principle every three years.

The remuneration of the external appraisers is based on a permillage of the value of the properties to be appraised.

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

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

f Investment properties in pipeline

Investment properties in pipeline concern property under construction or development for future use as investment property in operation. Investment properties in pipeline are valued at cost less any cumulative impairment losses until such time when the construction or development is completed. At the time of transition to investment property in operation, the difference between the fair value at that time and the book value is recognised in the profit and loss account. The cost price of investment properties in pipeline includes, to the extent applicable, acquisition costs, transfer tax and all directly attributable costs necessary for preparing the property for letting. Overhead costs are not capitalised.

Financing costs directly attributable to the acquisition or construction of the investment property are capitalised as part of the cost price of the investment property. Capitalisation of financing costs starts at the time when the preparations for construction or renovation have started, expenditure is made and financing costs are incurred. Capitalisation of financing costs is terminated at such time when construction or renovation is complete and the investment property in pipeline is recognised as investment property in operation.

For the determination of financing costs a capitalisation percentage is applied to the expenditure that is equal to the weighted average of the financing costs of the Group's interest-bearing loans that are outstanding during the period concerned, excluding loans specifically taken out in connection with the investment properties in pipeline. Financing costs relating to these loans specifically taken out are capitalised in full.

g Tangible fixed assets

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

– Office furniture and such	5 years
– Computer equipment	5 years
– Vehicles	5 years

h Financial derivatives

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

The fair value of financial interest rate derivatives is the amount the Group expects to receive or to pay if the financial interest rate derivatives are terminated at balance sheet date, whereby the actual interest and the actual credit risk of the respective counterparty or counterparties at balance sheet date are taken into account. The amount is determined based on information from reputed market parties.

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

Hedging

When entering into hedging transactions, the relation between the derivatives and the hedged loan positions is documented and matched to the objectives of the treasury policy. In addition, it is investigated both retrospectively and prospectively whether the hedging transactions are highly effective in compensating the risk of changes in the fair value of the hedged positions or the hedged risk of attributable cash flows. The recognition of gains and losses depends on the degree of hedging:

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

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

i Debtors and other receivables

Debtors and other receivables are stated at nominal value less a provision for possible bad debts.

j Cash and cash equivalents

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

k Capital paid-up and called, share premium reserve and other reserves

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

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

Dividends in cash to holders of ordinary and priority shares are charged to other reserves in the period in which the dividends are declared by the Company.

l Deferred tax assets and deferred tax liabilities

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

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

m Provisions in respect of employee benefits

Defined benefit pension plans

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

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

All actuarial gains and losses as per January 1, 2004, the transition date to IFRS, have been recognised. Actuarial gains and losses arising after January 1, 2004 are recognised by the Group according to the so-called ‘corridor’ approach. According to this ‘corridor’ approach, any accumulated unrecognised actuarial gains or losses exceeding 10% of the greater of the present value of the gross commitment of the defined (pension) benefits and the fair value of the plan assets, are recognised in the profit and loss account for the expected average remaining working lives of the employees who participate in the plan. Otherwise, the actuarial gain or actuarial loss is not recognised.

If the plan assets exceed the obligations, the asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan, or lower future (pension) premiums.

Defined contribution pension plans

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

Long-term personnel benefits

Obligations in respect of future jubilee benefits are also recognised in this provision.

n Other provisions

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

o Interest-bearing debts

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

p Other liabilities and accruals

Other liabilities and accruals are stated at nominal value.

q Gross rental income

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

r Net service charge expenses

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

s Operating expenses

Operating expenses concern costs directly connected to the operation of the property, such as maintenance, management costs, insurance, allocation to the provision for doubtful debtors and property tax. These costs are attributed to the period to which they relate. Costs incurred when concluding operational lease contracts are recognised in the period in which they are incurred.

t Net financing costs

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

u General expenses

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

v Income tax

Income tax comprises taxes actually payable and recoverable as attributable to the reporting period and of the movement in deferred tax liabilities and deferred tax assets (see under 'l Deferred tax assets and deferred tax liabilities'). Income tax is recognised in the profit and loss account, except to the extent that it concerns items that are taken directly to equity, in which case the taxes are recognised under equity.

Taxes actually payable and offsettable on the reporting period are taxes that are expected to be payable on taxable profit in the financial year, calculated based on tax rates and tax legislation enacted or substantively enacted at balance sheet date, and corrections for taxes payable on previous years.

Additional income tax in respect of dividend payments by subsidiaries are recognised at the same time as the obligation to pay out the dividend concerned.

w Direct investment result

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

x Indirect investment result

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

y Cash flow statement

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

z Segment information

The segment information is presented based on the countries where the investment properties are located.

3 Segment information

	Netherlands		Spain		France	
	2007	2006	**2007**	2006	**2007**	2006
Net rental income	**40,348**	38,716	**29,598**	26,065	**19,981**	16,152
Value movements investment properties in operation	**85,906**	40,176	**58,010**	46,556	**42,369**	35,152
Value movements investment properties under renovation	–	–	–	–	–	–
Net result on disposals of investment properties	**337**	463	–	–	**238**	–
Total net income from investment properties	**126,591**	79,355	**87,608**	72,621	**62,588**	51,304
Net financing costs						
General expenses						
Income tax						
Minority interests						
Investment result attributable to VastNed Retail shareholders						

	Netherlands		Spain		France	
	2007	2006	**2007**	2006	**2007**	2006
Investment properties in operation						
Balance as at January 1	**616,761**	566,926	**512,303**	400,322	**320,329**	246,179
– Acquisitions	**15,188**	12,979	–	65,066	**107,574**	38,958
– Investments in existing properties	**2,916**	2,568	**2,618**	359	**363**	425
– Transferred to investment properties in pipeline	–	(2,241)	–	–	–	–
– Disposals	**(6,293)**	(3,647)	–	–	**(61)**	(385)
– Exchange rate differences	–	–	–	–	–	–
	628,572	576,585	**514,921**	465,747	**428,205**	285,177
– Value movements	**85,906**	40,176	**58,010**	46,556	**42,369**	35,152
– *Balance as at December 31*	**714,478**	616,761	**572,931**	512,303	**470,574**	320,329
– Other assets in respect of lease incentives	**622**	293	**1,378**	1,575	**274**	247
Appraisal value as at December 31	**715,100**	617,054	**574,309**	513,878	**470,848**	320,576
Investment properties under renovation	–	–	–	–	–	–
Investment properties in pipeline	**13,209**	8,764	–	–	–	–
Investment properties	**728,309**	625,818	**574,309**	513,878	**470,848**	320,576
Other assets	**4,740**	1,139	**2,669**	9,737	**4,843**	3,511
Not allocated to segments						
Total assets						
Liabilities	**11,271**	12,091	**58,316**	46,797	**28,046**	16,307
Not allocated to segments						
Total liabilities						

Belgium		Turkey		Portugal		Germany		Total	
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
13,478	15,242	487	–	1,029	997	–	–	104,921	97,172
22,019	4,797	(1,198)	–	1,350	2,240	–	–	208,456	128,921
(502)	(1,223)	–	–	–	–	–	–	(502)	(1,223)
(4,569)	538	–	–	–	–	(2,461)	(928)	(6,455)	73
30,426	19,354	**(711)**	–	**2,379**	3,237	**(2,461)**	(928)	**306,420**	224,943
								(29,766)	(22,744)
								(7,740)	(6,684)
								(11,147)	(16,022)
								(13,227)	(6,621)
								244,540	172,872

Belgium		Turkey		Portugal		Germany		Total	
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
242,876	253,506	–	–	14,068	11,853	–	–	1,706,337	1,478,786
21,342	–	22,586	–	–	–	–	–	166,690	117,003
689	3,141	–	–	–	(25)	–	–	6,586	6,468
–	–	–	–	–	–	–	–	–	(2,241)
(18,521)	(18,568)	–	–	–	–	–	–	(24,875)	(22,600)
–	–	(1,116)	–	–	–	–	–	(1,116)	–
246,386	238,079	21,470	–	14,068	11,828	–	–	1,853,622	1,577,416
22,019	4,797	(1,198)	–	1,350	2,240	–	–	208,456	128,921
268,405	242,876	20,272	–	15,418	14,068	–	–	2,062,078	1,706,337
121	1,145	–	–	–	–	–	–	2,395	3,260
268,526	244,021	**20,272**	–	**15,418**	14,068	**–**	–	**2,064,473**	1,709,597
3,054	3,054	–	–	–	–	–	–	3,054	3,054
12,365	9,290	–	–	–	–	–	–	25,574	18,054
283,945	256,365	**20,272**	–	**15,418**	14,068	**–**	–	**2,093,101**	1,730,705
12,863	1,947	1,095	–	27	99	–	380	26,237	16,813
								32,485	18,815
								2,151,823	1,766,333
4,134	5,351	4,626	–	1,164	1,173	4,582	7,595	112,139	89,314
								824,742	628,938
								936,881	718,252

4 Net rental income

	Gross rental income		Net service charge expenses		Operating expenses		Net rental income	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
Netherlands	**45,992**	44,669	**(38)**	(51)	**(5,606)**	(5,902)	**40,348**	38,716
Spain	**33,025**	28,831	**(1,042)**	(1,034)	**(2,385)**	(1,732)	**29,598**	26,065
France	**22,230**	17,784	**(590)**	(386)	**(1,659)**	(1,246)	**19,981**	16,152
Belgium	**17,633**	18,405	**(1,958)**	(1,624)	**(2,197)**	(1,539)	**13,478**	15,242
Turkey	**624**	–	**(12)**	–	**(125)**	–	**487**	–
Portugal	**1,073**	1,040	**–**	–	**(44)**	(43)	**1,029**	997
	120,577	110,729	**(3,640)**	(3,095)	**(12,016)**	(10,462)	**104,921**	97,172

Net service charge expenses	**2007**	2006
Attributable to leased properties	**1,168**	734
Attributable to vacant properties	**2,472**	2,361
	3,640	3,095

Operating expenses	**2007**	2006
Attributable to leased properties	**11,659**	10,191
Attributable to vacant properties	**357**	271
	12,016	10,462

Operating expenses	**2007**	2006
Maintenance	**2,429**	2,457
Administrative and commercial management [1)]	**4,823**	4,429
Insurance	**431**	417
Property tax and such	**2,114**	1,494
Letting costs	**626**	676
Other operating expenses	**1,593**	989
	12,016	10,462

Other operating expenses includes inter alia the allocation to the provision for doubtful debtors.

1 4% of gross rental income, consisting of external and general expenses, attributable to operating expenses.

5 Value movements investment properties

	2007			2006		
	Positive	Negative	Total	Positive	Negative	Total
Investment properties in operation	237,509	(29,053)	208,456	142,733	(13,812)	128,921
Investment properties under renovation	–	(502)	(502)	–	(1,223)	(1,223)
	237,509	**(29,555)**	**207,954**	142,733	(15,035)	127,698

6 Net result on disposals of investment properties

	2007	2006
Sales price	23,545	24,008
Book value at time of disposal	(24,875)	(22,600)
	(1,330)	1,408
Sales costs	(2,449)	(407)
	(3,779)	1,001
Adjustment result on disposal of the German property portfolio	(2,461)	(928)
Other	(215)	–
	(6,455)	73

7 Net financing costs

	2007	2006
Interest received	(105)	(218)
Interest paid	30,948	23,110
	30,843	22,892
Capitalised financing costs	(1,050)	(150)
Total interest	29,793	22,742
Value movements financial derivatives	–	2
Exchange rate differences	(27)	–
	29,766	22,744

8 General expenses

	2007	2006
Personnel costs	6,613	6,155
Remuneration supervisory board	119	100
Consultancy and audit costs	1,264	956
Appraisal costs	812	593
Accommodation and office costs	1,531	1,315
Other expenses	1,071	937
	11,410	10,056
Attributed to operating expenses	(3,670)	(3,372)
	7,740	6,684

Consultancy and audit costs include an amount of € 0.3 million (2006: € 0.3 million) for audit costs. These costs concern virtually all the costs of the audit of the annual accounts, as well as the audit costs of the statutory annual accounts of subsidiaries. The external auditor performed virtually no separate consultancy commissions in 2006 and 2007.

Other expenses include inter alia publicity costs and IT costs.

During 2007, on average 98 (2006: 90) employees (full-time equivalents) were employed by VastNed Retail and VastNed Offices/Industrial jointly, of whom 50 in the Netherlands and 48 abroad.
Personnel costs of the employees working in the Netherlands are attributed to VastNed Retail based on actual work done. VastNed Retail has no employees.
In the year under review, VastNed Retail accounted for: wages and salaries € 6.4 million (2006: € 6.1 million), social security charges € 0.8 million (2006: € 0.7 million) and pension premiums € 0.7 million (2006: € 0.7 million). After allocation to VastNed Offices/Industrial, the following amounts remain: wages and salaries € 4.5 million (2006: € 4.1 million), social security charges € 0.7 million (2006: € 0.6 million) and pension premiums € 0.4 million (2006: € 0.4 million).

9 Income tax

Income tax expense	2007	2006
Current financial year	1,175	1,961
Recognition offsettable losses	(1,561)	(377)
Adjustment previous financial years	(317)	(712)
	(703)	872

Movement deferred taxes	2007	2006
In respect of:		
Value movements investment properties	11,884	8,511
Change in tax rates	(34)	6,639
	11,850	15,150
Total income tax	**11,147**	16,022

Reconciliation of effective tax rate		**2007**		2006
Investment result before taxes		**268,914**		195,515
Income tax at domestic tax rate	0.0%	–	0.0%	–
Effect of tax rates of subsidiaries operating in other jurisdictions	4.9%	13,025	8.8%	17,104
Recognition offsettable losses	(0.6%)	(1,561)	(0.2%)	(377)
Withholding tax on dividend foreign subsidiaries	0.0%	–	0.0%	7
Adjustment previous financial years	(0.1%)	(317)	(0.4%)	(712)
	4.2%	**11,147**	8.2%	16,022

VastNed Retail qualifies as a fiscal 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 effectively pay corporate income tax. These conditions mainly concern the investment requirement, the fiscal financing ratios, the composition of the shareholders base and the cash dividend distribution of the fiscal result.

In Belgium the property is held by the Bevak Intervest Retail, which is listed on NYSE Euronext Brussels. A Bevak materially has a tax-exempt status, so that no tax is payable on its profits. The requirements of the Bevak are comparable to those of the Dutch fiscal investment institution.

In France VastNed Retail is subject to the SIIC regime since January 1, 2005. Under this regime, VastNed Retail is not liable for taxation on its French net rental income nor on capital gains realised locally. Certain aspects of the SIIC regime have been amended on January 1, 2007. For further details on these amendments, please refer to the remarks under '29 Accounting estimates and judgements'. The requirements of the SIIC regime are comparable to those of the Dutch fiscal investment institution.
Other profits realised in France are taxed at a rate of 34.43%.

In Spain, Portugal and Turkey the property is held by taxable companies. In Spain the nominal tax rate is 32.5% (as from January 1, 2008: 30.0%), in Portugal 26.5% and in Turkey 20%. The taxable net rental income realised in these countries is reduced by depreciation and interest.
In Spain, when capital gains realised are reinvested in Spain within three years, income tax paid is refunded at 14.5% of the capital gains realised (as from January 1, 2008: 12.0%).
The effective tax rate then amounts to 18.0%. The calculations of deferred tax liabilities in Spain are based on the tax rates as effective on January 1, 2008.

10 Investment result per share

	2007		2006	
	Basic	Diluted	Basic	Diluted
Direct investment result	64,367	64,367	62,452	62,452
Indirect investment result	180,173	180,173	110,420	110,420
Investment result	**244,540**	**244,540**	172,872	172,872

Average number of ordinary shares in issue	2007		2006	
	Basic	Diluted	Basic	Diluted
Balance as at January 1	16,876,183	16,876,183	16,903,156	16,903,156
Effect of share buybacks	(183,612)	(183,612)	(69,673)	(69,673)
Effect of stock dividend	13,981	13,981	59,397	59,397
Average number of ordinary shares in issue	**16,706,552**	**16,706,552**	16,892,880	16,892,880
Per share (x € 1):				
Direct investment result	3.85	3.85	3.70	3.70
Indirect investment result	10.79	10.79	6.53	6.53
Investment result	**14.64**	**14.64**	10.23	10.23

11 Dividend

VastNed Retail's dividend policy is aimed at distributing the direct investment result to shareholders in full.

On May 2, 2007 the final dividend for the 2006 financial year was made payable, consisting of 5% in cash on the priority shares and an optional dividend on the ordinary shares of € 2.60 in cash or € 2.20 in cash and 0.53% in shares charged to the share premium reserve. This dividend payment totalled € 42.3 million.

On September 3, 2007 the interim dividend for the 2007 financial year was made payable. The interim dividend amounted to € 1.12 per share in cash (total payout: € 18.9 million). The board of management proposes the following final dividend for the 2007 financial year:
- 5% in cash on the priority shares;
- an optional dividend on the ordinary shares of:
  - € 1.35 in cash plus a percentage in shares yet to be determined, depending on the share price, charged to the share premium reserve, or
  - € 2.73 in cash.

If the general meeting of shareholders approves the dividend proposal, the dividend will be made payable to shareholders on May 2, 2008. The dividend to be distributed has not been entered in the balance sheet as a liability.

12 Investment properties

Investment properties in operation and under renovation	2007			2006		
	In operation	Under renovation	Total	In operation	Under renovation	Total
Balance as at January 1	1,706,337	3,054	1,709,391	1,478,786	3,054	1,481,840
Acquisitions	166,690	–	166,690	117,003	–	117,003
Investments in existing properties	6,586	502	7,088	6,468	1,223	7,691
Transferred to investment properties in pipeline	–	–	–	(2,241)	–	(2,241)
Disposals	(24,875)	–	(24,875)	(22,600)	–	(22,600)
	1,854,738	3,556	1,858,294	1,577,416	4,277	1,581,693
Value movements	208,456	(502)	207,954	128,921	(1,223)	127,698
Exchange rate differences	(1,116)	–	(1,116)			
Balance as at December 31	2,062,078	3,054	2,065,132	1,706,337	3,054	1,709,391
Other assets in respect of lease incentives	2,395	–	2,395	3,260	–	3,260
Appraisal value as at December 31	**2,064,473**	**3,054**	**2,067,527**	1,709,597	3,054	1,712,651

99% of the investment property in operation and under renovation was appraised by independent certified appraisers as per December 31, 2007. The properties acquired in Turkey at year-end 2007 have been appraised internally as at December 31.

Property to a value of € 694.2 million (2006: € 598.1 million) serves as security for loans contracted (see also '19 Long-term interest-bearing loans').

For further details on the investment properties in operation and under renovation, reference is made to the overview 'Property portfolio 2007' included elsewhere in this annual report.

Investment properties in pipeline	2007	2006
Balance as at January 1	18,054	1,841
Acquisitions and investments	7,520	13,972
Transferred from investment properties in operation	–	2,241
Balance as at December 31	**25,574**	18,054

For further details on the investment properties in pipeline, reference is made to the overview 'Property portfolio 2007' included elsewhere in this annual report.

13 Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off deferred tax assets and liabilities against each other and when the deferred tax assets concern the same tax regime.

The movements of deferred tax assets and liabilities were as follows:

	2007		2006	
	Assets	Liabilities	Assets	Liabilities
Balance as at January 1	–	43,076	–	26,501
Addition charged to the profit and loss account	2,422	12,783	–	15,150
Addition charged to equity	–	1,390	–	1,410
Acquisition of subsidiaries	–	12,320	–	593
Transferred to long-term tax liabilities in connection with obtaining SIIC status	–	(11,919)	–	(578)
Exchange rate differences	–	19	–	–
Balance as at December 31	**2,422**	**57,669**	–	43,076

The deferred tax assets and liabilities as per December 31, 2007 concern the Netherlands, Spain, Turkey and Portugal.

The deferred tax assets concern offsettable losses, of which an amount of € 1.1 million must be set off before 2016. The deferred tax liabilities are related to the difference between the market value and the fiscal book value of the property investments.

As at balance sheet date, unused tax losses totalled € 3.2 million. In view of the expectation that based on the present structure these unused tax losses cannot be set off against taxable profits in the near future, no deferred tax asset is recognised.

14 Debtors and other receivables

	2007	2006
Debtors	6,153	7,043
Provision for doubtful debtors	(2,434)	(2,083)
	3,719	4,960
Taxes	4,791	9,503
Receivable from disposals	11,568	–
Interest	72	520
Service charges	629	269
Prepayments	2,499	735
Other receivables	6,151	6,243
	29,429	22,230

Movements in the provision for doubtful debtors were as follows:

	2007	2006
Balance as at January 1	2,083	3,454
Acquisition of subsidiaries	3	–
Allocation to the provision	1,343	1,244
Write-off for bad debts	(567)	(1,947)
Release	(428)	(668)
	2,434	2,083

The item 'Receivable from disposals' concerns the disposal of the factory outlet in Messancy at the end of 2007. The transaction was concluded in early February 2008.

Under receivables, items have been entered with a term in excess of one year with a total of € 0.2 million (2006: € 0.2 million).

15 Cash and cash equivalents

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

16 Credit risk

VastNed Retail's principal financial assets consist of cash and cash equivalents, debtors and other receivables.

The credit risk on cash and cash equivalents is very small, since the cash and cash equivalents are held at reputed banks.

The credit risk is primarily attributable to debtors. This credit risk is limited by prior careful screening of potential tenants. Also, security is required from tenants in the form of guarantee deposits or bank guarantees.

Receivables are recognised less a provision for bad debts.

Since the tenant base consists of a large number of different parties, there is no credit risk concentration.

17 Equity

	Capital paid-up and called	Share premium reserve	Hedging reserve in respect of financial derivatives	Translation reserve	Other reserves	Investment result attributable to VastNed Retail shareholders	Equity VastNed Retail shareholders	Equity minority interests	Total equity
Balance as at January 1, 2006	84,516	443,125	(1,274)	–	178,254	157,858	862,479	68,339	930,818
Acquisition of shares in subsidiaries	–	–	–	–	–	–	–	101	101
Share buyback	–	(7,395)	–	–	–	–	(7,395)	–	(7,395)
Investment result	–	–	–	–	–	172,872	172,872	6,621	179,493
Costs of stock dividend	–	(24)	–	–	–	–	(24)	–	(24)
Final dividend previous financial year in cash	–	–	–	–	–	(36,019)	(36,019)	–	(36,019)
Interim dividend 2006 in cash	–	–	–	–	(18,593)	–	(18,593)	–	(18,593)
Dividend paid to minority interests	–	–	–	–	–	–	–	(4,858)	(4,858)
Contribution from profit appropriation	–	–	–	–	121,839	(121,839)	–	–	–
Value movements financial derivatives	–	–	4,393	–	–	–	4,393	165	4,558
Balance as at December 31, 2006	**84,516**	**435,706**	**3,119**	**–**	**281,500**	**172,872**	**977,713**	**70,368**	**1,048,081**
Share buyback	–	(30,653)	–	–	–	–	(30,653)	–	(30,653)
Cancellation own shares	(135)	135	–	–	–	–	–	–	–
Investment result	–	–	–	–	–	244,540	244,540	13,227	257,767
Costs of stock dividend	–	(7)	–	–	–	–	(7)	–	(7)
Final dividend previous financial year in cash	–	–	–	–	–	(42,297)	(42,297)	–	(42,297)
Interim dividend 2007 in cash	–	–	–	–	(18,885)	–	(18,885)	–	(18,885)
Dividend paid to minority interests	–	–	–	–	–	–	–	(4,525)	(4,525)
Contribution from profit appropriation	–	–	–	–	130,575	(130,575)	–	–	–
Value movements financial derivatives	–	–	5,352	–	–	–	5,352	43	5,395
Translation differences net investments	–	–	–	66	–	–	66	–	66
Balance as at December 31, 2007	**84,381**	**405,181**	**8,471**	**66**	**393,190**	**244,540**	**1,135,829**	**79,113**	**1,214,942**

The authorized share capital amounts to € 375.0 million, and is divided into 74,999,990 ordinary shares of € 5.- par value and 10 priority shares of € 5.- par value.

Equity VastNed Retail shareholders amounted to € 69.42 per share as at December 31 (December 31, 2006: € 57.93 per share).

Number of shares in issue	2007		2006	
	Ordinary shares	Priority shares	Ordinary shares	Priority shares
Balance as at January 1	16,876,183	10	16,903,156	10
Share buyback	(535,000)	–	(115,826)	–
Stock dividend	20,914	–	88,853	–
	16,362,097	**10**	16,876,183	10

The holders of ordinary shares are entitled to receive the dividend declared by the company and are entitled to cast one vote per share at the shareholders' meetings. In case of a share buyback by VastNed Retail, these rights are suspended until such time when the shares are reissued.

The company's articles of association confer special controlling rights on the priority shares. The priority shares have been placed on par with the Stichting Prioriteit VastNed Retail. The objective of this foundation is to acquire ownership of the priority shares in the company 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 management of the 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. Directors A are not entitled by the articles of association to cast more votes than directors B. Thus the requirements of appendix X, article 10 of the Stock Exchange Regulations are complied with.

In 2007, VastNed Retail bought back 535,000 shares for a total of € 30.7 million. 20,914 of these shares were issued in the context of stock dividend. Anticipating the cancellation of the remaining shares bought back in the first half year of 2008, the amount was charged to the share premium reserve. In 2007, the company cancelled the 26,973 shares bought back in 2006.

18 Provisions in respect of employee benefits

On behalf of its employees in the Netherlands, the VastNed Group has pension plans in place which qualify as defined benefit pension plans. The pension plans for the employees in other countries where the VastNed Group has branches can be qualified as defined contribution pension plans.

The external actuary has made the following assumptions for the actuarial calculations:

	31-12-2007	31-12-2006
Discount rate	5.50%	4.50%
Expected return on plan assets	5.50%	4.50%
Expected rate of salary increases		
(dependent on age and including inflation correction)	2.00% - 6.00%	2.00% - 6.00%
Future pension increases	0.325% - 2.00%	0.325% - 2.00%

	2007	2006	2005	2004
Present value of defined benefit pension obligations	10,337	10,845	10,709	9,386
Fair value of plan assets	(8,874)	(9,546)	(7,983)	(7,408)
	1,463	1,299	2,726	1,978
Unrecognised actuarial losses	330	180	(1,322)	(773)
Obligations in respect of employee benefits	1,793	1,479	1,404	1,205
Long-term employee benefits	122	96	90	72
	1,915	**1,575**	**1,494**	**1,277**

Movements in the provisions were as follows:

	2007	2006
Balance as at January 1	1,575	1,494
Contribution charged to the profit and loss account	629	680
Contributions paid (on balance)	(314)	(605)
Movement provision long-term employee benefits	25	6
Balance as at December 31	**1,915**	**1,575**

Amounts recognised under general expenses in the profit and loss account in respect of the defined benefit plan are as follows:

	2007	2006
Employer service cost	580	618
Interest	482	450
Expected return on plan assets	(434)	(402)
Actuarial losses recognised in the year	1	14
	629	680

The VastNed Group expects to contribute a total of € 0.5 million to the defined benefit pension plans in 2008. An amount of less than € 0.1 million was recognised in the profit and loss account in 2007 in respect of defined contribution plans (2006: less than € 0.1 million).

19 Long-term interest-bearing loans

	2007				2006			
	Remaining term				Remaining term			
	2-5 years	More than 5 years	Total	Average interest rate at year-end	2-5 years	More than 5 years	Total	Average interest rate at year-end
Mortgages:								
fixed interest 1)	175,372	21,923	197,295	4.54	72,860	123,015	195,875	4.59
floating interest	–	–	–	–	30,000	–	30,000	4.31
	175,372	**21,923**	**197,295**	**4.54**	102,860	123,015	225,875	4.56
Other loans:								
fixed interest 1)	26,413	243,330	269,743	4.66	112,500	82,000	194,500	4.45
floating interest	25,175	45,879	71,054	5.19	–	–	–	–
	51,588	**289,209**	**340,797**	**4.77**	112,500	82,000	194,500	4.45
Total:								
fixed interest 1)	201,785	265,253	467,038	4.61	185,360	205,015	390,375	4.52
floating interest	25,175	45,879	71,054	5.19	30,000	–	30,000	4.31
	226,960	**311,132**	**538,092**	**4.68**	215,360	205,015	420,375	4.51

1 Including the part that was fixed by means of interest derivatives.

The partial right of mortgage has been granted as security for the mortgages on property with a value of € 694.2 million (2006: € 598.1 million).
For the other loans a positive/negative mortgage covenant has been issued.
A number of providers of loans have set conditions regarding the solvency and interest coverage of the company and/or its subsidiaries.

The part of the long-term interest-bearing loans due within one year of € 71.7 million (2006: € 25.4 million) is recognised under short-term liabilities.

The total credit facility of the long-term interest-bearing loans, including the part due within one year, at December 31, 2007 amounted to € 613.2 million (2006: € 445.8 million).
The unused credit facility of the long-term interest-bearing loans amounted to € 3.4 million as at December 31, 2007 (2006: nil).

The average duration in years of the long-term interest-bearing loans is 5.5 (2006: 5.1).

The fair value of the long-term interest-bearing loans is calculated as the present value of the cash flows based on the historical interest rate curve.

The market value as at December 31 of the long-term interest-bearing loans, including the part due within one year, based on the historical interest rate curve at year-end 2007 and year-end 2006 respectively, is as follows:

2007		2006	
Market value	Carrying amount	Market value	Carrying amount
610,253	**609,827**	446,752	445,749

The average interest rate in 2007 was 4.66% (2006: 4.55%).

20 Long-term tax liabilities

	2007	2006
Balance as at January 1	3,684	6,395
Short-term portion as at January 1	3,242	3,197
	6,926	9,592
Allocation	12,350	578
Payments	(3,247)	(3,244)
	16,029	6,926
Short-term portion as at December 31	(6,339)	(3,242)
Balance as at December 31	**9,690**	3,684

This concerns the long-term portion of the exit tax payable in France, payable in connection with obtaining the SIIC status.

21 Guarantee deposits and other long-term liabilities

The guarantee deposits received from tenants amounted to € 9.5 million (2006: € 6.4 million) as at December 31.

Other long-term liabilities includes amongst other things the long-term portion of the rent guarantee provided at the disposal of the German property portfolio in 2004.

Movements in this item were as follows:

	2007	2006
Balance as at January 1	3,878	5,808
Short-term portion as at January 1	3,717	4,173
	7,595	9,981
Adjustment rent guarantees provided	(168)	928
Interest	235	333
Payments	(3,080)	(3,647)
	4,582	7,595
Short-term portion as at December 31	(4,186)	(3,717)
Balance as at December 31	**396**	3,878

22 Payable to banks

	2007	2006
Credit facility	225,545	238,234
Of which undrawn	(33,910)	(104,413)
Drawn as at December 31	**191,635**	133,821

Payable to banks concern short-term credits and cash loans. 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.

Payable to banks are reclaimable at the lenders request.

The average interest rate in 2007 was 4.56% (2006: 3.50%)

The fair value of the payable to banks is deemed to be equal to the balance sheet value.

23 Other liabilities and accruals

	2007	2006
Accounts payable	4,059	6,352
Investment creditors	5,496	5,590
Dividend	97	115
Taxes	1,993	1,431
Prepaid rent	7,163	6,008
Interest	4,430	4,431
Operating expenses	2,954	3,484
Short-term portion of rent guarantees provided	4,186	3,717
Payable in respect of acquisitions	5,563	37,040
Other liabilities and accruals	10,298	7,263
	46,239	75,431

The item 'Payable in respect of acquisitions' mainly concerns the acquisition of a retail property in Istanbul. The legal transfer was effected in early January 2008, and the consideration paid to the seller. The property is contributing to net rental income as from the time of the legal transfer.

In early January 2008, a settlement was reached with the buyer of the German property portfolio regarding the dispute arisen in 2005 about adjustment of the selling price. The amount is included under 'Other liabilities and accruals' and was paid in February 2008. The settlement involved an expense of € 2.5 million, recognised under 'Net result on disposals of investment properties'.

24 Financial instruments

a Financial risk management

For the realisation of its objectives and the exercise of its daily activities, the Group has defined a number of financial conditions to mitigate the (re)financing risk, liquidity risk, interest rate risk and currency risk. These conditions have been laid down inter alia in the annually updated financing and interest rate policy memorandum and in the treasury regulations. Quarterly reports on these risks are submitted to the audit committee. Below, a summary is presented of the main conditions aimed at mitigating these risks.

(Re)financing risks
Investing in property is a capital-intensive activity. The property portfolio is financed partly with equity and partly with loan capital. In case of a high ratio of loan capital financing, when returns are below expectations or the property decreases in value, there is a risk that the interest and repayment obligations on the loans and other payment obligations can no longer be met. This would make loan capital or refinancing very hard to attract, and only at (very) unfavourable conditions. To limit this risk, VastNed Retail's principle is to limit loan capital financing to approximately 40–45% of the market value of the property.

In addition, VastNed Retail aims to secure access to the capital market through transparent information provision, regular contacts with financiers and (potential) shareholders, and by increasing the liquidity of the VastNed Retail share. Finally, with regard to long-term financing, a balanced spread of refinancing dates and a weighted average duration of at least 5.0 years are aimed for.

In line with these objectives, solvency ratios and interest coverage ratios have been agreed in most credit agreements with banks.

At year-end 2007, the solvency ratio, calculated by taking equity plus deferred tax liabilities divided by the balance sheet total, amounted to 59.1%, which is within the solvency ratios agreed with banks.

The interest coverage ratio for 2007, calculated by taking net rental income less general expenses divided by net financing costs, amounted to 3.3, which also is within the ratios agreed with banks.

At year-end 2007, the weighted average duration of the long-term interest-bearing loans was 5.5 years.

Liquidity risk
VastNed Retail must generate sufficient cash flows in order to be able to meet its daily payment obligations. On the one hand this is realised by taking measures aimed at striving for a high occupancy rate of the property and by preventing bankruptcies of tenants. On the other hand, we aim for sufficient credit facilities to absorb fluctuations in liquidity needs. Liquidity management is centralised in the Netherlands, where the majority of foreign subsidiaries' bank accounts have been arranged in cash pool schemes.

At year-end 2007, VastNed Retail had € 225.5 million in short-term credit facilities available, of which it had drawn-down € 191.6 million.

Interest rate risk
The interest rate risk policy aims to mitigate the interest rate risks arising from the financing of the property portfolio while optimising net interest rate expenses. This policy translates into a loan portfolio composition in which in principle at least two thirds of the loans has a fixed interest rate. Depending on the developments of the interest rate, this principle can be temporarily deviated from. Furthermore, within the long-term loan capital portfolio a balanced spread of the interest rate review dates and a typical minimum interest rate duration of 3 years is sought.
At least once per quarter a report is prepared for the audit committee on the interest rate and refinancing risks.

VastNed Retail mitigates its interest rate risk by making use of financial derivatives (interest rate swaps), swapping the floating interest rate it pays on a part of its loans for a fixed interest rate.
The interest rate swaps (IRS) are designated as cash flow hedges, whereby it has been established that none of these hedges is materially ineffective. Thus, cash flow hedge accounting has been applied to these swaps, based on which value movements in these swaps are recognised directly in equity.
For loans with a nominal value of € 325.0 million, at year-end 2007 the interest rate risk was hedged by entering into (forward) interest rate swaps. Additionally, in January 2008 (forward) interest rate swaps were concluded for loans with a nominal value of € 80.0 million.
In this context, contracts have been concluded with fixed interest rates ranging from 3.37% to 5.10% (excluding margins) and expiry dates ranging from 2010 through 2017.

The majority of the (forward) interest rate swaps is settled quarterly. The floating interest rate is based on 3-month Euribor. The differences between the floating and agreed fixed interest rate are settled at the same time.

The average duration in years of the long-term interest-bearing loans calculated in fixed interest periods amounted to 5.6 (2006: 4.5).

All transactions involving financial derivatives are effected with reputed banks as counterparties. For this reason, it is not expected that the counterparties should not be able to fulfil their obligations.

Interest rate sensitivity
As per December 31, 2007 the impact on the direct investment result of a (hypothetical) 1% increase of the interest rates – all other factors remaining equal – amounted to € 2.5 million negative. Should interest rates decrease by 1% as per this date, the impact on the direct investment result will be € 2.5 million positive.
In the calculations the financial derivatives entered into have been taken into account.

Currency risk
In principle, currency risks are limited as a result of the strategic choice to invest primarily in the eurozone. Turkey has recently been added as a new investment country.
Turkey is not (yet) in the eurozone, so that there is a currency risk. The risk is mitigated by limiting the size of the Turkish property portfolio to a maximum of 10% of the total property portfolio and by stipulating in the lease contracts a rent in euros or US dollars, and by financing the investment (partly) in the same currency as the investment itself, which significantly lowers the exposure.

b Summary of expiry dates and fixed interest rates on long-term interest-bearing loans

	2007		
	Contract renewal	Interest review	Average interest rate
2008	–	42,500	4.12
2009	18,500	–	–
2010	35,521	35,521	4.81
2011	61,000	52,500	4.43
2012	99,980	88,539	4.76
2013	88,675	51,898	4.25
2014 –	234,416	196,080	4.75
Total long-term interest-bearing loans with a fixed interest rate	538,092	467,038	4.61
Long-term interest-bearing loans with a floating interest rate	–	71,054	5.19
Total long-term interest-bearing loans	**538,092**	**538,092**	**4.68**

c Summary of market value interest rate derivatives

	2007		2006	
	Asset	Liability	Asset	Liability
Interest rate swaps	11,257	302	3,477	94
Forward interest rate swaps	334	–	1,120	–
	11,591	**302**	4,597	94

25 Rights and obligations not recorded 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. Mutual rights and obligations are laid down in this agreement. A further agreement provides for specific change of control clauses, including that if a public offer on VastNed Offices/Industrial is honoured, VastNed Retail will be compensated for the consequences of the interim termination of these contracts, and vice versa.
In the context of the offering process on VastNed Retail, this further agreement has been clarified on certain points by VastNed Retail, VastNed Offices/Industrial and VastNed Management. In this context, the compensation to be paid by VastNed Retail has been estimated at between € 10 million and € 25 million.

At the end of September 2006 a VAT inspection was started at the Belgian subsidiary Intervest Retail, concerning VAT deduction on the construction costs of the property Factory Shopping Messancy. The Belgian tax office imposed an additional assessment of € 2.1 million in total, which has been paid. Intervest Retail disputes the assessment, and has included an asset for the full amount in the balance sheet. Due to the disposal of Factory Shopping Messancy at year-end 2007, Intervest Retail must repay part of the deducted acquisition VAT to the Belgian tax authorities. Intervest Retail has included this amount in the financial statements based on the past VAT deduction. The repayment reduces any correction as a result of the inspection of the books to a maximum of € 0.8 million.

Intervest Retail has signed a turnkey purchase agreement for the Julianus shopping centre in Tongeren, Belgium, which is under construction. The centre will be delivered in March 2008, and will immediately contribute positively to the direct investment result. Total investment will amount to approximately € 18.0 million, of which € 12.4 million had been invested as per December 31.

VastNed Retail and Altera Vastgoed have signed a turnkey purchase agreement for the acquisition of the expansion of shopping centre Het Rond in Houten, the Netherlands. Delivery of the expansion is planned for mid-2008 and will contribute positively to the direct investment result as from that time. The investment is expected to total € 31.3 million, VastNed Retail's share being approximately € 16.7 million.

VastNed Retail has signed a turnkey purchase agreement for the acquisition of Retail Park Roermond. The retail park is planned for delivery in March 2008, and will contribute positively to the direct investment result as from that time. The investment totals approximately € 55.2 million, of which € 3.4 million had been invested as at December 31.

In 2007, a turnkey agreement was signed with Fortis Vastgoed Ontwikkeling for the acquisition of part of the inner city development on Wisselplein in Lelystad, and the neighbourhood shopping centre 'Hoog Ambacht' in Hendrik-Ido-Ambacht. The investment in Lelystad will total some € 21.8 million, and the investment in Hendrik-Ido-Ambacht some € 22.3 million. Delivery of the Wisselplein development and shopping centre 'Hoog Ambacht' is planned for the second half of 2009 and late 2010 respectively. An option for Fortis Vastgoed Ontwikkeling to buy VastNed Retail's property on Osdorpplein in Amsterdam is part of the agreement. Meanwhile, Fortis has exercised its option and the properties on Osdorpplein are expected to be transferred in March 2008. The proceeds will amount to approximately € 9.2 million.

Through its French subsidiary Val Thoiry S.A.R.L., VastNed Retail has concluded a purchase and construction agreement concerning the development of a retail warehouse.
The investment is expected to total approximately € 6.7 million, and delivery is planned for the second half of 2009.

26 Operational lease contracts

VastNed Retail leases its property investments in the form of non-cancellable operational lease contracts.

The future minimum income from non-cancellable lease contracts is as follows:

	2007	2006
Within one year	115,009	103,256
One to five years	230,919	212,398
More than five years	52,286	81,341
	398,214	396,995

In the Netherlands virtually all lease contracts are concluded for a period of five years, the tenant having one or more options to extend the lease by five years. Annual rent increases are based on the cost-of-living index.
In Spain virtually all lease contracts are concluded for a minimum period of five years. Annual rent increases are based on the cost-of-living index.
In France, lease contracts are normally concluded for a period of nine or twelve years, the tenant having the option of renewing the lease every three years. Annual rent increases take place based on the rise of the construction cost index, unless agreed otherwise.

In Belgium lease contracts are normally concluded for a period of nine years, with termination options after three and six years. Annual rent increases are based on the cost-of-living index.
In Turkey, lease contracts are generally concluded for a period of five years. Various methods are used for the annual indexation of lease contracts; indexation of the lease contracts concluded in Turkish lira are based on the cost-of-living index. The lease contracts denominated in US dollars and euros are indexed based on specific agreements.
In Portugal there are two kinds of lease legislation. Under the old legislation lease contracts are concluded for an indefinite period and can only be terminated by the tenant. The ‘new’ legislation has regulations similar to those in Spain.

27 Related parties transactions

Related parties constitute: major shareholders, subsidiaries, supervisory board members and members of the board of management.

To the company’s best knowledge, no property transactions were effected during the year under review involving persons or institutions that could be regarded as related parties.

Interests of major investors
The Authority for the Financial Markets has received the following reports from shareholders with an interest exceeding five percent in the company:

Stichting Pensioenfonds PGGM	21.78%
Nomura Asset Management Co. Ltd.	6.13%
Capital Research and Management Company	5.29%

Subsidiaries
For an overview of major subsidiaries, please refer to ’28 Subsidiaries’. Transactions as well as internal balances and income and expenditure between the company and its subsidiaries are eliminated in the consolidation and not commented upon.

The subsidiary VastNed Management has a cost allocation agreement with VastNed Retail and VastNed Offices/Industrial. Costs relating directly to the company or the property of the company or its subsidiaries are recognised directly there. Other costs that cannot be allocated directly are borne by VastNed Management and are charged on to VastNed Retail and VastNed Offices/Industrial based on causation without mark-up for profit.

Supervisory board members and members of the board of management
During the 2007 financial year none of the members of the supervisory board and board of management of VastNed Retail had a personal interest in the investments of the company.

Remuneration of the supervisory board

	Remuneration 2007	Shareholding at year-end 2007
W.J. Kolff	30	–
N.J. Westdijk	27	–
J.B.J.M. Hunfeld (as from April 3, 2007)	19	–
F.W. Mulder (until April 3, 2007)	8	n/a
P.M. Verboom	25	–
	109	–

Remuneration of the statutory directors

	Salaries (including social security charges)	Bonus for 2006 paid in 2007	Bonus related to the investment result for 2006 paid in 2007	Pension premiums	Total	Shareholding at year-end 2007
R.A. van Gerrevink	444	24	75	119	662	1,271
T.M. de Witte	213	22	38	29	302	500
J. Pars	256	22	38	45	361	500
	913	68	151	193	1,325	2,271
Of which allocated to VastNed Offices/Industrial	(420)	(31)	–	(89)	(540)	
	493	**37**	**151**	**104**	**785**	

The bonuses related to the investment result for 2006, that were paid in 2007, have been granted conditionally. The bonuses will become definitive after the 2008 financial year, provided that the direct investment result for the 2008 financial year is not lower than the direct investment result for the 2006 financial year.

No option rights have been granted to the statutory directors nor to the supervisory board members.
Nor have any loans or advances been provided, nor guarantees on their behalf.

In previous years, Mr Van Gerrevink acquired 271 VastNed Retail shares for his own account. The other 1,000 shares concern conditionally granted shares in respect of the bonuses related to the investment result for 2006.
Messrs De Witte's and Pars' shares were conditionally granted in respect of the bonuses related to the investment result for 2006. VastNed Retail has not provided any guarantees with regard to these shares.

For further details of the remuneration, please refer to the chapter 'Corporate governance'.

28 Subsidiaries

The most important subsidiaries are:

	Established in	Interest and voting right in %
Foram International Holdings B.V.	Netherlands	100
– Hispania Retail Properties S.L.	Spain	100
– – VastNed Management España S.L.	Spain	100
– – VastNed Emlak Yatırım ve İnşaat Ticaret A.Ş.	Turkey	100
– – – Bomonti Çarşilik Yönetim ve Ticaret A.Ş.	Turkey	100
– VastNed Lusitania Investimentos Imobiliarios S.A.	Portugal	100
VastNed France Holding S.A.R.L.	France	100
– S.C.I. Centre Marine Dunkerque	France	100
– Icopro S.A.R.L.	France	100
– – S.C.I. des Hauts de l'Epinette	France	100
– Jeancy S.A.R.L.	France	100
– Lenepveu S.A.R.L.	France	100
– S.C.I. Limoges Corgnac	France	100
– Palocaux S.A.R.L.	France	100
– – S.A.R.L. FDHF	France	100
– – S.A.R.L. Setrimmo	France	100
– Parivolis S.A.R.L.	France	100
– Plaisimmo S.A.R.L.	France	100
– Val Thoiry S.A.R.L.	France	100
Intervest Retail NV	Belgium	72
– Pegasus Vastgoedmaatschappij NV	Belgium	72
– – EuroInvest Retail Properties NV	Belgium	72
Thandicase Holding B.V.	Netherlands	100
VastNed Retail Monumenten B.V.	Netherlands	100
C.V. Winkelcentrum Het Rond	Netherlands	50
VastNed Management B.V.	Netherlands	67
VastNed Management France S.A.R.L.	France	100

29 Accounting estimates and judgements

In consultation with the audit committee, the board of management has applied the following essential estimates and judgements which have a material effect on the amounts included in the annual accounts.

Key sources of estimation uncertainty

Assumptions concerning pensions

The board has made a number of assumptions concerning the calculation of the provision for pension obligations. These assumptions involve inter alia assumptions about the future return to be realised on investments and about future salary rises. If the realisation should prove to deviate materially, an actuarial result might ensue involving the risk that this actuarial result might fall outside the 'corridor' and would have to be included in the investment result for 2008.

Assumption regarding pending legal proceedings

Under '25 Rights and obligations not recorded in the balance sheet' the most important pending legal proceedings have been expounded. If the outcome of these legal proceedings should differ from what is presented there, this might have a negative impact on the investment result.

Critical judgements in applying the company's accounting policies

Deferred tax liabilities

If the possibility exists of effecting the disposal of property through the disposal of shares in a (taxable) company which has ownership of the respective property, no income tax is payable on the disposal. The transfer of the deferred tax liability to the seller will in that case normally take place through a reduction of the acquisition price of the shares, whereby (usually) a deferred tax liability of 50% of the nominal tax rate is taken into account. The board of management of VastNed Retail is of the opinion that in these cases the deferred tax liabilities must be valued at 50% of the nominal tax rate. The board of management of VastNed Retail has applied this valuation method to the deferred tax liabilities in respect of the Turkish and Portuguese property. If these deferred tax liabilities were valued at 100% of the nominal tax rate, the effect on equity as per December 31, 2007 would amount to € 1.5 million negative.

Deferred tax liabilities in Spain

As from January 1, 2008 the nominal tax rate in Spain is 30%. However, when a capital gain realised from a disposal is reinvested in Spain within three years, income tax paid on the capital gain realised from the sale is refunded. The effective tax rate then amounts to 18%. The board of management of VastNed Retail is of the opinion that this effective tax rate should be applied in the determination of the deferred tax liability. If these deferred tax liabilities were valued at the 30% tax rate, the effect on equity as per December 31, 2007 would amount to € 35.4 million negative.

Adjustments SIIC regime in France

Since January 1, 2005 all property in France is held by companies for which the effectively tax-exempt SIIC regime has been opted. The SIIC regime applies to revenues from the operation and disposal of property.

Certain aspects of the SIIC regimes have been adjusted effective from January 1, 2007 in order to prevent abuse (SIIC4). The French tax office has introduced additional requirements regarding the shareholder base and a punitive levy (prélèvement) on certain distributions by SIICs.

VastNed Retail complies with the stricter shareholder requirements. The prélèvement is a levy of French company tax of 20% at the level of the publicly listed SIIC (VastNed Retail N.V.) to the extent that distributions are made to shareholders who are not subject to French corporate income tax or a comparable levy and who hold, directly or indirectly, at least 10% of the shares of the SIIC. Due to the interest of the Stichting Pensioenfonds PGGM (21.78%), VastNed Retail strictly comes under the scope of the prélèvement. This might affect the tax burden on future profits to be distributed from France. It is presently unclear whether the French legislator specifically had the position of the Dutch fiscal investment institution in mind in the creation of SIIC4, and whether prélèvement conflicts with the existing French-Dutch tax treaty.

In view of the uncertainties, any consequences of this levy have not been recognised in the annual accounts.

30 Total expense ratio

The total expense ratio for 2007 amounts to 3.16% (2006: 3.82%).
The total expense ratio is calculated by dividing the total costs for the reporting period by the average equity VastNed Retail shareholders.
The total costs include net service charge expenses, operating expenses, general expenses and income tax. These costs are corrected for the share of these costs attributable to third parties.

31 Approval of the consolidated annual accounts

The consolidated annual accounts have been drawn up by the board of management and authorised for publication by the supervisory board on March 5, 2008.

Company balance sheet as at December 31

(x € 1,000.-)

	2007	2006
Assets		
Investment properties in operation	661,821	573,881
Other assets in respect of lease incentives	629	292
	662,450	574,173
Investment properties in pipeline	7,559	3,114
Total investment properties	670,009	577,287
Participations in group companies	615,379	484,458
Financial derivatives	1,272	318
Total fixed assets	**1,286,660**	1,062,063
Group companies	104,208	160,150
Debtors and other receivables	5,493	5,391
Income tax	7	80
Cash and cash equivalents	28	548
Total current assets	**109,736**	166,169
Total assets	**1,396,396**	1,228,232
Equity and liabilities		
Capital paid-up and called	84,381	84,516
Share premium reserve	405,181	435,706
Hedging reserve in respect of financial derivatives	8,471	3,119
Revaluation reserve	677,464	472,440
Translation reserve	66	–
Other reserves	(284,274)	(190,940)
Investment result attributable to VastNed Retail shareholders	244,540	172,872
Equity VastNed Retail shareholders	**1,135,829**	977,713
Long-term interest-bearing loans	85,257	92,692
Guarantee deposits and other long-term liabilities	1,040	3,109
Total long-term liabilities	**86,297**	95,801
Payable to banks	130,110	97,387
Redemption long-term liabilities	24,883	23,646
Group companies	750	720
Income tax	12	–
Other liabilities and accruals	18,515	32,965
Total short-term liabilities	**174,270**	154,718
Total equity and liabilities	**1,396,396**	1,228,232

Company profit and loss account

(x € 1,000.-)

	2007	2006
Company result	107,218	71,293
Result from participations in group companies	137,322	101,579
Investment result	**244,540**	172,872

Notes to the company annual accounts

General

The company profit and loss account has been rendered in abbreviated form pursuant to 2:402 of the Netherlands Civil Code.

The company annual accounts are part of the 2007 annual accounts, which also include the consolidated annual accounts.

The company has availed itself of the provisions of 2:379 sub 5 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 2:403 of the Netherlands Civil Code.

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

The company annual accounts have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

In the preparation of the company annual accounts, the provisions of 2:362 sub 8 of the Netherlands Civil Code have been used.

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

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

Rights and obligations not recorded in the balance sheet

The company heads a fiscal unity for the purposes of corporate income tax and value added tax, and is consequently jointly and severally liable for the tax liabilities of the fiscal unities as a whole.

In order to optimise its tax structure, at year-end 2007 VastNed Retail concluded a provisional purchase agreement with its subsidiary Thandicase Holding B.V. based on which VastNed Retail's Dutch property portfolio will be legally transferred to Thandicase Holding B.V. in 2008.

The provisional purchase agreement led to an untaxed revaluation of the Dutch property to market value in 2007. This transaction will not lead to transfer tax levy.

Investment properties

	2007			2006		
	In operation	In pipeline	Total	In operation	In pipeline	Total
Balance as at January 1	573,881	3,114	576,995	513,083	–	513,083
Acquisitions	15,189	4,193	19,382	26,191	3,114	29,305
Investments in existing properties	3,006	252	3,258	1,864	–	1,864
Transferred to investment properties in pipeline	–	–	–	(1,367)	–	(1,367)
Disposals	(6,293)	–	(6,293)	(3,647)	–	(3,647)
	585,783	7,559	593,342	536,124	3,114	539,238
Value movements	76,038	–	76,038	37,757	–	37,757
Balance as at December 31	661,821	7,559	669,380	573,881	3,114	576,995
Other assets in respect of lease incentives	629	–	629	292	–	292
Appraisal value as at December 31	**662,450**	**7,559**	**670,009**	574,173	3,114	577,287

Participations in group companies

	2007	2006
Balance as at January 1	484,458	411,761
Acquisition and expansion of interest	47	220
Capital refunded	–	(7,518)
Share in investment result	137,322	101,579
Disposals	–	(9)
Payments received	(12,262)	(25,049)
Other movements	5,814	3,474
Balance as at December 31	**615,379**	484,458

As per December 31, VastNed Retail held 3,675,960 Intervest Retail shares (December 31, 2006: 3,675,960 shares), whose net asset value per share as at December 31 amounted to € 32.17 (December 31, 2006: € 29.39 per share). The share price of Intervest Retail shares amounted to € 32.80 per share as per December 31 (December 31, 2006: € 39.70 per share).

Equity

	Capital paid-up and called	Share premium reserve	Hedging-reserve in respect of financial derivatives	Revaluation reserve	Translation reserve	Other reserves	Investment result attributable to VastNed Retail shareholders	Equity VastNed Retail shareholders
Balance as at January 1, 2006	84,516	443,125	(1,274)	346,239	–	(167,985)	157,858	862,479
Share buyback	–	(7,395)	–	–	–	–	–	(7,395)
Investment result	–	–	–	–	–	–	172,872	172,872
Costs of stock dividend	–	(24)	–	–	–	–	–	(24)
Final dividend previous financial year in cash	–	–	–	–	–	–	(36,019)	(36,019)
Interim dividend 2006 in cash	–	–	–	–	–	(18,593)	–	(18,593)
Contribution from profit appropriation	–	–	–	–	–	121,839	(121,839)	–
Value movements financial derivatives	–	–	4,393	–	–	–	–	4,393
Allocation to revaluation reserve	–	–	–	126,201	–	(126,201)	–	–
Balance as at December 31, 2006	84,516	435,706	3,119	472,440	–	(190,940)	172,872	977,713
Share buyback	–	(30,653)	–	–	–	–	–	(30,653)
Cancellation own shares	(135)	135	–	–	–	–	–	–
Investment result	–	–	–	–	–	–	244,540	244,540
Costs of stock dividend	–	(7)	–	–	–	–	–	(7)
Final dividend previous financial year in cash	–	–	–	–	–	–	(42,297)	(42,297)
Interim dividend 2007 in cash	–	–	–	–	–	(18,885)	–	(18,885)
Contribution from profit appropriation	–	–	–	–	–	130,575	(130,575)	–
Value movements financial derivatives	–	–	5,352	–	–	–	–	5,352
Allocation to revaluation reserve	–	–	–	205,024	–	(205,024)	–	–
Translation differences net investments	–	–	–	–	66	–	–	66
Balance as at December 31, 2007	**84,381**	**405,181**	**8,471**	**677,464**	**66**	**(284,274)**	**244,540**	**1,135,829**

The authorized share capital amounts to € 375.0 million, and is divided into 74,999,990 ordinary shares of € 5.- par value and 10 priority shares of € 5.- par value.

The statutory reserves comprise the Hedging reserve in respect of financial derivatives, the Revaluation reserve and the Translation reserve.

Approval of the company annual accounts
The company annual accounts have been drawn up by the board of management and authorised for publication by the supervisory board on March 5, 2008.

Other information

Special controlling rights

The company's articles of association confer special controlling rights on the priority shares. The priority shares have been placed on par with the Stichting Prioriteit VastNed Retail. The objective of this foundation is to acquire ownership of the priority shares in the company 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 management of the 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. Directors A are not entitled by the articles of association to cast more votes than directors B.

Profit distribution

The company's articles of association stipulate that a dividend is paid out on the priority shares of 5% of the nominal amount. The remaining profit is placed at the disposal of the general meeting of shareholders. The company may only make distributions to shareholders insofar as equity VastNed Retail shareholders 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 of an investment institution, the company must distribute the taxable profit, after making permitted reservations, within eight months after the end of the reporting year.

Profit appropriation

The board of management proposes to distribute the investment result as follows (x € 1,000.-):

Investment result attributable to VastNed Retail shareholders	244,540
Allocation of indirect investment result to reserves	(180,173)
Available for dividend payment	64,367
Distributed earlier as interim dividend	(18,885)
Available for final dividend payment	**45,482**

The board of management proposes to distribute the final dividend as follows:
- 5% in cash on the priority shares;
- an optional dividend on the ordinary shares of:
  - € 1.35 in cash plus a percentage in shares yet to be determined, depending on the share price, charged to the share premium reserve, or
  - € 2.73 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 April 25, 2008. As from this date, they can only claim the cash dividend within the parameters as laid down in the articles of association.

To the shareholders of VastNed Retail N.V.

Auditors' report

Report on the financial statements

We have audited the accompanying financial statements 2007 of VastNed Retail N.V., Rotterdam. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at December 31, 2007, profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at December 31, 2007, the company profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of VastNed Retail N.V. as at December 31, 2007, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of VastNed Retail N.V. as at December 31, 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, March 5, 2008
Deloitte Accountants B.V.

H.H.H. Wieleman

Corporate governance

Introduction

Despite reduced media attention, the issue of corporate governance has not disappeared from the agenda. VastNed Retail confirms the importance of good corporate governance as a basis of trust between the company and its shareholders. In the interest of the transparency that is inextricably linked to corporate governance, VastNed Retail continues the extensive report in this annual report on the way in which its corporate governance functions, and the extent to which the company complies with the Dutch corporate governance code (the Code).

Statement of compliance and deviations from the Code

VastNed Retail subscribes to the Code and its principles and currently complies with virtually all the best-practice principles of the Code. At present, VastNed Retail deviates from the principles and best-practice principles as formulated in the Code on two points. They are:

- Appointment of members of the board of management for a period of four years:
  - Explain: all current members of the board of management were appointed before the publication of the (draft) Code. All of the existing employment contracts have an indefinite term.
- Limitation of severance payment to a maximum of one year's salary:
  - Explain: all current members of the board of management were appointed before the publication of the (draft) Code. When concluding these contracts, dismissal schemes were agreed which took account of the years of service with previous employers. These schemes can result in compensation of more than one year's salary.

Availability corporate governance documents

The documents that determine the corporate governance structure, such as the articles of association and the regulations of the supervisory board, as well as the registration document in the context of the Act on Financial Supervision, have been made available on the company's website www.vastned.nl.

Organisational structure VastNed Group

VastNed Retail is part of the VastNed Group. The VastNed Group, which is not a legal entity in itself, consists of VastNed Retail, VastNed Offices/Industrial and their respective subsidiaries. Management, as well as asset management and property management of the Dutch property portfolio, are carried out by VastNed Management. The shares in VastNed Management are held by VastNed Retail and VastNed Offices/ Industrial. As a result of this joint management, cost benefits are realised and synergic knowledge exchange takes place.

Legal structure

As a publicly listed investment institution, VastNed Retail is a public company with limited liability founded under Dutch law, and has the status of investment company with variable capital pursuant to 2:76 sub a of the Netherlands Civil Code.
An investment company with variable capital is a public limited company:

- which exclusively aims to invest its capital in such a way that the risks are spread, in order to let its shareholders share in the profits;

- whose 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 extraordinary rights regarding control of the company, are included in the price list of a 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 regarding distribution of costs (cost allocation agreement). Costs relating directly to the company or the property of the company or its subsidiaries are recognised directly 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 done. Two thirds of the shares in VastNed Management are held by VastNed Retail and one-third by VastNed Offices/Industrial. This ratio originates in the size of the property portfolios at the time of the conclusion of the cost allocation agreement in January 1996, and does not affect the results or the equity position of the two shareholders.

The agreement has a ten-year term and has been extended by a period of five years, which started on January 1, 2006. A further agreement includes specific change of control clauses, meaning that in case of a public offer on VastNed Offices/ Industrial, VastNed Retail's performance is not affected, and vice versa.

VastNed Management has a licence within the meaning of 2:25 sub 1 part a of the Act on Financial Supervision. Based on this licence, VastNed Management is authorised to carry out management of VastNed Retail and VastNed Offices/Industrial.

VastNed Retail and its subsidiaries

The legal structure of VastNed Retail and its major subsidiaries is presented below:

VastNed Retail

VastNed Retail is a publicly listed company (NYSE Euronext Amsterdam and NYSE Euronext Paris), which has direct ownership of the Dutch property portfolio with the exception of shopping centre 'Het Rond' in Houten and Rembrandtplein 7 in Amsterdam, and which acts as an (international) holding company. VastNed Retail has the status of a fiscal investment institution and in France is subject to the SIIC regime.

Thandicase Holding

During 2007, Thandicase Holding was a dormant company. On December 27, 2007, the company entered into a binding agreement with VastNed Retail for the acquisition of the Dutch property portfolio, excluding shopping centre Het Rond in Houten and the property Rembrandtplein 7 in Amsterdam, which are already held by separate companies. Thandicase Holding became part of the fiscal unity VastNed Retail on January 1, 2008.

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 holds a 49.5% interest in the profits of this limited partnership. Due to the transparent fiscal structure of this limited partnership, the income from this interest accrues to VastNed Retail, and thus is subjected to the regime of the fiscal investment institution. Het Rond Houten, a 50% subsidiary of VastNed Retail, acts as managing partner. This company is entitled to 1% of the profits of this limited partnership. VastNed Management is one of the managing directors of Het Rond Houten and carries out the daily property management. VastNed Retail consolidates this subsidiary and the limited partnership fully and recognises the minority interest under equity.

Foram International Holdings
Foram International Holdings is the holding company for the Spanish, Turkish and Portuguese investments of VastNed Retail. These investments are held by local companies. This company is not a fiscal investment institution and is subject to normal taxation in the Netherlands. Since the activities are limited to holding participations, the income generally will be subject to the participation exemption, so that effectively this company is not liable for tax.

The Spanish investments are held by Hispania Retail Properties, a wholly-owned subsidiary of Foram International Holdings. The Turkish investments are held by VastNed Emlak Yatırım ve İnşaat Ticaret and the Portuguese investments are held by VastNed Lusitania Investimentos Imobiliarios.

French permanent establishment
The French property investments are held directly and indirectly by VastNed Retail's French permanent establishment. The majority of the property itself is held by a number of local subsidiaries. As from January 1, 2005 VastNed Retail is subject to the so-called SIIC regime. Under this French fiscal regime, VastNed Retail is not liable for tax on its French income from the operation of property, nor on the capital gains realised locally. The French property companies that hold the standing portfolio are subject to the SIIC regime. The companies holding the property portfolio in Lille and a retail warehouse acquired in December 2007 may opt for the SIIC regime as from January 1, 2008.

Intervest Retail
As per December 31, 2007, VastNed Retail had a 72.4% interest in the Bevak Intervest Retail, which is listed on NYSE Euronext Brussels. A Bevak materially has a tax-exempt status and as such is comparable to a Dutch fiscal investment institution. On behalf of VastNed Retail, Mr R.A. van Gerrevink, Mr J. Pars and 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 under equity. Intervest Retail carries out its own asset and property management. All employees have employment contracts with Intervest Retail without the intervention of a joint management company. The directors perform their duties through the intervention of a separate company.

Board of management

Introduction
VastNed Management is statutory and sole director of VastNed Retail. This company is represented by its 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 and the company secretary jointly comprise the management team, which generally meets every fortnight. The board of management is responsible for having full and correct information at its disposal. Mr H.K.M. Roovers, the special projects advisor, was part of the management team until 2007. The employment agreement with Mr Roovers was terminated due to his reaching retirement age and due to the completion of ongoing projects. The board of management is grateful to Mr Roovers for his contributions to the VastNed Group over many years.

Curricula vitae management team members

Reinier A. van Gerrevink (March 3, 1950)
Nationality: Dutch
Position: Statutory director, CEO
Joined the company: July 1, 2002
Appointment: September 1, 2002
Previous positions: various management positions with:
- Robeco (Weiss Peck & Greer).
- Rodamco, and;
- ABN AMRO.

Other positions: member of the supervisory board of the foundation Stadsherstel Rotterdam
Education: Dutch law, Utrecht University.

Tom M. de Witte (September 7, 1966)
Nationality: Dutch
Position: Statutory director, CFO
Joined the company: June 16, 2003
Appointment: June 16, 2003
Previous positions: auditor with Deloitte
Education: business economics, Dutch law and accountancy,
Erasmus University Rotterdam.

J. (Hans) Pars (August 16, 1962)
Nationality: Dutch
Position: Statutory director, CIO
Joined the company: June 1, 2003
Appointment: July 1, 2004
Previous positions: various management positions with:
- Rodamco Europe;
- Stichting Pensioenfonds Hoogovens, and;
- Zadelvast Beheer.

Education: building and architecture, Technical University Eindhoven;
real estate, University of Amsterdam.

Arnaud G.H. du Pont (May 25, 1966)
Nationality: Dutch
Position: Company secretary
Joined the company: January 1, 2000
Previous positions:
- tax consultant with BDO, and;
- tax consultant with PricewaterhouseCoopers.

Education: tax law, Erasmus University Rotterdam.

All members of the board of management have disclosed their significant other positions. None are members of the supervisory board of any other publicly listed company. Acceptance of such a position would require approval from the supervisory board.

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. Part of the fixed salary is pensionable. On the remainder of the fixed salary no pension rights are built up. The general meeting of shareholders of April 6, 2004 approved the remuneration policy proposed by the supervisory board and prepared by the remuneration committee. The execution of the remuneration policy is reported annually in the remuneration report. This report is discussed in the general meeting of shareholders. The remuneration policy also contains regulations for the composition of the variable part of the remuneration. In the composition of the variable part of the remuneration a link is sought between performance and short-term and long-term objectives. These objectives are determined in advance; they are measurable and the directors have influence on their realisation.

Bonus structure statutory board of management

Next to the fixed annual salary, a bonus can be awarded of a maximum of € 100,000 for each member of the statutory board of management and € 200,000 for the chairman of the board (CEO). These sums apply to the activities on behalf of VastNed Retail and VastNed Offices/Industrial jointly. Per fund no more than 50% of the abovementioned sums can be awarded. The bonus consists of a bonus related to the investment result and a personal bonus.

Bonus related to the investment result

The bonus related to the investment result provides for a bonus of € 2,500 (€ 5,000 for the CEO) for every 10 basis points increase of the direct investment result per share above the average weighted inflation in the countries in which VastNed Retail invests. This bonus has a maximum of € 37,500 (CEO € 75,000). This bonus is awarded conditionally (condition precedent) in the form of VastNed Retail shares. The precedent condition of this bonus is cancelled if two years after the awarding of the bonus the direct investment result per share is at least equal to the time of the awarding of the shares. After two years, the board member is entitled to sell 50% of the shares awarded to him. The proceeds can be used to settle the wage withholding tax due as per that date on the awarding of the shares becoming unconditional. The other shares must be held for an additional period of at least three years. With this system VastNed Retail acts in accordance with the Code. For further details, please refer to the remuneration report on www.vastned.nl.

Personal bonus

The personal bonus provides for a maximum sum of € 25,000 (€ 50,000 for the CEO). This bonus is awarded based on an assessment by the supervisory board of VastNed Retail of the personal performance of the member of the board of management concerned. This assessment is based on the degree to which during the financial year the member of the board of management concerned has realised qualitative and/or quantitative objectives defined previously. This bonus is paid out in cash.
The personal bonusus for 2007 have not yet been determined.

Overview remuneration

Below, an overview is presented of the annual remuneration of the statutory board of management of VastNed Management. The annual accounts include an overview of the remuneration as recognised in the investment result.

Remuneration 2007 (x € 1)

	Years of service	Pensionable salary	Non-pensionable salary	Personal bonus for 2007
R.A. van Gerrevink	6	335,000	105,000	n/a
T.M. de Witte	5	175,000	32,000	n/a
J. Pars	5	220,000	30,000	n/a
Total		**730,000**	**167,000**	**n/a**

The bonus related to the 2007 result will be paid out in full, as the increase of the direct investment result per share amounted to 4.05%, which is 2.03% above the average weighted inflation in the countries in which VastNed Retail operates. Therefore, the maximum bonus of € 37,500 (€ 75,000 for the CEO) will be granted in the form of VastNed Retail shares.

Summary of employment contracts of the board of management

Reinier A. van Gerrevink

Mr Van Gerrevink is entitled to a fixed annual salary of € 440,000 (level 2007), of which € 335,000 is pensionable. Mr Van Gerrevink joined VastNed Management on July 1, 2002. In case of involuntary dismissal by the general meeting of shareholders of VastNed Management, Mr Van Gerrevink is entitled to a compensation of at least € 600,000. If the employment contract is terminated due to a merger or take-over a compensation of at least € 400,000 (for each fund) will be paid. If a share price is realised for shareholders of over 105% of net asset value, an additional bonus is awarded of 2% of the increase per share, multiplied by the number of shares in issue. This additional bonus is limited to € 750,000 per fund. These arrangements were stipulated at the conclusion of the employment contract. Mr Van Gerrevink was appointed for an indefinite term; his retirement age is 63. His pension is determined in accordance with the so-called 'final pay formula', with the provision that the pension will come into force at the age of 63, and will amount to € 178,666 based on the 2007 pensionable salary. This is related to the pensionable salary of € 300,000 at the time of the agreement of the employment contract and the pension of € 160,000 (= $53\frac{1}{3}\%$) agreed as a wage-index-linked pension. Should the basic salary be raised, the pension will be raised accordingly. For this arrangement there is no own contribution.

Tom M. de Witte

Mr De Witte is entitled to a fixed annual salary of € 207,000 (level 2007), of which € 175,000 is pensionable. Mr De Witte joined VastNed Management as CFO on June 16, 2003. His retirement age is 65. Mr De Witte's pension is non-contributory and is determined in accordance with the so-called career average pension plan. In case of involuntary dismissal, Mr De Witte is entitled to a compensation to be determined in accordance with the 'kantonrechtersformule' system (Dutch severance payment system according local courts), taking account of his 12 years of service at the time of appointment. This arrangement was stipulated at the conclusion of the employment contract. If the employment contract is terminated in case of a merger or take-over of one of the VastNed funds on the initiative of VastNed Management, a compensation of at least 15 months' salary will be paid. Mr De Witte was appointed for an indefinite term.

Hans Pars

Mr Pars joined the company on June 1, 2003 and was appointed as statutory director and CIO on July 1, 2004. His basic salary is € 250,000 (level 2007), of which € 220,000 is pensionable. His retirement age is 65. During a period of 10 years starting from the time of his appointment, VastNed Management will pay an additional annual pension contribution of € 7,000 over and above the normal contribution. Mr Pars' pension is non-contributory and is determined in accordance with the so-called career average pension plan. In case of involuntary dismissal, Mr Pars is entitled to a compensation to be determined in accordance with the 'kantonrechtersformule' system, taking account of his 10 years of service at the time of appointment. This arrangement was stipulated at the conclusion of the employment contract. Mr Pars was appointed for an indefinite period.

In view of the above, the maximum severance payment can amount to more than one year's salary. VastNed Management will respect the employment contracts agreed with the members of the board of management and the dismissal schemes included therein. In the context of the offering process, a retention bonus has been agreed aimed at retaining the board of management during the offering process and its finalisation. This bonus is dependent on the duration of the process, and amounts to at least $\frac{3}{12}$ th of the annual salary to a maximum of $\frac{6}{12}$ th of the annual salary.

Share ownership

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

	Reinier A. van Gerrevink	Tom M. de Witte	Hans Pars
Number of shares as at January 1, 2007	271	–	–
Movements (granted as bonus over 2006)	1,000	500	500
Numbers of shares *as at December 31, 2007*	**1,271**	**500**	**500**

Mr Van Gerrevink has acquired all shares he owned at the beginning of 2007 for his own account. The movements concern the VastNed Retail shares conditionally granted in respect of the investment result related bonus for 2006. VastNed Retail has not provided any guarantees with regard to these shares. The above share ownership has been reported to the Authority for the Financial Markets at the time of acquisition and can be referred to on www.afm.nl. VastNed Retail has drawn up regulations as referred to in 5:65 of the Act on Financial Supervision. 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 VastNed Retail shares (open periods). The closed periods, during which trade is not permitted, concern (at least) the periods preceding the publication of financial reports. The full text can be viewed on www.vastned.nl.

Other information

Transactions of members of the board of management

VastNed Retail has not entered into any transactions with any of the members of the board of management other than those that arise from their employment contracts.

Conflicting interests of members of the board of management

None of the members of the board of management has entered into competition with VastNed Retail in any way. No donations were made by VastNed Retail to the members of the board of management or their family members, no unjustified benefits were provided to third parties by any member of the board of management, nor were any business opportunities provided by VastNed Retail to either himself or his family. In the context of the corporate governance pursued by VastNed Retail, the members of the board of management declare to comply with the Code in all abovementioned cases. The offering process on VastNed Retail might generate a possible conflict of interest in that its members of the board of management are also the members of the board of management of VastNed Offices/Industrial, and might consider the interests of that company in their decisions. The separation of the supervisory boards of VastNed Retail and VastNed Offices/Industrial, effected in 2006, and the appointment of an independent financial adviser to provide assistance to the supervisory board in the offering process will, safeguard good corporate governance. Generally, in prevailing cases, the respective member of the board of management reports any conflict of interest 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 of the board of management has a conflict of interest. In addition, transactions with a conflicting interest will be agreed under conditions customary in the industry.

Loans to members of the board of management

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

Country boards of management

Netherlands

Next to the management team, which from the Netherlands performs central management of and coordination for the various country portfolios, the Dutch team of property specialists is headed by Mrs Jacqueline van der Mispel. The team consists of thirteen employees. These activities are carried out from the Rotterdam head office.

Belgium

The Belgian activities, incorporated in Intervest Retail in Antwerp, are under the daily management of Mr Jean-Paul Sols (CEO), Ms Inge Tas (CFO) and Mr Rudi Taelemans (CIO). The Belgian team of property specialists consists of eight employees.
Messrs Van Gerrevink and Pars and former management team member Mr Roovers are on the board of management of Intervest Retail, joined by three independent directors. The activities are carried out from the Antwerp office.

Spain and Portugal

The Spanish organisation, VastNed Management España, is headed by Mr Luis Vila Barron. VastNed Management España has ten employees and performs activities in the areas of asset management and administration. The property management has been largely subcontracted to third parties and is managed by VastNed Management España. In 2007, the Spanish asset management team was expanded to three portfolio managers.
As from 2008, property management will (largely) be carried out in-house. The activities in Turkey and Portugal are also controlled from this location. The Portuguese activities are too limited for a local branch organisation to be set up.

France

The French organisation, VastNed Management France, is headed by Mr Benoît Dantec. VastNed Management France has twelve employees in total, who are responsible for asset management, property management of part of the portfolio, and administration. Only a small part of the property management remains outsourced to third parties, as the activities for the Val Thoiry shopping centre in Val Thoiry were taken into the company's own management in 2007.

Turkey

VastNed Retail finalised its first acquisition in Istanbul, Turkey in early 2007. Property management in Turkey is carried out by local specialists; asset management is also carried out in Turkey since Mr Bora Karli was appointed as country manager for Turkey. A financial manager was also appointed in 2007.

Supervisory board

Introduction

None of the members of the supervisory board of VastNed Retail is also on the supervisory board of VastNed Offices/Industrial. The chairman and the vice-chairman are also members of the supervisory board of VastNed Management. This system guarantees the independence of the members of the supervisory board.
The supervisory board has four members.

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, weighing the relevant interests of all stakeholders (including the shareholders). The supervisory board bears responsibility for the quality of its own performance. VastNed Retail provides the supervisory board with the necessary means for the execution of its task. In case of inadequate functioning, structural incompatibility of interests and other problems, a member of the supervisory board will tender 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,
  - The strategy and the risks associated with the business operations,
  - The structure and functioning of the internal risk management and control systems,
  - The financial reporting process, and compliance with legislation and regulations;
- Publication of, compliance with and upholding of the corporate governance structure of the company;
- Approval of the annual accounts and the annual budget and of major investments and disposals of the company;
- Selection and nomination of the external auditor of the company;
- Selection of the board of management, at present VastNed Management, including the members of the board of management of VastNed Management (hereinafter: board of management), the proposal for adoption by the general meeting of shareholders of VastNed Retail for the remuneration policy for members of the board of management, for adoption of the remuneration (taking account of the stated remuneration policy) and the contractual employment conditions of the members of the board of management;
- Selection of the members of the supervisory board and the proposal regarding the remuneration of its members to be adopted by the general meeting;
- Evaluation and assessment of the performance 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);
- 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;
- Handling of and decisions regarding reported alleged irregularities that concern the performance of members of the board of management.

The supervisory board will annually draw up and publish a report after the conclusion of the financial year on the performance and the activities of the supervisory board and its committees in that financial year. For a full list of the tasks of the supervisory board, reference is made to the regulations drawn up by the supervisory board, which are available on www.vastned.nl.

Chairman of the supervisory board

The chairman of the supervisory board has a coordinating task. The chairman ensures compliance with the requirements of best-practice principle III.4.1 of the Code, assisted 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 otherwise, subject to supervisory board approval. The chairman is neither a former member of the board of management nor a former employee of VastNed Retail or one of its subsidiaries.

Profile of the supervisory board

The 'Profile of the supervisory board of VastNed Retail, VastNed Offices/Industrial and VastNed Management' is part of the regulations of the supervisory board, and is available on www.vastned.nl.

Composition of the supervisory board

- W.J. Kolff, chairman
- N.J. Westdijk, vice-chairman
- P.M. Verboom
- J.B.J.M. Hunfeld

The curricula vitae of the supervisory board members are presented below:

Wouter J. Kolff (July 23, 1945)
Nationality: Dutch
Position: retired
Appointment: April 4, 2006 (also as chairman)
Previous positions:
- various management and board positions with ABN AMRO (1971-1990), most recently as chairman of the board of ABN Belgium, and;
- various management and board positions with Rabobank, most recently as vice-chairman of the board of Rabobank International (1990-2006).

Other positions:
- member of the supervisory board of Fetim B.V., Amsterdam;
- executive partner SAC Private Equity Group, New York;
- member of the board of directors of Cosmos Bank, Taipei, Taiwan;
- member of the board of directors of Yes Bank, India, and;
- member of the board of directors of Yes Private Equity Fund, Mauritius.

Education: economics, Erasmus University Rotterdam.

N.J. (Klaas) Westdijk MBA (June 20, 1941)
Nationality: Dutch
Position: retired
Appointment: April 19, 2000; vice-chairman since April 6, 2004
Previous positions:
- president of the board of management of Koninklijke Pakhoed, and;
- president of the board of management of Connexxion Holding.

Other positions:
- non-executive member of the board of management of Fortis;
- chairman of the supervisory board of Eneco Energie, and;
- member of the supervisory board of FD Mediagroep.

Education: Dutch law, Utrecht University and MBA, University of Chicago.

Dr Pieter M. Verboom (April 20, 1950)
Nationality: Dutch
Position: CFO Schiphol Group
Appointment: April 6, 2004
Previous positions:
- lecturer Erasmus university Rotterdam, and;
- various management positions with Philips, inter alia CFO of the board of management Argentina, Hong Kong and the Far East.

Education: econometrics, Erasmus university Rotterdam; PhD from Vrije Universiteit, Amsterdam.

Jeroen B.J.M. Hunfeld (April 11, 1950)
Nationality: Dutch
Position: consultant and informal investor
Appointment: April 3, 2007
Previous positions:
- Chief Operating Officer, Koninklijke Vendex KBB (2000-2004);
- chairman of the board of management of FHV/BBDO (1992-2000), and;
- various management and board positions with Koninklijke Ahold (1976-1992), most recently as chairman of the board of management of Albert Heijn.

Other positions:
- member of the supervisory board of Hermans Holding, Hoorn;
- member of the supervisory board of Accounting Plaza, Wormerveer;
- non-executive member of the board of Bodycare Group, Amersfoort, Preston, United Kingdom, Vesprém, Hungary;
- member of the advisory board of Eldorado Retail Group, Moscow, Russia, and;
- chairman of the advisory board of Kurt Salmon Associates Benelux.

Retirement roster

P.M. Verboom	2008
N.J. Westdijk	2009
W.J. Kolff	2010
J.B.J.M. Hunfeld	2011

Audit committee

Tasks

The audit committee is charged with supervising the financial affairs of VastNed Retail in the broadest sense. For a complete list of the tasks, please refer 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 reports on the developments in the relation with the external auditor. Once every four years a thorough assessment is made of the performance of the external auditor. The external auditor receives the financial information on which the quarterly and semi-annual figures are based and is given the opportunity to comment on 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 two independent members. Mr Verboom is chairman. Mr Hunfeld is a member. Mr Verboom can be characterised as a financial expert. The supervisory board appointed Mr Verboom as chairman on April 3, 2007, since when he has fulfilled this position.

Remuneration committee

Tasks

The remuneration committee is charged with advising the supervisory board on the remuneration policy in the broadest sense. For a complete list of the tasks, please refer to www.vastned.nl. Its tasks include making a proposal to the supervisory board regarding the remuneration policy to be pursued for the board of management 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 by best-practice principles II.2.10 and II.2.12 of the Code.

Composition

The remuneration committee consists of two independent members. Neither are members of the board of management of another Dutch publicly listed company. Mr Westdijk is chairman. Mr Kolff is a member of the remuneration committee.

Selection and appointment committee

VastNed Retail's selection and appointment committee consists of Messrs Kolff and Westdijk.

Tasks
The tasks of the selection and appointment committee include drawing up selection and appointment criteria, periodic assessment of the size and composition of the supervisory board and the board of management as well as assessing the performance of the members of the supervisory board and the board of management, supervising the board of management concerning the appointment of senior management and taking concrete decisions with regard to selection and appointments.

Reports of the meetings of the three committees are provided to the supervisory board.

Remuneration of the members of the supervisory board
The members of the supervisory board receive a remuneration of € 21,000 annually. The chairman receives a remuneration of € 27,000 annually. The vice-chairman receives a remuneration of € 24,000. In view of the labour intensive character, members of the audit committee receive an additional remuneration of € 4,000 annually. The members of the remuneration committee annually receive an additional € 3,000. All the members of the remuneration committee are also members of the supervisory board of VastNed Management. The members of the remuneration committee of VastNed Offices/ Industrial are also members of this supervisory board. For the membership of the supervisory board of VastNed Management, no separate remuneration is paid. The members do not receive any further compensation to those mentioned, other than reimbursement of expenses as incurred.

Share ownership
None of the supervisory directors holds any shares in VastNed Retail.

Statement of share ownership (principle)
Members of the supervisory board hold shares in VastNed Retail only for long-term investment; the shares were purchased at their own cost. When purchasing and selling shares, they act in accordance with the regulations adopted by the company as meant to in 5:65 of the Act on Financial Supervision. Transactions are also reported to the Authority for the Financial Markets (www.afm.nl) in accordance with relevant regulations. VastNed Retail has also drawn up regulations in respect of trade in publicly listed securities. Transactions by members of the supervisory board and the board of management are reported at the end of each quarter 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 comply with the Code and the respective member shall refrain from participation in the discussion of and decisions on the matter in which the member has a conflicting interest. In addition, transactions with a conflicting interest will be agreed under conditions 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 are entered into under conditions customary in the industry. VastNed Retail at present does not have a delegated supervisory board member. In prevailing cases, the supervisory board shall confirm best-practice provisions 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 member of the board of management 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 associated company during one year prior to his appointment. None of the members of the board of management is a shareholder, member of the board of management 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 members.

Stichting Prioriteit VastNed Retail and protection measures

The Stichting Prioriteit VastNed Retail ('Stichting') 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 amendments 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 members of the board of management of VastNed Management.

General meeting of shareholders and voting rights

At the general meeting of shareholders in VastNed Retail, the state of affairs is commented upon and the general meeting is asked for approval on subjects determined by 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 is opposed to that. VastNed Retail will announce the meeting by placing an announcement in the Officiële Prijscourant of NYSE Euronext and at least one Dutch nationwide daily newspaper. It will also announce the meeting in one French nationwide daily newspaper. The agenda and shareholders' circular are available at the offices of VastNed Retail in Rotterdam and Paris and from www.vastned.nl. In these announcements, inter alia the ultimate registration date is given for exercising voting rights on the share. The minutes of the general meeting of shareholders will be made available after the meeting in accordance with best-practice principle IV.3.8.

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 semi-annual report and the annual accounts and their publication. 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 of management to report abuses within the company without fear for their own employment. The texts of these regulations have been published on www.vastned.nl.

Supervisory board


Wouter J. Kolff


N.J. (Klaas) Westdijk


Pieter M. Verboom


Jeroen B.J.M. Hunfeld

Management team


Reinier A. van Gerrevink


Tom M. de Witte


J. (Hans) Pars


Arnaud G.H. du Pont

Country managers


Netherlands
S.J. (Jacqueline)
van der Mispel


Spain
Luis Vila Barron


France
Benoît Dantec


Belgium
Jean-Paul Sols


Turkey
Bora Karli

Risk management

Taking the recommendations of the Monitoring Commission published in December 2005 into account and making use of the so-called COSO (The Committee of Sponsoring Organisations of the Treadway Commission) Risk Management framework, VastNed Retail has broken down the risks into the following risk categories: strategic risks, financial reporting risks, operational risks, financial risks and compliance risks. Hereafter, for every risk category it will be set out which significant risks are included in that category and how VastNed Retail endeavours to control those risks.

Description of risk	Impact	Control measures
Strategic risks Impact of external factors due to investment and financial policy choices.	The choice of investment country, investment type, relative size and time of investment can have major impact on dependence on inflation, currency fluctuations, consumer spending, rent legislation and permit policies on expected rent developments and demand for retail locations.	A strategic choice has been made to: – Invest mainly in eurozone countries with a relatively stable political and economic climate; – Invest no more than 10% of the investment portfolio in Turkey, focusing on the western-oriented Istanbul; – A high degree of spreading across different types of retail properties, tenants and locations (see the chapter 'Profile and strategy'), and; – Critical size per country/region to guarantee sufficient local expertise and solid research.
Financial reporting risks The impact of incorrect, incomplete or late provision of information on internal decision-making or that of external parties, such as shareholders, banks and regulators.	– Incorrect analysis of risk return profile in investment decisions, and; – Reputation damage and claims due to making misleading statements to stakeholders.	A solid system of internal control measures and administrative and organisational measures has been implemented and laid down in the Administrative Organisation manual, providing in key checks and balances with respect to financial reports, such as: – Involvement of various disciplines in the preparation of reports and proposals for investments and disposals; – Budgeting, forecasting and statistical analysis; – Appraisal procedures (independent external appraisers that are frequently replaced, internal IRR analyses and internationally accepted appraisal guidelines); – Periodical business report meetings in which based on reports, the operational activities are discussed with the country managers; – Frequent meetings of the board of management, discussion of the results of external audits with the board of management, the audit committee and the supervisory board, and; – Group instructions on accounting principles and reporting data, as well as internal training in the area of IFRS et cetera.

Description of risk	Impact	Control measures
Operational risks Risks arising from daily transactions and (external) events.		
Investment and disposal risks Incorrect investment or disposal analysis.	– Incorrect assessment of the risk return profile, and; – Late investment or disposal.	Careful acquisition and selling procedures, comprising: – Using the checklist in the performance of due diligence to assess financial, legal, construction and tax aspects; – Involvement of various disciplines in acquisitions and disposals; – Standard format for investment or disposal proposals, and; – Internal authorisation procedures (investment and disposals exceeding € 25 million require supervisory board approval).
Leasing and debtor risks The risk that a property due to its nature and location and/or the quality of the tenants cannot be let at the anticipated rent or the rent cannot be collected.	– Fall of rental income and rise of uncharged net service charge expenses due to vacancy; – Decreasing property value due to vacancy; – Write-off of overdue receivables, and; – Lower (than expected) direct and indirect investment result.	Internal procedures aimed at: – Frequent evaluation of environment factors and the investment property itself by portfolio and technical managers, and research; – Extensive annual forward-looking yield analysis, including ten-year forecast; – Achieving a balanced spread of expiry dates of lease contracts in accordance with current rent law and regulations; – Achieving an optimal tenant mix and setting a maximum exposure to any individual tenant; – Periodic reports on the occupancy rate and rent arrears in the property portfolio, resulting in actions; – Screening of tenants in the conclusion of lease contracts, and requiring guarantee deposits and bank guarantees, and; – Securing bank guarantees and/or payment of guarantee deposits from tenants.
Cost control risks The risk of unexpected increases of operating expenses and general expenses, and of having to make unexpected further investments.	– Incorrect assessment of the risk return profile, and; – Lower direct and indirect investment result.	– Budgeting procedures and maintenance forecasts; – Authorisation procedures for entering into maintenance and investment commitments; – Periodic reports (realisation – budget analysis), and; – Benchmarking costs to other funds.
Pipeline risks Risks associated with acquired pipeline projects.	– Delivery delays; – Deviation from agreed (technical) specifications or lease conditions; – Failure to secure the projected rent levels fully or partly, and; – Lower direct and indirect investment result.	– The pipeline risk is generally transferred to contracted reputed and solid project developers and building contractors. By way of early involvement in the design and the composition of the tenant mix, leasing risks may be accepted; – Periodic progress reports (realisation – budget analysis), and; – Continuous involvement of in-house commercial and technical experts to monitor progress.

Description of risk	Impact	Control measures
Legal and tax risks Risks associated with amendments to tax law and corporation law, and risks arising from incorrect assessment of contractual provisions or tax exposure.	– Legal and tax claims resulting in fines, loss of income or additional costs; – Loss of tax status; – Reputation damage, and; – Lower direct and indirect investment result.	Internal procedures, comprising: – Mandatory evaluation of contractual commitments by internal and, where necessary, external lawyers and tax experts; – Ensuring relevant staff receive technical training; – Continuous monitoring of and application of the conditions of the tax regime, including financial ratios, dividend distributions and the composition of the shareholder base, by internal and external tax experts, and; – Careful analysis of tax risks involved in acquisitions and disposals, including value added tax, transfer tax, deferred tax liabilities and related issues.
ICT risks Risks associated with malfunctions or security issues of the internal ICT infrastructure.	– Late or incorrect internal or external reporting; – Loss of relevant information; – Unauthorised access to information by third parties, and; – Reputation damage.	Internal procedures aimed at: – Access security; – Back-up and recovery procedures; – Periodic checks by external experts; – Digitalisation of key documents, and; – Hiring external know-how and experience to stay abreast of developments in ICT. The ICT network between the countries is centralised in Rotterdam; individual countries are connected to the company's Wide Area Network by means of fixed lines contracted from professional network providers.
Financial risks		
(Re)financing risks Risks that insufficient (long-term) loan capital can be raised, or at unfavourable conditions.	– Insufficient financing facilities for investments; – Forced sale of properties; – Higher financing costs, and; – Lower direct and indirect investment result.	– Frequent contact with (potential) shareholders and loan capital providers by means of roadshows, transparent financial reporting and analysts' meetings; – Limiting loan capital financing to a maximum of 45% of the market value of the property; – No more than a third of the loan portfolio comprises short-term loans; – Balanced spread of refinancing dates; – Weighted average duration of long-term loan portfolio of at least five years, and; – Internal monitoring of the refinancing risk based on periodic internal financial reports.
Liquidity risk The risk that insufficient resources are available for daily payment obligations.	– Reputation damage, and; – Additional financing costs.	– Procedures aimed at reducing operational risks that may result in loss of cash flow (see above); – Attracting sufficient credit facilities; – Preparing daily cash flow prognoses, and; – Internal monitoring of the credit facilities and conditions based on periodic internal financial reports.

Description of risk	Impact	Control measures
Interest rate risk Risks arising from interest rate fluctuations.	– Rising financing costs, and; – Lower direct investment result.	– In principle, no more than a third of the loan portfolio has a floating interest rate; – Fixing interest rates by concluding interest rate derivatives with (inter)national banks; – Balanced spread of interest review dates; – Typical minimum interest rate duration of long-term loan portfolio of at least 3.0 years, and; – Internal monitoring of the interest rate risk based on periodic internal financial reports.
Currency risk Risks arising from currency fluctuations.	– Falling proceeds, and; – Lower direct and indirect investment result.	– Investing primarily in the eurozone; – No more than 10% of invested capital in Turkey, and; – Concluding lease contracts in euros or US dollars, and financing (part of) the property in the same currency.
Compliance risks Risks associated with non-compliance or incomplete compliance with regulations, or unethical conduct.	– Reputation damage; – Claims and legal proceedings, and; – Lower direct investment result.	– Internal procedures and training aimed at keeping knowledge of laws and regulations up to date; – Internal code of conduct and whistleblower code; – Compliance with code of conduct is discussed with employees at least once a year; – Procedures aimed at hiring ethical staff (including references), and; – Execution of the system of internal representation letters as prescribed by the AFM, signed at least once a year by the country managers in the context of periodic self-assessment.

As indicated above, VastNed Retail devotes a great deal of attention to risk management. However, VastNed Retail is an organisation of limited size, and is spread across various country organisations. Activities in the areas of financing, cash management, taxation, legal affairs, IT, research, budgeting and budgetary control are executed at group level in Rotterdam, which also benefits the local country organisations. VastNed Retail does not have a separate internal audit department. In everyday practice the informal character of the organisation is relied on. In view of the limited complexity of daily transactions and the short internal communication lines, the absence of a separate internal audit department is deemed to be acceptable in terms of risk management.

Property portfolio 2007

Investment properties in operation

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Netherlands								
Alkmaar								
Laat 165-167	Shop	1990	1906	345	1	–	–	82
Payglop 6	Shop	1988	1900	45	1	–	–	21
Payglop 14	Shop	1994	1930	120	1	–	–	40
Almelo								
Grotestraat 22-24	Shop	1989	1929	190	1	2	–	38
Grotestraat 32 / Hof van Gülick 10	Shop	1993	1920	210	1	1	–	43
Grotestraat 35a-37	Shop	1994	1900	150	1	1	–	49
Grotestraat 36	Shop	1996	1920	430	1	–	–	78
Grotestraat 83-85	Shop	1994	1850	255	1	–	–	123
Grotestraat 97a / Koornmarkt 3-5, 9-11 / Werfstraat 1	Shop	1993	1920	1,096	5	–	–	187
Amersfoort								
Achter de Kamp 92	Shop	1993	1983	1,150	1	–	–	177
Julianaplein 7-10	Shop	1993	1980	1,052	3	–	46	192
Langestraat 8	Shop	1990	1900	409	1	–	–	89
Amsterdam								
Bos en Lommerweg 279-281 1)	Shop	1994	1940	155	2	3	–	41
Buikslotermeerplein 88-90 1)	Shopping centre	1990	1968	388	1	–	–	92
Buikslotermeerplein 123 1)	Shopping centre	1993	1968	9,293	1	–	–	1,007
Buikslotermeerplein 255 1)	Shopping centre	2007	1972	307	1	–	–	103
Ferdinand Bolstraat 65	Shop	1989	1883	65	1	3	–	48
Ferdinand Bolstraat 79	Shop	1987	1905	85	1	3	–	59
Ferdinand Bolstraat 81	Shop	1989	1884	82	1	3	–	51
Ferdinand Bolstraat 88	Shop	1987	1883	85	1	3	–	53
Ferdinand Bolstraat 92 / G. Flinckstraat 118	Shop	1987	1882	81	1	6	–	61
Ferdinand Bolstraat 95-97 / 1e Jan v.d. Heydenstraat 88a and 90	Shop	1987	1892	194	1	9	–	107
Ferdinand Bolstraat 101	Shop	1989	1892	118	1	3	–	41
Ferdinand Bolstraat 109	Shop	1989	1882	76	1	3	–	49
Ferdinand Bolstraat 120 / 1e Jan v.d. Heydenstraat 88	Shop	1993	1893	130	1	6	–	64
Ferdinand Bolstraat 122	Shop	1987	1893	95	1	3	–	52
Ferdinand Bolstraat 124	Shop	1987	1893	75	1	3	–	56
Ferdinand Bolstraat 126	Shop	1989	1893	75	1	3	–	51
Heiligeweg 47	Shop	1989	1899	60	1	–	–	91
Jan Evertsenstraat 100	Shop	1988	1925	90	1	3	–	39
Jan Evertsenstraat 106	Shop	1987	1925	85	1	3	–	38
Jan Evertsenstraat 108	Shop	1987	1940	95	1	3	–	45
Kalverstraat 9	Shop	1990	1900	252	1	–	–	109
Kalverstraat 162-164	Shop	1988	1800	328	1	–	–	280
Kalverstraat 182	Shop	1987	1900	95	1	–	–	116
Kalverstraat 208	Shop	1991	1850	160	2	–	–	101
Kinkerstraat 115 1)	Shop	1994	1988	97	1	–	–	34
Leidsestraat 5	Shop	1990	1905	380	1	–	–	90
Leidsestraat 64-66 / Kerkstraat 44	Shop	1986	1912	790	4	–	–	220
Osdorpplein 801-804 1)	Shopping centre	1994	1985	497	3	–	–	115
Osdorpplein 815-822 and 880-885 1)	Shopping centre	1998	1982	3,411	7	–	–	589

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Paleisstraat 21	Shop	1990	1876	310	1	–	–	48
Reguliersbreestraat 9 / Amstel 8	Shop	1987	1905	78	2	3	–	108
Reguliersdwarsstraat 95-97	Shop	1992	2003	259	11	–	–	76
Rembrandtplein 7 [1]	Shop	2007	1897	285	2	–	–	201
Van Baerlestraat 86	Shop	1994	1800	90	1	2	–	69
Van Baerlestraat 108-110	Shop	1990	1800	265	2	3	–	109
Apeldoorn								
Adelaarslaan 86-146 / Talingweg 54	Shopping centre	1999	1950	2,190	16	–	–	231
De Eglantier 409	Shop	1991	1979	56	1	–	–	14
Deventerstraat 5	Shop	1990	1900	363	2	2	–	106
Deventerstraat 6	Shop	1990	1930	70	1	–	–	30
Deventerstraat 14-14b	Shop	1994	1900	295	2	3	–	103
Arnhem								
Bakkerstraat 3a and 4 / Wielakkerstraat 8	Shop	1990	1600	188	2	1	–	107
Bakkerstraat 6	Shop	1994	1950	657	1	–	–	137
Koningstraat 12-13 / Beekstraat 105-108	Shop	1988	1890	1,085	4	3	–	228
Koningstraat 14-15 / Beekstraat 98 / Klarestraat 21-27	Shop	1988	1870	3,139	3	4	–	140
Looierstraat 44 and 46	Shop	1990	1952	454	1	3	–	58
Rijnstraat 23 / Varkensstraat 34	Shop	1990	1900	265	2	4	–	110
Vijzelstraat 24	Shop	1994	1800	150	1	–	–	71
Assen								
Gedempte Singel 11-13 / Mulderstraat 8	Shop	1995	1952	893	3	–	–	94
Baarn								
Brinkstraat 34	Shop	1994	1910	220	1	–	–	27
Bemmel								
Dorpsstraat 31, 31a-e / Kloosterplaats 1 / Dr Poellstraat 1	Shop	1998	1992	1,819	6	2	–	229
Bennekom								
Dorpsstraat 8	Shop	1997	1994	250	1	–	–	42
Bergen op Zoom								
Wouwsestraat 48	Shop	1994	1900	80	1	–	–	46
Beverwijk								
Breestraat 11	Shop	1993	1930	195	1	–	–	28
Nieuwstraat 9-11 / Breestraat 65	Shop	1989	1910	2,630	4	–	–	326
Bilthoven								
Julianalaan 53	Shop	1997	1930	160	1	–	–	35
Bodegraven								
Kerkstraat 22-24	Shop	1997	1850	296	2	–	–	37
Borculo								
Lichtenhorst 7-9	Shop	2007	2007	2,350	2	–	–	267
Boxmeer								
Hoogkoorpassage 14-18 and 22	Shop	1990	1989	566	5	–	–	74
Steenstraat 110 / D'n entrepot	Shop	1997	1992	270	2	–	–	43
Boxtel								
Rechterstraat 42-44	Shop	1997	1940	877	1	–	–	100
Stationstraat 18-20	Shop	1997	1920	750	1	–	–	79
Breda								
Eindstraat 14-16	Shop	1988	1924	260	1	–	–	195
Ginnekenstraat 3	Shop	1994	1985	88	1	–	–	77
Ginnekenstraat 19	Shop	1993	1980	150	1	–	–	114
Ginnekenstraat 80-80a	Shop	1998	1905	165	1	5	–	103
Grote Markt 29 / Korte Brugstraat 2	Shop	1991	1953	102	2	–	–	91
Karnemelkstraat 14	Shop	1986	1961	430	–	–	–	60

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Karrestraat 25	Shop	1994	1920	125	1	2	–	128
Ridderstraat 19	Shop	1994	1800	100	1	–	–	57
Torenstraat 2 / Korte Brugstraat 14	Shop	1992	1953	90	1	–	–	81
Veemarktstraat 30	Shop	1991	1920	240	1	–	–	75
Veemarktstraat 32	Shop	1992	1800	70	1	2	–	40
Brielle								
De Reede 36-50 1)	Shopping centre	1993	1977	1,610	7	–	–	240
Brunssum								
Kerkstraat 45 / Schiffelerstraat 1	Shop	1997	1970	560	2	–	–	90
Bussum								
Havenstraat 154-158 / Kapelstraat 2	Shop	1988	1986	370	1	–	–	70
Kerkstraat 1 / Brinklaan	Shop	1994	1974	1,012	2	–	–	120
Nassaulaan 12 / Nassaustraat 1a and 1g	Shop	1994	1920	277	1	2	–	80
Nassaustraat 12-16	Shop	1994	1900	301	3	1	–	79
Veerstraat 11 and 11d	Shop	1990	1900	360	2	–	–	104
Capelle a/d IJssel								
De Wingerd 247-267	Shopping centre	1993	1969	1,589	5	1	–	274
Lylantse Baan 7	Retail warehouse	1990	1985	13,702	3	–	150	880
Coevorden								
Friesestraat 14 / Weeshuisstraat 9	Shop	1997	1950	203	1	3	–	52
Culemborg								
Everwijnstraat 6-14 / Markt 53	Shop	1999	1989	535	6	–	–	98
Dalfsen								
Van Bloemendalstraat 6-8 / Wilhelminastraat 5	Shop	1997	1991	430	3	1	–	60
Dedemsvaart								
Julianastraat 13-19	Shop	1997	1922	1,190	4	–	–	139
Delft								
Hippolytusbuurt 1 / Nieuwstraat	Shop	1997	1700	750	1	–	–	103
Markt 23	Shop	1990	1906	37	1	3	–	41
Oude Langendijk 2	Shop	1996	1906	120	1	–	–	36
Oude Langendijk 11	Shop	1987	1906	150	1	–	–	52
Wijnhaven 9 / Oude Delft 92	Shop	1986	1700	139	1	–	–	38
Deventer								
Brink 95 / Spijkerboorsteeg 33 and 37	Shop	1995	1850	127	2	2	–	54
Lange Bisschopstraat 7	Shop	1990	1900	986	2	–	–	106
Lange Bisschopstraat 11-15	Shop	1993	1800	310	1	1	–	78
Lange Bisschopstraat 34	Shop	1991	1900	278	1	–	–	46
Lange Bisschopstraat 50	Shop	1993	1800	210	1	1	–	104
Didam								
Hoofdstraat 5-7	Shop	1997	1960	520	1	1	–	49
Oranjestraat 6-10	Shop	1997	1978	520	1	1	–	47
Doetinchem								
Dr. Huber Noodstraat 2	Shop	1997	1968	1,825	5	–	–	286
Korte Heezenstraat 6 / Heezenpoort 13-15 and 21	Shop	1994	1985	310	5	–	–	84
Nieuwstad 57-59	Shop	1988	1988	1,686	2	–	–	136
Terborgseweg 27	Shop	1993	1977	910	1	–	–	106
Doorwerth								
Mozartlaan 52-66 / van der Molenallee 107-125	Shopping centre	1997	1972	2,854	11	–	–	441
Dordrecht								
Voorstraat 262	Shop	1996	1800	175	1	–	–	114
Voorstraat 276 / Vriesestraat 1	Shop	1991	1800	285	2	1	–	73
Voorstraat 305	Shop	1989	1866	36	1	–	–	22
Voorstraat 341	Shop	1989	1956	30	1	–	–	23

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Voorstraat 343	Shop	1991	1918	60	1	–	–	19
Drachten								
Zuidkade 2	Shop	1995	1900	150	1	1	–	48
Ede								
Molenstraat 128-136	Shop	1999	1985	419	1	–	–	69
Eerbeek								
Stuyvenburchstraat 44	Shop	1997	1965	350	2	2	–	75
Stuyvenburchstraat 141	Shop	1998	1950	420	1	2	–	57
Eindhoven								
Franz Leharplein 3	Shop	1994	1963	178	1	–	–	29
Franz Leharplein 5-7 / Willaertplein 12-13	Shop	1993	1973	868	4	–	–	98
Frederiklaan 108-110 / Schootsestraat 101-109	Shop	1987	1966	2,070	6	3	–	205
Orionstraat 137-159	Shopping centre	1993	1973	3,102	11	–	–	487
Rechtestraat 25	Shop	1992	1930	100	1	–	–	114
Rechtestraat 44-48	Shop	1988	1966	3,273	2	–	–	552
Shopping centre 'Woensel' 113	Shopping centre	1994	1970	115	1	–	–	75
Woenselse Markt 19-21	Shop	1994	1979	810	1	4	–	136
Elst								
Kleine Molenstraat 6	Shop	1997	1951	582	2	–	–	75
Emmeloord								
Lange Nering 65	Shop	1993	1960	263	1	1	–	61
Lange Nering 92	Shop	1991	1963	171	1	1	–	44
Enschede								
Boulevard 1945 nr. 372	Shop	1999	1984	3,460	2	–	75	364
Haverstraatpassage 14	Shop	1993	1920	95	1	–	–	45
Kalanderstraat 6	Shop	1993	1950	124	1	–	–	89
Langestraat 9-17a / Achter het Hofje 2	Shop	1987	1930	2,030	10	1	–	350
Raadhuisstraat 9	Shop	1990	1954	289	1	–	–	51
Ermelo								
Stationsstraat 60-64	Shop	1986	1981	770	5	9	–	155
Geldermalsen								
Geldersestraat 15	Shop	1997	1930	140	1	–	–	31
't Hooghuys 1-6	Shop	1997	1968	680	2	–	–	90
Goes								
Lange Kerkstraat 9	Shop	1994	1920	65	1	–	–	32
Goor								
Grotestraat 57-59 and 63	Shop	1994	1910	859	2	1	–	60
Gouda								
Hoogstraat 5	Shop	1988	1900	190	1	–	–	43
Kleiweg 77-95	Shop	1994	1900	1,200	4	5	–	441
Kleiweg 103 / Regentesseplantsoen	Shop	1990	1988	862	4	–	–	207
Markt 52	Shop	1990	1900	284	1	–	–	43
Groesbeek								
Spoorlaan 1	Shop	1988	1989	1,100	1	–	–	140
Groningen								
Brugstraat 2-6 / Schuitemakersstraat 1	Shop	1995	1905	840	2	–	–	145
Dierenriemstraat 198/2	Shop	1993	1992	914	1	–	–	106
Herestraat 41	Shop	1994	1991	270	1	–	–	136
Stoeldraaierstraat 17	Shop	1990	1953	266	1	10	–	61
Vismarkt 31, 31a-c	Shop	1993	1880	275	1	5	–	122
Zwanestraat 22	Shop	1988	1978	110	1	–	–	38
Zwanestraat 41-43	Shop	1986	1900	484	1	–	–	64

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Haaksbergen								
Spoorstraat 45	Shop	1997	1986	800	1	1	–	81
Haarlem								
Gen. Cronjéstraat 56-58 / Kloosterstraat 10	Shop	1996	1920	200	1	2	–	69
Grote Houtstraat 90	Shop	1988	1850	96	1	–	–	58
Hardenberg								
Fortuinstraat 6-6a / Middenpad 3-7	Shop	1993	1950	313	3	2	–	48
Fortuinstraat 21	Shop	1997	1985	300	1	–	–	39
Voorstraat 10	Shop	1997	1930	1,173	1	–	–	126
Harderwijk								
Markt 14	Shop	1991	1875	470	1	–	–	70
Shopping centre 'Vuldersbrink'	Shopping centre	1998	1978	4,735	14	–	–	700
Harlingen								
Kleine Bredeplaats 8a-10a / Grote Bredeplaats 26-26b	Shop	1997	1990	658	2	3	–	94
Voorstraat 71	Shop	1997	1900	294	1	1	–	55
Harmelen								
Dorpsstraat 152-154 and 154a-f	Shop	1998	1991	1,000	1	7	–	203
Heemstede								
Binnenweg 135-137	Shop	1989	1924	65	1	1	–	31
Binnenweg 167 / Binnendoor 1-13	Shop	1989	1986	317	5	–	–	102
Binnenweg 181 / Binnendoor 6	Shop	1989	1900	196	1	–	–	50
Heerde								
Dorpsstraat 57-61	Shop	1998	1994	1,270	1	2	–	174
Heerlen								
In de Cramer 140	Retail warehouse	2007	2007	6,000	1	–	120	450
Saroleastraat 38	Shop	1994	1930	225	1	1	–	105
Helden Panningen								
Kepringelehof 3-5, 9-11	Shop	1998	1991	2,990	4	–	147	331
Helmond								
Markt 15-25 / Veestraat 2a	Shop	1998	1978	1,615	5	1	–	252
Veestraat 1	Shop	1994	1950	240	1	–	–	86
Veestraat 39	Shop	1994	1960	136	1	–	–	37
Hengelo								
De Telgen 9	Shop	1993	1920	105	1	1	–	63
Marktstraat 2-6	Shop	1986	1953	182	3	2	–	71
Molenstraat 4	Shop	1991	1991	120	1	1	–	36
Wegtersweg 4	Retail warehouse	2006	2006	4,622	1	–	100	343
's-Hertogenbosch								
Hinthamerstraat 48 / Hinthamerpromenade 48	Shop	1988	1900	130	1	2	–	72
Hoge Steenweg 19-23	Shop	1994	1800	555	1	8	–	206
Schapenmarkt 17-21	Shop	1988	1890	476	1	–	–	134
Hillegom								
Hoofdstraat 66	Shop	1997	1930	115	1	1	–	46
Hilversum								
Kerkstraat 55	Shop	1994	1950	130	1	–	–	65
Kerkstraat 87	Shop	1988	1905	100	1	–	–	57
Kerkstraat 91	Shop	1994	1850	250	1	–	–	57
Kerkstraat 98	Shop	1990	1927	77	1	1	–	55
Schoutenstraat 6	Shop	1987	1923	65	1	–	–	34
Schoutenstraat 8	Shop	1986	1923	122	1	–	–	54
Hoensbroek								
Kouvenderstraat 17-21	Shop	1993	1990	388	3	–	–	48

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Hoogeveen								
Hoofdstraat 157	Shop	1993	1960	75	1	–	–	35
Hoogezand								
Gorecht Oost 133-135	Shop	1993	1970	160	2	–	–	57
Hoorn								
Grote Noord 114	Shop	1996	1912	85	1	–	–	30
Grote Noord 118	Shop	1994	1900	80	1	1	–	48
Nieuwsteeg 24	Shop	1994	1920	134	1	1	–	63
Houten								
Onderdoor 3-13	Other	2006	1984	2,187	4	–	14	292
Shopping centre Het Rond [2]	Shopping centre	1993	90/98	20,465	80	–	505	4,058
Joure								
Midstraat 153-163	Shop	1998	1981	2,519	6	5	–	367
Kerkrade								
Hoofdstraat 13	Shop	1998	1985	194	1	1	–	35
Krimpen a/d IJssel								
Brink 1-7	Shop	1993	1978	1,168	5	–	–	167
Leek								
Tolberterstraat 3-5	Shop	1997	1996	565	2	1	–	73
Leeuwarden								
Ruiterskwartier 127	Shop	1995	1929	291	1	–	–	37
Ruiterskwartier 135	Shop	1995	1930	70	1	–	–	43
Wirdumerdijk 7 / Weaze 16	Shop	1994	1920	520	2	1	–	183
Leiden								
Botermarkt 4-5	Shop	1988	1928	732	2	–	–	96
Haarlemmerstraat 53	Shop	1996	1928	85	1	–	–	55
Haarlemmerstraat 107-109	Shop	1996	1900	120	1	2	–	78
Haarlemmerstraat 202 / v.d. Werfstraat 39	Shop	1994	1928	110	1	5	–	50
Haarlemmerstraat 208 / Duizenddraadsteeg 2	Shop	1993	1928	72	1	1	–	34
Haarlemmerstraat 213	Shop	1990	1928	546	1	–	–	84
Haarlemmerstraat 218	Shop	1989	1928	70	1	1	–	29
Haarlemmerstraat 239	Shop	1991	1928	330	1	–	–	36
Maarsmansteeg 2	Shop	1989	1928	121	1	–	–	26
Vismarkt 2-3	Shop	1993	1900	135	1	3	–	47
Leidschendam								
Berkenhove 9	Shopping centre	1996	1970	90	1	–	–	58
Eglantier 9	Shopping centre	1996	1971	220	1	–	–	70
Eglantier 14-16	Shopping centre	1996	1971	165	1	–	–	97
Rozemarijnhof 7	Shopping centre	1996	1971	250	1	–	–	104
Weigelia 14-15	Shopping centre	1996	1965	500	1	–	–	99
Lelystad								
Stadhuisplein 75 [1]	Shop	1996	1985	1,632	1	–	–	230
Stadhuisstraat 2 [1]	Shop	1995	1975	487	2	–	–	123
Stadhuisstraat 68 [1]	Shop	1996	1983	145	1	–	–	26
Leusden								
Grutterij 6	Shopping centre	1996	1980	150	1	–	–	41
Maastricht								
Muntstraat 16	Shop	1987	1891	110	1	–	–	100
Muntstraat 18-20	Shop	1989	1897	135	1	–	–	94
Wolfstraat 8 / Minckelersstraat 1	Shop	1992	1883	789	3	–	–	303
Meppel								
Hoofdstraat 50	Shop	1990	1980	143	1	–	–	35
Hoofdstraat 86-92	Shop	1991	1989	300	1	1	–	44

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Middelburg								
Korte Delft 1	Shop	1991	1950	210	1	–	–	31
Lange Delft 59	Shop	1991	1850	200	1	–	–	49
Middelharnis								
Westdijk 22-24	Shop	1997	1990	325	1	–	–	60
Mijdrecht								
Prinses Margrietlaan 24-52	Shopping centre	1993	1965	2,225	10	–	–	358
Neede								
Oudestraat 57-59 / Es 26a	Shop	1997	1800	300	1	2	–	47
Nijkerk								
Oosterstraat 2-2a and 4-4a	Shop	1997	1969	420	2	2	–	47
Nijmegen								
Broerstraat 26 / Scheidemakershof 37	Shop	1993	1960	161	1	3	–	96
Broerstraat 70 / Plein 1944 nr. 151	Shop	1989	1951	2,020	4	–	–	377
Houtstraat 35 / T. Brandsmastraat 1-3	Shop	1989	1951	204	1	7	–	66
Molenstraat 130-134 / Piersonstraat 75-77	Shop	1988	1900	1,231	3	–	–	149
Molenstraat 136	Shop	1988	1925	60	1	–	–	24
Molenstraat 140 / 1e Walstraat 2	Shop	1989	1918	400	1	3	–	114
Plein 1944 nr. 2	Shop	1988	1957	164	1	7	–	54
Oldenzaal								
Bisschopstraat 37-37a	Shop	1997	1985	530	1	3	–	71
Oosterhout								
Arendshof 48-52	Shopping centre	2000	1963	349	1	–	–	104
Arendstraat 9-11	Shop	1994	1982	889	3	–	–	168
Arendstraat 13	Shop	1994	1989	440	2	1	–	165
Oss								
Heschepad 49-51 / Molenstraat 21-25	Shop	1986	1983	2,803	3	–	–	310
Kerkstraat 8	Shop	1989	1965	435	1	1	–	33
Oudenbosch								
Prof. van Ginnekenstraat 35	Shop	1997	1979	200	1	–	–	37
Prof. van Ginnekenstraat 40 / Kade 4	Shop	1997	1967	298	2	1	–	34
Purmerend								
Hoogstraat 19 / Zuidersteeg 16	Shop	1993	1978	999	2	1	–	161
Kaasmarkt 7 / Westersteeg 1	Shop	1994	1920	135	1	1	–	51
Padjedijk 4 / Barak 1	Shop	1989	1900	82	1	1	–	25
Padjedijk 6-8	Shop	1989	1800	257	2	–	–	52
Renkum								
Dorpsstraat 21-23	Shop	1997	1907	520	1	–	–	50
Ridderkerk								
St. Jorisplein 30	Shop	1994	1970	325	3	–	–	99
Rijswijk								
Herenstraat 46-48	Shop	1986	1914	136	1	2	–	50
Roden								
Heerestraat 94	Shop	1997	1967	280	2	–	–	52
Roermond								
Hamstraat 34-38 / Veldstraat 19	Shop	1998	1996	1,763	2	–	6	126
Schoenmakersstraat 2	Shop	1994	1900	140	1	–	–	73
Steenweg 1 / Schoenmakersstraat 6-18	Shop	1986	1980	2,225	9	–	–	328
Roosendaal								
Nieuwe Markt 51	Shop	1994	1960	200	1	–	–	49
Rotterdam								
Beijerlandselaan 72-78 / Slaghekstraat 60	Shop	1991	1926	653	3	12	–	157
Groene Hilledijk 218	Shop	1996	1900	85	1	2	–	25

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Keizerswaard 73	Shopping centre	1996	1992	280	1	–	–	79
Korte Hoogstraat 15	Shop	1988	1952	1,423	5	–	–	179
Korte Hoogstraat 22-26 / Soetensteeg 1	Shop	1993	1952	940	4	–	–	127
Lijnbaan 35-43	Shop	1987	1955	912	4	–	–	201
Noordmolenstraat 57-59	Shop	1987	1983	220	1	1	–	65
Westblaak 27	Shop	1993	1960	336	1	–	–	37
Zuidplein Hoog 587	Shopping centre	1995	1972	160	1	–	–	69
Zuidplein Hoog 611	Shopping centre	1994	1972	37	1	–	–	27
Zuidplein Hoog 731	Shopping centre	1995	1972	50	1	–	–	50
Zwart Janstraat 4	Shop	1988	1892	96	1	3	–	45
Zwart Janstraat 8	Shop	1988	1892	120	1	2	–	47
Zwart Janstraat 24	Shop	1988	1892	83	1	2	–	36
Zwart Janstraat 34	Shop	1991	1887	95	1	1	–	29
Zwart Janstraat 36-38	Shop	1994	1887	200	1	4	–	82
Zwart Janstraat 55-59	Shop	1987	1950	316	1	4	–	99
Zwart Janstraat 58-60	Shop	1992	1888	160	1	2	–	57
Zwart Janstraat 63	Shop	1990	1893	70	1	1	–	24
Zwart Janstraat 71-73	Shop	1994	1900	200	2	2	–	54
Zwart Janstraat 72	Shop	1991	1888	95	1	2	–	33
Zwart Janstraat 84	Shop	1994	1920	92	1	2	–	36
Zwart Janstraat 136	Shop	1994	1894	100	1	1	–	22
Scheveningen								
Keizerstraat 183	Shop	1997	1916	280	1	1	–	24
Schiedam								
's-Gravelandseweg 559-563 and 569-575 1)	Shop	1994	1978	180	6	–	–	33
Hof van Spaland 35 1)	Shopping centre	1997	1970	217	1	–	–	44
Hof van Spaland 36 1)	Shopping centre	1996	1978	205	1	–	–	39
Hof van Spaland 40 1)	Shopping centre	1996	1978	130	1	–	–	35
Schoonhoven								
Lopikerstraat 27-29	Shop	1998	1977	320	1	2	–	66
Schoorl								
Heerweg 3-5 / Duinvoetweg 2-4	Shop	1998	1992	1,500	3	–	–	189
Sittard								
Bergerweg 51-53	Retail warehouse	2000	1961	2,800	2	–	25	230
De Kemperkoul	Shopping centre	1993	1987	1,771	7	–	–	313
Sliedrecht								
Kerkbuurt 148	Shop	1994	1930	300	1	–	–	29
Sneek								
Oosterdijk 58	Shop	1996	1940	75	1	–	–	32
Schaapmarktplein 4	Shop	1994	1852	260	1	–	–	40
Soest								
Dillenburglaan 2 / Van Weedestraat 141-149	Shop	1993	1984	1,834	8	–	–	267
St.Oedenrode								
Heuvel 32	Shop	1997	1940	220	1	–	–	28
Stadskanaal								
Europaplein 3	Shop	1994	1970	160	1	–	–	39
Europaplein 20	Shop	1993	1970	150	1	–	–	26
Europaplein 53	Shop	1997	1983	100	1	–	–	23
Europaplein 60 and 73	Shop	1997	1983	241	2	–	–	61
Navolaan 12	Shop	1993	1968	963	5	–	–	123
Steenwijk								
Oosterstraat 22-26	Shop	1994	1900	272	1	1	–	50

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
The Hague								
Dierenselaan 11	Shop	1994	1932	70	1	–	–	23
Dierenselaan 161	Shop	1994	1932	145	1	–	–	36
Fahrenheitstraat 567-571	Shop	1991	1930	165	1	2	–	62
Frederik Hendriklaan 101-103	Shop	1989	1995	90	1	3	–	57
Frederik Hendriklaan 128 / v. Beuningenstraat 48	Shop	1987	1990	125	1	2	–	54
Gravenstraat 1	Shop	1993	1916	382	1	–	–	65
Grote Markt 4	Shop	1990	1900	964	1	–	–	194
Herengracht 40-40a	Shop	1994	1900	115	1	1	–	23
Hoogstraat 24-26	Shop	1988	1923	319	1	–	–	65
Hoogstraat 27-27a	Shop	1986	1916	530	2	–	–	109
Korte Poten 10	Shop	1989	1916	56	1	–	–	28
Korte Poten 13	Shop	1990	1916	120	1	–	–	73
Korte Poten 42	Shop	1987	1900	55	1	2	–	51
Korte Poten 46 / Bleyenburg 35-37	Shop	1990	1920	131	2	–	–	36
Lange Poten 7	Shop	1989	1937	22	1	–	–	31
Lange Poten 21	Shop	1989	1916	203	2	2	–	111
Noordeinde 9 / Hartogstraat 1	Shop	1988	1916	100	1	–	–	76
Noordeinde 16-18	Shop	1989	1888	530	4	1	–	112
Noordeinde 48	Shop	1988	1921	80	1	–	–	56
Noordeinde 54 / Molenstraat 1	Shop	1989	1919	90	1	1	–	63
Plaats 17, 21-23	Shop	1990	1916	810	2	–	–	117
Plaats 25	Shop	1987	1920	517	1	–	–	63
Plein 10	Shop	1988	1920	642	2	–	–	110
Plein 11	Shop	1987	1917	276	1	–	–	70
Spuistraat 13	Shop	1988	1930	858	1	–	–	292
Venestraat 43	Shop	1989	1916	48	1	–	–	39
Vlamingstraat 43	Shop	1995	1916	163	1	–	–	83
Tiel								
Waterstraat 29 / Kerkstraat 2b	Shop	1994	1850	120	1	1	–	44
Waterstraat 51a	Shop	1994	1920	65	1	–	–	42
Tilburg								
Heuvel 29-31 / J. v. Stolbergstraat 2-6	Shop	1994	1920	298	3	3	–	132
Westermarkt 28-29 and 35-37	Shopping centre	1993	1963	2,274	6	–	–	308
Westermarkt 38	Shopping centre	1993	1962	2,696	2	–	–	321
Westermarkt 139-141	Shopping centre	1994	1961	502	1	–	–	127
Uden								
Marktstraat 32	Shop	1994	1958	420	2	1	–	129
St. Janstraat 60	Shop	1989	1983	584	1	–	–	61
Utrecht								
Achter Clarenburg 19	Shop	1987	1975	91	1	–	–	44
Choorstraat 13	Shop	1987	1900	139	1	1	–	58
Lange Elisabethstraat 6	Shop	1987	1850	136	1	–	–	77
Lange Elisabethstraat 36	Shop	1993	1850	188	1	–	–	94
Nachtegaalstraat 55	Shop	1994	1904	2,000	2	2	–	225
Oudegracht 126-128	Shop	1990	1930	209	2	1	–	63
Oudegracht 134-136 / Vinkenburgstraat 8 and 12-14	Shop	1987	1900	2,482	9	5	–	520
Oudegracht 153	Shop	1997	1904	819	3	–	–	165
Oudegracht 161	Shop	1997	1900	1,963	4	–	–	520
Rijnlaan 6	Shop	1994	1930	145	1	1	–	30
Roelantdreef 249 [1)]	Shopping centre	1994	1970	170	1	–	–	83
Steenweg 9 / Choorstraat 9-9bis	Shop	1990	1900	578	2	3	–	138

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Vaassen								
Dorpsstraat 22	Shop	1990	1981	550	1	–	–	70
Veenendaal								
Hoofdstraat 25	Shop	1990	1930	260	1	–	–	51
Hoofdstraat 40-42 / Tuinstraat 95-97	Shop	1988	1967	1,413	3	–	–	115
Schoolstraat 98-100	Retail warehouse	1993	1988	4,500	1	–	100	294
Veghel								
Kalverstraat 8-16	Shop	1993	1988	446	3	3	–	97
Velp								
Hoofdstraat 77-79	Shop	1997	1937	440	1	–	–	58
Venlo								
Lomstraat 30-32	Shop	1993	1960	465	1	–	–	143
Lomstraat 33	Shop	1994	1970	50	1	–	–	31
Vleesstraat 74	Shop	1989	1953	120	–	1	–	38
Venray								
Grotestraat 2-4 / Grote Markt 2a-4	Shop	1986	1946	1,166	4	–	–	151
Vianen								
Voorstraat 84	Shop	1998	1932	150	1	1	–	39
Voorburg								
Herenstraat 107-109	Shop	1997	1890	330	1	–	–	25
Voorschoten								
Schoolstraat 30	Shop	1997	1963	280	1	–	–	27
Vriezeveen								
Westeinde 19-29	Shop	1993	1938	2,720	9	–	80	301
Wageningen								
Stadsbrink 2-42 and 69-71	Shopping centre	1999	1986	6,058	14	–	–	521
Wassenaar								
Langstraat 188-190	Shop	1990	1981	290	1	–	–	66
Winschoten								
Langestraat 22 / Venne 109	Shop	1994	1900	70	1	–	–	26
Langestraat 24	Shop	1991	1960	500	2	–	–	65
Winterswijk								
Dingstraat 1-3	Shop	1998	1900	2,335	1	–	65	259
Misterstraat 8-10 / Torenstraat 5a-c	Shop	1996	1900	220	1	2	–	138
Misterstraat 12 / Torenstraat 5b	Shop	1991	1939	135	1	1	–	49
Misterstraat 14	Shop	1991	1989	473	2	–	–	94
Misterstraat 33	Shop	1999	1900	550	1	–	–	73
Misterstraat 43-45 / Tuinstraat 26-28	Shop	1998	1955	290	2	2	–	78
Weurden 2-4	Shop	1998	1977	278	2	3	–	60
Wooldstraat 26	Shop	1999	1900	607	2	–	–	81
Woudenberg								
Voorstraat 26	Shop	1994	1988	256	1	–	–	24
IJmuiden								
Lange Nieuwstraat 497-499	Shop	1993	1950	150	1	2	–	54
IJsselstein								
Utrechtsestraat 45	Shop	2007	1911	580	1	–	–	92
Utrechtsestraat 75	Shop	1990	1911	300	1	–	–	70
Zaandam								
Gedempte Gracht 37 / Rozengracht 90	Shop	1993	1888	235	2	–	–	70
Gedempte Gracht 80 / Vinkenstraat 41	Shop	1993	1920	55	1	1	–	30
Westzijde 24-30 and 86	Shop	1989	1987	2,292	5	–	55	343
Zeewolde								
Flevoplein 1-6	Shopping centre	1994	1991	2,033	5	–	–	289

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Kerkplein 23 / Torenstraat 3	Shop	1997	1991	328	3	5	–	92
Kerkstraat 6-18	Shop	1997	1996	689	3	2	–	132
Torenstraat 6-8	Shop	1997	1989	195	1	1	–	37
Zeist								
Slotlaan 194 / Huydecoperweg 9a	Shop	1999	1981	90	1	1	–	44
Zoetermeer								
Lijnbaan 285-297	Shopping centre	1994	1988	2,482	8	–	–	414
Zuidhorn								
Hoofdstraat 21 / Overtuinen 4-16	Shop	1997	1997	1,100	10	–	–	151
Zundert								
Markt 16a and 17-18	Shop	1998	1965	1,062	3	–	–	129
Zutphen								
Beukerstraat 28	Shop	1989	1800	296	1	–	–	47
Beukerstraat 40	Shop	1989	1838	335	1	–	–	40
Zwolle								
Broerenstraat 7	Shop	1994	1930	72	1	–	–	14
Diezerstraat 62	Shop	1996	1910	95	1	–	–	79
Diezerstraat 78	Shop	1990	1832	140	1	–	–	63
Kleine A 11-13 / Broerenkerkplein 2-6	Shop	1989	1989	1,050	1	3	–	192
Luttekestraat 26 / Ossenmarkt 1a	Shop	1990	1930	65	1	1	–	31
Roggenstraat 3	Shop	1994	1800	104	1	–	–	34
Roggenstraat 6	Shop	1987	1900	106	1	–	–	42
Total investment properties in operation the Netherlands				**277,504**	**868**	**367**	**1,488**	**48,070**

Spain

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Alicante								
'Parque Vistahermosa'	Other	1998	2002	34,609	17	–	1,400	4,979
Avenida Antonio Ramos Carratalá 56-60								
Badalona								
'Centro Comercial Montigalá'								
Passeig Olof Palme 28-36	Shopping centre	1998	1991	11,396	57	–	2,618	3,984
Barcelona								
Ronda de Universidad 35	Shop	2000	<1950	645	1	–	–	195
Burgos								
'Centro Comercial El Mirador'								
Carretera de Santener km. 2.5	Shopping centre	99/01	1997	9,832	46	–	1,500	2,109
Castellón de la Plana								
Calle Grecia 4	Retail warehouse	2001	2003	5,109	1	–	–	855
Leon								
Avenida Ordoño II 18	Shop	2001	<1950	591	1	–	–	221
Madrid								
Calle Tetuân 19 / Calle Carmen 3	Shop	2002	<1950	429	1	–	–	488
Calle Serrano 36	Shop	1999	<1950	615	1	–	–	535
'Centro Comercial Getafe III'								
Avenida Juan Carlos I, 1	Shopping centre	2006	2006	20,328	55	–	1,200	3,823
'Centro Comercial Las Rosas'								
Avenida Guadalajara s/No	Shopping centre	99/01	1998	8,254	110	–	1,800	4,570
'Centro Comercial Madrid Sur'								
Avenida Pablo Neruda 91-97	Shopping centre	2003	1998	23,405	73	–	2,500	5,710

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Calle de Fuencarral 23	Shop	2006	<1950	256	1	–	–	323
Calle de Fuencarral 25	Shop	2006	<1950	120	1	–	–	192
Malaga								
'Centro Comercial La Rosaleda'								
Avenida Simon Bolivar	Shopping centre	1998	1993	15,336	88	–	3,200	4,903
Murcia								
'Centro Comercial Las Atalayas'								
C/Molina de Segura s/no-30006	Shopping centre	99/01	1993	10,342	48	–	2,222	2,998
Total investment properties in operation Spain				**141,267**	**501**	–	**16,440**	**35,885**

France

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Agen								
Boulevard de la République 36	Shop	2001	1950	700	1	–	–	83
Alençon								
Rue de la Cave aux Boeufs 1-7 / Rue de Cygne 12	Shop	2001	1950	2,030	2	–	–	218
Amiens								
Rue des Trois Cailloux 7-9	Shop	2000	1950	560	1	–	–	269
Angers								
Rue d'Alsace 9	Shop	2001	1950	67	1	–	–	48
Rue Lenepveu 25-29	Shop	1998	1990	4,664	5	–	–	941
Annecy								
Rue Vaugelas 22	Shop	2001	1950	60	1	–	–	16
Arras								
Rue Ernestale 31-35	Shop	2006	1920	947	2	–	–	359
Augny								
Rue du Bois d'Orly 32	Retail warehouse	2007	1990	3,173	1	–	–	150
Aulnoyes Aymeries								
Anatole France 45	Shop	2007	1945	137	1	–	–	12
Besançon								
Grande Rue 22 / Place Pasteur 3	Shop	2001	1950	104	2	–	–	53
Boulogne sur Mer								
Rue Adolphe Thiers 29	Shop	2001	1950	246	1	–	–	36
Bourges								
Rue Mirebeau 14	Shop	2001	1950	50	1	–	–	22
Rue Mirebeau 16	Shop	2001	1950	71	1	–	–	44
Brest								
Rue de Siam 70	Shop	2000	1950	818	1	–	–	90
Cannes								
Rue d'Antibes 40	Shop	2000	1950	948	1	–	–	312
Carcasonne								
Place Carnot 16	Shop	2001	1950	90	1	–	–	19
Chambéry								
Place Saint-Léger 228	Shop	2001	1950	40	1	–	–	48
Charleville-Mézières								
Rue de la République 35-37	Shop	2001	1950	105	1	–	–	41
Chaumont								
Rue Victoire de la Marne 28-42	Shop	2001	1950	1,370	3	–	–	154
Dax								
Rue des Carmes 7-9	Shop	2001	1950	248	1	–	–	51

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Dieppe								
Grande-Rue 84-86	Shop	2001	1950	100	1	–	–	50
Dijon								
Rue du Bourg 39 bis / Rue Jules Mercier 20 bis	Shop	2001	1950	40	1	–	–	33
Douai								
Avenue Clémenceau 21	Shop	2007	1900	318	1	–	–	9
Dunkirk								
Centre Commercial 'Centre Marine' Place Emile Bollaert 1)	Shopping centre	2005	2000	10,294	18	–	–	2,153
Ferrière la Grande								
Avenue Clémenceau 21	Other	2007	1970	–	–	20	–	89
Frouard								
Rue des Bois 12	Retail warehouse	2006	1985	1,155	1	–	–	130
Grenoble								
Grande Rue 11	Shop	2001	1950	73	1	–	–	20
Rue des Clercs 18	Shop	2001	1950	75	1	–	–	22
La Garde								
Quatre Chemin de la Pauline	Retail warehouse	2007	2005	1,967	5	–	89	376
Laval								
Rue du Général de Gaulle 41 / Rue de Rennes 14	Shop	2001	1950	450	1	–	–	50
Le Touquet								
Rue de Metz 73	Shop	2007	1950	260	1	–	–	9
Lille								
Allée des Grands Chênes 34	Other	2007	1970	–	–	1	–	8
Avenue Foch 16	Other	2007	1970	–	–	–	1	2
Avenue Foch 21	Other	2007	1970	260	1	–	–	46
Avenue Kuhlmann 187	Other	2007	<1900	–	–	1	–	1
Avenue Lelièvre 364	Other	2007	<1900	–	–	1	–	2
Boulevard de la Liberté 62	Shop	2007	1945	79	1	–	–	17
Parc Notre Dame 6	Other	2007	<1900	–	–	1	–	6
Place CA Roussel Etienne 32	Other	2007	1950	–	–	9	–	35
Place CA Roussel Etienne 33	Shop	2007	1950	126	1	–	–	14
Place de Béthune 13	Shop	2007	1950	155	1	–	–	109
Place de Gaulle 31	Shop	2007	1945	180	1	–	–	24
Place de la Gare 8	Shop	2007	1945	314	1	–	–	21
Place de la Gare 42	Shop	2007	1945	1,317	2	–	–	79
Place de la République 4 bis	Shop	2007	1945	162	1	–	–	23
Place des Patiniers 1 bis	Shop	2007	<1950	112	1	–	–	43
Place des Patiniers 2	Shop	2007	1945	132	1	–	–	30
Place des Reignaux 16	Shop	2007	1950	290	1	–	–	27
Place du Lion d'Or 9	Shop	2007	<1900	150	1	–	–	14
Place Louise de Bettignies 15-17	Shop	2007	<1900	352	1	–	–	173
Rue Ampère 9	Other	2007	1950	–	–	1	–	3
Rue Basse 8	Shop	2007	1930	293	2	–	–	51
Rue de la Barre 8	Shop	2007	1987	47	1	–	–	12
Rue de la Clé 43	Other	2007	1950	–	–	–	1	1
Rue de la Monnaie 2 / Place Louis de Bettignes 11-15	Shop	2007	<1900	240	1	4	–	272
Rue de la Monnaie 4	Shop	2007	<1900	103	1	–	–	55
Rue de la Monnaie 6	Shop	2007	<1900	126	1	–	–	59
Rue de la Monnaie 6 bis	Shop	2007	<1900	83	1	–	–	43
Rue de la Monnaie 12	Shop	2007	<1900	168	1	–	–	4
Rue de la Monnaie 13	Shop	2007	<1900	85	1	–	–	75
Rue de la Monnaie 83	Shop	2007	<1900	68	1	2	–	57

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Rue de Paris 20	Shop	2007	<1900	336	–	–	–	72
Rue de Paris 38	Shop	2007	<1900	100	1	1	–	51
Rue de Paris 42	Shop	2007	<1900	200	1	–	–	90
Rue des Chats Bossus 13	Shop	2007	<1900	418	1	–	–	130
Rue des Chats Bossus 21	Shop	2007	<1900	168	1	–	–	144
Rue des Fleurs 21	Other	2007	<1900	–	–	1	–	1
Rue des Ponts de Comines 19 bis	Shop	2007	1945	353	1	5	–	267
Rue des Ponts de Comines 30	Shop	2007	1945	267	1	–	–	154
Rue des Ponts de Comines 31	Shop	2007	1945	179	1	–	–	11
Rue des Ponts de Comines 32	Shop	2007	1945	197	1	–	–	59
Rue Destailleurs 56	Other	2007	<1900	–	–	1	–	1
Rue du Curé Saint Étienne 6	Shop	2007	1950	153	1	–	–	24
Rue du Curé Saint Étienne 17	Shop	2007	<1900	172	1	–	–	43
Rue du Curé Saint Étienne 70	Other	2007	<1900	135	1	–	–	21
Rue du Faisan 6	Shop	2007	1950	105	1	–	–	14
Rue du Gal de Wett 1	Other	2007	1960	–	–	3	–	3
Rue du Sec Arembault 24	Shop	2007	1945	78	1	–	–	42
Rue Faidherbe 28/30	Shop	2007	1945	102	1	–	–	68
Rue Faidherbe 38	Shop	2007	1945	59	1	–	–	45
Rue Faidherbe 42	Shop	2007	1945	86	1	–	–	5
Rue Faidherbe 44	Shop	2007	1945	142	1	–	–	19
Rue Faidherbe 48	Shop	2007	1945	135	1	–	–	75
Rue Faidherbe 50	Shop	2007	1945	308	1	–	–	26
Rue Faidherbe 52	Other	2007	1945	–	–	1	–	11
Rue Faidherbe 54	Shop	2007	1945	176	1	–	–	68
Rue Gambetta 32-34	Shop	2007	1945	88	1	–	–	25
Rue Gambetta 163	Shop	2007	1945	101	1	–	–	20
Rue Gambetta 238	Shop	2007	1950	115	1	–	–	32
Rue Gay Lussac 17	Other	2007	1900	–	–	20	–	189
Rue Grande Chaussée 25	Shop	2007	<1900	200	1	–	–	35
Rue Grande Chaussée 29	Shop	2007	<1900	236	1	4	–	42
Rue Grande Chaussée 33-35	Shop	2007	1900	429	1	–	–	155
Rue J. Giélée 106	Other	2007	1945	–	–	7	–	33
Rue Léon Thiriez 98	Other	2007	<1900	–	–	1	–	3
Rue Léon Thiriez 99	Other	2007	<1900	–	–	1	–	2
Rue Léon Thiriez 104	Other	2007	<1900	–	–	1	–	2
Rue Thiers 37-43	Other	2007	1990	–	–	–	1	1
Square Dutilleul	Other	2007	2008	–	–	–	2	5
Limoges								
Centre Commercial 'Beaubreuil', Place de Beaubreuil	Shopping centre	2001	1980	4,488	14	–	–	458
Centre Commercial 'Carrefour Limoges-Corgnac'	Shopping centre	2006	1920	5,529	18	–	–	1,410
Lyon								
Rue Victor Hugo 5	Shop	2001	1950	90	1	–	–	58
Mâcon								
Rue Carnot 111 / Rue Rameau 39	Shop	2001	1950	160	1	–	–	74
Rue Philibert Laguiche 11-13 / Place aux Herbes 53-56	Shop	2001	1950	1,148	1	–	–	73
Marseille								
Rue Saint Ferréol 29	Shop	2006	1980	249	1	–	–	130
Nancy								
Rue Saint-Jean 45-55	Shop	1998	1990	4,915	8	–	–	2,058
Nice								
Avenue Jean Médecin 8 bis / Rue Gustave Deloye 5	Shop	2001	1950	362	1	–	–	172
Route de Grenoble 604	Retail warehouse	1999	1990	2,067	1	–	–	512

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Paris								
Boulevard Saint-Germain 104	Shop	1998	1950	1,278	1	–	–	697
Rue d'Alésia 123	Shop	2006	1956	422	1	–	–	269
Rue de Rivoli 118-120	Shop	1998	1950	3,341	7	8	5	2,973
Rue Montmartre 17	Shop	2006	1951	270	1	–	–	152
Plaisir								
Centre Commercial 'Plaisir-Sablons'	Shopping centre	1999	1975	15,788	20	–	–	2,156
Roanne								
Rue Bourgneuf 18 / Passage Bourgneuf 7 / Rue Charles de Gaule 51-53	Shop	2001	1950	1,422	3	3	–	154
Roncq								
Avenue de l'Europe 20	Retail warehouse	2007	2000	2,700	1	–	–	147
Roubaix								
Grande Rue 21	Shop	2007	1900	1,059	1	–	–	100
Place de la Liberté 2	Shop	2007	1900	52	1	–	–	4
Ter Grande Rue 56	Shop	2007	1900	50	1	–	–	5
Saint Étienne								
Rue Saint-Jean 27	Shop	2001	1950	60	1	–	–	10
Seclin								
Rue de l'Industrie	Retail warehouse	2007	2000	12,000	1	–	–	227
Soissons								
Rue Saint-Martin 57	Shop	2001	1950	400	1	–	–	51
Thoiry								
Centre Commercial 'Val Thoiry'	Shopping centre	1998	1993	14,826	61	–	–	4,690
Thonon les Bains								
Rue des Arts 16	Shop	2001	1950	320	1	–	–	87
Toulon								
Rue de Jean Jaures 82 / Rue Racine 11	Shop	2000	1950	1,609	2	–	–	148
Troyes								
Rue Émile Zola 113 / Rue Larivey 1-3	Shop	2006	1948	359	1	–	–	161
Rue Émile Zola 117 / Rue Larivey	Shop	2001	1950	360	1	–	–	156
Valence								
Rue Victor Hugo 25 / Rue Pasteur 1-3	Shop	2001	1950	200	1	–	–	58
Vichy								
Rue Georges Clemenceau 12 / Rue Ravy-Breton 2	Shop	2001	1950	550	2	–	–	154
Total investment properties in operation France				**117,114**	**265**	**97**	**99**	**26,545**

Belgium [3)]

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Aalst								
Albrechtlaan 56 [1)]	Retail warehouse	2000	>1980	1,000	1	–	–	49
Brusselsesteenweg 41	Retail warehouse	2007	>1980	770	1	–	–	68
Nieuwstraat 10	Shop	1998	<1950	145	1	–	–	64
Aartselaar								
Antwerpsesteenweg 13/4	Retail warehouse	2000	>1980	1,334	2	–	–	106
Andenne								
Avenue Roi Albert 137-139	Retail warehouse	1999	>1980	4,701	6	–	–	289
Ans								
Rue de Français 393	Retail warehouse	1999	>1980	3,981	12	–	–	344
Antwerp								
Abdijstraat 29	Shop	1995	<1950	130	1	–	–	30

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Abdijstraat 82-84	Shop	1995	<1950	165	1	–	–	49
Carnotstraat 18-20	Shop	2000	<1950	1,298	1	–	–	101
De Keyserlei 47	Shop	2000	<1950	60	1	–	–	46
De Keyserlei 49	Shop	2000	<1950	118	1	–	–	59
Frankrijklei 27	Shop	1993	<1950	624	1	1	–	80
Groendalstraat 11	Shop	2000	<1950	39	1	–	–	25
Huidevettersstraat 12	Shop	1994	<1950	791	1	–	–	271
Korte Gasthuisstraat 27	Shop	2000	<1950	155	1	–	–	68
Leysstraat 17	Shop	2000	<1950	334	1	2	–	165
Leysstraat 28-30	Shop	1997	<1950	1,870	2	5	–	783
Meir 99	Shop	1996	<1950	569	1	–	–	424
Schuttershofstraat 24 / Kelderstraat 7	Shop	2000	<1950	320	1	–	–	65
Schuttershofstraat 30	Shop	2000	<1950	66	1	–	–	70
Schuttershofstraat 32 / Arme Duivelstraat 2	Shop	2000	<1950	54	1	–	–	58
Balen								
Molsesteenweg 56	Retail warehouse	1999	>1980	1,871	3	–	–	123
Bastogne								
Route de Marche 104	Retail warehouse	1999	>1980	593	–	–	–	24
Beaumont								
Rue G. Michiels 40	Retail warehouse	1998	>1980	1,113	1	–	–	101
Boechout								
Hovesesteenweg 123-127	Retail warehouse	2002	>1980	1,022	1	–	–	68
Borgloon								
Sittardstraat 10	Retail warehouse	1999	>1980	996	2	–	–	56
Bree								
Toleikstraat 30	Retail warehouse	1999	>1980	855	1	–	–	55
Bruges								
Maalsesteenweg 142	Retail warehouse	2007	>1980	600	1	–	–	61
Steenstraat 80	Shop	1998	<1950	2,740	2	–	–	817
Brussels								
Elsensesteenweg 16	Shop	1996	<1950	1,255	3	–	–	235
Elsensesteenweg 41-43	Shop	1998	<1950	6,665	7	–	–	1,406
Louizalaan 7	Shop	2000	<1950	248	1	–	–	222
Nieuwstraat 98	Shop	2001	<1950	162	1	–	–	200
Chênée								
Rue de la Station 23	Retail warehouse	2002	50/80	2,881	3	–	–	228
Diest								
Hasseltsestraat 15	Shop	1998	<1950	200	1	–	–	36
Dilsen								
Rijksweg 17 nr. 770	Retail warehouse	1999	>1980	992	1	–	–	74
Drogenbos								
Nieuwe Stallestraat 217	Retail warehouse	2007	>1980	530	1	–	–	70
Flémalle								
Rue de la Fabrique 6	Retail warehouse	2002	>1980	2,887	5	–	–	214
Froyennes								
Rue des Roselières 6	Retail warehouse	2000	>1980	950	1	–	–	78
Genk								
Guillaume Lambertlaan 115	Retail warehouse	1999	>1980	3,109	6	–	–	208
Hasseltweg 74	Retail warehouse	2002	>1980	2,099	4	–	–	186
Ghent								
Veldstraat 81 / Zonnestraat 6-10	Shop	1998	<1950	2,828	5	–	–	451
Volderstraat 15	Shop	1993	<1950	279	1	–	–	92

Investment properties in operation

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Grivegnée								
Rue Servais Malaise	Retail warehouse	2002	>1980	2,000	1	–	–	122
Boulevard de Froidmont 29	Retail warehouse	2007	>1980	1,100	2	–	–	102
Hasselt								
Genkersteenweg 76	Retail warehouse	1999	>1980	1,241	2	2	–	98
Genkersteenweg 215-219	Retail warehouse	2007	>1980	1,745	2	–	–	160
Genkersteenweg 282	Retail warehouse	2000	>1980	2,240	2	–	–	105
Heusden-Zolder								
Inakker	Retail warehouse	2002	>1980	1,019	2	–	–	66
Hoboken								
Zeelandstraat 6-8	Retail warehouse	2002	>1980	2,490	2	–	–	190
Huy								
Rue Joseph Wauters 3 [1)]	Retail warehouse	2007	>1980	1,000	2	–	–	40
Jemappes								
Avenue Wilson 510	Retail warehouse	2007	>1980	900	1	–	–	67
Kampenhout								
Mechelsesteenweg 38-42	Retail warehouse	1999	>1980	3,322	3	–	–	194
Korbeek-Lo								
Tiensesteenweg 378 [1)]	Retail warehouse	2007	>1980	990	1	–	–	58
Kuurne								
Ringlaan 12	Retail warehouse	2007	>1980	736	1	–	–	61
La Louvière								
Avenue de la Wallonie 1	Retail warehouse	2007	>1980	1,620	2	–	–	134
Rue Albert 1er 84-86	Shop	2000	<1950	190	1	–	–	58
Leopoldsburg								
Lidostraat 7	Retail warehouse	1999	>1980	1,850	2	–	–	119
Leuven								
Bondgenotenlaan 69-73	Shop	2001	<1950	1,589	2	–	–	559
Liège								
Rue Pont d'Ile 35	Shop	1998	<1950	80	1	–	–	60
Rue Pont d'Ile 45	Shop	1998	<1950	60	1	–	–	65
Rue Pont d'Ile 49	Shop	1998	<1950	380	1	–	–	93
Malmédy								
Avenue des Alliés 14b	Retail warehouse	1999	>1980	813	1	–	–	54
Mechelen								
Bruul 39-41	Shop	2000	<1950	378	2	–	–	198
Bruul 42-44	Shop	2001	<1950	1,558	2	–	–	438
Yzerenleen 30	Shop	1998	<1950	350	1	–	–	52
Merksem								
Bredabaan 474-476	Shop	1998	50/80	470	1	–	–	68
Moeskroen								
Petite Rue 18	Shop	1998	<1950	235	1	–	–	40
Mons								
Chaussée de Binche 101	Retail warehouse	2000	>1980	1,000	1	–	–	82
Grand Rue 19	Shop	2000	<1950	170	1	–	–	75
Rue de la Chaussée 31-33	Shop	1998	<1950	430	2	1	–	137
Montignies-sur-Sambre								
Rue de la Persévérance 14	Retail warehouse	2007	>1980	750	1	–	–	58
Mortsel								
Statielei 71-73	Shop	1998	50/80	425	2	–	–	128
Olen								
Lammerdries 6	Retail warehouse	1999	50/80	13,247	6	–	–	739

Investment properties in operation

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Overijse								
Hengstenberg	Retail warehouse	2007	>1980	3,260	1	–	–	87
Overpelt								
Burgermeester Misottenstraat 3	Retail warehouse	2002	>1980	877	2	–	–	81
Philippeville								
Rue de France	Retail warehouse	1999	>1980	3,689	6	–	–	306
Schaarbeek								
Leuvensesteenweg 610-640	Retail warehouse	1999	>1980	2,945	4	–	–	331
Schelle								
Provinciale Steenweg 453-455	Retail warehouse	99/02	>1980	2,962	8	–	–	197
Scherpenheuvel								
Mannenberg 26	Retail warehouse	1999	>1980	600	1	–	–	73
Sint-Job-in-'t-Goor								
Handelslei 10	Retail warehouse	2002	>1980	600	1	–	–	64
Sint-Niklaas								
Kapelstraat 101	Retail warehouse	2007	>1980	740	1	–	–	24
Sint-Pieters-Leeuw								
Bergensesteenweg 458	Retail warehouse	2007	>1980	750	1	–	–	70
Tielt-Winge								
Aarschotsesteenweg 1-6	Retail warehouse	99/02	>1980	18,865	23	–	–	1,537
Tienen								
Slachthuisstraat 36	Retail warehouse	2002	>1980	4,871	6	–	–	416
Turnhout								
Gasthuisstraat 5-7	Shop	2001	<1950	1,267	1	–	–	258
Gasthuisstraat 32	Shop	1996	<1950	1,743	1	–	–	268
Vilvoorde								
Leuvensestraat 39-41 / Nowélaan 41	Shop	1998	<1950	485	1	–	–	175
Luchthavenlaan 5	Retail warehouse	1999	>1980	6,345	3	–	–	476
Mechelsesteenweg 48	Retail warehouse	1999	>1980	8,440	14	1	–	698
Waterloo								
Chaussée de Bruxelles 284	Retail warehouse	1993	50/80	1,198	1	–	–	113
Waver								
Boulevard de l'Europe 41	Retail warehouse	2007	>1980	860	1	–	–	123
Rue du Commerce 26	Shop	1998	<1950	210	1	–	–	53
Rue du Pont du Christ 46 / Rue Barbier 15	Shop	1998	<1950	315	2	–	–	112
Westerlo								
Hotelstraat 2 A-B	Retail warehouse	2007	>1980	1,000	2	–	–	82
Wilrijk								
Boomsesteenweg 643-645	Retail warehouse	2000	50/80	1,837	2	–	–	142
Boomsesteenweg 666-672	Retail warehouse	2000	>1980	4,770	4	–	–	478
Total investment properties in operation Belgium				**166,406**	**229**	**12**	**–**	**18,803**

Turkey

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Istanbul								
'Elysium Shops', Kazim Orbay Caddesi 3	Shopping centre	2007	2006	4,936	16	–	200	687
Istiklal Caddesi 34	Shop	2007	1980	1,170	1	–	–	301
Istiklal Caddesi 98	Shop	2007	1920	530	1	–	–	215
Total investment properties in operation Turkey				**6,636**	**18**	**–**	**200**	**1,203**

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000.-)
Portugal								
Barcelos								
Rua Porta Nova 41	Shop	2002	<1950	128	1	–	–	28
Braga								
Avenida Central 78-80	Shop	2002	<1950	471	1	–	–	119
Lisbon								
Rua Damiao de Gois 41	Shop	2002	<1950	150	1	–	–	84
Rua do Carmo 100-102 / Rua do Ouro 287, 291, 293-295	Shop	2002	<1950	1,139	5	–	–	379
Rua Morais Soares 93	Shop	2002	<1950	257	1	–	–	80
Porto								
Marques de Pombal 152	Shop	2002	<1950	437	1	–	–	76
Praca Mouzinho de Alburquerque 119-124	Shop	2002	<1950	148	1	–	–	78
Rua de Brito Capelo 160	Shop	2002	<1950	164	1	–	–	63
Rua Santa Caterina 325-329	Shop	2002	<1950	529	1	–	–	194
Total investment properties in operation Portugal				**3,423**	**13**	**–**	**–**	**1,101**
Total investment properties in operation				**712,350**	**1,894**	**476**	**18,227**	**131,607**

1 Land on long lease.

2 VastNed Retail holds a 50% interest.

3 All Belgian properties are held by Intervest Retail, in which VastNed Retail has a 72.4% interest at year-end 2007.

Notes to the property portfolio in operation

The theoretical rental income as per December 31, 2007 (including turnover rent, mall income and other) is based on full occupancy.

- In the Netherlands virtually all lease contracts are concluded for a period of five years, the tenant having one or more options to extend the lease by five years. Annual rent increases are based on the cost-of-living index;
- In Spain virtually all lease contracts are concluded for a minimum period of five years. Annual rent increases are based on the cost-of-living index;
- In France, lease contracts are normally concluded for a period of nine or twelve years, the tenant having the option of terminating or renewing the lease every three years. Annual rent increases take place based on the construction cost index, unless agreed otherwise.
- In Belgium lease contracts are normally concluded for a period of nine years, with termination option after three and six years.
  Annual rent increases are based on the cost-of-living index;
- In Turkey, lease contracts are generally concluded for a period of five years. Various methods are used for the annual indexation of lease contracts; indexation of the lease contracts concluded in Turkish lira is based on the cost-of-living index. The lease contracts denominated in US dollars and euros are index-linked based on specific agreements.
- In Portugal there are two kinds of lease legislation. Under the old legislation lease contracts are concluded for an indefinite period and can only be terminated by the tenant. The new legislation is comparable to that in Spain, meaning that lease contracts are usually concluded for a period of at least five years, and that rent increases are based on the cost-of-living index. These rules are being applied more frequently, especially for internationally oriented tenants.

Appraisers

- CBRE in Amsterdam and Brussels
- Cushman & Wakefield in Amsterdam, Brussels, Madrid, Paris and Istanbul
- Kroese & Paternotte in Amsterdam
- Retail Consulting Group in Paris
- Jones Lang Lasalle in Lisbon and Madrid
- DTZ Pamir & Soyuer in Istanbul

Other investment properties

Investment properties under renovation

Country / Citiy / Location	Type of property	Year of completion	Lettable floor space (sqm)	Investment (x € 1 million)	Net initial yield
Belgium					
Olen					
Lammerdries 6	Retail warehouse	–	–	–	–

Investment properties in pipeline

Country / Citiy / Location	Type of property	Year of completion	Lettable floor space (sqm)	Investment (x € 1 million)	Net initial yield
Netherlands					
Hendrik-Ido-Ambacht					
Volgerlanden Shopping centre 'Hoog Ambacht'	Shopping centre	2010	7,745	22.3	5.6%
Houten					
De Spil [1)]	Shopping centre	2008	8,300	30.8	7.2%
Spoorhaag 130-134 / Achterom 1-5	Shopping centre	–	2,575	4.2	–
Lelystad					
Wisselplein	Shopping centre	2009	7,850	21.8	5.3%
Roermond					
Retail Park Roermond	Retail warehouse	2008	36,200	55.2	6.0%
Belgium					
Tongeren					
Julianus	Shopping centre	2008	8,900	18.0	6.8%
France					
Thoiry					
Val Thoiry	Retail warehouse	2009	5,990	6.7	5.8%

1 VastNed Retail holds a 50% interest (excluding cinema).

Key figures property portfolio (in operation)

	Netherlands	Spain	France	Belgium	Turkey	Portugal	Total
Number of tenants [1]	868	501	265	229	18	13	1,894
Ten largest tenants (in %)	25	31	40	44	81	100.0	18
Theoretical annual rental income (x € 1 million)	48.1	35.9	26.5	18.8	1.2	1.1	131.6
Market rent [2] (x € 1 million)	49.9	36.9	30.9	19.4	1.6	1.2	139.8
Over/underrent (in %)	96.4	97.2	85.9	97.2	76.7	89.0	94.1
Average occupancy rate (in %)	97.9	96.0	96.8	95.9	97.7	100.0	96.9
Occupancy rate at year-end (in %)	98.4	96.4	97.9	99.3	97.7	100.0	97.9
Rent-free periods/rent discounts (in %)	0.4	2.8	1.0	6.0	0.2	–	2.1
Number of properties	403	15	129	97	3	9	656
Investment properties in operation (x € 1 million)	715	574	471	269	20	15	2,064
Investment properties in operation (in %)	34	28	23	13	1	1	100
Average size per property (x € 1 million)	1.8	38.3	3.6	2.8	6.8	1.7	3.1
Gross yield (in %)	6.7	6.2	5.6	7.0	5.9	7.0	6.4
Net yield (in %)	6.0	5.6	5.1	6.4	4.6	6.7	5.7
Lettable floor area (x 1.000 sqm)	278	141	117	166	7	3	712
Lettable floor area (in %)	38	20	17	23	1	1	100
Sector spread per country (in %)							
Shopping centres	25	78	41	–	57	–	40
Retail warehouses	5	2	6	54	–	–	11
High street shops	70	6	51	46	43	100.0	45
Other	–	14	2	–	–	–	4
Average rent per sqm (x € 1)							
Shopping centres	164	284	213	–	139	–	225
Retail warehouses	69	167	67	76	–	–	76
High street shops	197	736	300	275	304	313	233
Other	134	144	111	–	–	–	136
Regional spread per country (in %)							
Super cities	12	58	32	11	100	42	29
Large cities	22	41	17	30	–	31	27
Medium-sized cities	27	–	20	15	–	8	16
Small cities	39	1	31	44	–	19	28
Industry spread (in %)							
Non-food	46	37	58	55	59	–	47
Food	26	20	5	4	22	–	16
Living and Leisure	20	28	22	38	–	–	25
Other	8	15	15	3	19	100	12
Occupancy rate at year-end (in %)							
Shopping centres	98.6	98.0	95.0	n/a	95.9	n/a	97.5
Retail warehouses	95.9	100.0	100.0	99.0	n/a	n/a	98.7
High street shops	98.6	100.0	99.8	99.7	100.0	100.0	98.7
Other	n/a	85.8	n/a	n/a	n/a	n/a	84.2

1 Excluding apartments and parking spaces.
2 Including other income (lease of public spaces of shopping centres).


FRESH BELGIAN CHOCOLATES