# VASTNED RETAIL

## ANNUAL REPORT 2009

VASTNED BALANCED GROWTH IN EUROPEAN PROPERTY

# KEY FIGURES PROPERTY PORTFOLIO (in operation)

| | Netherlands | Spain | France | Belgium | Turkey | Portugal | Total |
|---|---|---|---|---|---|---|---|
| **Number of tenants** [1] | 710 | 422 | 241 | 244 | 18 | 13 | 1,648 |
| **Theoretical annual rental income** (x € 1 million) [2] | 49.1 | 34.4 | 27.7 | 21.2 | 2.0 | 1.1 | 135.5 |
| **Market rent** (x € 1 million) [2] | 50.2 | 32.3 | 28.4 | 21.8 | 2.4 | 0.9 | 136.0 |
| **Over/underrent** (in %) | 2.2 | (6.4) | 2.4 | 2.5 | 20.0 | (27.8) | 0.4 |
| | | | | | | | |
| **Average occupancy rate** (in %) | 98.1 | 93.9 | 96.9 | 99.3 | 80.3 | 100.0 | 96.8 |
| **Occupancy rate at year-end** (in %) | 98.1 | 92.3 | 92.4 | 99.1 | 84.8 | 100.0 | 95.5 |
| | | | | | | | |
| **Number of premises** | 319 | 15 | 124 | 94 | 6 | 9 | 567 |
| **Investments in operation** (x € 1 million) | 697 | 410 | 387 | 299 | 30 | 13 | 1,836 |
| **Investments in operation** (in %) | 38 | 22 | 21 | 16 | 2 | 1 | 100 |
| **Average size per property** (x € 1 million) | 2.2 | 27.3 | 3.1 | 3.2 | 5.1 | 1.4 | 3.2 |
| | | | | | | | |
| **Gross yield** (in %) | 7.0 | 8.4 | 7.2 | 7.1 | 6.5 | 9.0 | 7.4 |
| **Net yield** (in %) | 6.2 | 7.8 | 6.6 | 6.5 | 5.8 | 9.3 | 6.7 |
| | | | | | | | |
| **Lettable floor area** (x 1,000 sqm) | 272 | 131 | 102 | 158 | 8 | 3 | 673 |
| **Lettable floor area** (in %) 40 | 19 | 15 | 24 | 1 | 1 | 100 | |
| | | | | | | | |
| **Sector spread per country** (in %) | | | | | | | |
| High street shops | 61 | 6 | 53 | 46 | 67 | 100 | 43 |
| Shopping centres | 27 | 82 | 36 | 6 | 33 | – | 40 |
| Retail warehouses | 11 | 12 | 8 | 48 | – | – | 16 |
| Other | 1 | – | 3 | – | – | – | 1 |
| | | | | | | | |
| **Average rent per sqm** (x € 1) | | | | | | | |
| High street shops | 214 | 732 | 332 | 301 | 471 | 330 | 261 |
| Shopping centres | 185 | 286 | 283 | 150 | 132 | – | 244 |
| Retail warehouses | 96 | 143 | 101 | 88 | – | – | 98 |
| Other | 137 | – | 115 | – | – | – | 120 |
| | | | | | | | |
| **Regional spread per country** (in %) | | | | | | | |
| Super cities | 10 | 60 | 35 | 10 | 100 | 42 | 29 |
| Large cities | 20 | 39 | 17 | 29 | – | 31 | 25 |
| Medium-sized cities | 32 | – | 21 | 16 | – | 8 | 19 |
| Small cities | 38 | 1 | 27 | 45 | – | 19 | 27 |
| | | | | | | | |
| **Industry spread** (in %) | | | | | | | |
| Food | 25 | 22 | 10 | 15 | 17 | – | 19 |
| Non-food | 52 | 54 | 74 | 62 | 81 | 100 | 60 |
| Home and garden | 8 | 8 | 6 | 21 | – | – | 9 |
| Other | 15 | 16 | 10 | 2 | 2 | – | 12 |
| | | | | | | | |
| **Average occupancy rate at year-end** (in %) | | | | | | | |
| High street shops | 97.8 | 100.0 | 96.9 | 100.0 | 81.7 | 100.0 | 97.7 |
| Shopping centres | 99.7 | 91.0 | 90.0 | 87.5 | 91.0 | – | 92.8 |
| Retail warehouses | 97.9 | 97.9 | 94.7 | 99.8 | – | – | 98.4 |
| Other | 66.9 | – | 36.3 | – | – | – | 44.7 |

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

## INDUSTRY SPREAD TOTAL PROPERTY PORTFOLIO




## VASTNED RETAIL N.V.

*The Netherlands*
K.P. van der Mandelelaan 43a,
3062 MB 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

*Spain*
Pº de la Castellana, 141, Planta 22B
Edificio Cuzco IV, 28046 Madrid
Telephone +34 913 60 07 92

*France*
Rue de Rivoli 118-120,
F-75001 Paris
Telephone +33 155 80 57 67

*Belgium*
Uitbreidingstraat 18,
B-2600 Antwerp-Berchem
Telephone +32 32 87 67 67
www.intervest.be
intervest@intervest.be

*Turkey*
Ust Zeren Sok. No: 28,
1. Levent / Beşiktaş Istanbul
Telephone +90 21 22 70 41 92

## 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

## BOARD OF MANAGEMENT

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

## VASTNED RETAIL SHARE

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

This is the English 2009 annual report. The Dutch version is available on our website only in PDF-format. In case of inconsistencies, the English version shall prevail.

## FINANCIAL CALENDAR 2010

*Wednesday 21 April 2010*
General Meeting of Shareholders

*Friday 23 April 2010*
Ex final dividend 2009 trading
(Record date: Tuesday 27 April 2010)

*Friday 23 April up to and including*
*Friday 7 May 2010*
Option period final dividend 2009

*Wednesday 12 May 2010*
Press release first quarter results 2010*
Analysts' conference call/webcast

*Monday 17 May 2010*
Payment date final dividend 2009

*Friday 6 August 2010*
Press release semi-annual results 2010*
Analysts' meeting/webcast

*Tuesday 10 August 2010*
Ex interim dividend 2010 trading
(Record date: Thursday 12 August 2010)

*Monday 30 August 2010*
Payment date interim dividend 2010

*Friday 5 November 2010*
Press release nine months' results 2010*
Analysts' conference call/webcast

---

*Friday 4 March 2011*
Press release annual results 2010*
Analysts' meeting/webcast

* Before trading

# VASTNED RETAIL

## ANNUAL REPORT 2009

# PREFACE CEO

Reinier A. van Gerrevink

Dear readers of this annual report,

This certainly was an interesting year... The crisis that started to emerge in 2008 worsened rapidly last year in a fierce and relentless way. Banks in disarray, government bail-outs, all indicate a clear recession, perhaps worse than the one in the early nineteen thirties. Not very attractive conditions in which to try and carry out your normal line of business. Not knowing how deep this crisis would go, we made no new acquisitions. This was partly to ensure financing remained relatively conservative and to keep solvency above the limit of 50%, and partly because nobody had any idea anymore what property values were: the famous gap between what vendors were asking for good property and what buyers were willing to pay. There were far fewer transactions than in previous years. Yields rose rapidly, and in combination with tenants losing turnover, getting to levels that no longer supported increases in rental income, this meant all our focus was turned to the letting side, either in reletting or finding new tenants for currently or potentially empty properties.

Despite the worsening economic climate, we were able to increase the direct investment result per share. The quality and wide spread of the property portfolio helped to maintain the total rental income while our financing strategy helped us to be flexible and to profit from the low interest rates.

On the divesting side, the market seemed somewhat better. Over the past 15 months we were able to sell off two property portfolios in the Netherlands, with considerable book profit and also with a reasonable size (about € 75 million all together). These sales resulted from the continual assessments we make of the quality of our property portfolio. Normally we would have reinvested the proceeds, but in this case we preferred to stay as much as possible on the conservative side as far as financing was concerned. The positive aspect of this is that we made our own market and the book value appeared to be on the low side, even for 'lesser assets'. Another interesting point is that our main investment category (high street shops) held up pretty well. A third aspect is the fact there was still a market, mostly driven by private investors as more institutional investors stayed away from the market.

Of course we noticed that this could be an ideal moment to make some commercially interesting moves; based on our annual assessment, we came up with a business plan that showed a resurgence of growth and would benefit from possible opportunities if they were to come to the market. Last year that appeared to be somewhat too optimistic because sellers in really straightened circumstances were – still – hard to find. Several property portfolios came on the market though, but mostly of a quality we would not consider. A second important consideration was that our acquisition potential was relatively limited. For this reason we decided to issue some equity (up to 10% of the issued capital). This accelerated book build was strongly oversubscribed, proving that there is still a lot of capital available.

In the meantime we spent some € 25 million on a pipeline property in Lelystad, the Netherlands and on an extension of our Val Thoiry shopping centre in France. We are looking to acquire quality property in all countries, especially in Spain and Turkey. Spain is a target because the real-estate market has plummeted to such an extent that prices have become interesting again. The investment categories we focus on are good quality shopping centres and peripheral retail establishments. We expect to make acquisitions soon. In Turkey it seems the crisis has bypassed the market. Sellers are harsh on yields, certainly in the streets where we are actively 'scrambling' for high street shops, like Istiklal Caddesi and Bağdat Caddesi in Istanbul. This city is booming. Our goal is to build up a high-street portfolio of about € 200 million. We are reluctant to enter the shopping-centre market, since that market seems overcrowded and the zoning is very liberal.

## COUNTRY BY COUNTRY

As I said above, the Dutch property portfolio is holding up pretty well. Valuations were down though, but the fall was relatively moderate compared with Spain and France. Most of our Dutch property portfolio is invested in high street shops, and thanks to our continuous upgrading we have hardly suffered at all from increasing vacancy levels or lower rents. The enormous spread of this property portfolio had really proven its value; write-offs were less severe in the final quarters than prior to that and we expect them to be bottoming out. We are looking for new investments but we feel there is a strange gap between the values in our existing property portfolio and the price of potential investments. We also notice several international retailers are very keen to get into the Dutch market but have great difficulties in finding good space. Good locations in inner cities is scarce and that is in our favour, of course.

Belgium is doing even better. It is a relatively small property portfolio of high quality. Our main issue is how to expand our portfolio in this country, especially in high street shops. There is little property available for sale. We are also looking at shops situated along approach roads, which are interesting because it is quite difficult to create new retail space in Belgium. Nevertheless we sold the Olen project, in fact a (re)development of an existing site that used to be very popular. In view of the uncertainty regarding developments in consumer spending we thought it wiser to sell this project rather than taking the development risk. The potential premium you need on such a project was too small. Value movements were almost flat, showing our property portfolio as such is in good shape.

France has had some issues in the sense that values came down quite a lot initially, but did so from a high peak. The 'Lille portfolio' is playing an important role in that respect since it was acquired for its growth potential, with the passing rent still being very much below the market rent. Progress is slow but sure because of the legal protection of existing tenants. Appraisers nevertheless do not really take this reversionary aspect into account for valuation purposes. They have become a great deal more conservative in their job. The Val Thoiry shopping centre has been extended and is functioning very well. A new lease has been signed with H&M for its Rue de Rivoli shop in Paris. Furthermore, our local team is working hard on the redevelopment of our shopping centre in Plaisir. The investment amount is about € 70 million. In this country too there seems to be a gap between appraisal and transaction value.

Spain is enduring difficult times. Values came down rapidly as a result of lower rental levels and increased yields. Many centres are experiencing rent reductions, smaller tenants are becoming bankrupt and bigger chains like landlords to offer incentives to keep them there. The unfavourable situation also provides new opportunities; accordingly, we are actively looking for new investments. We expect to be able to announce some of these soon, enhancing our position in Spain and enabling us to benefit from the market circumstances. Turnover in our centres seems to have stabilised in the last couple of months but there are still no clear signs of recovery as such. New developments and construction in general are more or less out of the question, which will help the current market to recover.

Turkey is still a very small part of our portfolio, mainly consisting of a number of shops in one of the most popular streets in Istanbul. We think we have run into some very interesting opportunities in this street, which we hope will allow us to become more established. Most of the opportunities concern empty shop units that we acquire and subsequently lease at good market rental levels. In the long run we are building up quite a prime high street shop property portfolio, focussing on the city's best locations. It is very clear that international retailers are doing the same and are not only interested in being represented in the big, mostly new shopping centres. Competition in this market is fierce and there are still a number of competitors coming on to this market, resulting sometimes in shopping centres more or less next to each other. This is because zoning in this country is liberal; a good reason for us to focus on high street shops in the best and most popular streets, where scarcity is already a fact and adding new space is difficult.

## STRATEGY FOR THE NEXT FIVE YEARS

VastNed Retail likes to continue its focus on balanced growth of its portfolio. Important drivers are improving the liquidity of our share and our visibility in the real-estate market. We will be doing so partly organically, partly by looking for partners with whom we could potentially have a perfect fit. Of course we are not just planning this because of size itself. Growth is desirable in combination with a gradually increasing direct investment result per share.

Kind regards,
Reinier A. van Gerrevink, CEO

## LIST OF ABBREVIATIONS

| | |
|---|---|
| AFM | Dutch Authority for the Financial Markets |
| Bevak | (Belgian) investment company with fixed capital |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CIO | Chief Investment Officer |
| Code | The Dutch corporate governance code |
| CPI | Consumer Price Index |
| EPRA | European Public Real Estate Association |
| GDP | Gross Domestic Product |
| GPR | Global Property Research |
| IAS | International Accounting Standards |
| IFRS | International Financial Reporting Standards |
| IMF | International Monetary Fund |
| IRS | Interest Rate Swap |
| IVBN | Dutch Association of institutional property investors |
| REIT | Real Estate Investment Trust |
| 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 local taxes.

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

*Occupancy rate*
100% less the vacancy rate.

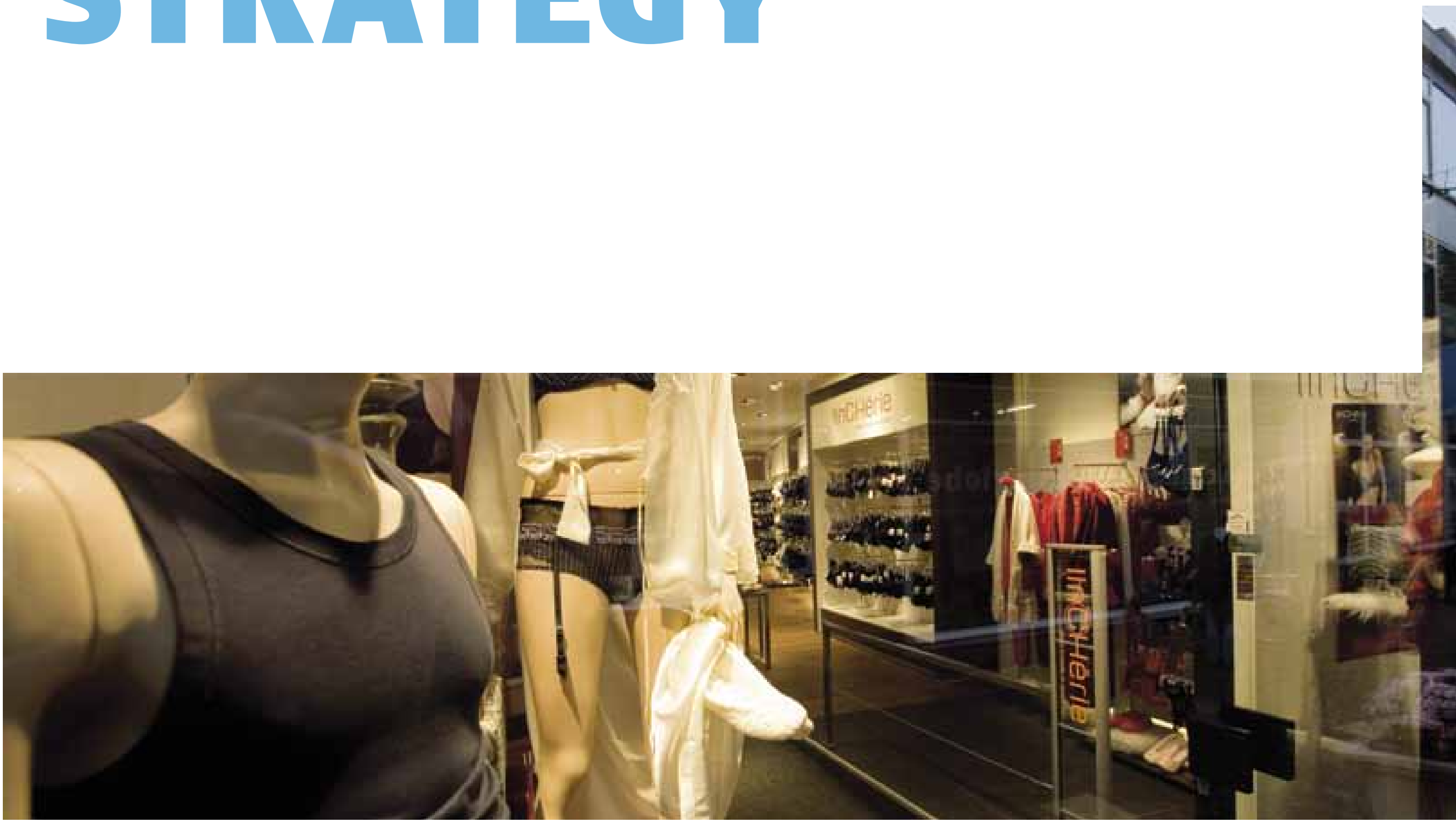
*Straightlining*
Phasing the costs of lease discounts, rent-free periods and lease incentives over the duration of the lease contract.

*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.

# PROFILE AND STRATEGY



## HISTORY

VastNed Retail N.V., founded in 1986, is a (closed-end) property investment fund with variable capital which makes long-term investments in individual retail properties (high street shops), shopping centres and retail warehouses, all with healthy occupancy levels and primarily in the euro zone. The shares have been listed on NYSE Euronext Amsterdam since 9 November 1987 and on NYSE Euronext Paris since 20 December 2004. The shares have been included in the Amsterdam AMX index since 3 March 2008. VastNed Retail is part of the VastNed Group.

## VISION

There is a clear link between investing in retail property and the retailers who use the shops for their business in the sense that in the long run rent levels depend on retailers' profits. The retailers' success and the competitiveness of the locations are therefore major factors determining the long-term success of the retail property investor.

## MISSION AND STRATEGIC OBJECTIVE

VastNed Retail offers institutional and private shareholders an investment product that focuses primarily on retail properties. Investors are given the opportunity to benefit from the dynamics of retail markets with the aim to achieve a high total return. The total return consists of direct returns based on rental income plus indirect returns due to changes in value in the property portfolio. In the longer term, the objective is to increase the dividend per share through active management of the portfolio.

## INVESTMENT PRODUCT AND INVESTMENT METHODOLOGY

VastNed Retail aims to realise its objective by focusing on the following investment products and by using the following investment methodology:

- a mix of high street shops, shopping centres and retail warehouses, striving for a balanced investment mix. The aim is to have between 35% and 60% invested in high street shops, between 20% and 50% in shopping centres and between 10% and 30% in retail warehouses;
- focus on shopping areas and tenants that stand out in terms of vitality and competitiveness;
- a balanced risk-return profile for the investments;
- focus on four core countries: the Netherlands, Spain, France and Belgium; and a focus on the development of Turkey as a future core country with a desired share of approximately 10% of the total property portfolio if interesting opportunities arise;
- aiming for sufficient critical mass in the core countries, so that local management has a sufficient number of disciplines available and is able to attract and retain high-quality staff; and
- focus on an optimum spread within the property portfolio, using the following spread criteria: countries, regions, cities, spread in categories, number of properties, number of tenants, a limit to the size of properties and a limit to the size of individual tenants.

## SIZE

At year-end 2009, VastNed Retail's property portfolio in operation had a value of € 1,836.1 million (year-end 2008: € 1,967.2 million). At that date it had the following composition:

- 43% high street shops;
- 40% shopping centres;
- 16% retail warehouses; and
- 1% other properties.

## FISCAL STRUCTURE

An attractive tax climate is an important factor in determining investment selection. VastNed Retail qualifies as a fiscal investment institution as meant in Section 28 of the 1969 Netherlands Corporate Income Tax Act. This means that no corporate income tax is due in the Netherlands. In Belgium almost all investments have been incorporated in the property Bevak Intervest Retail, which is also exempt from income tax. The French property investments are also almost entirely exempt from income tax under the SIIC regime applying in that country. The investments in Spain, Turkey and Portugal are subject to standard taxation. The option of applying the new Spanish REIT regimes (SOCIMI or SII) has been investigated. At the moment these regimes do not seem to be sufficiently attractive to warrant implementation in the short term in view of the composition of the property portfolio as a whole.

## FINANCING POLICY

The basic rule is that the loan capital used to finance the property portfolio is kept to about 40% to 45% of the market value of the properties at the most. A temporary deviation from this limit is possible if interesting acquisition or divestment opportunities arise, and provided the ratio between interest rates and the yield on the properties is acceptable. VastNed Retail operates within the financing limits as meant in Section 28 of the 1969 Netherlands Corporate Income Tax Act. Furthermore, the organisation aims for a balance between short-term and long-term fixed interest periods in its financing. The basic position is that two thirds of the loan portfolio should have fixed interest rates with a weighted average term of at least three years. To this end, interest-rate derivatives are used where appropriate. In order to limit refinancing risks, the aim is to have three quarters of the loan portfolio made up of long-term loans with a weighted average term of at least five years. Particularly in periods when the VastNed Retail share price trades at a premium compared to actual or forecast net asset value, it may be attractive to issue new shares. In principle new shares will only be issued if there are good investment opportunities in the foreseeable future. The decision to issue or repurchase own shares is taken by the Board of Management, taking into account the limits and conditions set by the Supervisory Board.

## CURRENCY POLICY

VastNed Retail aims to avoid currency risks by investing primarily in the euro zone. When currency Risks occur, their scope is limited by carefully matching 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 on page 164 in this annual report.

## DIVIDEND POLICY AND RESERVATION POLICY

VastNed Retail's dividend policy is aimed at letting the shareholders dispose fully of the direct investment result. The profit for tax purposes as a minimum must be paid out in cash in order to comply with the fiscal conditions for fiscal investment institutions. The dividend is placed at the shareholders' disposal in the form of an interim dividend equal to 60% of the direct investment result for the first six months of the financial year plus a final dividend after the financial year has closed.

## ACQUISITION AND DIVESTMENT POLICY

VastNed Retail pursues an active acquisition and divestment policy. New investment opportunities are constantly being assessed. When acquiring pipeline projects, the development risks are generally transferred to contracted project developers and building contractors. Leasing risks may be accepted if the Company is involved in the design and decisions regarding the tenant mix from an early stage. Acquisitions are only made if the market conditions are favourable, the risk-return profile is balanced and the capital ratios allow the transactions in question. In this context, acquisition opportunities are constantly being weighed up against financial alternatives such as the repurchase of own shares.
A review is carried out at least once a year to ascertain which properties in the property portfolio no longer satisfy the desired risk-return profile. This can lead to a sale in some cases.

## RISK MANAGEMENT

VastNed Retail pursues an active policy of assessing the risks associated with investing in property and taking appropriate action where necessary. In doing so, it distinguishes between strategic risks, operational risks, financial risks, reporting risks and compliance risks. A more detailed description of VastNed Retail's risk management can be found in the Report of the Board of Management chapter on page 77 and the Risk management chapter on page 164 in this annual report.

## SUSTAINABILITY

VastNed Retail gives a high priority to sustainability and actively implements its policy on sustainable business practices in its property portfolio. More information is to be found further on in this annual report (page 75).

## ORGANISATION

VastNed Retail actively manages its property portfolio; its aim is to have fully-fledged local management in place in the countries in which it has operations. With over 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, VastNed Management Deutschland in Frankfurt 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 provides the funds with a directory board and management.

A cost allocation agreement applies to the partnership between VastNed Retail, VastNed Offices/Industrial and VastNed Management. All costs incurred are allocated on the basis of the actual work done, without any mark-up for profit. VastNed Retail holds 67% of the shares in VastNed Management, while 33% are held by VastNed Offices/Industrial.

Keeping the property and asset management in-house is the best way of ensuring optimum leasing to creditworthy tenants and proper care for the state in which the properties are kept. By carrying out as many of the commercial and administrative management tasks as possible in-house, the Company comes into direct contact with the tenants and the property market, enabling it to respond sharply to market developments and to manage operating expenses in a responsible fashion. Technical management is largely subcontracted to local specialists. Care is taken to ensure the properties are in an optimum state with an optimum value in relation to the returns for shareholders. This is done by carrying out maintenance and renovations on property investments in the portfolio and by selling properties that are no longer appropriate for the portfolio. The property markets in the different countries are subject to the legislation and regulations applicable in the countries in question. Local networks together with specialist knowledge of the local culture give the company the edge in the commercial operation of the properties. VastNed Retail aims to carry out these activities in the country itself wherever possible.

# REPORT OF THE SUPERVISORY BOARD

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

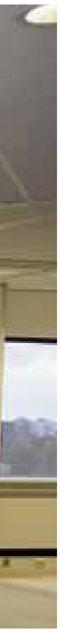
## INTRODUCTION

For the Supervisory Board, 2009 was a year in which the full extent of the consequences of the credit crisis became clear. These consequences were discussed in depth by the Supervisory Board.
The Supervisory Board held nine meetings in 2009 that were attended by the Board of Management; one of these meetings took the form of a conference call. The Supervisory Board also held meetings at which the Board of Directors was absent. The topics discussed during these nine meetings included:

- the state of affairs and the risks in the property portfolio;
- the strategy and the risks (risk management) of the Company as a whole and subsidiary aspects;
- the financial results, plus how they were reported in press releases;
- the financing structure of the Company and its resilience in the light of the credit crisis;
- the share issue;
- corporate governance, including a change to the articles of association and regulations;
- dividend policy and policy on reserves;
- the performance of the Supervisory Board itself and its members, whereby there were extensive discussions about the fact that the General Meeting of Shareholders held on 7 April 2009 did not discharge the Supervisory Board members of their duties;
- how the Board of Management, its individual members and the general counsel were functioning;
- the composition of the Board of Management;
- how the external auditor was functioning;
- the remuneration of the members of the Board of Management;
- the relationship with the shareholders;
- aspects of corporate social responsibility, where relevant for the Company;

- partnership agreement with VastNed Offices/Industrial; and
- how the subcommittees of the Supervisory Board were functioning, including the reports from these committees.

The Supervisory Board devoted particular attention to the effects of the economic crisis in Europe and to the continuation of the current strategy, which involves further strengthening the property portfolio's risk-return profile by means of sales and acquisitions. In addition, the discussions covered the need to keep up occupancy rates and the value of the property portfolio. With regard to acquisitions, the extension of the Turkish retail portfolio was discussed. The Supervisory Board decided to continue the strategy of increasing it to 10% of the overall property portfolio. The Supervisory Board shares the opinion of the Board of Management that the market for A1 shops in Istanbul offers opportunities that are currently not available in the present range of core countries. Another important issue discussed was how to make it possible for any commercially interesting acquisitions to be made in the current markets while at the same time strengthening the balance sheet. To that end, the Supervisory Board approved a share issue. The Supervisory Board discussed and approved the 2010-2012 business plan.



The Board of Management always kept the Supervisory Board supplied with sufficient information. None of the members of the Supervisory Board was frequently absent. A number of subjects that were discussed in the Supervisory Board's meetings are explained briefly below.

## GENERAL MEETING OF SHAREHOLDERS 2009

The decisions taken by the General Meeting of Shareholders on 7 April 2009 included the following:
- Approval of the annual accounts for the financial year 2008;
- Setting the final dividend for 2008 at € 2.68 per share, to be taken either wholly in cash or as € 0.85 cash plus 1 new share for every 18 existing shares, to be charged to the share premium reserve;
- Extended discharge of the members of the Board of Management of their duties for the management activities over the financial year 2008;
- Determining the remuneration of the members of the Board of Management for 2009 as well as determining the post-payment of salary for 2008; and
- Reappointing Mr N.J. (Klaas) Westdijk as a member of the Supervisory Board.

The change to the articles of association listed in the agenda was not put to the vote in view of the indications institutional shareholders gave in the run-up to the General Meeting of Shareholders that they were not able to agree with the text included in this proposal describing the right to have items placed on the agenda.
There was not sufficient support from the General Meeting of Shareholders for the payment of an exceptional bonus to the members of the Board of Management. The Supervisory Board respects the decision by the General Meeting of Shareholders not to pay the proposed exceptional bonus; the placement of the proposed exceptional bonus on the agenda was a key factor leading to the decision by the General Meeting of Shareholders not to discharge the members of the Supervisory Board from their supervision duties in 2008.

## EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Because the above-mentioned General Meeting of Shareholders did not adopt the proposal to discharge the Supervisory Board of its duties, an Extraordinary General Meeting of Shareholders was called on 17 April 2009. This Extraordinary General Meeting of Shareholders, held on 15 May 2009, adopted the items on the agenda with a large majority. These were the following items:
- Discharging the Supervisory Board of its duties for the supervision exercised over the Board of Management during the financial year 2008. In view of the fact that discharge was not given and the discussions about an exceptional bonus promised to the members of the Board of Management in the General Meeting of Shareholders on 7 April 2009, the Supervisory Board has evaluated the decision-making process regarding such promises. The Supervisory Board indicated during the Extraordinary General Meeting of Shareholders that it would always submit any proposed exceptional bonuses to the (Extraordinary) General Meeting of Shareholders beforehand prior to awarding them.

- Furthermore, a change to the articles of association was adopted. In the first instance, this involved the transfer of the authority to determine the remuneration of the members of the Board of Management from the General Meeting of Shareholders to the Supervisory Board. This change means that the Supervisory Board determines the remuneration of the individual members of the Board of Management on the basis of the remuneration committee's proposal and within the framework of the remuneration policy adopted by the General Meeting of Shareholders on 6 April 2004 or to be adopted by a General Meeting of Shareholders in the future. Secondly, a number of amendments were voted on that were intended to bring the articles of association in line with changes and anticipated changes to legal provisions within company law.

## CORPORATE GOVERNANCE

The Supervisory Board sees the structure of its supervisory role as a key aspect of the corporate governance of VastNed Retail as a company. Accordingly, the Supervisory Board carefully examined the amended Code, published on 10 December 2008. The Supervisory Board acknowledges the importance of a proper corporate governance structure. VastNed Retail's corporate governance structure was discussed in various meetings. These discussions about the corporate governance structure led to changes in the articles of association, for example. Changes of any substance to the corporate governance structure will always be submitted to a General Meeting of Shareholders for discussion. The changes in the regulations concern inter alia the following subjects:
- The supervisory function of the Supervisory Board has been extended to include supervision of the relationship with the shareholders and aspects of corporate social responsibility (CSR) that are relevant for the Company. Ad hoc reports are already being provided on first mentioned subject. Regular reporting will be instituted. CSR will be incorporated in the internal property reporting;
- The diversity condition was worked out in more detail. The Supervisory Board aims for a mix in terms of such factors as gender and age. The Supervisory Board has set the specific target that it should have at least one woman amongst its members. The Supervisory Board will give an account of the extent to which it has achieved this objective in the report by the Supervisory Board in the annual report. In relevant cases where a vacancy arises and the Supervisory Board member in question is not available for reappointment, the Supervisory Board will ask the Stichting Prioriteit VastNed Retail to look for a female candidate; and
- Defining the active involvement of the Supervisory Board in the takeover process in the event of a public bid for the Company's shares or preparations for such a bid.

## CORPORATE SOCIAL RESPONSIBILITY

A number of actions relating to corporate social responsibility have taken place. Key people at the Dutch office have taken a personal integrity course in which various case studies are used to discuss a number of moral dilemmas. The 2010–2012 Business Plan, which was approved by the Supervisory Board, comprises a number of initiatives that will be implemented over the coming years by the Board of Management regarding making the property portfolio more sustainable. The Supervisory Board believes that the 2010–2012 Business Plan represents a suitable approach to this subject.

## SHARE ISSUE

On 11 September 2009 VastNed Retail used an accelerated book build without pre-emptive rights to issue 1,660,473 new ordinary shares at a price of € 45.50 per share. The new offer of issued shares without pre-emptive rights accounted for less than 10% of the issued share capital. In such circumstances new shares can be issued without drawing up a prospectus under the condition that the shares are offered to investors that can be qualified as professional investors (in practice institutional investors). This enabled the company to act quickly and have the shares placed with institutional investors within a few hours. The net proceeds was used to strengthen VastNed Retail's financial position and enable the Company to benefit from commercially attractive acquisition opportunities in VastNed Retail's investment markets.

## 2009 ANNUAL REPORT AND ANNUAL ACCOUNTS

The annual report drawn up by the Board of Management includes the 2009 annual accounts audited by Deloitte Accountants B.V. The Supervisory Board is in agreement with this report and with the 2009 annual accounts and it recommends that the General Meeting of Shareholders adopts the 2009 annual accounts in the form as presented.

## DIVIDEND POLICY AND RESERVATION POLICY

The Supervisory Board has had detailed discussions with the Board of Management about the existing dividend policy and reservation policy. Considerations included the extent to which equity could be strengthened by modifying this policy (e.g. reducing the pay-out ratio). The conclusion was that this would not lead to a significant reinforcement of equity and that modification of the dividend policy and reservation policy could damage the confidence of a number of shareholders who retain VastNed Retail shares specifically because of the attractive dividend yield. The Supervisory Board therefore decided to continue the current dividend policy, paying out the full amount of the direct investment result per share. Part of the final dividend may be paid out to the shareholders as a stock dividend charged to the share premium reserve. The profit for tax purposes as a minimum must be paid out in cash in order to comply with the fiscal conditions for fiscal investment institutions. An interim dividend will be paid in September based on 60% of the direct investment result per share for the first six months of the financial year. The final dividend will be paid in May of the following financial year, based on the total direct investment result per share over the previous financial year.

## DIVIDEND PROPOSAL

The Supervisory Board is able to agree with the proposal by the Board of Management that the following final payment per share should be made:
- 5% in cash on the priority shares;
- a pay-out on the ordinary shares (after deduction of the interim dividend of € 1.25) of € 2.78 out of the freely distributable reserves, of which:
  - € 2.78 in cash minus 15% dividend tax; or
  - € 1.10 in cash minus 15% dividend tax, plus a percentage in the form of shares (still to be determined), depending on the share price but approximating to a cash equivalent of € 1.68, charged to the share premium reserve, without deduction of dividend tax.

This takes the total dividend paid out over 2009 to € 4.03 per share.

## COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board is composed as follows:
- Wouter J. Kolff, chairman
- N.J. (Klaas) Westdijk, vice-chairman
- Pieter M. Verboom, audit committee chairman
- Jeroen B.J.M. Hunfeld, member of the audit committee

The curricula vitae of the Supervisory Board members are set out in the chapter Management and corporate governance included elsewhere in this annual report.

## SUBCOMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has three active committees: the audit committee, the remuneration committee and the nomination committee.

### AUDIT COMMITTEE

In 2009 the audit committee met on four occasions. The task of the audit committee is to advise the Supervisory Board in the area of finance. Topics addressed during the past year include financial reporting, budgeting, the role of the external auditor, tax issues and tax risks, compliance (inter alia with the AFM), IFRS, interest-rate and financing risks, the impact of the credit crisis on both financing and property values, letting risks, catastrophes and liability risks, debtor risks, internal control, IT systems, legal risks and the follow-up of recommendations made by the external auditor as well as the audit findings presented by the external auditor. All audit committee reports were made available to all members of the Supervisory Board and were discussed at the following meeting of the Supervisory Board. Within the context of the audit committee meeting concerning the annual results, the audit committee held a brief discussion with the external auditor in the absence of the Board of Management. Mr Verboom is the chairman of the audit committee and Mr Hunfeld is a member.

### REMUNERATION COMMITTEE

The remuneration committee is set up at the VastNed Management level, given that the board members work for both VastNed Retail and VastNed Offices/Industrial, and their remuneration reflects the combined activities for both funds. The remuneration committee comprises Messrs. Westdijk (chairman) and Kolff on behalf of VastNed Retail and Messrs. Steenstra Toussaint and Breukink on behalf of VastNed Offices/Industrial. The task of the remuneration committee is to advise the Supervisory Board concerning the remuneration policy to be adopted for the members of the Board of Management. This committee met on two occasions in 2009. Specifically, the salaries for the members of the Board of Management for 2010 were discussed, along with the extent to which the pre-defined objectives for 2009 were achieved. The remuneration committee also prepared the 2009 remuneration report included in this annual report, which will be discussed by the General Meeting of Shareholders on 21 April 2010.

### NOMINATION COMMITTEE

The nomination committee is set up at the VastNed Management level, in the same way as the remuneration committee. The nomination committee met three times to discuss nomination, specifically looking at filling the vacancy for a CIO. It is expected that this vacancy will be filled during the course of 2010.

## CHANGES TO THE SUPERVISORY BOARD

There were no changes to the composition of the Supervisory Board in 2009.

## PROFILE OF THE SUPERVISORY BOARD

The Supervisory Board profile guarantees that the Supervisory Board has the proper composition, i.e. that the available knowledge and experience enable effective supervision of the management activities of the Company's Board of Management. This profile is available from the Company's website and copies may be obtained from the Company's offices. The Supervisory Board declares that all its members are independent, as defined in the Code.

## RETIREMENT ROSTER

The retirement roster for the coming years is as follows:
- Mr Wouter J. Kolff, 2010 (eligible for re-election)
- Mr Jeroen B.J.M. Hunfeld, 2011 (eligible for re-election)
- Mr Pieter M. Verboom, 2012 (eligible for re-election)
- Mr N.J. (Klaas) Westdijk, 2012 (not eligible for re-election)

The articles of association stipulate that a period in office is limited to three terms of four years. VastNed Retail is hereby acting in accordance with the Code.

## GENERAL MEETING OF SHAREHOLDERS 2010

The agenda of the General Meeting of Shareholders on 21 April 2010 and the associated shareholder circular will be published in March 2010.

## PERSONNEL

The Supervisory Board would like to thank the Board of Management and the employees for their work and loyalty during the year under review.

Rotterdam, 10 March 2010
On behalf of the Supervisory Board,
Wouter J. Kolff, chairman

# REPORT OF THE BOARD OF MANAGEMENT

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

This report discusses economic developments, the markets in which VastNed Retail operates, specific developments in our property portfolio, sustainability, personnel and organisation, risk management and the financial state of affairs.

## ECONOMY AND MARKETS

### ECONOMY

As a result of the crisis of confidence that occurred in 2008, the euro zone experienced considerable economic contraction in 2009, which in turn had an extremely adverse effect on government budgets in all euro zone countries. Companies and private individuals alike have run up debts that have to be rescheduled at some time. According to the IMF 2009 was a year in which, for the first time, emerging economies constituted a larger share of the world economy than established ones. In other words, emerging economies have become the key drivers of global economic growth. This does not, however, mean an end to the economic woes of established economies, since genuine recovery requires the restoration of both stability in government finances and sound bank balances with respect to companies and private individuals. In 2010, initial economic recovery in the euro zone will depend primarily on growth in the world economy. Furthermore, the robustness or, as the case may be, fragility of that recovery will differ strongly according to country.

At first glance, employment trends appear relatively favourable when the relationship between those trends and economic growth is viewed within a broader historical context. The number of hours worked has dropped more sharply, however. Part of the economic downturn is being absorbed by short-time working and the engagement of freelancers. The likelihood is therefore that the decline in employment opportunities will continue in 2010 and, in addition to the repayment of debts, be a key influencing factor with respect to consumers.

Moderate economic recovery in the coming years seems to be the most probable scenario for the euro zone. On the one hand, as stated above, emerging economies are performing relatively well and currently account for most of the growth in the world economy, which means that exports will be the euro zone's key driver in the initial years of economic recovery. On the other hand, growth in the internal economy of the euro zone will be hampered by the numerous adjustments required in fiscal and economic terms as well as with respect to the finances of private individuals. Sound financial ratios can only become a reality again in a general sense after these adjustments have been made. In other words, an unequivocal contribution to the growth of the domestic economy can only be expected after the balance referred to has been restored.

Moderate economic recovery in the euro zone entails clear risks. On the one hand, deflation could occur as a result of restrained consumer spending for a sustained period prior to the restoration of personal finances. Deflation would in turn lead to postponements of expenditure, which would hamper economic recovery and could lead to a new crisis. Conversely, a pronounced increase in the rate of inflation due to extremely large-scale government economic stimulus packages and steep price rises as a result of sharply increased demand for raw materials and the exceptionally low interest rates of the present time are both reasonable possibilities, the manifestation of which would mean high inflation and economic stagnation.

## RETAIL MARKET

The sharp decline in the economy followed a long period of favourable conditions for the retail market. Retail sales grew as consumers were able to take on more debt as a result of rising house prices and falling interest rates. The retail property investment market has gained massively in popularity since the early 1990s, which has been causing net initial yields to fall. The drop in the risk premium for retail investments was also caused in part by the sharp fall in interest rates over the same period. This created additional demand for retail property, since investors were able to attract large amounts of low-cost loan capital to finance investments in retail property. The great popularity of retail investments among investors also impacted positively on new retail property developments. A lot of new projects were initiated and realised, but because of the long lead times involved in these kinds of development projects, much of this retail property has only come onto the market in the last few years.

Retail sales came under significant pressure in 2009 as consumers reined in their spending. Besides retail goods, consumer spending also includes cars, holidays and suchlike. The drop in house prices is having a detrimental impact on consumers' debt levels and is making them even more cautious. As a result, consumers are now concentrating first and foremost on reducing their debt levels. Experience has shown that it can take a number of years to reduce debts to a level with which the consumer is comfortable.

Online retail sales have been growing strongly for many years, and 2009 was no different. Particularly noteworthy is that all retail segments are now selling well on the internet. The growth of online retail trade has therefore made it a formidable competitor to the high street. The reason for this is twofold: firstly, the rapid proliferation of broadband has increased the popularity of the internet, and secondly, online shopping has become much more widely accepted. Success factors are price competition, in-depth product ranges and convenience. Online shops have also got delivery to the customer down to a tee. Those with a strong brand name are doing well.

Because of the drop in retail sales, the increased supply of retail space and the strong competition from the internet, the demand for and supply of retail locations is very likely to change. Retailers will be taking a critical look at their store numbers and will start closing shops that do not produce certain levels of returns. However, there are also retail chains that are going the expansion route and that are in fact identifying opportunities for renting in sought-after locations in these times. The number of vacant units in locations that are less popular with the consumer is set to rise.

Despite the adverse economic climate, the success factors in the retail property market remain unchanged. The key factors are the location of the property and the success of the retailer. Other success factors are the economic growth in the catchment area and consumers' income levels and growth in incomes. The demographic of the catchment area is also becoming increasingly important. Larger cities have a more favourably structured demographic, making the economy in those cities generally more dynamic, which has the effect of attracting more people. Differences in success factors determine the strength of a retail location and thus the extent to which it will be affected by the drop in retail spending. A good quality property portfolio is resilient. VastNed Retail focuses on reducing the biggest specific risks by disposing of properties with a poor competitive position. A strong competitive position is always key in our acquisition of new retail property. We will continue to pursue our policy of ongoing improvement while retaining a good spread of countries and numbers of properties within our property portfolio.

The lower values of retail investments coupled with the steep drop in interest rates has significantly increased the risk premium for retail investments. The strong recovery in the stock markets and the steep rise in bond prices are making retail investments attractive again. The total volume of all transactions in the property investment market therefore increased in the second half of 2009. There is a lot of interest in good and very good quality retail property. A further increase in the total volume of transactions in 2010 is likely, and we could also see value levels stabilise.

## PROPERTY PORTFOLIO

### INTRODUCTION

To assess VastNed Retail's property portfolio and its performance in 2009, we need to look at two key aspects. The first aspect relates to the operational level. As stated in the chapter on Profile and strategy, the property investor depends on the retailers' results in the long term. Turnover and profit figures in the retail sector are under pressure, which is causing tenants to look more closely at rent levels. These same tenants are dependent on the specific location of the retail property, which is still affected by shortages. In addition, VastNed Retail's property portfolio is generally let at relatively modest rents, partly as a result of protective tenancy laws. Along with long-term leases, this currently offers protection against dramatic falls in cash flows among tenants. The second aspect is the appeal retail property has to investors. Over the past year, investors have been demanding higher returns. This was reflected in the lower appraisals of property investments. In all four quarters, value movements were on average negative. The percentage drop in values in the property portfolio had decreased by the end of the year, a development that can also be seen in the investment markets.

As was the case in previous years, reporting and the degree of transparency in that reporting were important issues in 2009. As regards the reporting on property in this annual report, the best practice provisions formulated by the IVBN and EPRA were adhered to.

### PROPERTIES

43% of the property portfolio consists of individual retail properties (high street shops). Investments are also made in small and medium sized, locally well embedded shopping centres (40%) and large retail warehouses (16%). At year-end 2009 the total property portfolio in operation comprised 567 properties (year-end 2008: 598) spread over six countries, with a total lettable floor area of 673,074 sqm (year-end 2008: 699,006 sqm). The balance sheet value of the property portfolio in operation was € 1,836.1 million at year-end 2009 (year-end 2008: € 1,967.2 million).

### OCCUPANCY RATE

One of the most important parameters for determining whether the property portfolio is performing well is the occupancy rate and the extent to which properties are relet on attractive terms. Thanks to our active letting strategy, the occupancy rate has remained reasonably stable despite the economic climate and dwindling consumer confidence. The average occupancy rate of the total property portfolio in operation was 96.8% in 2009 (2008: 97.9%). The occupancy rate at year-end 2009 was 95.5% (year-end 2008: 97.8%). This fall was mainly caused by the expiry of the rent guarantee on the Lille portfolio, the difficult market situation in which the Spanish property portfolio finds itself and the recent acquisition of a vacant property in Istanbul. The occupancy rate at year-end is calculated by dividing the year-end passing rent plus the year-end contractual rental income from vacant units which are already let but yet not physically occupied by the year-end theoretical rental income from the property portfolio as at year-end. The spread of the occupancy rate per country can be seen in the overview on page 30.

The changes in the occupancy rate are largely determined by the number of contracts concluded with new tenants and the number of departing tenants. In 2009 98 new lettings were realised (lettings of vacated retail spaces or space about to be vacated to new tenants) in the core countries, representing a total rental income on an annual basis of € 4.7 million, and 118 tenants departed, representing € 6.8 million in rental income.

## INDEXATION

Virtually all leases contain an inflation compensation clause or a fixed increase, generally based on the CPI, except for the French property portfolio which can either be indexed based on the local cost-of-construction index or on a combination of the CPI, retail prices and the local cost-of-construction index.

## LEASING ACTIVITY

As specified in the foregoing, we concluded a large number of contracts with new tenants in 2009. The total number of leasing transactions involves more, however. The leasing activities can be divided into new leases and lease renewals. The first category comprises the leasing of vacated or shortly to be vacated space to new tenants, as already mentioned, and the second category comprises new leases concluded with existing tenants. This includes leases signed in 2009, also if the actual commencement date is after 2009. New leases were concluded in VastNed Retail's core countries at gross top-line rents averaging 7.0% above the previous level (2008: 13.0%). If lease incentives are taken into account, which is relevant for future results, new leases concluded were on average 1.0% above the previous level (2008: 8.0%). The total volume of leasing activity amounted to € 10.8 million in new or renewed leases. Expressed as a percentage of the theoretical rental income in the core countries, this amounted to 8.1% (2008: 7.4%).

## LEASE INCENTIVES

Lease incentives such as rent-free periods, lease discounts and other payments or contributions benefiting the tenant increased to 1.6% of gross rental income (2008: 1.2%). This rise was primarily due to an increase in lease incentives in the Spanish property portfolio. Taking into account the lease incentives that can actually be attributed to 2009 without applying straightlining (cash basis), the increase is even slightly higher, i.e. from 0.9% in 2008 to 1.6% in 2009.

## TENANTS

VastNed Retail leases its properties to a large number of tenants. The total number of tenants in terms of leases, excluding apartment tenants, was 1,648 at year-end 2009. A list of the major tenants is provided in the table on page 31. None of the tenants is so dominant as to constitute an important risk to the volume of VastNed Retail's rental income. This list is based on retail concerns, some of which are represented in VastNed Retail's property portfolio in various formulas.

## MARKET RENT

At year-end 2009 VastNed Retail's property portfolio was let at 99.6% of the market rent on average. For this calculation, the market rents defined by independent appraisers were compared to the theoretical rental income of the property portfolio. This theoretical rental income consists of the gross rental income at year-end 2009, including mall income and the estimated turnover rent, plus vacant properties at market rent levels. This slight underrent is the result of instances of overrent and underrent in various countries.

## LEASE EXPIRY DATES

VastNed Retail is active in six countries with different lease types and terms in each country as a result of local legislation and customs. The graph on page 32 shows the expiry dates of the total property portfolio. The average term is 6.4 years (year-end 2008: 6.0 years). Upon expiry of a lease, there is often an option to adjust the rent in VastNed Retail's favour. Taking into account the time remaining until the tenant's next possible termination date, the average lease term is 3.0 years (year-end 2008: 3.1 years). VastNed Retail has well-spread lease expiry dates.

## ACQUISITIONS

In 2009 a limited number of acquisitions were made in France and Turkey with a value of € 9.9 million in total. A list of these acquisitions is provided below.

| City, Address | Investment volume (x € 1 million) | Net initial yield in % |
|---|---|---|
| France, Limoges | | |
| Centre Commercial 'Carrefour Limoges-Corgnac' (retail unit) | 0.4 | 6.1 |
| Turkey, Istanbul | | |
| Istiklal Caddesi 119 | 5.3 | 6.4 |
| Bahariye Caddesi 58 | 2.5 | 7.9 |
| Bahariye Caddesi 66/B | 1.7 | 7.5 |
| *Total* | **9.9** | **7.0** |

## COMPLETED INVESTMENT PROPERTIES UNDER RENOVATION

A retail unit of 2,589 sqm in the Montigalá shopping centre in Badalona, Spain was also taken into operation in 2009 following its renovation. At the time that it was taken into operation, the value of this unit was € 3.6 million.

## COMPLETED INVESTMENT PROPERTIES IN PIPELINE

Two pipeline projects in the Netherlands and France were completed in 2009. These projects were acquired for € 24.1 million. They involved the following properties:

| City, Address | Investment volume (x € 1 million) | Net initial yield in % |
|---|---|---|
| Netherlands, Lelystad | | |
| De Promesse, Wisselplein | 17.6 | 5.9 |
| France, Thoiry | | |
| Centre Commercial Val Thoiry | 6.5 | 6.1 |
| *Total* | **24.1** | **6.0** |

## DISPOSALS

In 2009 disposals totalled € 60.1 million, and comprised investment properties in the Netherlands, France and Belgium. These disposals improved VastNed Retail's risk return profile. They involved the following properties:

| | Net proceeds (x € 1 million) |
|---|---|
| *The Netherlands* | |
| *High street shops portfolio* consisting of: | 35.3 |
| Amsterdam, Reguliersdwarsstraat 95-97 | |
| Apeldoorn, Adelaarslaan 86-146/Talingweg 54 | |
| Arnhem, Koningstraat 14-15/Beekstraat 98/Klarestraat 21-27 | |
| Bodegraven, Kerkstraat 22-24 | |
| Deventer, Lange Bisschopstraat 7 | |
| Dordrecht, Voorstraat 276/Vriesestraat 1 | |
| Geldermalsen, Geldersestraat 15 and 't Hooghuys 1-6 | |
| Harmelen, Dorpsstraat 152-154/154a-154f | |
| Heemstede, Binnenweg 167/Binnendoor 1-13 and Binnenweg 181/Binnendoor 6 | |
| Kerkrade, Hoofdstraat 13 | |
| Rotterdam, Noordmolenstraat 57-59 and Korte Hoogstraat 15 | |
| Stadskanaal, Europaplein 53 | |
| The Hague, Fahrenheitstraat 567-571 | |
| Utrecht, Rijnlaan 6 | |
| Venlo, Vleesstraat 74 | |
| Vianen, Voorstraat 84 | |
| Wageningen, Stadsbrink 2-42 and 69-71 | |
| Zaandam, Westzijde 24-30 and 86 | |
| *Other* | |
| Apeldoorn, De Eglantier 409 | 0.2 |
| Eindhoven, Franz Leharplein3-7/Willaertplein 12 and 13 | 1.7 |
| Eindhoven, Frederiklaan 108-110/Schootsestraat 101-109 | 1.7 |
| Enschede, Boulevard 1945 nr. 372 | 2.5 |
| Krimpen a/d IJssel, Brink 1-7 | 2.1 |
| Schoorl, Heereweg 3-5/Duinvoetweg 2-4 | 3.4 |
| Soest, Dillenburglaan 2/Van Weedestraat 141-149 | 3.3 |
| *France* | |
| Lille, Rue du Curé Saint Etienne 70 (other) | 0.3 |
| Lille, Rue Faidherbe 52 (apartment) | 0.2 |
| Lille, Rue Léon Thiriez 104 (apartment) | 0.1 |
| Lille, Rue Thiers 37-43 (other) | < 0.1 |
| *Belgium* | |
| Bastogne, Rue de Marche 104 | 0.2 |
| Olen, Lammerdries 6 | 6.9 |
| Overijse, Hengstenberg 111-113 | 0.5 |
| Vilvoorde, Leuvensestraat 43 (apartments) | 1.7 |
| *Total* | **60.1** |

After deduction of sales costs, a sales profit of € 2.2 million was realised on these disposals.

## VALUE MOVEMENTS INVESTMENT PROPERTIES

VastNed Retail has its property portfolio appraised on a quarterly basis. This delivers valuable information on developments in the market and enables us to take the necessary action to protect our shareholders' interests.

After a period of rising property values, 2008 saw a downward trend in values which lasted up to and including the fourth quarter of 2009. The rate of decline slowed down during 2009. The appraisal values indicate investors' required returns, market rent levels, actual rent levels and lease durations. The Board of Management believes that the increase in return requirements has now levelled off, something that is also being seen in the various property investment markets. In addition, there is uncertainty as to how rent levels will develop going forward. As stated above, VastNed Retail's property portfolio is let at marginally below the market level on average, which makes it unlikely that there will be a drop in rent levels across the board. In individual cases, when property is relet, the new rent may be agreed at below the old rent level, or the scope for improving the rent will be limited.

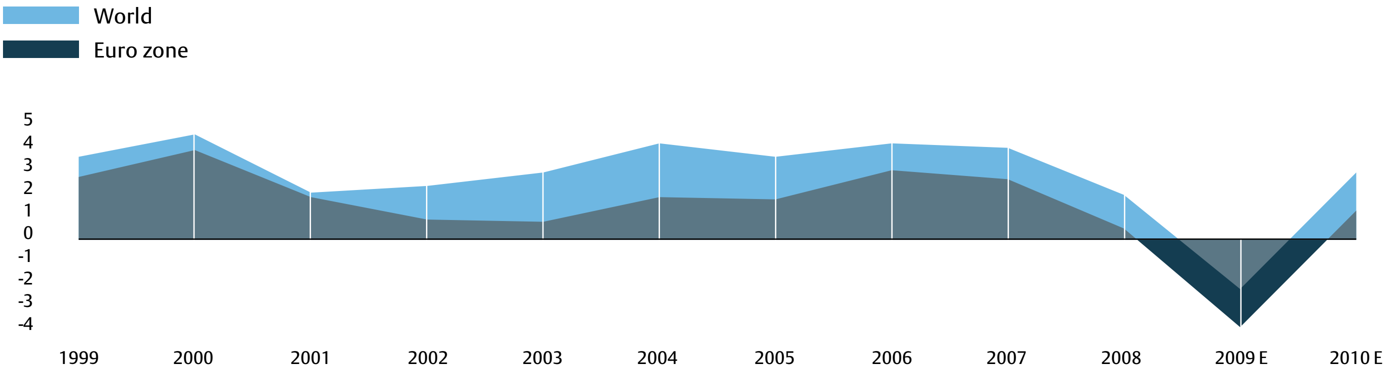
The value movements of the total property portfolio as a result of appraisals by independent appraisers and internal appraisals showed a total value movement of € 147.5 million negative (2008: € 122.6 million negative). The theoretical net yield on the property portfolio (the theoretical net rental income, adjusted for net service charge expense and bad debt provisions, divided by the appraisal value of the property portfolio) was 6.7% at year-end 2009 compared with 6.3% a year earlier. See also the list of value movements investment properties on page 31.

## APPRAISAL METHODOLOGY

The property portfolio of VastNed Retail is appraised four times a year. The larger properties with a value or anticipated value of at least € 2.5 million make up approximately 75% of the property portfolio and are appraised each quarter by appraisers of international standing (see the overview of the Property portfolio 2009 included elswhere in this report). The smaller properties, i.e. those of less than € 2.5 million in value, are appraised once a year by an external appraiser and are spread across the quarters in a balanced way for the purpose. Following the external appraisal, these properties are internally appraised in the subsequent three quarters. VastNed Retail ensures that all relevant information is made available to appraisers to enable them to issue well-considered opinions.

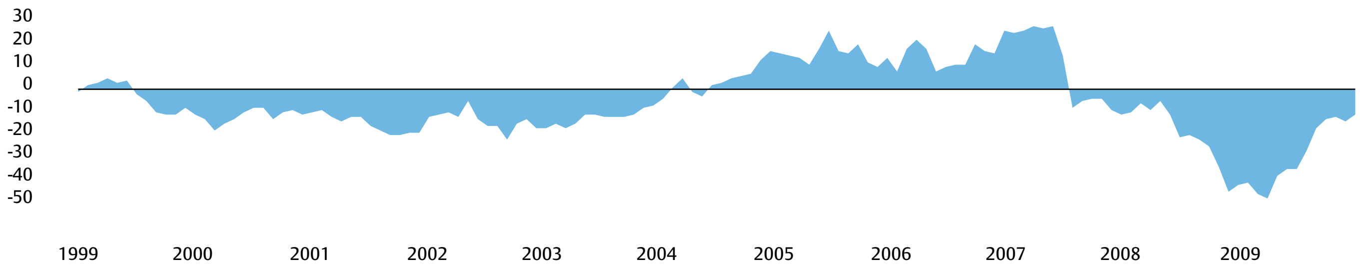
# REAL GROWTH OF GDP in %

Source: Consensus Forecasts



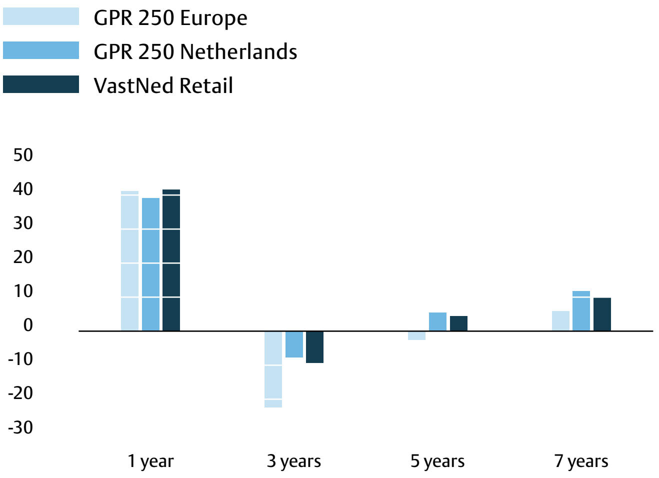

# DUTCH PROPERTY FUNDS in %

Development premium (discount)



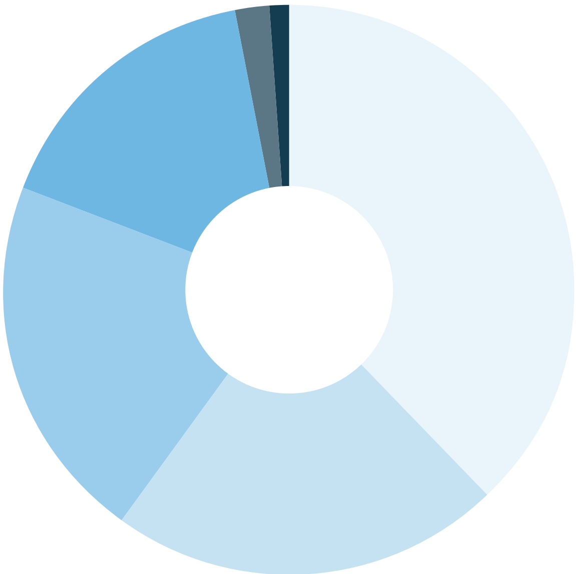

# TOTAL ANNUAL RETURN in %

Source: Global Property Research (GPR), Bloomberg



# GEOGRAPHICAL SPREAD OF PROPERTY PORTFOLIO in %

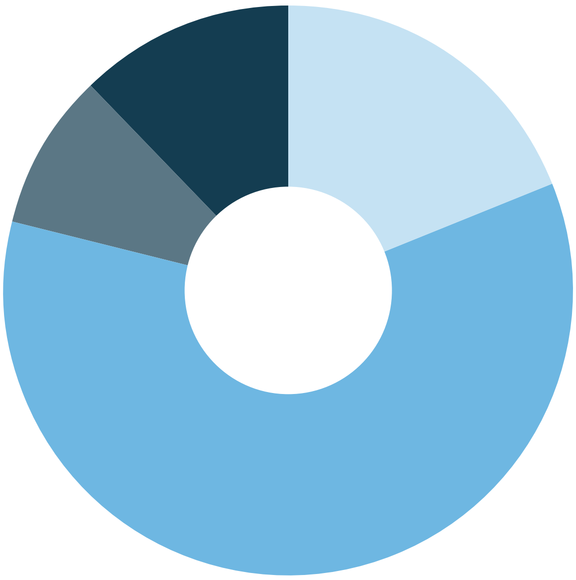
- Netherlands 38
- Spain 22
- France 21
- Belgium 16
- Turkey 2
- Portugal 1



# INDUSTRY SPREAD

## TOTAL PROPERTY PORTFOLIO in %

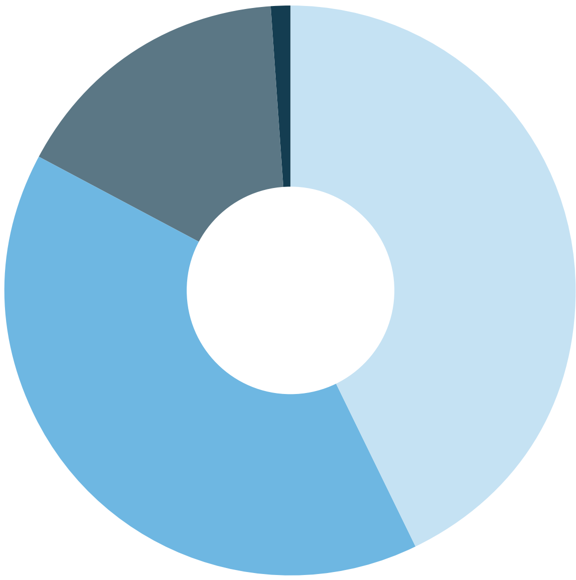
- Food 19
- Non-food 60
- Home and garden 9
- Other 12



# SECTOR SPREAD

## TOTAL PROPERTY PORTFOLIO in %

- High street shops 43
- Shopping centres 40
- Retail warehouses 16
- Other 1



# OCCUPANCY RATE in %

| | Year - end 2009 | Average 2009 | Average 2008 |
|---|---|---|---|
| Netherlands | 98.1 | 98.1 | 98.4 |
| Spain | 92.3 | 93.9 | 96.6 |
| France | 92.4 | 96.8 | 98.4 |
| Belgium | 99.1 | 99.3 | 99.2 |
| Turkey | 84.8 | 80.3 | 85.5 |
| Portugal | 100.0 | 100.0 | 100.0 |
| *Total* | **95.5** | **96.8** | **97.9** |

# TOTAL LEASING ACTIVITY in %

| | New leases | | Lease renewals | | Leasing activity | |
|---|---|---|---|---|---|---|
| | Change in gross rental income | Volume | Change in gross rental income | Volume | Change in gross rental income | Volume |
| Netherlands | 1.9 | 3.3 | 16.0 | 1.0 | 5.2 | 4.3 |
| Spain | (4.8) | 5.2 | 1.2 | 3.5 | (2.4) | 8.7 |
| France | 20.4 | 0.9 | 0.5 | 12.2 | 2.0 | 13.1 |
| Belgium | 32.3 | 4.8 | 16.0 | 4.9 | 24.1 | 9.7 |
| Turkey | – | – | – | – | – | – |
| Portugal | – | – | – | – | – | – |
| *Total* | **7.0** | **3.5** | **4.5** | **4.6** | **5.6** | **8.1** |

# LEASE INCENTIVES in %

| | 2009 actual | 2008 actual | 2009 IFRS | 2008 IFRS |
|---|---|---|---|---|
| Netherlands | (0.3) | (0.3) | (0.6) | (0.5) |
| Spain | (3.7) | (0.9) | (3.7) | (2.2) |
| France | (1.5) | (1.3) | (1.3) | (1.7) |
| Belgium | (1.3) | (1.6) | (1.2) | (1.0) |
| Turkey | – | – | – | – |
| Portugal | – | – | – | – |
| *Total* | **(1.6)** | **(0.9)** | **(1.6)** | **(1.2)** |

# VALUE MOVEMENTS INVESTMENT PROPERTIES x € 1 million

| | Netherlands | Spain | France | Belgium | Turkey | Portugal | Total |
|---|---|---|---|---|---|---|---|
| **Value movements** | | | | | | | |
| 1st quarter 2009 | (7.1) | (31.0) | (22.6) | 1.5 | 0.2 | (0.8) | (59.8) |
| 2nd quarter 2009 | (10.7) | (37.3) | (2.7) | (3.4) | (0.3) | – | (54.4) |
| 3rd quarter 2009 | (2.2) | (12.8) | (0.9) | 1.3 | 0.5 | – | (14.1) |
| 4th quarter 2009 | (3.9) | (9.1) | (7.2) | (1.1) | – | (0.2) | (19.2) |
| *Total 2009* | (23.9) | (90.2) | (33.4) | 0.5 | 0.4 | (1.0) | (147.5) |
| *Total 2008* | (5.6) | (78.5) | (46.5) | 10.4 | (0.5) | (1.9) | (122.6) |
| **Net theoretical yields** | | | | | | | |
| Year-end 2009 | 6.2 | 7.8 | 6.6 | 6.5 | 5.8 | 9.3 | 6.7 |
| Year-end 2008 | 6.0 | 6.8 | 6.4 | 6.5 | 5.8 | 7.8 | 6.3 |

# TOP 10 TENANTS

As at 31 December 2009

| | Tenants | Theoretical gross rental income (x € 1,000) | Percentage of theoretical gross rental income | Number of units |
|---|---|---|---|---|
| 1 | H&M | 7,760 | 5.8 | 13 |
| 2 | Auchan | 3,715 | 2.8 | 11 |
| 3 | Inditex | 3,522 | 2.6 | 22 |
| 4 | Metro | 2,723 | 2.0 | 8 |
| 5 | Blokker | 2,210 | 1.6 | 25 |
| 6 | A.S. Waton | 2,106 | 1.6 | 25 |
| 7 | Ahold | 2,074 | 1.5 | 9 |
| 8 | Eroski | 1,848 | 1.4 | 1 |
| 9 | Armand Thiery | 1,710 | 1.3 | 10 |
| 10 | Maxeda | 1,671 | 1.2 | 10 |

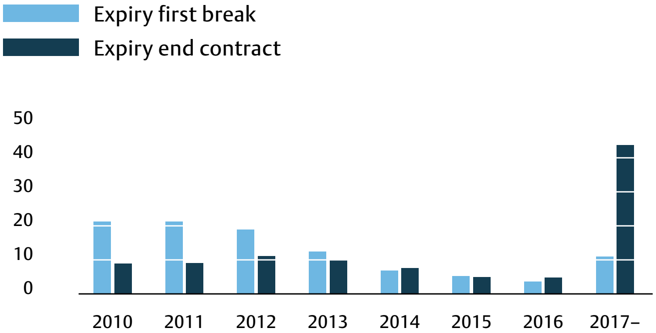
# (OVER)/UNDER RENT in %

| | Theoretical rental income (x € 1 million) | Market rent (x € 1 million) | (Over)/ under rent (in %) |
|---|---|---|---|
| Netherlands | 49.1 | 50.2 | 2.2 |
| Spain | 34.4 | 32.3 | (6.4) |
| France | 27.7 | 28.4 | 2.4 |
| Belgium | 21.2 | 21.8 | 2.5 |
| Turkey | 2.0 | 2.4 | 20.0 |
| Portugal | 1.1 | 0.9 | (27.8) |
| *Total* | **135.5** | **136.0** | **0.4** |

# EXPIRY DATES LEASE CONTRACTS

## TOTAL PROPERTY PORTFOLIO in %

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is 3.0 years and based on end contract 6.4 years.



# THE NETHERLANDS

## ECONOMY

The Dutch economy is heavily geared towards world trade. The ups and downs of world trade translate directly into the growth of the economy. The Dutch economy was therefore hit hard in 2009, experiencing a contraction of 4%, a contraction greater than the economies of VastNed Retail's other core countries. However, if one includes the expected economic growth of 1.2% in 2010, average growth over the last five years still amounts to 1.2%, better than in the other three core countries, whose growth has remained at the level of 0.9% on average. The unemployment figure is also relatively positive, at an expected 6% of the workforce in 2010. The budget deficit is better than expected, at just under 6% of GDP in 2010.

Expectations for private consumption in 2010 are unchanged. Consumption has not grown on balance over the last five years. Mortgage debt in the Netherlands amounts to 100% of GDP, by far the highest of any of the core countries. On the other hand, good pension provision has been made through external pension funds, with the result that the equity in people's homes is of less relevance to overall pension provision. House prices have risen moderately over the past five years, with a minor adjustment at the end of this period. Housebuilding was at a low level in the same period. The risks in the housing market are mainly the relatively high levels of mortgage debt in relation to rising unemployment.

Exports are the driving force behind economic growth in the Netherlands in 2010. The outlook for 2011 and beyond is as yet uncertain. Consumers will in any event be adopting a cautious stance and focusing on improving their own personal financial situation.

## RETAIL MARKET

In 2009 retail spending came under severe pressure as a result of rising unemployment and falling house prices. Unemployment has not risen as fast as had been feared, but it is as yet unclear whether the temporary subsidised short time working schemes have achieved what they set out to achieve. Consumers are still in the grip of the uncertainty over jobs and the value of their homes. In 2009 consumer confidence fell to below the level of the last severe recession at the beginning of the 1980s. Willingness to make major purchases has also fallen to an all-time low, although the decline has been relatively less steep than in Europe as a whole.

Price competition is once again the order of the day in the retail market. Food is doing relatively well, particularly as many people have swapped dining out for eating in. The consolidation in the food sector is continuing. Albert Heijn is the undisputed market leader and has been able to expand its branch network by taking over stores from other supermarket chains in the sector. Super de Boer has been taken over by Jumbo, a successful supermarket formula with a relatively small market share to date. In the clothing sector, Primark, a store formula selling fashions at budget prices, is doing well and is on an expansion course. In the retail sector as a whole, current trends are towards rationalisation of property costs and expansion. Given the large volume of retail space per inhabitant, it is likely that smaller shopping locations will find life increasingly difficult.

The investment value of Dutch retail property has dropped, although it is still doing relatively well compared with other European countries. Various retail portfolios have changed hands. At year-end 2009, the demand for good quality retail property increased as institutional investors in particular became more active. This is expected to continue in 2010.

## THE DUTCH PROPERTY PORTFOLIO

### *Properties*

With 38% of the investment properties in operation, the largest share of VastNed Retail's total property portfolio is located in the Netherlands. The Dutch property portfolio is characterised by a large number of properties (319) and a large number of tenants (710, excluding apartment tenants). The majority of these are high street shops (61%). A smaller proportion consists of shopping centres (27%), retail warehouses (11%) and others (1%).

### *Occupancy rate*

The Dutch property portfolio was well let with an average occupancy rate of 98.1% in 2009 (2008: 98.3%). The occupancy rate at year-end 2009 was also 98.1% (2008: 98.3%). The vacancy can be deemed to be frictional vacancy. Where possible, we are committed to further improving rent levels and the quality of our tenants with a view to securing the occupancy rate in the long term.

### *Indexation*

Current contracts were indexed at 2.3% on average in 2009.

### *Leasing activity*

VastNed Retail's Dutch property portfolio consists of good-quality properties, and the market is characterised by a shortage of properties of this quality. This firmly underpins existing rent levels and in some cases offers scope for further improvements in rent. Active asset management is essential if this is to be achieved. In this context, VastNed Retail has opted for a highly active approach in which, in some cases, sitting tenants are bought out and replaced by better performing retailers on more attractive terms. The volume of new leases and lease renewals was € 2.1 million (or 4.3% of the theoretical gross rental income) and was realised at an average rate of 5.2% above the former rent level.

Important new lettings in 2009 were: KPN Telecom with 113 sqm of space at Lange Elisabethstraat 6 in Utrecht, fashion shoe retailers The Company with 229 sqm at Steenweg 9 in Utrecht, 315 sqm for the organic supermarket Puur and 310 sqm for discount clothing chain Wibra, both in the Het Rond shopping centre in Houten, and Escada with 80 sqm at Noordeinde 48 in The Hague. New lettings totalled € 1.6 million, or 3.3% of the theoretical rental income (2008: 3.5%). On average, these were 1.9% above the old rent level (2008: 14.4%). The volume of lease renewals was € 0.5 million or 1.0% of the theoretical gross rental income (2008: 1.1%). On average, these lettings were 16.0% above the old rent level (2008: 9.6%). Examples of lease renewals are: fashion chain Duthler for 518 sqm at Hoofdstraat 40 in Veenendaal and footwear specialists Scapino with 1,386 sqm at Nieuwstad 57 in Doetinchem.

### *Lease incentives*

Despite the developments in the letting market, the provision of lease incentives in the Dutch property portfolio remained limited to 0.6% (2008: 0.5%) of gross rental income. Without applying straightlining (cash basis), lease incentives remained stable at around 0.2%. A relatively low level of lease incentives is customary in the Netherlands.

### *Tenants*

The 10 largest tenants account for 23.4% of total rents in the Netherlands. This total is furthermore obtained from 91 retail units, which guarantees a good spread.

### *Market rent*

On average, the Dutch property portfolio was let at 2.2% below the market level.

### *Lease expiry dates*

The lease expiry schedule provides a good balance between risk spreading and opportunity.
An overview of list of the existing leases at year-end 2009 can be found on page 38.
The average remaining contract term is 4.2 years (year-end 2008: 4.3 years), which is equal to the average time remaining until the next termination date.

### *Acquisitions*

No acquisitions were made in 2009.

### *Disposals*

Disposals amounted to, in total, € 50.2 million and consisted mainly of the disposal of a portfolio of non-core assets in mid-June 2009. This portfolio consisted of 21 properties with a total gross rental income of approximately € 2.6 million. This sale brought in € 35.3 million, demonstrating that there is a good investment market for such properties. Another seven properties were also disposed of for a total sum of € 14.9 million, which further improved the risk return profile of the property portfolio.

### *Investment properties in pipeline taken into operation*

In December 2009 VastNed Retail completed the acquisition of the De Promesse city centre development at the Wisselplein in Lelystad. This development was acquired for approximately € 17.6 million and is located in the A-1 retail area in Lelystad. It covers a total of 7,350 sqm and offers accommodation for successful retail formulas like H&M, Perry Sport, the Douglas perfumery chain, the BCC electronics chain, footwear and fashion specialist Scapino and a branch of the second Dutch restaurant chain, La Place. Most of the leases have been concluded for a period of 10 years. The unlet units are included in investment properties in pipeline to a value of € 2.4 million. The total annual rental income, when fully let, amounts to approximately € 1.2 million. At year-end 2009 the property was valued at a net yield of 5.9%.

### *Investment properties in pipeline*

*Houten, Achterom 1-5 and Spoorhaag 130-134*

In addition to the Het Rond shopping centre in Houten, VastNed Retail owns two office buildings which offer attractive potential for future expansions. As at 31 December 2009 the invested capital amounted to € 2.8 million.

*Houten, Onderdoor 4*

In addition to the extension of the Het Rond shopping centre with retail units, a cinema and an adjacent restaurant unit have also been developed in the centre. The investment is expected to total approximately € 3.0 million, with rental income of € 0.2 million per annum. As at 31 December 2009, the property was internally valued at € 2.4 million. This property will be completed in the first half of 2010.

*Hendrik-Ido-Ambacht, Hoog Ambacht shopping centre*

The shopping centre being built in Hendrik-Ido-Ambacht will serve a new residential area called De Volgerlanden and will have a lettable floor area of 7,745 sqm and 61 private and 328 public parking spaces. The centre will offer typical neighbourhood facilities, including two supermarkets. The project is expected to be completed in the second half of 2010, the purchase agreement being subject to the property developer realising a 70% pre-letting rate. Annual rental income from this site is expected to amount to approximately € 1.4 million. The estimated acquisition price is approximately € 22.3 million. As at 31 December 2009 the property was internally valued at € 19.5 million.

### *Value movements investment properties*

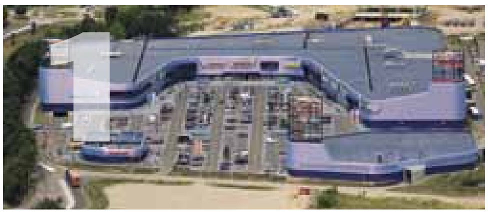
The value movements in the Dutch property portfolio amounted to € 23.9 million negative (2008: € 5.6 million negative). The net yield as at 31 December was 6.2% (year-end 2008: 6.0%).

# THE NETHERLANDS TOP 10 PROPERTIES


| | As at 31 December 2009 (x € 1,000) | Appraisal value | Theoretical gross rental income | Year-end occupancy (in %) | Number of tenants |
|---|---|---|---|---|---|
| 1 | Roermond, Schaarbroekerweg 14-58 | 53,750 | 3,832 | 97.0 | 17 |
| 2 | Houten, shopping centre 'Het Rond' * | 45,995 | 6,518 | 99.7 | 113 |
| 3 | The Hague, city centre | 30,342 | 1,907 | 95.8 | 26 |
| 4 | Utrecht, city centre | 29,166 | 1,776 | 100.0 | 24 |
| 5 | Amsterdam, city centre | 24,027 | 1,294 | 100.0 | 13 |
| 6 | Lelystad, city centre | 19,599 | 1,404 | 100.0 | 11 |
| 7 | Amsterdam, Buikslotermeerplein | 19,337 | 1,210 | 100.0 | 3 |
| 8 | Breda, city centre | 16,132 | 1,002 | 93.8 | 10 |
| 9 | Nijmegen, city centre | 13,365 | 904 | 100.0 | 13 |
| 10 | Winterswijk, city centre | 11,362 | 859 | 96.3 | 11 |
| | *Total* | **263,075** | **20,706** | **98.5** | **241** |

* Value based on 50% share in shopping centre 'Het Rond'.


3
DESIGN
DESTINATIONS
WORLDWIDE
LUXURY HOUSES
LUXURY STORES
LUXURY HOTELS


1


2


4


5
hunkemöller


6


7


8


9


10

# THE NETHERLANDS

# TOP 10 TENANTS

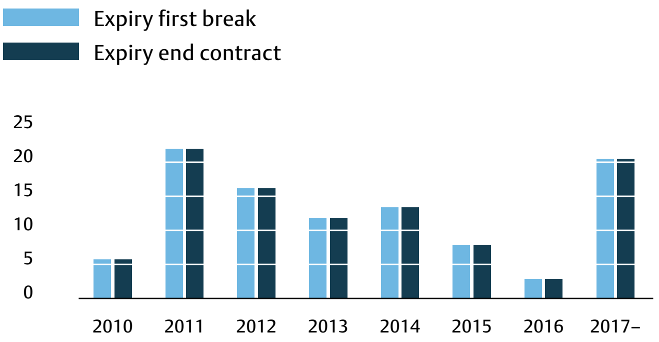
As at 31 december 2009

| | Tenants | Theoretical gross rental income (x € 1,000) | Percentage of theoretical gross rental income | Number of units |
|---|---|---|---|---|
| 1 | Ahold | 2,074 | 4.2 | 9 |
| 2 | A.S. Watson | 1,679 | 3.4 | 19 |
| 3 | Blokker | 1,679 | 3.4 | 17 |
| 4 | Maxeda | 1,485 | 3.0 | 7 |
| 5 | Jumbo | 1,086 | 2.2 | 6 |
| 6 | Macintosh | 913 | 1.9 | 14 |
| 7 | Sperwer | 810 | 1.6 | 5 |
| 8 | Miss Etam | 633 | 1.3 | 5 |
| 9 | Schuitema | 591 | 1.2 | 4 |
| 10 | Charles Vögele | 567 | 1.2 | 5 |

# EXPIRY DATES LEASE CONTRACTS

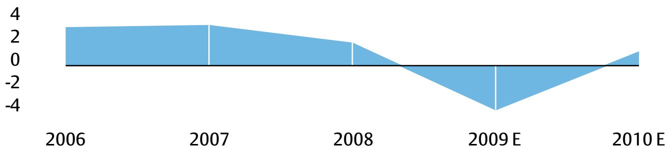
**PROPERTY PORTFOLIO** in %

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break as well as on end contract is 4.2 years.



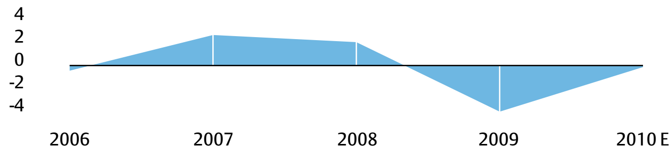
# GDP GROWTH in %

Economic growth



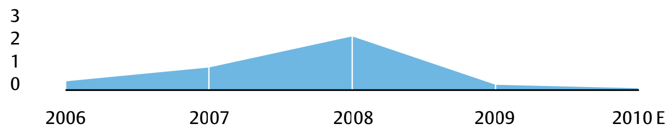

# HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



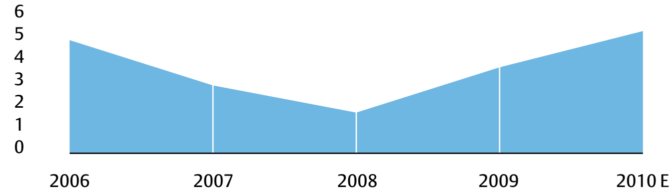

# INFLATION CPI in %

Development consumer prices



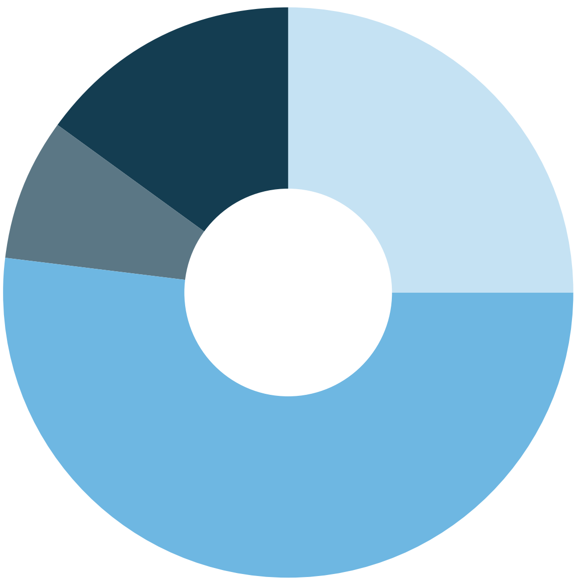

# UNEMPLOYMENT

Unemployment as % of working population



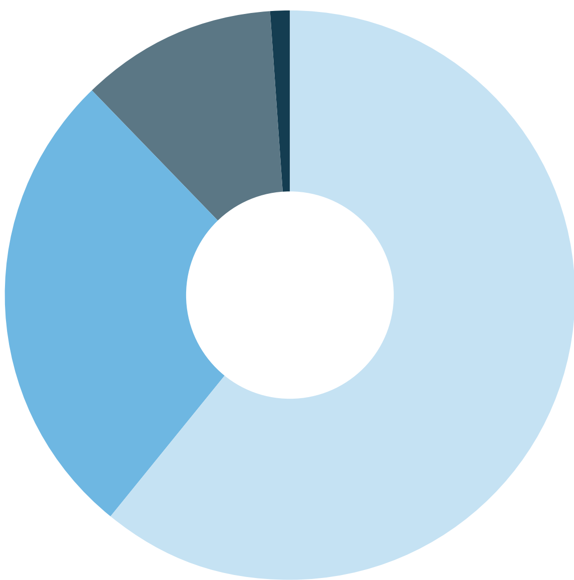

# INDUSTRY SPREAD in %

Food 25
Non-food 52
Home and garden 8
Other 15



# SECTOR SPREAD in %

High street shops 61
Shopping centres 27
Retail warehouses 11
Other 1



‘Our shop lies in the heart of the ‘Domstad’ and brings us lots of new customers. The shop itself has enough space to display all the different collections comfortably in a way that does them justice. And that is as it should be because these days you’re not just buying a bra, you are laying the basis as it were to set off the rest of your clothes to full advantage.’ Mary van Dinther, owner of linCHérie, Vinkenburgstraat 12, Utrecht, the Netherlands


linCHérie
GALERIE DE VINK
10


linCHérie


linCHérie

# SPAIN
# TOP 10 PROPERTIES


| | As at 31 December 2009 (x € 1,000) | Appraisal value | Theoretical gross rental income | Year-end occupancy (in %) | Number of tenants |
|---|---|---|---|---|---|
| 1 | Madrid, Centro Comercial 'Madrid Sur' | 71,250 | 5,748 | 94.4 | 68 |
| 2 | Malaga, Centro Comercial 'La Rosaleda' | 63,370 | 5,133 | 95.3 | 76 |
| 3 | Madrid, Centro Comercial 'Las Rosas' | 53,660 | 4,416 | 96.2 | 88 |
| 4 | Badalona, Centro Comercial 'Montigalá' | 41,900 | 3,909 | 76.8 | 49 |
| 5 | Madrid, Centro Comercial 'Getafe III' | 39,490 | 3,799 | 89.9 | 49 |
| 6 | Alicante, 'Parque Vistahermosa'* | 35,150 | 3,317 | 97.3 | 6 |
| 7 | Madrid, city centre | 31,476 | 1,534 | 100.0 | 4 |
| 8 | Murcia, Centro Comercial 'Las Atalayas' | 30,500 | 2,958 | 86.9 | 40 |
| 9 | Burgos, Centro Comercial 'El Mirador' | 26,600 | 2,277 | 93.6 | 39 |
| 10 | Castellón de la Plana, Calle Grecia 4 | 10,880 | 877 | 100.0 | 1 |
| | *Total* | **404,276** | **33,968** | **92.2** | **420** |

* Excluding the part under renovation.


3


1


2

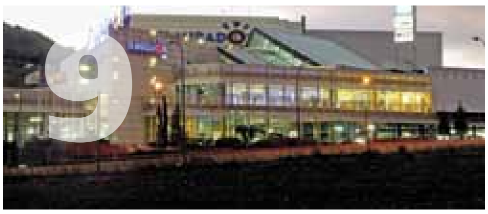

4


5


6


7


8
Carrefour


9


10

# SPAIN

# TOP 10 TENANTS

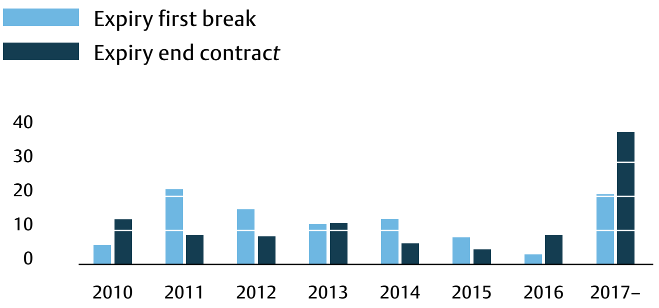
As at 31 December 2009

| | Tenants | Theoretical gross rental income (x € 1,000) | Percentage of theoretical gross rental income | Number of units |
|---|---|---|---|---|
| 1 | Auchan | 2,451 | 7.1 | 7 |
| 2 | Metro | 2,181 | 6.3 | 7 |
| 3 | Inditex | 2,165 | 6.3 | 19 |
| 4 | Eroski | 1,848 | 5.4 | 1 |
| 5 | Grupo Cortefiel | 1,063 | 3.1 | 13 |
| 6 | Mc Donalds | 765 | 2.2 | 6 |
| 7 | Salvatore Ferragamo | 552 | 1.6 | 1 |
| 8 | Decimas | 551 | 1.6 | 8 |
| 9 | Real Madrid | 497 | 1.4 | 1 |
| 10 | Mango | 454 | 1.3 | 4 |

# EXPIRY DATES LEASE CONTRACTS

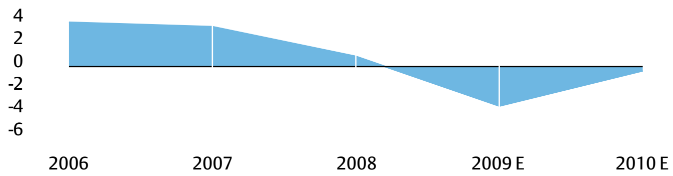
**PROPERTY PORTFOLIO** in %

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is 3.0 years and based on end contract 10.6 years.



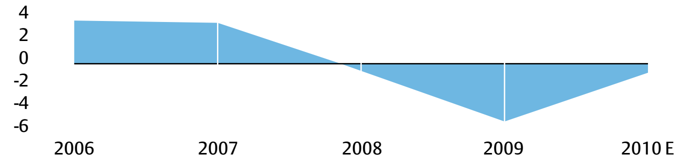
# GDP GROWTH in %

Economic growth



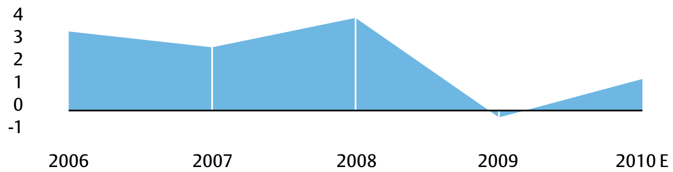

# HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



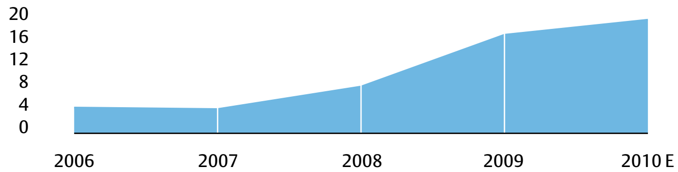

# INFLATION CPI in %

Development consumer prices

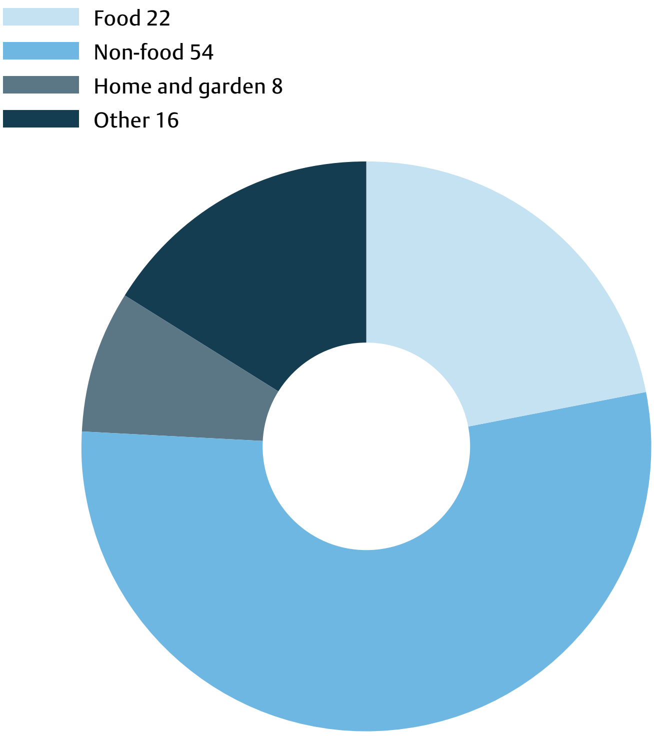



# UNEMPLOYMENT

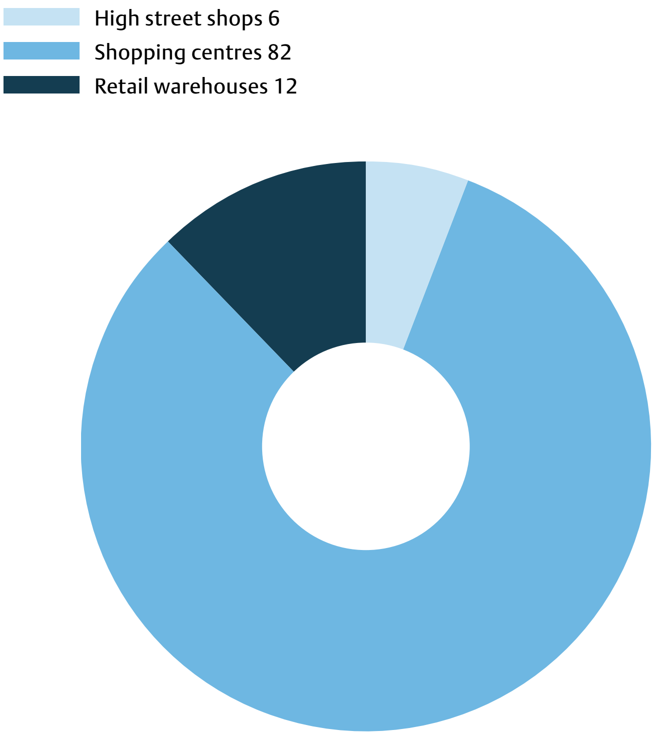
Unemployment as % of working population




# INDUSTRY SPREAD in %




# SECTOR SPREAD in %



# SPAIN

## ECONOMY

For many years the Spanish economy has depended heavily on the building sector, on the one hand as a result of strong growth in housebuilding and on the other due to significant investments in infrastructure improvements. The country is also dependent on the motor industry and tourism, two sectors that have suffered a significant downturn. In 2009 the economy was badly hit and contracted by 3.6%. With an expected contraction of 0.4% in 2010, economic growth will have totalled an average of 0.9% a year over five years. For many years the Spanish economy showed the strongest growth of all VastNed Retail's core countries, but the baton has now been taken over by the Netherlands. The unemployment figure for 2010 is expected to be 20%. The government deficit for 2010 is expected to be 12.2%, which is extremely high compared with the other core countries.

Private consumption is expected to shrink by a further 0.8% in 2010 following a decrease of 5.1% in 2009. Measured over five years, private consumption has remained at a constant level on balance. With mortgage debt of 62% of GDP, Spain is in second place among the core countries. Pension provision is seldom arranged through pension funds, so Spaniards are heavily dependent on their own equity, including what has accumulated in their own homes. House prices had risen sharply in recent years; this was followed by a strong correction in 2009. The same period also saw high levels of housebuilding. The risks in the housing market lie mainly in the plentiful supply and increasing unemployment.

For the time being, Spain will have to depend on a recovery in tourism and the motor industry. The economy is expected to start recovering in 2011. Consumers will in any event be adopting a cautious stance and focussing on improving their own personal financial situations.

## RETAIL MARKET

Retail spending received a severe blow in Spain. This correction had already set in in 2008 as a result of the steep rises in mortgage interest rates. In Spain mortgages are usually based on short-term interest rates (Euribor Plus). Mortgage interest rates fell again in 2009, but it was mainly the sharp rise in unemployment and the rapid decline in house prices which impacted on retail spending. Consumer confidence fell to below the level of the last severe recession at the beginning of the 1980s. In a relative sense as well, consumer confidence is clearly lagging behind that of Europe as a whole. Retail spending is down for the second year running. Spending on non-food has taken the worst knock. Willingness to make major purchases also dropped to an all-time low in 2009.

Retailers are asking for temporary discounts on their rents because of the sharp drop in sales. Thus the retail investor is sharing in the pain of lower turnover. In many cases, however, the retail investor will also benefit directly once turnover starts to pick up again. Several retail chains such as Zara have decided to close a number of shops or switch them to a different shop formula. Because of sharply falling sales forecasts, many newly-opened shopping centres have been finding it difficult to get off the ground and are by no means always fully let. Moreover, some major and international retailers like C&A, Primark, Mediamarkt and Dia have embarked upon expansion programmes and want to benefit from the opportunities that arise to open stores in good locations. This offers scope for the active investor to boost their own shopping centre.

The investment value of retail premises and shopping centres once again fell in 2009, partly because of the intense pressure on retail sales and partly because many more new shopping centres opened, creating more competition between the shopping centres. However, retail investor interest in investments in Spain increased during the course of 2009 because of the sharp rise in net initial yields. This increased interest gradually translated into actual acquisitions during the second half of 2009. This interest is expected to continue, resulting in a growth in the investment volume in 2010.

## THE SPANISH PROPERTY PORTFOLIO

### *Introduction*

The Spanish property portfolio was in the most turbulent environment of all VastNed Retail's core countries last year. Rising unemployment and falling consumer confidence translated into pressure on retail sales, limiting the ability of retailers to continue to cope with the higher rent levels. As a consequence of the deterioration in operating results, values fell, which caused a shift in required returns from 5.6% to 7.8%.

### *Properties*

As at year-end 2009 the Spanish property portfolio made up 22% of VastNed Retail's total property portfolio, making it VastNed Retail's second biggest property portfolio. This part of the property portfolio consists mainly of medium-size shopping centres (82%), along with a number of retail warehouses (12%) and high street shops (6%).

### *Occupancy rate*

The occupancy rate of the Spanish property portfolio was 92.3% at year-end 2009 (2008: 95.6%). The average occupancy rate fell from 96.6% to 93.9%. The lower occupancy rate was mainly caused by the expiry or termination of 65 leases that accounted for € 3.8 million in gross rental income. This was only partly offset by the conclusion of 37 new leases that accounted for € 1.8 million in gross rental income.

Given the current economic climate affecting the Spanish property portfolio, the occupancy rate remains a priority. In some cases rent incentives are being offered to existing tenants during the tenancy period. Tenant retention plays a major role in maintaining the quality of shopping centres. In such cases the applicable turnover rent terms will usually remain unchanged, which means that VastNed Retail also benefits when retail sales are strong.

VastNed Retail was confronted with a number of bankruptcies in 2009. In several cases this resulted in rent receivables having to be written off. In most cases the damage was limited to the loss of future rental income.

### *Indexation*

Current contracts were indexed by an average of 1.4% in 2009.

### *Leasing activity*

As mentioned earlier, the economic climate in Spain can be described as difficult. Tenants are under pressure as a result of lower sales. The average rent/sales ratio was 11.3% in 2009 (2008: 10.1%). This figure excludes hypermarket sales. These lower turnover levels impact on the rents retailers can pay and, in addition, affected leasing activity. The volume of new lettings and lease renewals amounted to 8.7% of the theoretical gross rental income, representing a total of € 3.0 million. New rents were on average marginally below the old rent level. The average fall was 2.4%, consisting of an increase of 1.2% in lease renewals (2008: 5.3% increase) and a decrease of 4.8% (2008: 12.7% increase) in new leases. Applying straightlining, the percentages were 7.8% negative and 13.2% negative respectively (averaging 10.6% negative).

Important new lettings in 2009 were: C&A with 1,111 sqm and Cortefiel with 593 sqm, both in Centro Comercial 'El Mirador' in Burgos, Fotos Casanova with 647 sqm at Ronda de la Universitat 35, Barcelona, and the Maxi Dia supermarket with 1,000 sqm in Centro Comercial 'Getafe III' in Madrid. The necessary lease renewals were also concluded. The volume of lease renewals was € 1.2 million, or 3.5% of the theoretical gross rental income (2008: 5.3%). Examples of lease renewals are: Cortefiel and Springfield with 760 and 305 sqm respectively in Centro Comercial 'La Rosaleda' in Malaga, and Group Zannier (with their Z retail format) with 184 sqm in Centro Comercial 'Las Atalayas' in Murcia.

*Lease incentives*

The lease incentives on leases concluded amounted to 3.7% of the gross rental income (2008: 2.2%). This increase is characteristic of the competitive environment in which the Spanish retail property market found itself in 2009. Without applying straightlining (cash basis), lease incentives rose sharply to 3.7% (2008: 0.8%).

*Tenants*

The 10 largest tenants account for 36.4% of the total theoretical gross rental income in Spain. This rental income is moreover obtained from 67 retail units, which guarantees a good spread.

*Market rent*

On average, the Spanish property portfolio was let at 6.4% above the market level.

*Lease expiry dates*

In Spain leases are generally concluded for a period of five years, although the occasional exception is made. For example, in the Spanish property portfolio the leases with the fashion conglomerate Inditex were concluded with an annual termination option. Inditex terminated two leases in 2009. The graph on page 44 shows the expiry dates of the lease contracts. The average term of the leases in the Spanish property portfolio, measured up to the end of the lease, is 10.6 years (year-end 2008: 8.9 years). Based on the first termination option, the average duration was 3.0 years (year-end 2008: 3.5 years).

*Acquisitions*

No acquisitions were made in 2009.

*Disposals*

No disposals were made in 2009.

*Investment properties under renovation*

The leisure part of the Parque Vistahermosa retail park in Alicante, comprising a surface area of approximately 10,500 sqm, is currently being converted into retail units to provide a more attractive location for chain stores.

*Value movements investment properties*

The Spanish property portfolio was hardest hit by downward valuations. The value movements in investment properties in 2009 totalled € 90.2 million negative (2008: € 78.5 million negative). This was partly due to lower contract rents, but was mainly caused by an ongoing negative yield shift. These higher required returns can partly be explained by the general increase in required returns on investment properties and partly by the moderate forecasts for future rent levels. The net yield at year-end 2009 was 7.8% (year-end 2008: 6.8%).

# FRANCE

## ECONOMY

The French economy is one of the biggest in the world and has a large and diversified industrial sector with relatively high expenditure on research and development. The main sectors in the economy are the motor industry, agriculture and tourism. The French economy is doing relatively well in this period of crisis, with a limited contraction of 2.2% in 2009 and an expected growth of 1.4% in 2010. The average rate of expansion over five years is 0.9%, clearly lagging behind the Netherlands. The unemployment figures are at an average level, forecast to reach 10% in 2010. The government deficit for 2010 is 9% of GDP, which can be considered high.

Private consumption in France is doing well compared with VastNed Retail's other core countries. In 2009 it rose by 0.7%, and is forecasted to increase again slightly by 0.9% in 2010. This means that over five years, private consumption will have risen by an average of 1.5%, by far the highest growth rate in the core countries. At 35% of GDP, mortgage debt is relatively low and is mainly financed by long-term loans in combination with fixed interest rates. Pensions are hardly ever organised through pension funds, and the French rely heavily on the equity built up in their own homes. House prices had risen sharply in recent years; this was followed by a correction in 2009. Many new houses were also built during that period, but not enough to satisfy the underlying demand. Rising unemployment is one of the main risks in the housing market.

France will also benefit from the recovery in the world economy. The growth rate of the economy is not particularly high from a historical perspective, but the outlook for 2010 is good. The outlook for 2011 and beyond is currently uncertain. This uncertainty will in any event cause consumers to adopt a cautious stance.

## RETAIL MARKET

The French economy is doing relatively well, although it is not escaping the consequences of the crisis in confidence. As in other countries, French consumers have become quite a lot more cautious and retail spending has fallen. Consumer confidence fell sharply in 2009, although it is at a better level than in previous recessions. Willingness to make major purchases is also holding up relatively well.

In France leases are traditionally indexed to the cost-of-construction index. This index has risen sharply in the last three years compared with the CPI. Retailers were calling for this cost-of-construction index to be replaced by an index that is more closely related to consumer prices. A new index linked to consumer prices, construction costs and retail sales has been introduced.

In August 2009 the French parliament passed a law permitting longer Sunday trading hours in certain cities and areas. Experience shows that Sunday opening has a positive effect on retail spending.

The investment value of retail property was under pressure in 2009. However, during the second half of 2009 there was once more evidence of increasing interest in retail property on the part of institutional investors. It is striking that this interest was also in evidence in many places outside the Paris region. Investments in retail property in these areas made up two-thirds of the total volume, compared with one quarter inside the Paris region. A further improvement in volumes in the investment market is expected in 2010.

## THE FRENCH PROPERTY PORTFOLIO

### *Introduction*

Following many years of rent increases as a result of automatic indexation and favourable renegotiations of leases, in 2009 rent increases in the French property portfolio were more limited in size, which, in combination with a yield shift, was reflected in the decrease in value of the property portfolio.

### *Properties*

Making up 21% of the total property portfolio, the French property portfolio is VastNed Retail's third largest portfolio and comprises 124 properties, most of which are high street shops (53%) and shopping centres (36%). The rest consists of retail warehouses (8%) and other, predominantly residential, property (3%). The latter category is considered to be non-core and will be sold in due course. The property portfolio is spread throughout the country, with 20% concentrated in the Val Thoiry shopping centre in Thoiry near Geneva, 18% of the value of the property portfolio in the city centre of Paris and 14% in the city centre of Lille.

### *Occupancy rate*

The average financial occupancy rate was 96.9% (2008: 98.4%), and the occupancy rate at year-end 2009 was 92.4% (2008: 98.3%). The decrease was caused by the expiry of the rent guarantee for the Lille portfolio in mid-November 2009. In addition, the occupancy rate was adversely affected by the departure of two major tenants. One of these tenants was the ATAC supermarket in the Centre Marine shopping centre in Dunkirk. A lease was signed with supermarket chain E. Leclerc after the balance sheet date. The loss in rental income in 2009 of € 1.3 million was only partly compensated for by new lettings worth approximately € 0.3 million.

### *Indexation*

Current contracts were indexed at 7.1% on average in 2009. French leases are traditionally indexed on the basis of the cost-of-construction index, also known as the ICC index (Indice du Coût de la Construction). Since the beginning of 2009 it has been possible for tenants to opt for the ILC index (Indice Locatif des Commerces). The new index is made up of 50% CPI, 25% ICC and 25% retail price index. These two indices are currently at different levels. The ILC index in the second quarter of 2009, which is relevant to indexation as at 1 January 2010, amounted to 0.84%, while the ICC index was at negative 4.1% during the same period. As approximately 65% of the leases are still based on the ICC index, gross rental income will drop 2.4% from 1 January 2010.

### *Leasing activity*

The volume of leasing activity in 2009 increased to 13.1% of the theoretical gross rental income (2008: 3.9%). On balance, new contractual rental income was 2% above the previous rent level and comprised a number of leasing transactions in Paris and Lille. On average, new lettings were concluded with 20.4% higher rents and lease renewals with 0.5% higher rents. A total of nine new lettings and nine lease renewals were concluded.

One of the most substantial lease renewals was the reletting of more than 2,200 sqm of retail space at Rue de Rivoli 118-120 in Paris to the international fashion chain H&M on favourable terms. This letting confirmed that strong retailers choose the best locations. A lease renewal was also agreed with fashion chain Armand Thierry for 360 sqm at Rue Émile Zola 117 in Troyes. As far as new lettings are concerned, a number of lettings – albeit limited in volume – are worth mentioning, such as the letting to Bijou Brigitte of 53 sqm at Grande Rue 22 in Besançon (49% increase) and the letting to Cotelac of 164 sqm at Rue de la Monnaie 12 in Lille (407% increase).

### *Lease incentives*

The provision of lease incentives in the French property portfolio remained limited to only 1.3% (2008: 1.7%) of the gross rental income. Without applying straightlining (cash basis), lease incentives increased slightly to 1.5% (2008: 1.3%).

### *Tenants*

The 10 largest tenants account for 43.1% of the total theoretical gross rental income in France. This gross rental income is moreover obtained from 44 retail units, which guarantees a good spread.

### *Market rent*

On average, the French property portfolio was let at 2.4% below the market level.

### *Lease expiry dates*

Leases in France are generally concluded based on the 3-6-9-system. This means that the duration of the contract is nine years and the tenant can give notice after three and six years. The overview of lease expiry dates in the French property portfolio shown on page 54 shows that a large number of leases will expire and tenants will be able to give notice in 2010. This is not considered a cause for concern, since the retail properties are in competitive locations, so it is unlikely that many tenants will give notice on their leases. The average duration of leases up to the tenants' first termination date is 1.4 years (year-end 2008: 1.2 years). Taking the total term of the lease agreements into account, the figure is 4.8 years (year-end 2008: 4.8 years).

### *Acquisitions*

A retail unit in the 'Carrefour Limoges-Corgnac' shopping centre was acquired for € 0.4 million in 2009.

### *Investment properties in pipeline taken into operation*

The planned addition of almost 8,600 sqm of out-of-town retail space at the Val Thoiry shopping centre in Thoiry was completed in the fourth quarter of 2009. The tenant, DIY chain Leroy Merlin, will open its doors during the first quarter of 2010. The investment amount is € 6.5 million.

### *Investment properties in pipeline*

The French pipeline at year-end 2009 consisted of the Plaisir-Sablons shopping centre in Plaisir, 25 kilometres south-west of Paris. Plans are being prepared to redevelop and extend this shopping centre, increasing the total lettable retail space to about 27,000 sqm. VastNed Retail has signed heads-of-terms agreements with two potential anchor tenants and has obtained the key government permits for the redevelopment. A feasibility study will take place in 2010 with respect to this development. VastNed Retail has no legal obligation to redevelop the centre. As at 31 December 2009, the property was valued at € 15.0 million.

### *Disposals*

Four non-core investment properties in Lille were sold for € 0.6 million in 2009.

### *Value movements investment properties*

The unrealised value movements in the French portfolio totalled € 33.4 million negative (2008: € 46.5 million negative). This brings the net yield at year-end to 6.6% (year-end 2008: 6.4%).

# FRANCE TOP 10 PROPERTIES


| | As at 31 December 2009 (x € 1,000) | Appraisal value | Theoretical gross rental income | Year-end occupancy (in %) | Number of tenants |
|---|---|---|---|---|---|
| 1 | Thoiry, Centre Commercial 'Val Thoiry' | 81,270 | 5,563 | 100.0 | 62 |
| 2 | Paris, city centre | 75,460 | 4,533 | 95.1 | 10 |
| 3 | Lille, city centre | 58,519 | 3,587 | 84.7 | 46 |
| 4 | Nancy, Rue Saint-Jean 45-55 | 28,630 | 2,058 | 94.1 | 7 |
| 5 | Dunkirk, Centre Commercial 'Centre Marine' | 20,810 | 2,042 | 79.5 | 19 |
| 6 | Limoges, Centre Commercial 'Carrefour Limoges-Corgnac' | 16,240 | 1,752 | 73.6 | 17 |
| 7 | Angers, Rue Lenepveu 25-29 | 15,060 | 973 | 100.0 | 5 |
| 8 | Nice, Route de Grenoble 604 | 7,140 | 585 | 100.0 | 1 |
| 9 | Cannes, Rue d'Antibes 40 | 6,120 | 340 | 100.0 | 1 |
| 10 | Limoges, Centre Commercial 'Beaubreuil' | 5,900 | 546 | 80.4 | 12 |
| | *Total* | **315,149** | **21,979** | **91.4** | **180** |


4
H&M
GAME


1


2

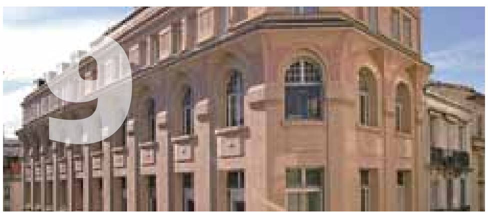

3


5


6


7


8


9


10

# FRANCE

# TOP 10 TENANTS

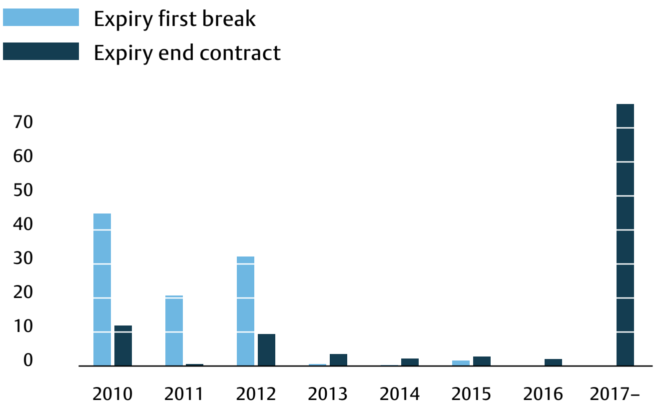
As at 31 December 2009

| | Tenants | Theoretical gross rental income (x € 1,000) | Percentage of theoretical gross rental income | Number of units |
|---|---|---|---|---|
| 1 | H&M | 4,743 | 17.1 | 5 |
| 2 | Armand Thiery | 1,710 | 6.2 | 10 |
| 3 | Auchan | 1,264 | 4.6 | 4 |
| 4 | PPR | 798 | 2.9 | 3 |
| 5 | Darty | 741 | 2.7 | 1 |
| 6 | Nocibé | 602 | 2.2 | 4 |
| 7 | Vivarte | 577 | 2.1 | 4 |
| 8 | Célio International | 511 | 1.8 | 5 |
| 9 | Louis Vuitton | 505 | 1.8 | 5 |
| 10 | Camaieu | 486 | 1.8 | 3 |

# EXPIRY DATES LEASE CONTRACTS

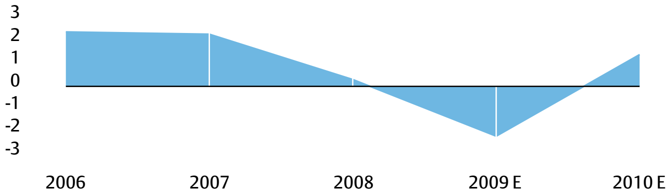
**PROPERTY PORTFOLIO** in %

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is 1.4 years and based on end contract 4.8 years.



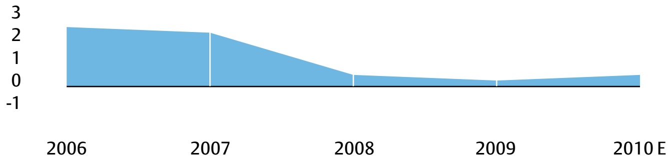
## GDP GROWTH in %

Economic growth



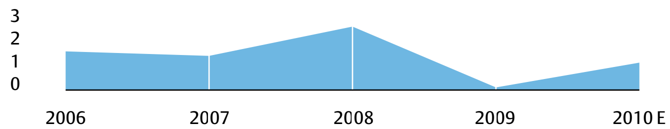

## HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



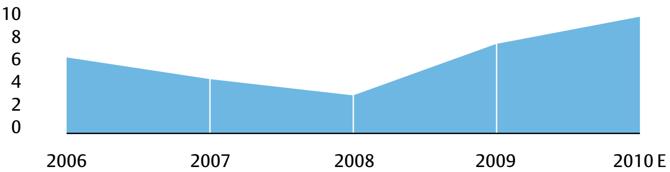

## INFLATION CPI in %

Development consumer prices



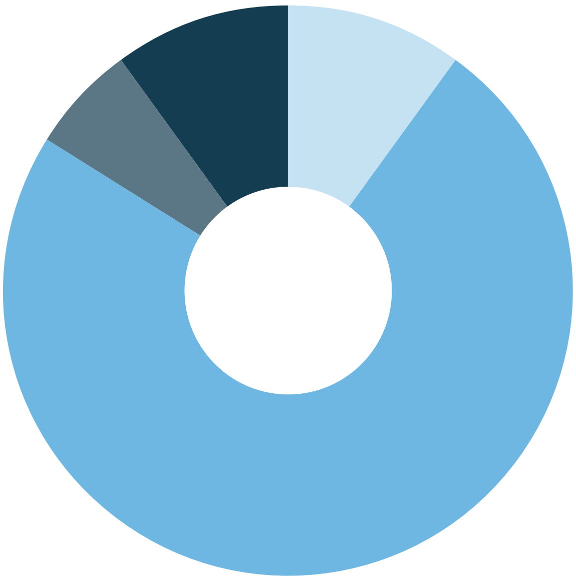

## UNEMPLOYMENT

Unemployment as % of working population



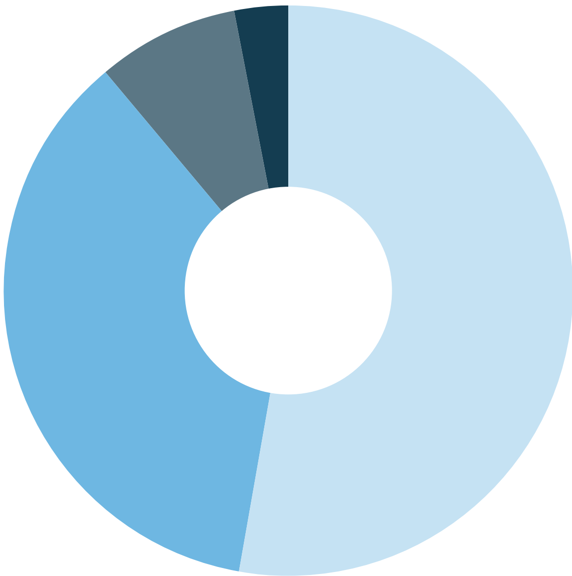

## INDUSTRY SPREAD in %

- Food 10
- Non-food 74
- Home and garden 6
- Other 10



## SECTOR SPREAD in %

- High street shops 53
- Shopping centres 36
- Retail warehouses 8
- Other 3



‘Our premises are in a lovely, old part of Lille. The front of the property is almost Dutch in style and the colour of the façade makes you feel you could be strolling somewhere in the tropics. The shop interior is fitted entirely in Diesel style. We’ve kept many of the old elements like the old wooden beams. There’s a nice mix of old and contemporary features, totally in keeping with the Diesel image.’ Michel Loyer, sales assistant at Diesel, Place Louise de Bettignies 15-17, Lille, France

# BELGIUM
# TOP 10 PROPERTIES


| | As at 31 December 2009 (x € 1,000) | Appraisal value | Theoretical gross rental income | Year-end occupancy (in %) | Number of tenants |
|---|---|---|---|---|---|
| 1 | Brussels, city centre | 36,548 | 2,203 | 100.0 | 12 |
| 2 | Antwerp, city centre | 33,102 | 2,065 | 100.0 | 12 |
| 3 | Tielt-Winge, Retailpark 'Gouden Kruispunt', Aarschotsesteenweg 1-6 | 22,658 | 1,648 | 100.0 | 23 |
| 4 | Tongres, shopping centre 'Julianus' | 17,792 | 1,321 | 87.5 | 21 |
| 5 | Bruges, Steenstraat 80 | 14,644 | 867 | 100.0 | 2 |
| 6 | Mechelen, city centre | 13,792 | 882 | 100.0 | 4 |
| 7 | Ghent, city centre | 11,369 | 713 | 100.0 | 6 |
| 8 | Leuven, Bondgenotenlaan 69-73 | 9,396 | 614 | 100.0 | 2 |
| 9 | Wilrijk, Boomsesteenweg | 9,302 | 677 | 100.0 | 7 |
| 10 | Turnhout, Gasthuisstraat | 9,169 | 653 | 100.0 | 2 |
| | *Total* | **177,772** | **11,643** | **98.6** | **91** |


5
FRESH BELGIAN CHOCOLATES
H&M


1


2


3
WELKOM BIJ
PLASMA - TELECOM - FOTO - COMPUTER


4


6


7


8


9
INFO


10
H&M

# BELGIUM

# TOP 10 TENANTS

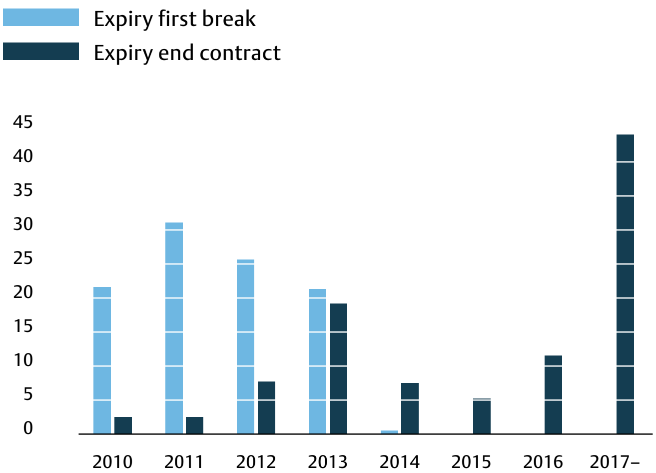
As at 31 December 2009

| | Tenants | Theoretical gross rental income (x € 1,000) | Percentage of theoretical gross rental income | Number of units |
|---|---|---|---|---|
| 1 | H&M | 2,562 | 12.1 | 6 |
| 2 | Aldi | 1,134 | 5.3 | 10 |
| 3 | Inditex | 1,134 | 5.3 | 2 |
| 4 | Décor Heytens | 1,023 | 4.8 | 15 |
| 5 | Euro Shoe Unie | 888 | 4.2 | 10 |
| 6 | Intergamma | 747 | 3.5 | 4 |
| 7 | Charles Vögele | 741 | 3.5 | 6 |
| 8 | Macintosh | 579 | 2.7 | 6 |
| 9 | Blokker | 531 | 2.5 | 8 |
| 10 | IC Companys | 446 | 2.1 | 1 |

# EXPIRY DATES LEASE CONTRACTS

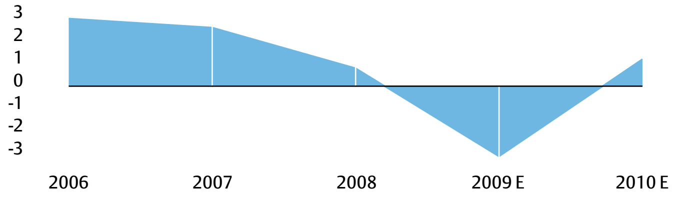
**PROPERTY PORTFOLIO** in %

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is 2.5 years and based on end contract 7.5 years.



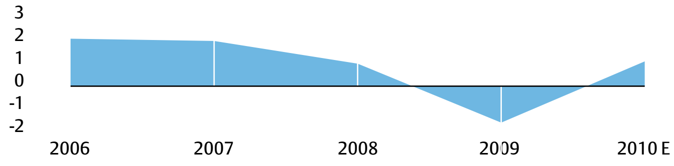
# GDP GROWTH in %

Economic growth



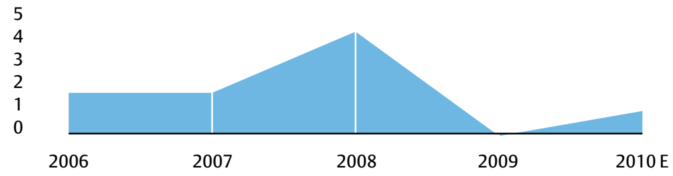

# HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



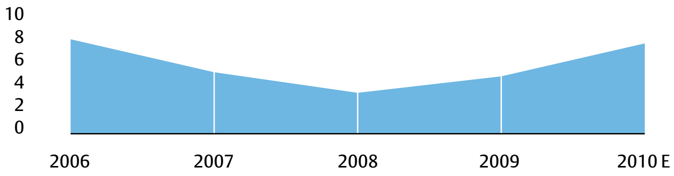

# INFLATION CPI in %

Development consumer prices



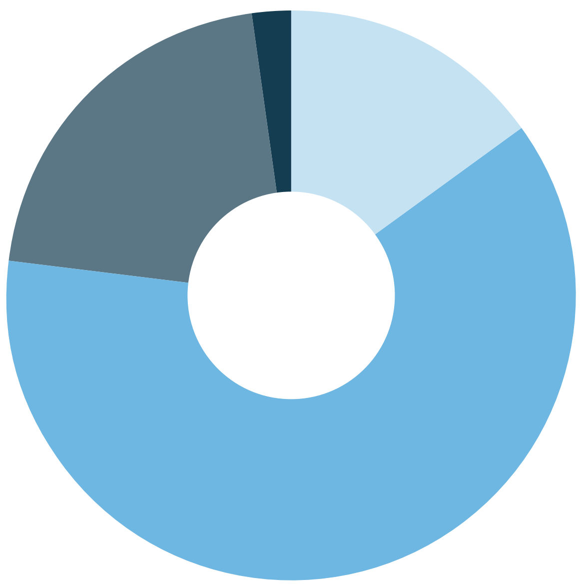

# UNEMPLOYMENT

Unemployment as % of working population



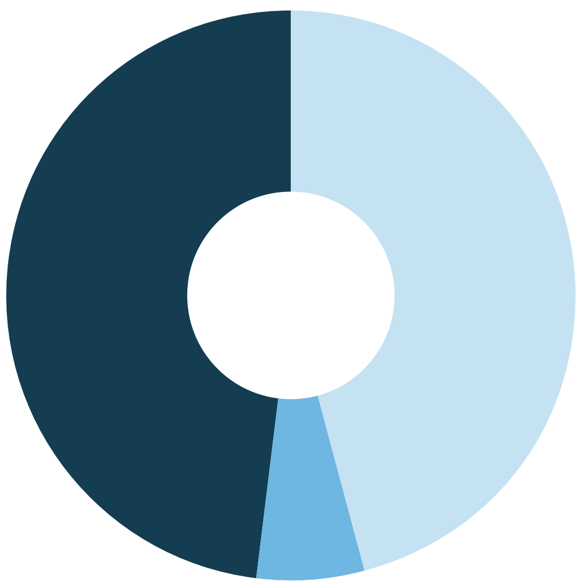

# INDUSTRY SPREAD in %

- Food 15
- Non-food 62
- Home and garden 21
- Other 2



# SECTOR SPREAD in %

- High street shops 46
- Shopping centres 6
- Retail warehouses 48



‘These days, a city has to have a Zara. That’s why we are pleased we were able to get such an attractive location in the centre of Brussels. We get a lot of customers, but the shop is so spacious that there’s plenty of room for the customers to move around and for us to display the clothes properly.’ Ritha Kebenyana, sales assistant at Zara, Elsensesteenweg 41–43, Brussels, Belgium


ZARA
jenny


€ 5,95

# BELGIUM

## ECONOMY

The Belgian economy is heavily geared towards world trade, albeit to a lesser extent than the Dutch one. Industrial sectors such as the motor industry are more important in Belgium. In 2009 the Belgian economy was badly hit and contracted by 3.1%. The expected recovery in economic growth of 1.2% puts average economic growth at 0.9%, similar to that of Spain and France. Unemployment is developing relatively favourably and, at 8% of the working population, is below the European Union average. The expected government deficit in 2010 is relatively low, at close on 6% of GDP.

Private consumption in Belgium is expected to rise by 1.1% in 2010, the highest of the four VastNed Retail core countries. Taking the expected growth figure for 2010 into account, over a five-year period private consumption is increasing by an average of 0.9% per annum, which is significantly better than in Spain. Mortgage debt amounts to 37% of GDP and is therefore at a low level, as in France. Pension provision through pension funds is less well organised than in the Netherlands, for example, and Belgians rely to a large degree on the capital accumulating in their own homes. House prices had risen sharply in recent years; this was followed by a correction in 2009. Property development and housebuilding are slowing down. Rising unemployment is a particular risk for the housing market.

Like the Netherlands, Belgium will benefit from the recovery in the world economy. This uncertainty will in any event cause consumers to adopt a cautious stance.

## RETAIL MARKET

As in other European countries, consumer confidence fell sharply in Belgium in 2009. This fall brought the index down to the levels of previous recessions in this country. The same applies to consumers' willingness to make major purchases. Retail sales suffered from the deterioration in this sentiment. As in other countries, house prices in Belgium were also put under pressure in 2009 as a result of the crisis of confidence. However, mortgage debt is at a relatively low level, which means that the Belgian consumer is relatively less affected by a decrease in house prices than in some other countries where mortgage debt is higher.

The Belgian retail market held up relatively well in 2009. Leasing activity remained at a healthy level because a number of retailers are still expanding. New shopping centres were therefore virtually fully let when they opened. The crisis in confidence has to date had relatively little effect on the Belgian retail market, although there are signs that the favourable developments of the past few years are slowing down.

The investment volume in the retail market fell in 2009 but has since started to pick up again. Transactions are mainly taking place in high street shops and retail parks. Fewer transactions were in evidence in shopping centres, but this type of retail property is also relatively under-represented in the Belgian retail market.

## THE BELGIAN PROPERTY PORTFOLIO

### *Introduction*

The Belgian property portfolio (16% of the total property portfolio) performed better than the average for VastNed Retail's property portfolio. This applied to both operating results and the development of the values in this property portfolio. This is due to a solid property portfolio mix and the Belgian government's restrictive spatial planning policy.

### *Properties*

At year-end 2009 the Belgian property portfolio comprised 94 properties in the categories of high street shops (46%), retail warehouses (48%) and one shopping centre (6%).

### *Occupancy rate*

The average occupancy rate in 2009 was 99.3% (2008: 99.2%). At year-end the occupancy rate was 99.1% (year-end 2008: 99.7%). The 10 leases terminated in 2009 represented € 0.3 million in gross rental income, which was more than compensated for by 17 new lettings concluded in 2009, representing a total of € 1.0 million in gross rental income. It should be pointed out that some of these leases will only start in 2010.

### *Indexation*

Current leases were indexed at 2.0% on average in 2009.

### *Leasing activity*

Leasing activity in 2009 can be described as good. A total of 37 leases representing a total value of € 2.0 million in gross rental income were concluded. New leases worth € 1.0 million (17 units) and lease renewals worth € 1.0 million (20 units) were concluded. These leases were on average concluded at 24.1% above the old rent level. Examples of new lettings are: 245 sqm at Louizalaan 7 in Brussels to the Italian leather goods chain Fabi, 375 sqm at Rue de Pont d'Ile 49 in Liège to Levi's, and 5,000 sqm at Luchthavenlaan 5 in Vilvoorde, to DIY chain Brico. Examples of lease renewals are: 652 sqm at Elsensesteenweg 41-43 in Brussels to Euro Shoe Unie and 150 sqm to Thomas Cook at Aarschotse-steenweg (Gouden Kruispunt) in Tielt-Winge. The higher rent levels achieved once more highlight the attractiveness of the Belgian retail market, in which supply is limited and high street shops and retail warehouses clearly dominate.

### *Lease incentives*

The lease incentives on leases concluded amounted to 1.2% of the gross rental income (2008: 1.0%). Without applying straightlining (cash basis), the lease incentives fell somewhat to 1.3% (2008: 1.6%).

### *Tenants*

The 10 largest tenants account for 46.1% of the theoretical gross rental income in Belgium. This rental income is moreover obtained from 68 retail units, which guarantees a good spread.

### *Market rent*

On average, the Belgian property portfolio was let at 2.5% below the market level.

### *Lease expiry dates*

Leases in Belgium are generally concluded under the 3-6-9-system. This means that the tenant can terminate the lease after three years. This seldom happens, however, since the tenant earns his living at and from the specific location of the shop. The overview of lease expiry dates as shown on page 60 differentiates between the expiry dates based on the termination date of the contract and a more conservative calculation based on the next possible termination date for the tenant. The scope for increasing the rent plays a key role in the first method. The second method was devised from the point of view of risk management. The average term is 7.5 years (year-end 2008: 7.3 years). The average time remaining until the tenant's next termination date is 2.5 years (year-end 2008: 2.2 years).

### *Acquisitions*

No acquisitions were made in 2009.

### *Disposals*

The VastNed Retail redevelopment property at Lammerdries 6 in Olen (Olen Shopping Park) was disposed of for € 6.9 million in 2009. Given the specific location and the market conditions, it was decided not to go ahead with this development but to dispose of the land instead. Other small properties, including a number of apartments in Vilvoorde, were also sold. Net sales revenues amounted to € 9.3 million.

### *Value movements investment properties*

In 2009 value movements amounted to € 0.5 million positive (2008: € 10.4 million positive). Downward valuations remained limited to a single quarter in 2009, and the appraisals in three quarters of 2009 resulted in positive revaluations. The net yield at year-end amounted to 6.5% (year-end 2008: 6.5%).

# TURKEY

## ECONOMY

As an emerging economy, Turkey is heavily reliant on the industrial sector, although agriculture and tourism also play a major role. The growth figures for the Turkish economy are more volatile than those of VastNed Retail's four core countries. After a steep contraction of 5.8% in 2009, growth of 3.1% is expected in 2010. Over a period of five years, this puts average economic growth at 1.9%, which is significantly better than in the core countries. An important reason for the differences in growth is the fact that Turkey has a very young and rapidly growing population. The workforce is increasing rapidly. Because of the large number of people entering the job market, therefore, the expected unemployment rate of 14% of the workforce in 2010 is relatively high. However, unemployment should decrease quite quickly because of the relatively high growth figures. The government deficit for 2010 is expected to be just under 6% of GDP.

Private consumption is expected to rise by 3.4% in 2010 following a contraction of 4.5% in 2009. Taking into account the forecast growth in 2010, private consumption is increasing on average by 1.7% per annum over a period of five years. Mortgage debt amounts to just 4% of GDP because the mortgage market is very underdeveloped. This market has been growing for some years and is enabling more and more young families to buy their own home. House prices had risen steeply in recent years; as in other countries, there was a strong correction to this in 2009. However, in view of the population growth there is high demand for housing and an early recovery is expected in the market.

As an emerging economy, Turkey is expected to be back on track for economic growth very soon. The outlook for 2011 and beyond is better than that of the core countries, although the risks inherent in an emerging economy are always higher. The consumer is young and wants to build up a comfortable life, which is positive for consumer spending.

## RETAIL MARKET

Retail spending did not perform as well as expected in 2009, but growth is starting to pick up again quite quickly. The mortgage market is in a completely different phase from that of VastNed Retail's core countries. There is virtually no mortgage debt, although home ownership is common. Economic recovery will soon translate into higher retail spending. Incomes are on the level of an emerging economy and still have a lot of potential to increase, which will contribute to favourable developments in spending. The retail market in Turkey is currently in the middle of a process of modernisation. A lot of new shopping centres are opening, and high streets have started to undergo a process of internationalisation. International retailers like Zara, H&M, C&A, Mediamarkt and Best Buy are on an expansion course and are driving the demand for retail space. Although these retailers became more critical in 2009, little has essentially changed in the expansion plans made before the crisis. International retailers do not want to miss out on such a large emerging economy and are steadily building up their presence despite a temporary decrease in spending. The demand for retail investments was marking time in 2009 but is now beginning to pick up again, as can be seen in VastNed Retail's other retail markets. Net initial yields are attractive.

## THE TURKISH PROPERTY PORTFOLIO

### *Introduction*

VastNed Retail took critical look at its presence in the Turkish property market in 2009 and came to the conclusion that it would continue to develop this property portfolio in the years to come. The aim is to bring it up to approximately 10% of the total property portfolio. Turkey currently accounts for 2% of the total portfolio. The focus will be on acquiring city centre shops in the best A1-locations in Istanbul. Priority will be given to a number of high streets: Istiklal Caddesi, Abdi Apekçi Caddesi and Istasyon Caddesi in the European part, and Bahariye Caddesi and Bağdat Caddesi in the Asian part. The attraction of these streets is their unparalleled footfall and a retail market that is currently undergoing internationalisation. VastNed Retail prefers to acquire these properties vacant, bring the retail space in line with modern standards and find a first-class tenant from its international network. This strategy has been successful up to the present time.

### *Properties*

At year-end 2009, the property portfolio comprised six properties (2% of the total property portfolio), consisting of five high street shops in absolute A1-locations and a local shopping centre in Şişli in Istanbul. This portfolio therefore comprises 67% high street shops and 33% shopping centres. Three of the high street shops are on Istiklal Caddesi and two on Bahariye Caddesi. The total floor area is 7,657 sqm.

### *Occupancy rate*

The average occupancy rate was 80.3% (2008: 85.5%). The occupancy rate at year-end 2009 was 84.8% (2008: 94.4%). Current vacancies are predominantly due to the fact that one of the recent acquisitions was a vacant property for which we expect to be concluding a lease on very favourable terms soon.

### *Lettings*

In 2009 the premises at Istiklal Caddesi 119 acquired in August 2009 was let. The retail part was let to the Turkish franchise Abercrombie & Fitch and two of the office stories to the alumni foundation of the University of Istanbul.

### *Lease incentives*

No considerable incentives were granted for leases in 2009.

### *Indexation*

Most of the leases were concluded in euros, with some in US dollars and some in Turkish Lira.
All contracts have clauses for indexation or fixed rent increases. Current contracts were indexed at 3.3% on average in 2009.

### *Tenants*

Most of the current tenants can be categorised as national or international retailers of high standing.
The 5 largest tenants account for 59.7% of total gross rental income.

### *Market rent*

For each external appraisal, the appraisers are asked to give their opinion on the market rent levels.
On average, the Turkish property portfolio was let at 20.0% below the market level. The biggest underrent concerns the property at Istiklal Caddesi 34. This situation is expected to reverse after expiry of the contract in the fourth quarter of 2010.

### *Lease expiry dates*

Turkish leases are generally concluded for a period of five years. After expiry of the lease, there are plenty of opportunities to adjust to market levels. The graph on page 72 shows the expiry dates of the Turkish property portfolio. The average term of the leases is 3.8 years. The average time remaining until the tenant’s next termination date is 1.8 years.

*Acquisitions*

Three acquisitions were made in 2009. As shown on page 24, these are a property on Istiklal Caddesi and two retail units on Bahariye Caddesi.

*Disposals*

No disposals were made in 2009.

*Value movements investment properties*

In 2009, value movements amounted to € 0.4 million positive (2008: € 0.5 million negative). The net yield at year-end 2009 amounted to 5.7% (year-end 2008: 5.3%). This relatively low yield is due to the fact that part of the Turkish property portfolio is significantly underlet and the fact that the investment properties are situated at prime locations.

# PORTUGAL

## PROPERTIES

The Portuguese property portfolio comprises nine high street shops (1% of the total property portfolio) which are let to the chain of opticians MultiOpticas.

## OCCUPANCY RATE AND LETTINGS

This property portfolio was fully let during 2009, as it was in 2008. No letting movements took place, and the indexation of the gross rental income was 2.4%.

## VALUE MOVEMENTS INVESTMENT PROPERTIES

External appraisals have resulted in a value movement of € 0.9 million negative (2008: € 1.9 million negative).

# TURKEY
# TOP 5 PROPERTIES


| | As at 31 December 2009 (x € 1,000) | Appraisal value | Theoretical gross rental income | Year-end occupancy (in %) | Number of tenants |
|---|---|---|---|---|---|
| 1 | Istanbul, Istiklal Caddesi 34 | 10,977 | 309 | 100.0 | 1 |
| 2 | Istanbul, Istiklal Caddesi 119 | 6,590 | 384 | 91.0 | 2 |
| 3 | Istanbul, Istiklal Caddesi 98 | 4,554 | 280 | 100.0 | 1 |
| 4 | Istanbul, 'Bomonti Park' | 4,545 | 644 | 89.0 | 13 |
| 5 | Istanbul, Bahariye Caddesi 58 | 2,473 | 206 | – | – |
| | *Total* | **29,139** | **1,823** | **83.1** | **17** |


2
&STYLE
STYLE
YOUNG SPORT


1


3


4


5

# TURKEY

# TOP 5 TENANTS

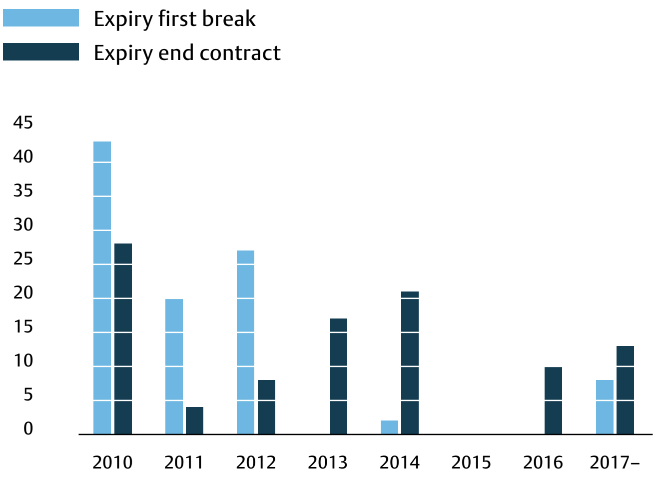
As at 31 December 2009

| | Tenants | Theoretical gross rental income (x € 1,000) | Percentage of theoretical gross rental income | Number of units |
|---|---|---|---|---|
| 1 | Abercrombie & Fitch | 312 | 15.9 | 1 |
| 2 | Arcadia | 309 | 15.7 | 1 |
| 3 | Turkcell | 280 | 14.2 | 1 |
| 4 | Koç | 158 | 8.0 | 1 |
| 5 | Park Yonetimi | 115 | 5.8 | 1 |

# EXPIRY DATES LEASE CONTRACTS

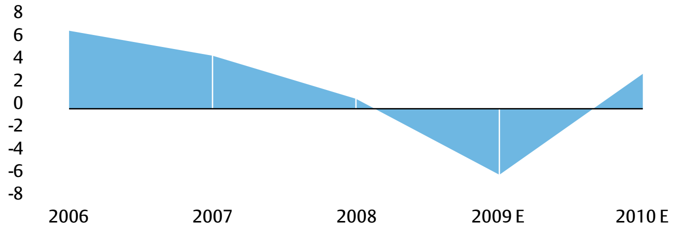
### PROPERTY PORTFOLIO in %

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is1.8 years and based on end contract 3.8 years.



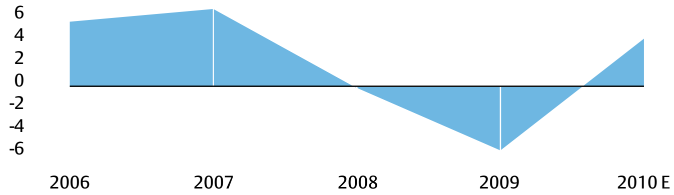
## GDP GROWTH in %

Economic growth



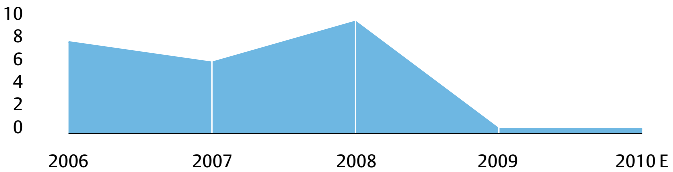

## HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



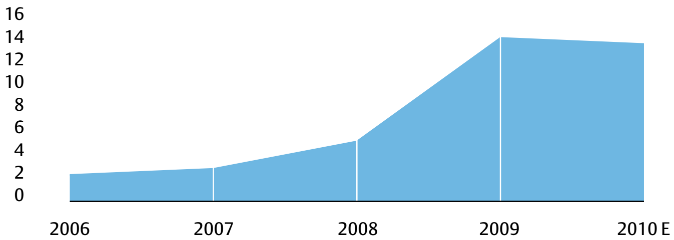

## INFLATION CPI in %

Development consumer prices

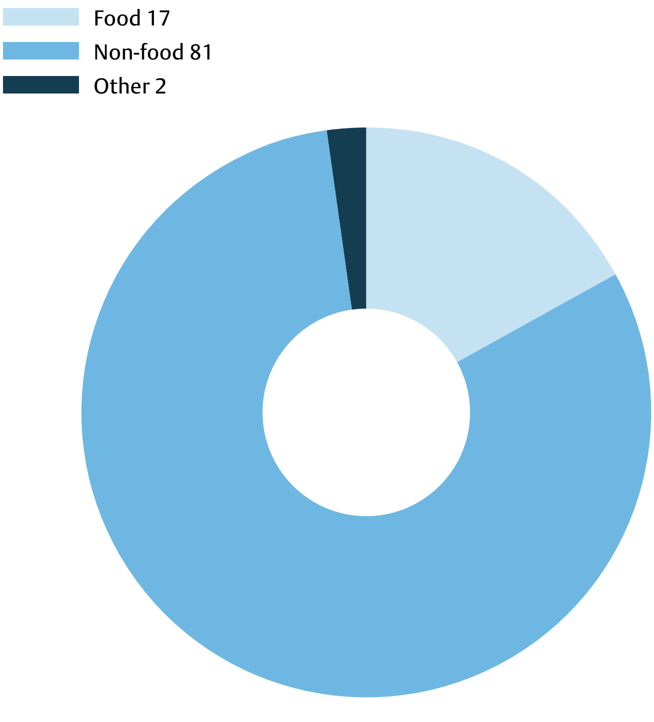



## UNEMPLOYMENT

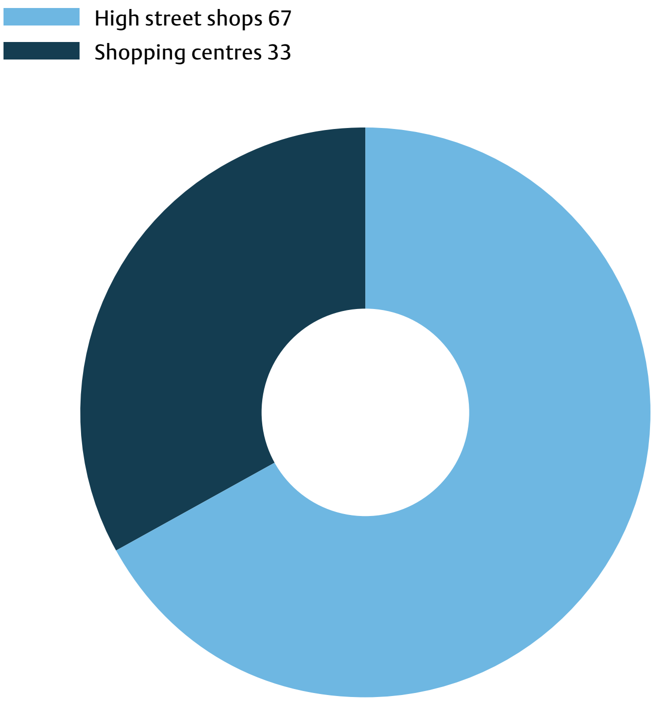
Unemployment as % of working population




## INDUSTRY SPREAD in %




## SECTOR SPREAD in %



## PERSONNEL AND ORGANISATION

The aim of VastNed Retail in terms of personnel and organisation is to create a permanently challenging working environment in which its staff can develop and grow further. The corporate culture at VastNed Retail can be described as transparent, open and informal. VastNed Retail operates in four core countries, with Turkey set to become a core country in the future. The organisation for each of the core countries is set up in the form of what is known as a 'country team'. These teams have a considerable degree of independence, but operate within the framework of a clear 'VastNed Group vision'. There are regular meetings between the teams in the various countries about subjects that affect all the countries, for example developments in sustainability, changes to accounting principles, developments relating to property valuations and the rental and investment markets. This allows knowledge and experience to be exchanged and the Group's objectives and procedures to be made more specific.

Challenging objectives are formulated in the annual evaluation interview with each staff member following mutual consultation. The employee's objectives are matched to those of the Group so that employees' personal development is aligned with the Group's interests. The following table gives some personnel statistics. The management team in the Netherlands works for both VastNed Retail and VastNed Offices/Industrial. The country teams carry out the following tasks, supported by the head office as needed depending on the team size: management, asset management, property management, (technical) project management and finance & control. In addition, there are various staff functions in IT and research, and for secretarial, tax and legal services. The majority of these staff functions are centralised at the Rotterdam head office, providing services to both VastNed Retail and VastNed Offices/Industrial. The Belgian team in Antwerp also has a relatively large staff department, partly due to the stock exchange listing of Intervest Retail and Intervest Offices.

*Total number of employees during 2009 (in FTEs)*

| Geographical spread | 2009 | 2008 |
|---|---|---|
| Rotterdam, Netherlands | | |
| Retail | 17 | 17 |
| Offices/Industrial | 12 | 13 |
| Board and staff functions | 17 | 18 |
| Antwerp, Belgium | | |
| Intervest Retail | 11 | 12 |
| Intervest Offices | 17 | 16 |
| Madrid, Spain (Retail) | 11 | 11 |
| Paris, France (Retail) | 18 | 14 |
| Istanbul, Turkey (Retail) | 2 | 2 |
| Frankfurt, Germany (Offices/Industrial) | 1 | 1 |
| *Total* | 106 | 104 |
| Number of employees joining | 6 | 14 |
| Number of employees leaving | 4 | 8 |
| Male/female as at 31 December | 56/49 | 60/44 |

# SUSTAINABILITY

## INTRODUCTION

Sustainability is a complex and diverse subject. The environment, consumers, staff and society all play a role. Furthermore, for a property investor sustainability can be subdivided into the sustainability of the organisation and that of its property portfolio. This section is concerned only with the sustainability of the property portfolio.

## SUSTAINABILITY OF BUILDINGS

Essentially the sustainability of a building involves:
- the quality of the building;
- the location;
- an optimum shopping and working environment;
- the efficient use of energy, materials and water;
- the management of the waste stream; and
- the use of renewable resources.

The quality of the building is the main factor determining its technical and economic useful life. Can the internal space be used efficiently and effectively? A prominent aspect is the location with respect to the surrounding area. Will the location remain popular with those using the building? A healthy, safe shopping and working environment is also becoming increasingly important. Both the efficient use of energy, materials and water, and waste processing are crucial for sustainability, while the extent to which the used resources are renewable is very important. A key aspect for property investors is that sustainability should be relevant to the total return on investment in the long term, i.e. that current and future tenants should consider sustainability important.

## TENANTS

The tenants of a building have their own responsibility. The owner of a building cannot determine the choices a tenant makes regarding sustainability. What the owner can do is make agreements with the tenant about the use of the building and/or inform the tenant about the options with regard to sustainability.

## OBJECTIVES

The objectives VastNed Retail has set itself regarding sustainability are:
having buildings in the letting market that are competitive in terms of sustainability;
minimising the impact of the activities of VastNed Retail on the surrounding area;
achieving above-average performance when set against sustainability benchmarks.

VastNed Retail applies the following boundary conditions when working towards these objectives:
- the tenant should be satisfied with every sustainability initiative that is taken;
- the implementation of sustainability measures should have a neutral effect at the very least on the projected long-term total return on investment for the property investment;
- technology developments, and consequently the timing of the investment, have a significant impact on the projected total return on investment; and
- shareholders should appreciate the sustainability policy.

Developments in legislation on sustainability can lead to lower projected total returns on investment if such legislation enforces less profitable investments with a view to sustainability.

## ENVIRONMENTAL MANAGEMENT SYSTEM

In 2009 VastNed Retail introduced an Environmental Management System for the implementation of its sustainability policy. One member of the management team has final responsibility for sustainability. Objectives and the accompanying boundary conditions were drawn up as described above.

## POLICY INSTRUMENTS

The instruments for the sustainability policy consist of the development and implementation of programmes concerning specific aspects of sustainability, such as energy consumption, in addition to the setting of annual targets. Sustainability procedures, codes and standards are also applied, for example for the use of materials. Lease contracts with tenants offer the opportunity to make agreements with those tenants, for example in the form of a green lease - a lease contract that includes agreements between the tenant and the landlord regarding sustainability. Raising awareness about sustainability within the VastNed Retail organisation is crucial for a successful implementation of the sustainability policy.

In some situations, an improvement in the projected total return on investment can be obtained through the decentralised generation of electricity, done by putting solar cells and/or wind turbines on or close to a building.

Each year, targets are set in the business plan. These targets are worked out in more detail and implemented within each country team. The results are also measured, with the preferred option being a comparison of the results with external benchmarks. There is an annual evaluation and the objectives, boundary conditions, targets, policy instruments and/or organisation are amended where necessary in the light of experience.

## CONCRETE ACTIONS

VastNed Retail set up its sustainability organisation and formulated its sustainability policy in the year under review. In Belgium, green electricity is being purchased for that part of the property portfolio where VastNed Retail is responsible for buying energy. To the extent that VastNed Retail is responsible for the purchase of power, the Dutch property portfolio will also switch to green electricity in the first quarter of 2010 at no extra cost to the tenants.

VastNed Retail has signed a contract with the civil engineering consultancy Grontmij, an expert in the field of sustainability, to assess a total of thirteen properties in its property portfolio, three in each of the current core countries and one in Turkey, on sustainability. The assessment will take place in 2010 and will use the BREEAM-In-Use criteria (a sustainability assessment method). It can be seen as an extensive pilot project in using this form of certification. Grontmij is helping with the selection of the buildings and is collaborating intensively with VastNed Retail to ensure that the local country teams will be able to carry out self-assessments in future. Ultimately Grontmij will act as auditor for the BREEAM-In-Use certification

Furthermore, in 2010 the VastNed Group will be joining the International Sustainability Alliance as a founding member. This organisation aims to set international standards for sustainability and enable international benchmarking. External benchmarks enable VastNed Retail to measure its performance in terms of sustainability objectively.

## 2010 TARGETS

VastNed Retail is making sustainability a priority issue for 2010. The targets for the current financial year are:

– further reduction in the impact of the activities of VastNed Retail on the surrounding area by increasing the proportion of green energy sources, realising quick wins and making sustainability investments in buildings, taking into account the boundary conditions that have been set;

- development of instruments for the sustainability policy such as programmes, procedures, codes and standards for application in 2010 and beyond;
- implementation of performance measurement systems, such as the above-mentioned pilot project using BREEAM In-Use certification and international benchmarking through the International Sustainability Alliance; and
- development of sustainability reporting to all stakeholders.

## RESPONSIBILITY STATEMENT BOARD OF MANAGEMENT

In accordance with the EU Transparency Directive as contained in Section 5.3 of the Act on Financial Supervision, the Board of Management hereby declares that, insofar as it is aware:
- the consolidated annual accounts 2009 give a true and fair view of the assets and liabilities, the financial position and the result of VastNed Retail and its consolidated subsidiaries;
- the additional management information set out in this annual report gives a true and fair view of the state of affairs as at the balance sheet date and the course of events during the financial year of VastNed Retail and its consolidated subsidiaries; and
- the material risks to which VastNed Retail is exposed are set out in the annual report. These risks are described in detail in the Risk management chapter.

## RISK MANAGEMENT

### DUTCH CORPORATE GOVERNANCE CODE

The Corporate Governance Code Monitoring Committee presented a new, complete version of the Code on 10 December 2008. One of the main changes concerns risk management. The new Code stipulates that a company's annual report must include a description of the principal risks to which it is exposed in relation to the implementation of its strategy. The Board of Management must in that regard make a distinction between financial reporting risks and operational risks. The provisions of this new Code were already applied by VastNed Retail in its 2008 annual report.

### DESCRIPTION OF THE RISK PROFILE

#### *Risks related to the strategic targets*

*Choice of country*

The investment property categories, countries and size of the properties VastNed Retail wishes to invest in are specified in the Profile and strategy chapter. It opts in this regard to invest primarily in shops in euro zone countries characterised by stable political and economic climates, embedded in generally clear rent and tax legislation and regulations. Rent and value developments as well as the occupancy rates of the shop investments are to an important extent linked to the demand for shop locations, which is itself largely determined by the nature and magnitude of consumer spending and the dynamics of local and international retailers. The addition of Turkey in 2007 as a new investment country meant the addition of a country with a higher risk profile due to the current political and economic climate. The risk is mitigated, however, by currently limiting investments in this country to a maximum of 10% of the investment portfolio and, moreover, by clearly focusing on investments in Istanbul, which is more oriented towards the West.

*Currency policy*

Because VastNed Retail invests primarily in the euro zone and only to a limited extent in Turkey, the currency risk is limited. Moreover, the risk with respect to the Turkish property portfolio is further reduced by concluding leases in that portfolio in euros or US dollars.

*Finance policy*

The investments are in part financed by loan capital on the basis of a sound finance and interest rate policy. The aim in this regard is to achieve relatively conservative financing ratios between equity and loan capital. In principle, a maximum of 50% of the market value of the investments is financed by loan capital. Furthermore, efforts are made to limit the segment of the portfolio financed by short-term loans to a quarter of the total loan capital. Higher loan-to-value ratios are used in the covenants with banks; in most of these agreements the ratio is based on a solvency – calculated as equity plus deferred tax liabilities divided by the balance sheet total – of at least 45%.

*Interest-rate policy*

Due to the capital-intensive nature of its operations, VastNed Retail is sensitive to interest rate developments, which can affect both the value of the investment properties and the current cash flow and therefore the direct investment result. The interest rate risk is limited, however, by arranging interest rate derivatives with large international banks. This means that the interest rate is fixed for a minimum of two-thirds of the loan portfolio for a term of at least three years. The interest rate derivatives are arranged in such a way as to ensure interest review dates are spread across years.

## DESCRIPTION OF THE INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

### *Principal risks and risk management measures and impact of these risks*

The Risk management chapter includes an overview of the risks identified within VastNed Retail that also specifies the way in which these risks are managed. An important element of the internal risk management and control system is the totality of internal control measures and administrative and organisational procedures as set out in the Administrative Organisation handbook. In our view, this handbook meets the requirements of the Act on Financial Supervision and associated regulations.

### *Actions taken*

Attention was again devoted to risk management in 2009 by the Supervisory Board, the Board of Management and organisations in each of the countries in which VastNed Retail operates. Based on discussions conducted in 2008 between the Board of Management, Supervisory Board, audit committee and external auditor concerning the internal procedures in place within the Company to prevent fraud – discussions initiated following media reports of a number of cases of fraud in the Dutch property sector – a fraud control workshop supervised by an external consultant was given in 2009.
In addition to the management team and members of staff, all Dutch portfolio managers, technical managers and controllers took part in the workshop, during which the applicable internal procedures were made more concrete on the basis of a number of cases stated.

Another important point in the area of risk management was the financing of the property portfolio against the backdrop of the financial crisis. Within this context, the way in which current sources of funding could be expanded was discussed. Attention was devoted to inflation-linked bonds, private placements and the addition of new foreign banks to the current selection of banks. Furthermore, efforts will be made to reduce the short-term part of the loan capital from a third to a quarter of the total loan capital. In addition to these issues, a number of important risks were addressed within the Board of Management as well as in meetings of the audit committee and Supervisory Board in accordance with the annually adopted work plan. These meetings also addressed the design and operation of the associated risk management measures in place in relation to, among other things, strategic risks, emergency risks (insurances, solvency of the insurer), financial reporting risks, compliance risks (rules of the AFM and NYSE Euronext, those associated with licences and safety regulations), financing and refinancing risks, interest rate risks and tax and legal risks. No significant changes were deemed necessary with respect to the internal risk management and control systems.

In addition, attention was devoted in 2009 to the latest changes with respect to IFRS, the internal procedures of the group measurement bases, internal procedures and the financial closing process during one of the Finance Meetings. These meetings are attended by managers responsible for finance and the controllers of the respective country teams. Additional attention was devoted in this regard to the periodic financial closing processes in Spain and France, which resulted in more rapid and flexible processes. Furthermore, together with an external consultant, preparations were made in 2009 for the execution of a number of additional internal checks relating to the existence and operation of internal procedures, among other things through the formulation of a number of work programmes.
The intention is to implement these work programmes for a selected number of procedures in 2010.

*Results of the evaluation of the internal risk management and control systems*

With respect to the financial reporting risk, the Board of Management is of the opinion that the risk management and control systems in place provide a reasonable degree of assurance that the financial reporting is free of material misstatements. The Board of Management also believes that these risk management and control systems functioned adequately throughout the financial year, during which time a number of administrative and organisational procedures were updated. An example in this regard was the tightening of the procedure governing requests for maintenance offers. No material shortcomings were identified in the risk management and control systems in place to manage financial reporting risks.

*Sensitivity analysis*

The following is an overview based on the balance sheet position as at the end of 2009 of the potential effects, all other things being equal, of changes in the risk factors listed.

- An increase (a decrease) in the interest rate of 100 basis points will result in a decrease (an increase) in the direct investment result of € 0.06 per share;
- An increase (a decrease) in the net initial yields used in the appraised value of 50 basis points (approximately 7.5% of the value of the investment properties at year-end 2009) will result in a decrease (an increase) in equity of € 6.47 per share and an increase (a decrease) in the loan-to-value ratio of approximately 325 basis points;
- An increase (a decrease) in the occupancy rate of 100 basis points will result in an increase (a decrease) in the direct investment result of € 0.08 per share.

## FINANCIAL STATE OF AFFAIRS

### 2009 INVESTMENT RESULT ATTRIBUTABLE TO VASTNED RETAIL SHAREHOLDERS

Due to a decrease in value of the property portfolio, a negative investment result was achieved in 2009 of € 61.4 million (negative € 51.1 million in 2008). The 2009 investment result comprises the direct investment result of € 68.6 million (€ 60.9 million in 2008) and the indirect investment result of negative € 130.0 million (negative € 111.9 million in 2008).

*Direct investment result*

Corrected for non-recurring costs incurred for the bidding process in 2008, the direct investment result increased from € 63.3 million in 2008 to € 68.6 million in 2009, an increase of 8.5%. The increase was mainly due to lower net financing costs. On the one hand, VastNed Retail was able to benefit from the considerably lower short-term interest rate in 2009 through the segment of the property portfolio financed by a floating interest rate. On the other hand, the interest expense decreased as a result of a share issue effected in the middle of September 2009 through which over € 75 million was raised, which amount was first used to pay off short-term loans. The decrease in financing costs was limited, for that matter, because, as a precaution, interest cost was no longer capitalised on investment properties under renovation and in pipeline in 2009 (€ 1.4 million in 2008).
Despite the current economic climate, modest like-for-like growth in net rental income was achieved and the average occupancy rate of the property portfolio remained a healthy 96.8% relative to 97.9% in 2008.
The decrease in the investment result due mainly to the sale of two Dutch property portfolios at the end of 2008 and middle of 2009 was offset by lower general expenses and current income tax expenses in the reporting period.

*Indirect investment result*

The decrease in value of the property portfolio that started in the middle of 2008 continued in the poorer economic climate of 2009. In this connection, the pressure on property values was clearly less in the second half of the year than it had been in the first. The total write-down in 2009 was somewhat over 7%. The Spanish and French property portfolios posted the sharpest decreases of 18.1% (negative 13.8% in 2008) and 7.8% (negative 10% in 2008) respectively. The value of investment properties fell mainly as a result of negative yield shifts caused by higher required returns set by investors due to the more adverse economic situation (especially in Spain, where the unfavourable situation referred to was

reflected primarily by an unemployment rate in excess of 20%) and more limited financial resources due to the credit crisis. The negative yield shifts became less pronounced in the last quarters of 2009 and changes in value were determined more by developments in market rent.
As a result of these negative developments in value, the indirect investment result, taking the release of deferred tax liabilities of the Spanish property portfolio and the part due to minority interests into account, amounted to negative € 130.0 million (negative € 111.9 million in 2008).

*Gross rental income*

The total gross rental income decreased from € 132.0 million in 2008 to € 130.6 million in 2009. This decline is further specified for each country in the table on page 84.

- *Acquisitions*
  The increase in gross rental income through acquisitions in the Netherlands was mainly due to the expansion of the Het Rond shopping centre in Houten in the fourth quarter of 2008 and the opening of Retail Park Roermond in March 2008. Completion of the 'De Promesse' in the centre of Lelystad in the fourth quarter of 2009 made only a limited contribution to the growth of rental income in that year. In Belgium, gross rental income decreased with respect to acquisitions as a result of a non-recurring compensation amount of € 0.3 million for late completion of the Julianus shopping centre in Tongres. This amount was recorded in 2008.

- *Disposals*
  The decrease in gross rental income in 2009 was largely due to two major sales transactions executed at the end of 2008 and middle of 2009 concerning property portfolios containing mainly small high street shops in the Netherlands for a total in excess of € 70 million.

- *Transfer to investment properties under renovation or in pipeline*
  At the beginning of 2008, the decision was made to temporarily close Plaisir-Sablons shopping centre near Paris for total redevelopment, as a result of which the gross rental income decreased slightly also in 2009 relative to 2008. In Spain, the leisure part of Parque Vistahermosa in Alicante was taken out of operation in 2008 in order to be converted into shop units. This conversion is expected to be completed in the course of 2010. In addition, the cinema in Montigalá shopping centre in Badalona has been converted into shop units and is back in operation. On balance, these developments led to a decrease in gross rental income of € 0.4 million relative to 2008.

- *Like-for-like growth*
  With the exception of Spain, like-for-like growth occurred in all countries. Due to the adverse economic climate, the average vacancy rate of the Spanish property portfolio increased from 3.4% in 2008 to 6.1% in 2009, which was an important reason for the decrease in the gross rental income of € 1.8 million.
  In addition, rent reductions in Spain as a percentage of the gross rental income increased from 1.6% to 3.7%, which constituted an increase of € 0.7 million. By contrast, like-for-like growth in gross rental income of just under 5.5% was achieved in Belgium mainly as a result of lease renewals, which constituted an increase of over € 1.1 million. Like-for-like growth through lease renewals and indexations in the Netherlands and France was somewhat slowed by decreases in occupancy rate in those countries.

*Operating expenses (including ground rents paid and net service charge expenses)*

Operating expenses decreased by € 0.3 million to € 14.9 million, or from 11.5% to 11.4% of the gross rental income. Corrected for the decrease as a result of acquisitions and disposals, operating expenses increased on a like-for-like basis by only € 0.2 million. A relative decrease was achieved in Spain despite the adverse economic climate. The decrease was due mainly to the release of a provision made in 2008 for a doubtful debt which was finally collected. In addition, provisions for doubtful debts and net service charge expenses were made as a precaution.

### *Value movements investment properties*

The decrease in value of investment properties that started in 2008 as a result of the credit crisis continued in 2009. Based on external appraisals, the market value of the investment properties in operation decreased by € 124.1 million (negative € 126.7 million in 2008), or by approximately 6.8% of the value at year-end 2008. Negative yield shifts occurred in all countries; the largest was in Spain, followed by France. These negative yield shifts reflect uncertainty about future rental growth and the tight finance market, as a result of which investors are demanding higher returns. The negative changes in value caused by the yield shifts referred to were offset only to a limited extent by rent levels improved by indexation and rent reviews with higher rent levels. As a result, however, the Belgian property portfolio posted, on balance, a modest increase in value relative to 2008.
A decrease in value of € 23.4 million was recorded for investment properties under renovation and in pipeline (positive € 4.0 million in 2008). The leisure property in Alicante, where the contracted tenant, electronics chain Saturn, decided to terminate the lease by paying two years of rent as compensation, accounted for most of this decline.
The negative yield shifts became less pronounced in the last quarters and value movements were determined more by developments in market rent.

### *Net result on disposal of investment properties*

In 2009, sales primarily involved a number of small 'non-core' high street shops, mainly in the Netherlands, that had a total carrying amount at the time of sale of € 48.3 million. In addition, the renovation property in Olen, Belgium, was sold with a carrying amount of € 6.6 million. The development of this property was deemed to be too risky in the current uncertain economic climate. In addition, various apartments were sold in both Belgium and France (Lille).
After deduction of sales costs, the net result of these sales was € 2.2 million.

## EXPENDITURE

### *Net financing costs*

Net financing costs decreased from € 39.3 million in 2008 to € 33.3 million in 2009. The table below specifies the cause of this decrease.

(x € 1 million)

| | |
|---|---|
| Net financing costs 2008 | (39.3) |
| Decrease as a result of net sales | 1.3 |
| Interest on investment properties under renovation and in pipeline no longer capitalised | (1.4) |
| Decrease as a result of the issue of shares | 1.1 |
| On-balance decrease as a result of lower short-term market rate of interest, higher credit spreads and changes in working capital | 5.4 |
| Additional decrease in value as a result of the revaluation of interest-rate derivatives | (0.4) |
| *Net financing costs 2009* | **(33.3)** |

The average interest rate for the interest-bearing loan capital as a whole decreased from 4.8% to 4.1%, mainly as a result of the sharp decrease in the short-term interest rate in 2009. Due to the decrease in the market rate of interest, the market value of interest-rate derivatives not classified as a full hedge under IFRS also decreased by almost € 0.8 million.

### *General expenses*

Corrected for non-recurring costs incurred for the bidding process, general expenses decreased from € 7.8 million in 2008 to € 7.1 million in 2009. This decrease was largely the result of lower personnel expenses and non-recurring consultancy costs associated with the Lille portfolio in 2008 that are no longer payable.

*Current income tax expenses*

Current income tax expenses decreased in 2009 from € 1.7 million to € 1.2 million. This can largely be explained by the inclusion from 1 January 2009 of most of the companies acquired in the purchase of the Lille portfolio in the tax-friendly SIIC regime, which resulted in a tax saving of approximately € 0.5 million in 2009.

*Movement deferred tax assets and liabilities*

The movements in deferred tax assets and liabilities resulted in tax income (a release) of € 15.0 million (a release of € 12.3 million in 2008) primarily due to the negative changes in value in the Spanish property portfolio. Value movements in the Dutch and Belgian portfolios and most of the French one did not lead to movements in deferred tax assets and liabilities due to the application of tax-friendly regimes.

*Investment result attributable to minority interests*

The investment result of € 5.2 million (€ 7.2 million in 2008) due to minority shareholders comprises the direct investment result and the indirect investment result due to minority interests of € 6.3 million (€ 5.1 million in 2008) and negative € 1.1 million (positive € 2.1 million in 2008) respectively. The increase of the direct investment result due to minority shareholders was mainly the result of the higher direct investment result of Intervest Retail, in which VastNed Retail has an interest of 72.4%. The negative indirect investment result due to minority interest was caused by a limited decrease in value of Het Rond shopping centre in Houten, in which VastNed Retail has an interest of 50%, and the negative value movements of Intervest Retail's interest-rate derivatives not classified as a full hedge. These declines in value were partly offset by a positive change in value in Intervest Retail's Belgian property portfolio.

## INVESTMENT RESULT PER SHARE

Based on the increased average number of VastNed Retail shares in issue of approximately 17 million (16.4 million in 2008) as a result of the issue of shares and stock dividend, the investment result per share was negative € 3.61 (corrected for the non-recurring costs of the bidding process, negative € 2.97 in 2008). This result comprises the direct investment result per share of € 4.03 (corrected for the non-recurring costs of the offer process, € 3.85 in 2008) and the indirect investment result per share of negative € 7.64 (negative € 6.82 in 2008).

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

| | |
|---|---|
| Direct investment result 2008 | 3.71 |
| Costs of bidding process | 0.14 |
| Direct investment result before costs of bidding process | 3.85 |
| Like-for-like growth in net rental income | 0.03 |
| Increase as a result of acquisitions after deduction of the interest expenses | 0.01 |
| Decrease as a result of disposals after deduction of the interest expenses | (0.04) |
| Interest on investment properties under renovation and in pipeline no longer capitalised | (0.08) |
| Decrease in financing costs due to lower short-term interest rate | 0.32 |
| Effect of the issue of shares | (0.08) |
| Decrease in general expenses | 0.04 |
| Decrease in current income tax expense | 0.03 |
| Increase in direct investment result attributable to minority interests | (0.05) |
| Direct investment result 2009 | **4.03** |

## FINANCING STRUCTURE

The second half of 2008 and first half of 2009 were characterised by a high degree of uncertainty with respect to the stability of the financial system. Confidence in the financial markets was somewhat restored by the coordinated action of governments and central banks, which resulted in low interest rates and increased liquidity in the financial markets. VastNed Retail benefited from this recovery by strengthening its balance sheet in September 2009 through the issue of approximately 1.7 million new shares at an issue price of € 45.50 per share. The income generated by this issue of shares, amounting to approximately € 75 million, was first used to redeem short-term loans. This strengthening of the balance sheet leaves VastNed Retail in a good position to act in the event of attractive acquisition opportunities that match the profile of our property portfolio becoming available.

As at 31 December 2009, VastNed Retail's balance sheet showed a sound financing structure with a loan-to-value ratio of 40% (41% at year-end 2008) and a solvency ratio – calculated as group equity plus deferred tax liabilities divided by the balance sheet total – of 55.9% (55.5% at year-end 2008).

As at 31 December 2009, the loan structure was as follows:

- the total outstanding interest-bearing loan amount was € 742.2 million;
- 80.5% of the outstanding loans were long-term with a weighted average term based on contract expiry dates of 3.6 years;
- a good spread of the expiry dates of the long-term loans, of which only an amount of € 42.1 million will expire in 2010 (recognised under short-term liabilities);
- 83.5% of the outstanding loans had a fixed interest rate, mainly through the use of interest-rate swaps;
- a good spread of interest-rate revision dates with a weighted average term of 4.6 years;
- the average fixed interest rate, taking into account the agreed interest-rate swaps, was 4.6%;
- 16.5% of the outstanding loans have a floating interest rate and are benefiting from the currently low short-term interest rate;
- due to the decreased yield curve at year-end 2009, a negative value of € 37.1 million, excluding deferred tax assets and liabilities, was recognised with respect to the interest-rate swaps;
- the unused credit facilities amounted to € 145.7 million.

With a solvency of 55.9% and an interest coverage ratio of 3.3, VastNed Retail meets the requirements of all financing agreements with banks. Financing agreements with banks are usually concluded with a required solvency ratio of at least 45% and an interest coverage ratio ranging from 2 to 2.5.

# DEVELOPMENT NET RENTAL INCOME x € 1 million

| | Netherlands | Spain | France | Belgium | Turkey | Portugal | Total |
|---|---|---|---|---|---|---|---|
| Gross rental income 2008 | 50.5 | 33.5 | 25.9 | 20.0 | 1.0 | 1.1 | 132.0 |
| Acquisitions | 2.9 | – | 0.2 | (0.1) | 0.1 | – | 3.1 |
| Disposals | (4.7) | – | – | (0.2) | – | – | (4.9) |
| Transfer from/to investment properties under renovation/in pipeline | – | (0.3) | (0.1) | – | – | – | (0.4) |
| Like-for-like rental growth | 0.4 | (1.8) | 1.0 | 1.1 | 0.1 | – | 0.8 |
| Gross rental income 2009 | 49.1 | 31.4 | 27.0 | 20.8 | 1.2 | 1.1 | 130.6 |
| Operating expenses* | (6.5) | (3.9) | (2.4) | (1.9) | (0.2) | – | (14.9) |
| Net rental income 2009 | 42.6 | 27.5 | 24.6 | 18.9 | 1.0 | 1.1 | 115.7 |
| Operating expenses in % of gross rental income: | | | | | | | |
| – in 2009 | 13.3 | 12.4 | 9.1 | 9.0 | 13.5 | (2.7) | 11.4 |
| – in 2008 | 12.7 | 13.4 | 9.0 | 8.4 | 17.8 | 4.4 | 11.5 |

* Including ground rents paid and net service charge expenses.

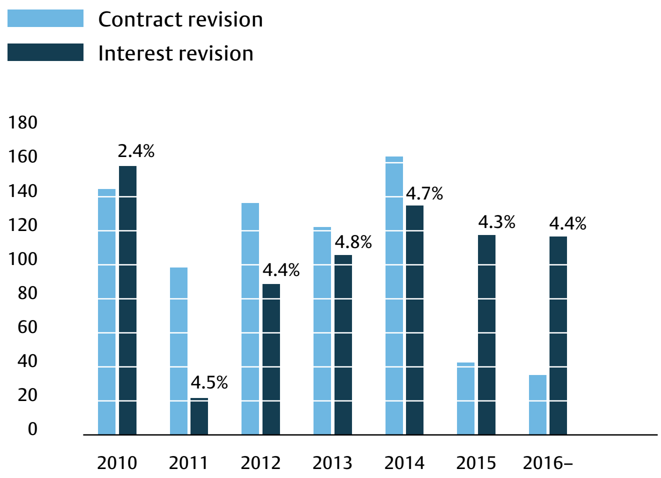
# LOAN PORTFOLIO at year-end 2009 (x € 1 million)

| | Fixed interest* | Floating interest | Total | % of total |
|---|---|---|---|---|
| Long-term debt | 577.3 | 20.3 | 597.6 | 80.5 |
| Short-term debt | 42.1 | 102.5 | 144.6 | 19.5 |
| Total | 619.4 | 122.8 | 742.2 | 100.0 |
| % of total | 83.5 | 16.5 | 100.0 | |

* Interest-rate derivatives taken into account.

# CONTRACT AND INTEREST REVISION RISKS LOAN PORTFOLIO

(x € 1 million)



## DIVIDEND PROPOSAL AND DIVIDEND DISTRIBUTION

At the General Meeting of Shareholders of 7 April 2009, the dividend for the 2008 financial year chargeable to the freely distributable reserves was set at € 3.85 per share. An interim dividend of € 1.17 per share had already been distributed in September 2008. The final dividend was therefore € 2.68 per share, of which the compulsory cash component was € 0.85 and the optional component was € 1.83 in cash or 1 new share for every 18 shares held. Within this framework, holders of almost 21% (16% in 2008) of the shares in issue opted for stock dividend, as a result of which the number of shares increased by 187,214.

On 31 August 2009, in accordance with the dividend policy, 60% of the direct investment result over the first half of 2009 was distributed as interim dividend at € 1.25 per share. In line with previous years, an optional dividend is proposed to shareholders with respect to the final dividend that, according to the respective choices of the individual shareholders, can be taken up entirely in cash or partly in cash and partly in the form of stock dividend chargeable to the share premium reserve. At a minimum, the fiscal result must be distributed in cash to meet fiscal terms and conditions applicable to fiscal investment institutions.

During the General Meeting of Shareholders to be held on 21 April 2010, a proposal will be submitted to declare the final dividend chargeable to the freely distributable reserves at € 2.78 per ordinary share, which is the 2009 direct investment result per share of € 4.03 less the interim dividend of € 1.25 per share. Taking into account the fiscal distribution obligation referred to in the foregoing and the share price applicable at that time, it will be possible, in addition to take-up entirely in cash, to take up the final dividend as € 1.10 in cash and a percentage to be further determined in VastNed Retail shares chargeable to the share premium reserve that will constitute an approximate value of € 1.68 per share. The final dividend will be made payable on 17 May 2010.

## OUTLOOK FOR 2010

Last year, we stated that we expected VastNed Retail to weather the economic crisis well based on the quality and spread of its property portfolio in terms of both location and tenant mix. Despite the adverse economic conditions, especially in Spain, this expectation was borne out, as evidenced by an increase in the 2009 direct investment result, an occupancy rate as at the end of 2009 of 95.5% and a solid financial starting position for 2010.

We are cautiously optimistic for 2010 as well. Although still relatively low, the level of consumer confidence appears to be recovering somewhat in most of the countries in which VastNed Retail operates, something that will ultimately have a positive effect in terms of consumer spending and therefore on the sales figures of our tenants. In the short term, however, improvement in sales figures, due in part to what were at times sharp decreases in previous quarters and the relatively low rate of inflation, and therefore limited indexation, will as yet only to a limited extent result in solid rental growth. Nevertheless, the improvement will contribute to the maintenance of sound occupancy rates.

Furthermore, we expect that the European Central Bank will keep the short-term interest rate low in 2010, something from which VastNed Retail, given its interest-rate policy and the segment of its portfolio financed on a floating basis, will continue to benefit.

Finally, we expect that, through the currently solid financial starting position and an active acquisition policy, it will be possible to add new, attractive investment properties to the property portfolio that will make a positive contribution to the investment result.

As long as the proceeds are not fully used for investment, the share issue of September 2009 will have a negative impact on the direct investment result per share in 2010. In view of the fact that the recovery described above will be delicate and therefore contains a degree of uncertainty, the Board of Management anticipates a lower direct investment result per share in 2010 than in 2009.

*The outlook described in the foregoing is based on current expectations, estimates and forecasts and the information available to the Company at the present time. Furthermore, the outlook is subject to certain risks and uncertainties that are difficult to assess, such as general economic conditions, interest rates, exchange rates and changes in legislation and regulations. No guarantee can therefore be given that the outlook will become a reality. Moreover, we are not obliged in any way to update the statements made in this document.*

Rotterdam, 10 March 2010
The Board of Management

# THE SHARE AND THE STOCK EXCHANGE LISTING

## LISTING ON NYSE EURONEXT

The VastNed Retail shares have been listed on NYSE Euronext Amsterdam since 9 November 1987 and on NYSE Euronext Paris since 20 December 2004. As of 3 March 2008, the VastNed Retail shares have been included in the AMX index (Amsterdam Midkap Index). The average daily trading volume in 2009 was € 2.3 million, which was less than in 2008 (with a daily trading volume of € 3.4 million).
The VastNed Retail shares have been traded on the Universal Trading Platform of NYSE Euronext since 14 January 2009. This is the case for both the Amsterdam and the Paris listing. VastNed Retail uses a number of liquidity providers to ensure the shares remain continuously liquid. During 2009, Kempen & Co, the Royal Bank of Scotland and Rabobank acted as liquidity providers for VastNed Retail; Kempen & Co acted as a paid liquidity provider, the Royal Bank of Scotland and Rabobank as unpaid liquidity providers.

## INDICES

VastNed Retail is included in a number of indices. These indices help investors in putting together their equity portfolios. As stated above, VastNed Retail is included in the AMX index. The impression is that investors make limited use of this index as a guide to the composition of their equity portfolios.
Other indices, such as those of GPR and of EPRA, play a more important role, especially for international institutional investors.

As at 31 December 2009, VastNed Retail had the following weighting in the GPR indices:

| | |
|---|---|
| GPR 250 Global | 0.23% |
| GPR 250 Global ex-North America | 0.37% |
| GPR 250 Europe | 1.16% |
| GPR 250 Europe ex-UK | 1.99% |
| GPR 250 Eurozone | 2.16% |
| GPR 250 Netherlands | 12.75% |

As at 31 December 2009, VastNed Retail is included in the following EPRA indices:

| | |
|---|---|
| EPRA/NAREIT Global | 0.19% |
| EPRA/NAREIT Global ex-Asia | 0.33% |
| EPRA/NAREIT Global ex-North America | 0.32% |
| EPRA/NAREIT Europe | 1.09% |
| EPRA/NAREIT Europe (UK Restricted) | 1.30% |
| EPRA/NAREIT Europe ex-UK | 1.72% |
| EPRA/NAREIT Liquid 40 | 1.22% |
| EPRA/NAREIT Liquid 40 ex-UK | 1.94% |
| EPRA/NAREIT Eurozone | 2.08% |
| EPRA/NAREIT Netherlands | 10.68% |

## RETURN

VastNed Retail realised the following return in 2009, expressed in euros and as a percentage of the 2008 closing price of € 36.000.

| | | Return 2009 | Return 2008 |
|---|---|---|---|
| Closing price 2009 | 45.835 | | |
| Closing price 2008 | 36.000 | | |
| Movement in share price | 9.835 | 27.3 | (45.2) |
| Dividend on 2 May 2009 | 2.68 | 7.4 | 4.1 |
| Interim dividend on 1 September 2009 | 1.25 | 3.5 | 1.8 |
| *Total return* | **13.765** | **38.2** | **(39.3)** |

Assuming immediate reinvestment of the dividends, the total return for 2009 was a positive percentage of 41.6% (2008: negative 41.7%).

## SHARE PRICE

At year-end 2009, the shares were trading at a 10.9% discount to the net asset value per share. The net asset value per share held by VastNed Retail shareholders, including the 2009 investment result, decreased from € 60.80 (at the start of 2009) to € 51.42 (at year-end 2009).
The share price decreased considerably in 2008 and it increased by € 9.835 in 2009, which led to a reduction in the discount. The other European property investment funds also saw their share prices revive in 2009. VastNed Retail's total return per share exceeded both the European average (GPR 250 Europe: positive 41.2%) and the Dutch average (GPR 250 Netherlands: positive 39.1%). Market capitalisation based on the share price at year-end 2009 was € 837.2 million, compared with € 591.0 million at year-end 2008. The lowest share price of € 26.02 was quoted on 9 March 2009 while the highest share price of € 49.00 was quoted on 10 September 2009.

## DIVIDEND

In accordance with its current dividend policy (see the Profile and strategy chapter), VastNed Retail paid out a final dividend for 2008 of € 2.68 on 2 May 2009. The stock ratio entailed that 1 new share was distributed per 18 shares held. Shareholders could choose between being paid € 2.68 in cash or € 0.85 in cash and 1/18th of a VastNed Retail share. For this purpose, a total of 187,214 shares were issued and charged to the share premium reserve.

## NUMBER OF SHARES AND ISSUE OF NEW ORDINARY SHARES

On 11 September 2009, VastNed Retail placed 1,660,473 ordinary shares, 9.9% of the share capital, with international institutional investors using an accelerated book build. Following this share issue, the total number of shares in issue is 18,265,213. The outstanding share capital also includes 10 priority shares with a nominal value of € 5 each. There were no share repurchase programmes in 2009.

## MAJOR SHAREHOLDERS

VastNed Retail has information on the identity of its most important shareholders. However, it is difficult to find reliable information on the exact size of their holdings. Consequently, VastNed Retail only designates those shareholders with a stake of more than 5% according to the register of the AFM as controlling shareholders. Please note that this register does not provide precise numbers for the shareholdings at year-end 2009; it merely gives an indication of the brackets that the holdings are in (e.g. 5-10% or 20-25%). The following may be designated as controlling shareholders (>5% according o the AFM register):

| | |
|---|---|
| Nomura Asset Management Co. Ltd | 5.93% |
| Commonwealth Bank of Australia | 5.79% |
| DIAM Co. Ltd | 5.39% |

## PROVIDING INFORMATION

It is the policy of the Board of Management to inform all shareholders and other parties in the financial market at the same time. Comments on the quarterly and (semi-)annual figures as well as the presentations to analysts and institutional and other investors can be followed simultaneously by all interested parties through webcasting. The presentations are announced on the website and are placed on the website afterwards. Indeed, the Board of Management aims to engage in a constructive dialogue with actual and potential shareholders. In that regard, it has regular bilateral contacts with institutional investors, in which VastNed Retail only provides information that is already known in the market.

### INVESTOR RELATIONS

VastNed Retail's investor relations policy has a key position within the Company. This policy is aimed at raising awareness of the fund among institutional and private investors in various different ways. The CEO, CFO and the Director Investor Relations are actively involved in maintaining relations with these investors. Other VastNed Group employees are also involved in specific events such as property tours. A number of instruments are used to implement the investor relations policy, including investor roadshows, press releases, the annual report, the VastNed website and the newsletter *Behind the Facade*.

### INVESTOR ROADSHOWS

The investor roadshows are of crucial value for investor relations. In 2009, meetings were held with a large number of institutional investors in the financial centres of Europe and the United States.

## PRESS RELEASES AND PUBLICATION OF PERIODIC FIGURES

Price-sensitive information is always disclosed to the general public through press releases. It is also reported to the financial authorities (the AFM in Amsterdam, the Autorité des Marchés Financiers in Paris and NYSE Euronext Amsterdam) and placed on the Company's website (*www.vastned.nl*). Only information that has already been made public is commented upon in contacts with the press, individual investors and analysts. When VastNed Retail publishes annual and semi-annual figures, it holds an analysts' meeting, while a conference call is used to comment on the first quarter results and nine months' results. Both the analysts' meetings and the conference calls can be followed through audio webcasting on *www.vastned.nl.* There are no analysts' meetings, presentations to investors or direct meetings with investors in the period immediately preceding the publication of the financial reports.

## SELL-SIDE ANALYSTS

Reports of sell-side analysts are neither evaluated in advance nor corrected other than for factual inaccuracies. VastNed Retail does not pay fees to any party for drawing up analysts' reports.
VastNed Retail is currently being followed by thirteen sell-side analysts at reputable banks who regularly publish reports.
The following banks have sell-side analysts who follow VastNed Retail:

- Bank of America Merrill Lynch
- Credit Suisse
- Exane BNP Paribas
- Fortis Bank (the Netherlands)
- Goldman Sachs
- ING
- JPMorgan
- Kempen & Co
- Keijser Capital
- PeterCam
- Rabobank
- Royal Bank of Scotland
- Theodoor Gilissen

## ANNUAL REPORT

VastNed Retail's reporting received considerable praise for the third year running. The IVBN awarded the VastNed Retail annual report a mark of 9.4 out of ten for transparency and compliance with IVBN recommendations; this was one of the highest marks awarded. This assessment means VastNed Retail remains one of the highest-ranked IVBN members. The IVBN carries out annual assessments of the extent to which the IVBN members observe its recommendations.
The EPRA also carries out an annual survey of listed companies. The recommendations made by the external auditor in 2009 have been incorporated in this annual report as much as possible.
Furthermore, all the internal disciplines of VastNed Retail actively help to safeguard the report's quality and improve it where necessary.
The 2009 annual report is published in both Dutch and English. There is also a summary available in French. Only the English version is available in hardcopy; the Dutch version and French summary can only be obtained in PDF format (on *www.vastned.nl*) for cost saving purposes.

## WEBSITE

The VastNed Group launched its new website *www.vastned.nl* at the start of 2010. The website provides information about the VastNed Group in general as well as specific, extensive information about the two property funds: VastNed Retail and VastNed Offices/Industrial. In addition, considerable attention is given to the property portfolio; nearly all the retail and office properties of VastNed Retail and VastNed Offices/Industrial respectively are included with photos. Furthermore, detailed information can also be found on investor relations, corporate governance and sustainability. The website also offers a subscription service whereby people who subscribe receive press releases, presentations and newsletters by e-mail.

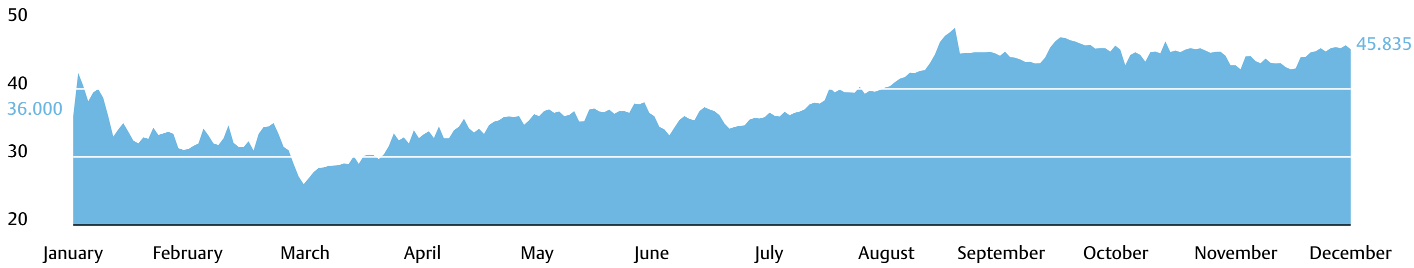
### BEHIND THE FAÇADE

The *Behind the Facade* newsletter takes an informal look at issues affecting VastNed Retail. The newsletter is for all the Company's business relations and focuses on the typical local atmosphere in the countries and cities where the VastNed Group has operations.

### CONTACT

Questions may be sent to:
VastNed Retail
Attn Mr Arnaud du Pont, General Counsel/Director Investor Relations
PO Box 4444,
3006 AK Rotterdam
The Netherlands
Telephone +31 10 24 24 302
arnaud.du.pont@vastned.nl

## CLOSING PRICES VASTNED RETAIL SHARE IN 2009 in €



# ANNUAL ACCOUNTS 2009

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

(x € 1,000)

| | Notes | 2009 | 2008 |
|---|---|---|---|
| **NET INCOME FROM INVESTMENT PROPERTIES** | | | |
| Gross rental income | 4, 26 | 130,562 | 132,007 |
| Ground rents paid | 4 | (565) | (557) |
| Net service charge expenses | 4 | (1,777) | (2,099) |
| Operating expenses | 4 | (12,539) | (12,495) |
| *Net rental income* | | 115,681 | 116,856 |
| Value movements investment properties in operation | 5 | (124,103) | (126,680) |
| Value movements investment properties under renovation | 5 | (14,731) | 3,313 |
| Value movements investment properties in pipeline | 5 | (8,645) | 727 |
| *Total value movements investment properties* | | (147,479) | (122,640) |
| Net result on disposals of investment properties | 6 | 2,220 | 946 |
| *Total net income from investment properties* | | **(29,578)** | **(4,838)** |
| **EXPENDITURE** | | | |
| Financial income | 7 | 492 | 2,185 |
| Financial expenses | 7 | (32,949) | (41,024) |
| Value movements financial derivatives | 7 | (822) | (461) |
| *Net financing costs* | | (33,279) | (39,300) |
| General expenses | 8 | (7,091) | (10,228) |
| *Total expenditure* | | **(40,370)** | **(49,528)** |
| *Investment result before taxes* | | **(69,948)** | **(54,366)** |
| Current income tax expense | 9 | (1,206) | (1,742) |
| Movement deferred tax assets and liabilities | 9 | 14,986 | 12,289 |
| | | 13,780 | 10,547 |
| *Investment result after taxes* | | **(56,168)** | **(43,819)** |
| Investment result attributable to minority interests | | (5,215) | (7,235) |
| *Investment result attributable to VastNed Retail shareholders* | | **(61,383)** | **(51,054)** |
| **PER SHARE** (x € 1) | | | |
| Investment result attributable to VastNed Retail shareholders | 10 | (3.61) | (3.11) |
| Diluted investment result attributable to VastNed Retail shareholders | 10 | (3.61) | (3.11) |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(x € 1,000)

| | 2009 | 2008 |
|---|---|---|
| Investment result | (56,168) | (43,819) |
| Value movements financial derivatives directly recognized in equity | (15,501) | (31,644) |
| Translation differences on net investments | (179) | 10 |
| Taxes related to other comprehensive income | 2,019 | 4,471 |
| *Other comprehensive income* | (13,661) | (27,163) |
| *Total comprehensive income* | **(69,829)** | **(70,982)** |
| Attributable to: | | |
| VastNed Retail shareholders | (74,781) | (77,379) |
| Minority interests | 4,952 | 6,397 |
| | **(69,829)** | **(70,982)** |

PER SHARE (x € 1)

| | 2009 | 2008 |
|---|---|---|
| Total comprehensive income attributable to VastNed Retail shareholders | (4.40) | (4.72) |

# DIRECT AND INDIRECT INVESTMENT RESULT [1)]

(x € 1,000)

| | 2009 | 2008 |
|---|---|---|
| **DIRECT INVESTMENT RESULT** [2)] | | |
| Gross rental income | 130,562 | 132,007 |
| Ground rents paid | (565) | (557) |
| Net service charge expenses | (1,777) | (2,099) |
| Operating expenses | (12,539) | (12,495) |
| *Net rental income* | 115,681 | 116,856 |
| Financial income | 492 | 2,185 |
| Financial expenses | (32,949) | (41,024) |
| *Net financing costs* | (32,457) | (38,839) |
| General expenses | (7,091) | (10,228) |
| *Direct investment result before taxes* | 76,133 | 67,789 |
| Current income tax expense | (1,206) | (1,742) |
| *Direct investment result after taxes* | 74,927 | 66,047 |
| Direct investment result attributable to minority interests | (6,278) | (5,159) |
| *Direct investment result attributable to VastNed Retail shareholders* | **68,649** | **60,888** |

1 This statement contains additional information that is not part of the primary overviews and is not required under IFRS.
2 The direct investment result is presented in accordance with the Best Practices Recommendations as published by EPRA.

| | 2009 | 2008 |
|---|---|---|
| **INDIRECT INVESTMENT RESULT** | | |
| Value movements investment properties in operation | (124,103) | (126,680) |
| Value movements investment properties under renovation | (14,731) | 3,313 |
| Value movements investment properties in pipeline | (8,645) | 727 |
| *Total value movements investment properties* | (147,479) | (122,640) |
| Net result on disposals of investment properties | 2,220 | 946 |
| Value movements financial derivatives | (822) | (461) |
| *Indirect investment result before taxes* | (146,081) | (122,155) |
| Movement deferred tax assets and liabilities | 14,986 | 12,289 |
| *Indirect investment result after taxes* | (131,095) | (109,866) |
| Indirect investment result attributable to minority interests | 1,063 | (2,076) |
| *Indirect investment result attributable to VastNed Retail shareholders* | **(130,032)** | **(111,942)** |
| Direct investment result attributable to VastNed Retail shareholders | 68,649 | 60,888 |
| Indirect investment result attributable to VastNed Retail shareholders | (130,032) | (111,942) |
| *Investment result attributable to VastNed Retail shareholders* | **(61,383)** | **(51,054)** |
| PER SHARE (x € 1) | | |
| Direct investment result attributable to VastNed Retail shareholders | 4.03 | 3.71 |
| Indirect investment result attributable to VastNed Retail shareholders | (7.64) | (6.82) |
| *Investment result attributable to VastNed Offices/Industrial shareholders* | **3.61** | **3.11** |

# CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

(x € 1,000)

| | Notes | 2009 | 2008 |
|---|---|---|---|
| **ASSETS** | | | |
| Investment properties in operation | 12 | 1,834,252 | 1,965,256 |
| Investment properties under renovation | 12 | 3,100 | 26,043 |
| Accrued assets in respect of lease incentives | 12 | 1,866 | 1,976 |
| | | 1,839,218 | 1,993,275 |
| Investment properties in pipeline | 12 | 22,183 | 21,514 |
| *Total investment properties* | | 1,861,401 | 2,014,789 |
| Tangible fixed assets | | 997 | 1,075 |
| Deferred tax assets | 13 | 904 | 1,218 |
| *Total fixed assets* | | **1,863,302** | **2,017,082** |
| Debtors and other receivables | 14,16 | 22,474 | 21,181 |
| Income tax | | 2,479 | 2,204 |
| Cash and cash equivalents | 15,16 | 5,739 | 3,089 |
| *Total current assets* | | **30,692** | **26,474** |
| *Total assets* | | **1,893,994** | **2,043,556** |

| | Notes | 2009 | 2008 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Capital paid-up and called | 17 | 91,326 | 82,088 |
| Share premium reserve | | 472,554 | 407,460 |
| Hedging reserve in respect of financial derivatives | | (31,083) | (17,864) |
| Translation reserve | | (103) | 76 |
| Other reserves | | 467,822 | 577,464 |
| Investment result attributable to VastNed Retail shareholders | 10 | (61,383) | (51,054) |
| Equity VastNed Retail shareholders | | 939,133 | 998,170 |
| Equity minority interests | | 95,960 | 96,230 |
| *Total equity* | | **1,035,093** | **1,094,400** |
| Deferred tax liabilities | 13 | 23,989 | 40,460 |
| Provisions in respect of employee benefits | 18 | 1,236 | 1,236 |
| Long-term interest-bearing loans | 19, 24 | 597,616 | 610,456 |
| Financial derivatives | 24 | 37,066 | 20,697 |
| Long-term tax liabilities | 20 | 5,434 | 8,435 |
| Guarantee deposits and other long-term liabilities | 21 | 8,281 | 9,265 |
| *Total long-term liabilities* | | **673,622** | **690,549** |
| Payable to banks | 22 | 102,474 | 183,380 |
| Redemption long-term interest-bearing loans | | 42,138 | 36,283 |
| Income tax | | 3,813 | 4,343 |
| Other liabilities and accruals | 23 | 36,854 | 34,601 |
| *Total short-term liabilities* | | **185,279** | **258,607** |
| *Total equity and liabilities* | | **1,893,994** | **2,043,556** |

# CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

(x € 1,000)

| | Capital paid-up and called | Share premium reserve | Hedging reserve in respect of financial derivatives | Translation reserve |
|---|---|---|---|---|
| Balance as at 1 January 2008 | 84,381 | 405,181 | 8,471 | 66 |
| Direct investment result | – | – | – | – |
| Indirect investment result | – | – | – | – |
| Value movements financial derivatives | – | – | (26,335) | – |
| Translation differences on net investments | – | – | – | 10 |
| *Total comprehensive income* | – | – | *(26,335)* | *10* |
| Capital contributions to subsidiaries | – | – | – | – |
| Cancellation of own shares | (2,571) | 2,571 | – | – |
| Stock dividend | 278 | (278) | – | – |
| Costs of stock dividend | – | (14) | – | – |
| Final dividend previous financial year in cash | – | – | – | – |
| Interim dividend 2008 in cash | – | – | – | – |
| Contribution from profit appropriation | – | – | – | – |
| Other movements | – | – | – | – |
| Balance as at 31 December 2009 | **82,088** | **407,460** | **(17,864)** | **76** |
| Direct investment result | – | – | – | – |
| Indirect investment result | – | – | – | – |
| Value movements financial derivatives | – | – | (13,219) | – |
| Translation differences on net investments | – | – | – | (179) |
| *Total comprehensive income* | – | – | *(13,219)* | *(179)* |
| Share issue | 8,302 | 66,051 | – | – |
| Stock dividend | 936 | (936) | – | – |
| Costs of stock dividend | – | (21) | – | – |
| Final dividend previous financial year in cash | – | – | – | – |
| Interim dividend 2009 in cash | – | – | – | – |
| Contribution from profit appropriation | – | – | – | – |
| Balance as at 31 December 2009 | **91,326** | **472,554** | **(31,083)** | **(103)** |

| Other reserves | Investment result a ttributable to VastNed Retail shareholders | Equity VastNed Retail shareholders | Equity minority interests | Total equity |
|---|---|---|---|---|
| 393,190 | 244,540 | 1,135,829 | 79,113 | 1,214,942 |
| – | 60,888 | 60,888 | 5,159 | 66,047 |
| – | (111,942) | (111,942) | 2,076 | (109,866) |
| – | – | (26,335) | (838) | (27,173) |
| – | – | 10 | – | 10 |
| – | *(51,054)* | *(77,379)* | *6,397* | *(70,982)* |
| – | – | – | 14,573 | 14,573 |
| – | – | – | – | – |
| – | – | – | – | – |
| – | – | (14) | – | (14) |
| – | (41,073) | (41,073) | (3,853) | (44,926) |
| (19,209) | – | (19,209) | – | (19,209) |
| 203,467 | (203,467) | – | – | – |
| 16 | – | 16 | – | 16 |
| **577,464** | **(51,054)** | **998,170** | **96,230** | **1,094,400** |
| – | 68,649 | 68,649 | 6,278 | 74,927 |
| – | (130,032) | (130,032) | (1,063) | (131,095) |
| – | – | (13,219) | (263) | (13,482) |
| – | – | (179) | – | (179) |
| – | *(61,383)* | *(74,781)* | *4,952* | *(69,829)* |
| – | – | 74,353 | – | 74,353 |
| – | – | – | – | – |
| – | – | (21) | – | (21) |
| – | (37,832) | (37,832) | (5,222) | (43,054) |
| (20,756) | – | (20,756) | – | (20,756) |
| (88,886) | 88,886 | – | – | – |
| **467,822** | **(61,383)** | **939,133** | **95,960** | **1,035,093** |

# CONSOLIDATED CASH FLOW STATEMENT

(x € 1,000)

| | 2009 | 2008 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Investment result | (56,168) | (43,819) |
| Adjustments for: | | |
| Value movements investment properties | 147,479 | 122,640 |
| Net result on disposals of investment properties | (2,220) | (946) |
| Net financing costs | 33,279 | 39,300 |
| Income tax | (13,780) | (10,547) |
| *Cash flow from operating activities before changes in working capital and provisions* | 108,590 | 106,628 |
| Movement current assets | 1,522 | 2,256 |
| Movement short-term liabilities | 2,455 | (2,964) |
| Movement provisions | – | (679) |
| | 112,567 | 105,241 |
| Interest paid (on balance) | (29,792) | (40,817) |
| Income tax paid | (1,510) | (2,998) |
| *Cash flow from operating activities* | **81,265** | **61,426** |
| **CASH FLOW FROM INVESTMENT ACTIVITIES** | | |
| Acquisition of and capital expenditure on investment properties | (57,086) | (107,411) |
| Disposal of investment properties | 56,952 | 63,389 |
| Capital contributions to subsidiaries | – | 14,573 |
| *Cash flow from investment property* | (134) | (29,449) |
| Movement in tangible fixed assets | 78 | 312 |
| *Cash flow from investment activities* | **(56)** | **(29,137)** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Share issue | 74,353 | – |
| Dividend paid | (58,609) | (60,310) |
| Dividend paid to minority interests | (4,884) | (3,853) |
| Interest-bearing loans drawn down | 37,350 | 100,000 |
| Interest-bearing loans redeemed | (126,769) | (78,785) |
| *Cash flow from financing activities* | **(78,559)** | **(42,948)** |
| **MOVEMENT IN CASH AND CASH EQUIVALENTS** | **2,650** | **(10,659)** |
| Cash and cash equivalents as at 1 January | 3,089 | 13,748 |
| *Cash and cash equivalents as at 31 December* | **5,739** | **3,089** |

# NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

## 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 that makes long-term investments, primarily in individual retail properties, shopping centres and retail warehouses. At year-end 2009, the investments were concentrated in the four core countries: the Netherlands, Spain, France and Belgium. Some properties are owned in Istanbul, Turkey, and in Portugal. The company aims to add Turkey as a fifth core country to the four existing ones.

VastNed Retail N.V. is listed on the NYSE Euronext stock exchanges of Amsterdam and Paris.
On 20 October, 2006, VastNed Management B.V. was granted the licence by the AFM as referred to in 2:65 sub 1 part a of the Act on Financial Supervision pursuant to which it 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 associates and entities over which it exercises joint control.

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

## 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), insofar far as they apply to the Group's activities and are effective on the financial years starting on or after 1 January 2009.

*New or amended Standards and Interpretations that came into effect in 2009*
A relatively large number of amended Standards came into effect in 2009. A large proportion of these amendments concerned minor changes as part of the annual IFRS improvement process. The amended Standards and Interpretations that came into effect in 2009 and are relevant for the presentation, notes and/or financial results of the Group are listed below.

- *IAS 1 (revised) Presentation of Financial Statements*
  The 'Consolidated statement of comprehensive income' has been added as a result of this amendment. Value movements financial derivatives and translation differences on net investments (with their corresponding tax effects), which are recognised directly in equity, are accounted for here in addition to the investment result.
- *IAS 23 (revised) Borrowing Costs*
  This amendment means that there is no longer the option of recognising all costs associated with taking out loans directly as costs at the time they are incurred. This amendment has had 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.
- *IAS 40 (revised) Investment Property*
  This amendment means that IAS 40 also applies to investment properties in pipeline. Previously, investment properties in pipeline were valued in accordance with IAS 16, i.e. the lower of cost or market value. If the fair value option in IAS 40 is used (as the Group has chosen to do), investment properties in pipeline should also be valued at fair value. The effect of this amendment in 2009 is negligible as the Group has only a relatively limited volume of investment properties in pipeline, the majority of which it had already valued at fair value at year-end 2008.

- *IFRS 7 (revised) Financial Instruments: enhancing disclosures about fair value and liquidity risks*
  The amendments introduce a hierarchy of three levels for disclosures on fair value valuations and they require additional disclosures on the relative reliability of fair value valuations. In addition, the amendments clarify and extend the existing requirements for the disclosures regarding the liquidity risk. The change has led to additional disclosures in the consolidated annual accounts. It had no effect on the equity or investment result of VastNed Offices/Industrial.
- *IFRS 8 (new) Operating Segments*
  This new Standard supersedes IAS 14 Segment Reporting. This Standard introduces new guidelines regarding the information to be disclosed on distinct segments. It is mandatory for the segments to be distinguished and the related notes to match the internal reports currently in use. As the segments reported in previous years were in line with those used in internal reports, this new Standard has not led to any changes in the segmented information provided in the consolidated annual accounts.

The following amended Standards and Interpretations came into effect for the current financial year, but have no effect on the presentation, notes and/or financial results of the Group:
IFRS 1 First time adoption of IFRS, IFRS 2 Share-based Payment: Vesting Conditions and Cancellations, IAS 32 & IAS 1 (revised) Puttable Financial Instruments and Obligations Arising on Liquidation, IFRS 1 & IAS 27 (revised) Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, IAS 39 & IFRS 7 (revised) Reclassification of Financial Assets, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate and IFRIC 16 Hedges of a Net Investment in a Foreign Operation.

*New or amended Standards and Interpretations not yet effective*
A number of new amendments on Standards and Interpretations had not yet taken effect in 2009, but could be applied in advance. The Group did not make use of this option. The amendments listed below are considered by the Group to be the most relevant for the coming financial years:
- *IAS 27 (revised) Consolidated and Separate Financial Statements & IFRS 3 (revised) Business Combinations*
  These amendments apply to financial years starting on or after 1 July 2009. They refer specifically to the accounting of changes in ownership of controlling or minority interests, in particular in situations where control is gained or lost. Once control is obtained, all subsequent changes in ownership interests that do not involve the loss of that control will be treated as transactions among shareholders. Goodwill is not recalculated or adjusted. Furthermore, the consideration for an acquisition, based on which the goodwill is measured, is determined at fair value as at the acquisition date. Changes in the consideration after the acquisition date do not result in recalculation or adjustment of the goodwill. Costs incurred in realising a business combination (such as consultancy, legal and accountancy fees) are not included in the consideration but are charged in the period in which they were incurred. The Group will evaluate the consequences of the mandatory application in the 2010 financial year.

## 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 and 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 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 that have an impact on the figures included in the annual accounts. The estimates and underlying assumptions concerning the future are based on past experience and other relevant factors, given the circumstances at the balance sheet date. The actual results may deviate from these estimates.

The estimates and underlying assumptions are evaluated regularly. Any adjustments are recognised in the period in which the estimate was revised, and in future periods as well if the estimate has an impact on these future periods.

The principal estimates and assumptions concerning the future and other important sources of estimate uncertainties at the balance sheet date that have a material impact on the annual accounts and that present a significant risk of material adjustments to book values in the following financial year are included in '30 Accounting estimates and judgements'.

## C PRINCIPLES FOR CONSOLIDATION

*Subsidiaries*

Subsidiaries are entities over which the Company has control. Control of an entity entails that the Company has the authority, either directly or indirectly, to determine the financial and operational policies of the entity in order to obtain benefits from the operations of this entity. Potential voting rights that can be exercised or converted are taken into account in assessing whether there is control. The financial statements of the subsidiaries are included in the consolidated statements as from the date at which control is obtained until such time when control ceases.
Minority interests are recognised separately 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 any 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 associates and joint ventures are eliminated proportionally to the interest that the Group has in the entity. Unrealised losses are eliminated in the same way as unrealised profits, but only to the extent that there is no evidence of impairment.

*Goodwill*

All acquisitions of subsidiaries are recognised using the purchase accounting method. The costs of an acquisition are valued at the fair value of the underlying assets, equity instruments issued and debts incurred or taken over at the time of transfer, 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 the cost of an acquired entity at first recognition 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 1 January 2004 is based on the accounting principles applied previously.

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

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

## D FOREIGN CURRENCIES

The items in the annual accounts of the separate entities of the Group are recognised in the currency of the principal economic environment in which the entity operates (the 'functional currency'). The currency of the main cash flows of the entity is taken into account in 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.

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 currencies are recognised at the exchange rate effective on the transaction date. Foreign currency results arising from the settlement of these transactions are recognised in the profit and loss account.

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

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

## E INVESTMENT PROPERTIES IN OPERATION AND UNDER RENOVATION

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

Acquisitions and disposals of property available for letting are included in the balance sheet as investment properties 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, with an adjustment 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 the balance sheet date between well-informed and independent parties who are prepared to enter into a transaction, both parties operating prudently and without duress. Account is taken of differences between market rent and contractual rent, operating expenses, vacancy, state of repair and future developments.
All investment properties in operation and under renovation are appraised at least once a 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 the balance sheet date in (interim) financial statements as accurately as possible, the following system is used:

- All investment properties in operation and under renovation with an expected individual value exceeding € 2.5 million are appraised externally every quarter. An extensive appraisal report is drawn up by the external appraiser once a year. The schedule for the extensive appraisals ensures an even spread across the quarters. In the other three quarters an update of the most recent extensive report by the external appraiser is considered sufficient.
- External appraisals of investment properties with an expected individual value of € 2.5 million or less are carried out at least once per year, evenly spread across the different quarters. The outcome of these appraisals (approximately 25% each quarter of all the investment properties with an individual value of € 2.5 million or less) is used to determine internally the fair value of the properties not appraised externally in that quarter.
- Reputation, independence and relevant experience with the location and the type of investment property are taken into account when selecting the external appraisers. In principle, the external appraiser for an investment property is changed every three years.

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

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

## F INVESTMENT PROPERTIES IN PIPELINE

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

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

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

## G TANGIBLE FIXED ASSETS

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

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

## H FINANCIAL DERIVATIVES

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

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

*Hedging*

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

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

If an interest-rate derivative expires or is sold, terminated or exercised, or if the entity revokes designation of the hedge relationship, but the hedged future transaction is still expected to take place, the cumulative gain or loss at that point remains in equity and is recognised when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss 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 comprise 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 issue of new shares, such as issuing costs, are deducted from the issue proceeds and consequently recognised in the share premium reserve. In the issue price of shares, account is taken of the estimated investment result for the current financial year attributable to the shareholders of the Company up to the issuing date. The investment result included in the issue price is added to the share premium reserve.
The increase in the capital paid-up and called associated with the issue of ordinary shares in respect of the stock dividend is charged to the share premium reserve, as are the costs in respect of the stock dividend.

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

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

## L DEFERRED TAX ASSETS AND LIABILITIES

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

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

## M PROVISIONS IN RESPECT OF EMPLOYEE BENEFITS

*Defined benefit pension plans*

The Group's net liability in respect of defined benefit pension plans is calculated separately for each plan by estimating the pension rights 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 is calculated at net present value at a discount rate less their fair value of the plan assets from which the liability is to be settled. The external actuary employs the projected unit credit method for these calculations.

When the pension rights in respect of a plan are improved, the part of the improved pension rights 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 1 January 2004, the transition date to IFRS, have been recognised. Actuarial gains and losses arising after 1 January 2004 are recognised by the Group according to the so-called 'corridor' approach. According to this 'corridor' approach, any cumulative unrecognised actuarial gains or losses exceeding 10% of the greater of the present value of the gross liability 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 recognition of the assets is limited to an amount not exceeding the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan available at that time or lower future (pension) premiums.

*Defined contribution pension plans*

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

*Long-term employee benefits*

Obligations in respect of future 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 actual obligation resulting from a past event and if it is probable that the settlement of that liability will require an outflow of funds. If the effect is material, provisions are made that are equal to the present value of the expenditure that is expected to be required for the settlement of the liability.

## O INTEREST-BEARING DEBTS

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

## 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 is 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 'Accrued assets in respect of lease incentives'. These accruals are part of the fair value of the respective investment properties in operation and under renovation.

## 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 (units in) investment properties. The costs and amounts charged on 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 local taxes. 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 investment property are attributed to operating expenses.

## V INCOME TAX

Income tax comprises taxes currently payable and recoverable as attributable to the reporting period and the movement in deferred tax assets and deferred tax liabilities (see under 'L Deferred tax assets and liabilities'). Income tax is recognised in the profit and loss account, except to the extent that it concerns items that are taken directly to equity, in which case the tax is recognised under equity. The taxes payable and recoverable for the reporting period are the taxes that are expected to be payable on taxable profit in the financial year, calculated on the basis of tax rates and tax legislation enacted or substantively enacted at the balance sheet date, and corrections to taxes payable on previous years. Additional income tax in respect of dividend payments by subsidiaries is recognised at the same time as the obligation to pay out the dividend concerned.

## 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, current 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 assets and deferred tax liabilities and the value movements of financial derivatives that do not qualify as effective hedges, less the part of these items attributable to 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 the cash flow from operating activities. Expenditure in respect of dividends is recognised under the cash flow from financing activities.

## Z SEGMENTED INFORMATION

The segmented information is presented on the basis of the countries where the investment properties are located. These reporting segments are consistent with the segments used in the internal reports.

## 3 SEGMENT INFORMATION

| | Netherlands | | Spain | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Net rental income | 42,526 | 44,035 | 27,478 | 29,012 |
| Value movements investment properties in operation | (18,857) | (6,673) | (76,374) | (84,496) |
| Value movements investment properties under renovation | – | – | (13,851) | 6,031 |
| Value movements investment properties in pipeline | (5,006) | 1,042 | – | – |
| Net result on disposals of investment properties | 1,854 | 684 | – | – |
| *Total net income from investment properties* | **20,517** | **39,088** | **(62,747)** | **(49,453)** |
| Net financing costs | | | | |
| General expenses | | | | |
| Income tax | | | | |
| Minority interests | | | | |
| *Investment result attributable to VastNed Retail shareholders* | | | | |

| | Netherlands | | Spain | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Investment properties operation | | | | |
| Balance as at 1 January | 747,843 | 714,478 | 479,638 | 572,931 |
| – Acquisitions | – | 5,653 | – | – |
| – Capital expenditure | 1,463 | 2,515 | 2,437 | 2,352 |
| – Taken into operation | 14,700 | 88,075 | 3,590 | – |
| – Transferred to investment properties under renovation | – | – | – | (11,149) |
| – Transferred to investment properties in pipeline | – | – | – | – |
| – Disposals | (48,252) | (56,205) | – | – |
| | 715,754 | 754,516 | 485,665 | 564,134 |
| – Value movements | (18,857) | (6,673) | (76,374) | (84,496) |
| – Exchange rate differences | – | – | – | – |
| *Balance as at 31 December* | 696,897 | 747,843 | 409,291 | 479,638 |
| – Accrued assets in respect of lease incentives | 518 | 651 | 870 | 912 |
| *Appraisal value as at 31 December* | 697,415 | 748,494 | 410,161 | 480,550 |
| Investment properties under renovation | – | – | 3,100 | 19,220 |
| Investment properties in pipeline | 7,193 | 3,315 | – | – |
| *Investment properties* | 704,608 | 751,809 | 413,261 | 499,770 |
| Other assets | 7,287 | 8,376 | 1,542 | 2,514 |
| Not allocated to segments | | | | |
| *Total assets* | | | | |
| Liabilities | 17,559 | 18,140 | 30,485 | 43,944 |
| Not allocated to segments | | | | |
| *Total liabilities* [1] | | | | |

1 The financing of the property portfolios in the various countries, except for the financing of the Belgian property portfolio was done at holding level. It is therefore not relevant to geographically segment this financing.

| France | | Belgium | | Turkey | | Portugal | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| 24,502 | 23,586 | 18,965 | 18,352 | 1,049 | 816 | 1,161 | 1,055 | 115,681 | 116,856 |
| (29,702) | (42,989) | 1,381 | 9,931 | 397 | (516) | (948) | (1,937) | (124,103) | (126,680) |
| – | – | (880) | (2,718) | – | – | – | – | (14,731) | 3,313 |
| (3,639) | (3,536) | – | 3,221 | – | – | – | – | (8,645) | 727 |
| 154 | 5 | 212 | 257 | – | – | – | – | 2,220 | 946 |
| **(8,685)** | **(22,934)** | **19,678** | **29,043** | **1,446** | **300** | **213** | **(882)** | **(29,578)** | **(4,838)** |
| | | | | | | | | (33,279) | (39,300) |
| | | | | | | | | (7,091) | (10,228) |
| | | | | | | | | 13,780 | 10,547 |
| | | | | | | | | (5,215) | (7,235) |
| | | | | | | | | **(61,383)** | **(51,054)** |

| France | | Belgium | | Turkey | | Portugal | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| 409,262 | 470,574 | 294,796 | 268,405 | 20,236 | 20,272 | 13,481 | 15,418 | 1,965,256 | 2,062,078 |
| 372 | 2,310 | – | 1,050 | 9,574 | – | – | – | 9,946 | 9,013 |
| 1,232 | (1,024) | 4,853 | 2,059 | 126 | 66 | – | – | 10,111 | 5,968 |
| 5,925 | – | – | 20,650 | – | – | – | – | 24,215 | 108,725 |
| – | – | (568) | (6,572) | – | – | – | – | (568) | (17,721) |
| – | (19,500) | – | – | – | – | – | – | – | (19,500) |
| (492) | (109) | (1,843) | (727) | – | – | – | – | (50,587) | (57,041) |
| 416,299 | 452,251 | 297,238 | 284,865 | 29,936 | 20,338 | 13,481 | 15,418 | 1,958,373 | 2,091,522 |
| (29,702) | (42,989) | 1,381 | 9,931 | 397 | (516) | (948) | (1,937) | (124,103) | (126,680) |
| – | – | – | – | (18) | 414 | – | – | (18) | 414 |
| 386,597 | 409,262 | 298,619 | 294,796 | 30,315 | 20,236 | 12,533 | 13,481 | 1,834,252 | 1,965,256 |
| 215 | 176 | 263 | 237 | – | – | – | – | 1,866 | 1,976 |
| 386,812 | 409,438 | 298,882 | 295,033 | 30,315 | 20,236 | 12,533 | 13,481 | 1,836,118 | 1,967,232 |
| – | – | – | 6,823 | – | – | – | – | 3,100 | 26,043 |
| 14,990 | 18,199 | – | – | – | – | – | – | 22,183 | 21,514 |
| 401,802 | 427,637 | 298,882 | 301,856 | 30,315 | 20,236 | 12,533 | 13,481 | 1,861,401 | 2,014,789 |
| 3,133 | 2,639 | 8,905 | 3,925 | 643 | 555 | 316 | 111 | 21,826 | 18,120 |
| | | | | | | | | 10,767 | 10,647 |
| | | | | | | | | 1,893,994 | 2,043,556 |
| 17,791 | 20,893 | 128,766 | 126,134 | 1,084 | 280 | 1,214 | 1,111 | 196,899 | 210,502 |
| | | | | | | | | 662,002 | 738,654 |
| | | | | | | | | **858,901** | **949,156** |

## 4 NET RENTAL INCOME

| | Gross rental income | | Ground rents paid | | Net service charge expenses | | Operating expenses | | Net rental income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Netherlands | 49,074 | 50,463 | (52) | (56) | (409) | (220) | (6,087) | (6,152) | 42,526 | 44,035 |
| Spain | 31,355 | 33,490 | (433) | (425) | (1,161) | (1,430) | (2,283) | (2,623) | 27,478 | 29,012 |
| France | 26,942 | 25,914 | (61) | (58) | (122) | (203) | (2,257) | (2,067) | 24,502 | 23,586 |
| Belgium | 20,848 | 20,042 | (19) | (18) | (47) | (187) | (1,817) | (1,485) | 18,965 | 18,352 |
| Turkey | 1,213 | 994 | – | – | (38) | (59) | (126) | (119) | 1,049 | 816 |
| Portugal | 1,130 | 1,104 | – | – | – | – | 31 | (49) | 1,161 | 1,055 |
| | **130,562** | **132,007** | **(565)** | **(557)** | **(1,777)** | **(2,099)** | **(12,539)** | **(12,495)** | **115,681** | **116,856** |

| GROUND RENTS PAID | 2009 | 2008 |
|---|---|---|
| Attributable to leased properties | 501 | 522 |
| Attributable to vacant properties | 64 | 35 |
| | **565** | **557** |

| NET SERVICE CHARGE EXPENSES | 2009 | 2008 |
|---|---|---|
| Attributable to leased properties | 425 | 340 |
| Attributable to vacant properties | 1,352 | 1,759 |
| | **1,777** | **2,099** |

| OPERATING EXPENSES | 2009 | 2008 |
|---|---|---|
| Attributable to leased properties | 12,174 | 12,243 |
| Attributable to vacant properties | 365 | 252 |
| | **12,539** | **12,495** |

| OPERATING EXPENSES | 2009 | 2008 |
|---|---|---|
| Maintenance | 2,373 | 2,665 |
| Administrative and commercial management[1)] | 5,222 | 5,280 |
| Insurance | 513 | 518 |
| Local taxes | 1,730 | 1,423 |
| Letting costs | 323 | 530 |
| Allocation to the provision for doubtful debtors (on balance) | 1,138 | 1,543 |
| Other operating expenses | 1,240 | 536 |
| | **12,539** | **12,495** |

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

## 5 VALUE MOVEMENTS INVESTMENT PROPERTIES

| | 2009 | | | 2008 | | |
|---|---|---|---|---|---|---|
| | Positive | Negative | Total | Positive | Negative | Total |
| Investment properties in operation | 20,714 | (144,817) | (124,103) | 31,638 | (158,318) | (126,680) |
| Investment properties under renovation | – | (14,731) | (14,731) | 6,547 | (3,234) | 3,313 |
| Investment properties in pipeline | – | (8,645) | (8,645) | 7,135 | (6,408) | 727 |
| | **20,714** | **(168,193)** | **(147,479)** | **45,320** | **(167,960)** | **(122,640)** |

## 6 NET RESULT ON DISPOSALS OF INVESTMENT PROPERTIES

| | 2009 | 2008 |
|---|---|---|
| Sales price | 60,884 | 58,405 |
| Book value at time of disposal | (57,191) | (57,041) |
| | 3,693 | 1,364 |
| Sales costs | (741) | (532) |
| | 2,952 | 832 |
| Other | (732) | 114 |
| | **2,220** | **946** |

## 7 NET FINANCING COSTS

### INTEREST INCOME

| | 2009 | 2008 |
|---|---|---|
| Bank accounts and short-term deposits | (14) | (167) |
| Other interest receivable | (201) | (169) |
| Capitalised financing costs | (67) | (1,841) |
| | **(282)** | **(2,177)** |

### INTEREST EXPENSE

| | 2009 | 2008 |
|---|---|---|
| Long-term interest-bearing loans | 29,239 | 30,129 |
| Short-term credits and cash loans | 3,348 | 10,425 |
| Other interest payable | 362 | 470 |
| | 32,949 | 41,024 |
| *Total interest expense* | 32,667 | 38,847 |
| Value movements financial derivatives | 822 | 461 |
| Exchange rate differences | (210) | (8) |
| | **33,279** | **39,300** |

## 8 GENERAL EXPENSES

| | 2009 | 2008 |
|---|---|---|
| Personnel costs | 7,160 | 7,216 |
| Remuneration of Supervisory Board | 107 | 107 |
| Consultancy and audit costs | 1,265 | 1,603 |
| Appraisal costs | 931 | 1,066 |
| Accommodation and office costs | 1,595 | 1,731 |
| Costs of offering process | – | 2,382 |
| Other expenses | 653 | 812 |
| | **11,711** | **14,917** |
| Attributed to operating expenses | (4,620) | (4,689) |
| | **7,091** | **10,228** |

During 2009 an average of 106 (2008:104) employees (full-time equivalents) were employed by VastNed Retail and VastNed Offices/Industrial jointly, of whom 46 in the Netherlands and 60 abroad.
Personnel costs of the employees working in the Netherlands are attributed to VastNed Retail based on the actual work done. Individually, VastNed Retail has no employees.
In the year under review, VastNed Retail accounted for € 6.9 million in wages and salaries (2008: € 7.2 million), € 1.0 million in social security charges (2008: € 1.0 million) and € 0.6 million in pension premiums (2008: € 0.5 million). After the allocation to VastNed Offices/Industrial, the following amounts remain: € 5.0 million in wages and salaries (2008: € 5.1 million), € 0.9 million in social security charges (2008: € 0.8 million) and € 0.3 million in pension premiums (2008: € 0.3 million).

*Audit costs*

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

| | 2009 | 2008 |
|---|---|---|
| Audit of the financial statements | 292 | 305 |
| Other audit assignments | 11 | 6 |
| Tax consultancy | – | 52 |
| Other services | 10 | – |
| | **313** | **363** |

The audit costs include a sum of € 0.1 million (2008: € 0.1 million) for Deloitte Accountants B.V.

Other expenses include publicity costs and IT costs.

## 9 INCOME TAX

### CURRENT INCOME TAX EXPENSE

| | 2009 | 2008 |
|---|---|---|
| Current financial year | 1,414 | 1,724 |
| Adjustment to previous financial years | (208) | 18 |
| | **1,206** | **1,742** |

### MOVEMENT DEFERRED TAX ASSETS AND LIABILITIES

| | 2009 | 2008 |
|---|---|---|
| In respect of: | | |
| Value movements in investment properties | (15,565) | (12,289) |
| Change in tax rates | 225 | – |
| Tax effect of expiry of offsettable losses | 354 | – |
| | **(14,986)** | **(12,289)** |
| *Total income tax* | **(13,780)** | **(10,547)** |

### RECONCILIATION OF EFFECTIVE TAX RATE

| | | 2009 | | 2008 |
|---|---|---|---|---|
| Investment result before taxes | | (69,948) | | (54,366) |
| Income tax at Dutch tax rate | 0.0% | – | 0.0% | – |
| Effect of tax rates of subsidiaries operating in other jurisdictions | (19.9%) | (13,926) | (19.4%) | (10,565) |
| Tax effect of expiry of offsettable losses | 0.5% | 354 | 0.0% | – |
| Adjustment to previous financial years | (0.3%) | (208) | 0.0% | 18 |
| | **(19.7%)** | **(13,780)** | **(19.4%)** | **(10,547)** |

VastNed Retail qualifies as a fiscal investment institution as referred to in Section 28 of the 1969 Netherlands Corporate Income Tax Act. This means that the company is exempted from the obligation to pay corporate income tax on profits made in the Netherlands provided that it meets specific conditions. 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.

Most of the properties in Belgium are held by the Bevak Intervest Retail. A Bevak essentially has a tax-exempt status, so that no tax is payable on its profits in Belgium. The requirements for the Bevak are comparable to those for the Dutch fiscal investment institution.

Virtually all of VastNed Retail's property portfolio in France is subject to the SIIC regime. Under this regime, VastNed Retail is not liable for taxation on its French net rental income nor on the capital gains realised in France. The requirements of the SIIC regime are comparable to those for the Dutch fiscal investment institution. Certain aspects of the SIIC regime were amended on 1 January 2007. For further details on these amendments, please refer to the remarks under '30 Accounting estimates and judgements'.
Virtually all of the companies acquired through the Lille acquisition in 2007 were brought under the SIIC regime on 1 January 2009. As a result, at present only a very small portion (less than 1%) of the French investment property is still held by companies that are subject to tax. The nominal tax rate is 34.43%. Depreciation, interest and other expenses are deducted from the taxable net income.

The properties in Spain, Turkey and Portugal are held by companies subject to the usual tax rules. In Spain the nominal tax rate is 30.0%, in Turkey 20.0% and in Portugal 26.5%. Depreciation, interest and other expenses are deducted from the taxable net rental income realised in these countries. In Spain, if capital gains are realised and reinvested in Spain within three years then income tax paid is refunded at 12.0% of the capital gains realised.
The effective tax rate then amounts to 18.0%. The calculations of deferred tax assets and liabilities are based on the nominal tax rates as effective on 1 January, 2010.

## 10 INVESTMENT RESULT PER SHARE

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Basic | Diluted | Basic | Diluted |
| Direct investment result | 68,649 | 68,649 | 60,888 | 60,888 |
| Indirect investment result | (130,032) | (130,032) | (111,942) | (111,942) |
| *Investment result* | **(61,383)** | **(61,383)** | **(51,054)** | **(51,054)** |

### AVERAGE NUMBER OF ORDINARY SHARES IN ISSUE

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Basic | Diluted | Basic | Diluted |
| Balance as at 1 January | 16,417,526 | 16,417,526 | 16,362,097 | 16,362,097 |
| Effect of share issue | 486,769 | 486,769 | – | – |
| Effect of stock dividend | 124,125 | 124,125 | 36,953 | 36,953 |
| *Average number of ordinary shares in issue* | **17,028,420** | **17,028,420** | **16,399,050** | **16,399,050** |

### PER SHARE (x € 1):

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Basic | Diluted | Basic | Diluted |
| Direct investment result before costs of offering process | 4.03 | 4.03 | 3.85 | 3.85 |
| Costs of offering process | – | – | (0.14) | (0.14) |
| Direct investment result after costs of offering process | 4.03 | 4.03 | 3.71 | 3.71 |
| Indirect investment result | (7.64) | (7.64) | (6.82) | (6.82) |
| *Investment result* | **(3.61)** | **(3.61)** | **(3.11)** | **(3.11)** |

## 11 DIVIDEND

VastNed Retail's dividend policy is aimed at distributing the direct investment result to shareholders in full. In order to comply with the conditions for Dutch fiscal investment institutions, as a minimum the fiscal result must be paid out in cash.

On 4 May, 2009, the final dividend for the 2008 financial year was made payable. It consisted of 5% in cash on the priority shares and an optional dividend on the ordinary shares of € 2.68 in cash or € 0.85 in cash and 5.56% in shares charged to the share premium reserve. This dividend payment totalled € 37.8 million.

On 31 August, 2009, the interim dividend for the 2009 financial year was made payable. The interim dividend amounted to € 1.25 per share in cash (total payout: € 20.8 million).

The Board of Management proposes the following final dividend for the 2009 financial year:

- 5% in cash on the priority shares;
- an optional dividend on the ordinary shares of:
  - € 1.10 in cash plus a percentage in shares yet to be determined, depending on the share price, to be charged to the share premium reserve; or
  - € 2.78 in cash.

If the General Meeting of Shareholders approves the dividend proposal, the dividend will be made payable to shareholders on 17 May 2010. 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

| | 2009 | | | 2008 | | |
|---|---|---|---|---|---|---|
| | In operation | Under renovation | Total | In operation | Under renovation | Total |
| Balance as at 1 January | 1,965,256 | 26,043 | 1,991,299 | 2,062,078 | 3,054 | 2,065,132 |
| Acquisitions | 9,946 | – | 9,946 | 9,013 | – | 9,013 |
| Capital expenditure | 10,111 | 1,414 | 11,525 | 5,968 | 1,955 | 7,923 |
| Taken into operation | 24,215 | (3,590) | 20,625 | 108,725 | – | 108,725 |
| Transferred to investment properties under renovation | (568) | 568 | – | (17,721) | 17,721 | – |
| Transferred to investment properties in pipeline | – | – | – | (19,500) | – | (19,500) |
| Disposals | (50,587) | (6,604) | (57,191) | (57,041) | – | (57,041) |
| | 1,958,373 | 17,831 | 1,976,204 | 2,091,522 | 22,730 | 2,114,252 |
| Value movements | (124,103) | (14,731) | (138,834) | (126,680) | 3,313 | (123,367) |
| Exchange rate differences | (18) | – | (18) | 414 | – | 414 |
| *Balance as at 31 December* | 1,834,252 | 3,100 | 1,837,352 | 1,965,256 | 26,043 | 1,991,299 |
| Accrued assets in respect of lease incentives | 1,866 | – | 1,866 | 1,976 | – | 1,976 |
| *Appraisal value as at 31 December* | **1,836,118** | **3,100** | **1,839,218** | **1,967,232** | **26,043** | **1,993,275** |

86% of the investment properties in operation and under renovation were appraised by independent certified appraisers as per 31 December 2009. The remaining properties were appraised earlier in the year under review by independent certified appraisers. The fair value of these investment properties on 31 December 2009 was determined internally.

Properties to a value of € 437.1 million (2008: € 522.3 million) serve 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, please refer to the 'Property portfolio 2009' overview included elsewhere in the annual report.

### INVESTMENT PROPERTIES IN PIPELINE

| | 2009 | 2008 |
|---|---|---|
| Balance as at 1 January | 21,514 | 25,574 |
| Acquisitions and development expenditure | 29,059 | 82,643 |
| Transferred from investment properties in operation | – | 19,500 |
| Taken into operation | (20,625) | (108,725) |
| | 29,948 | 18,992 |
| Value movements[1] | (7,765) | 2,522 |
| *Balance as at 31 December* | **22,183** | **21,514** |

Most of the investment properties in pipeline were appraised by independent certified appraisers as per 31 December, 2009. The value of two investment properties in pipeline on 31 December 2009 was determined internally.

For further details on the investment properties in pipeline, please refer to the 'Property portfolio 2009' overview included elsewhere in the annual report.

1 The item 'Value movements investment properties in pipeline' in the consolidated profit and loss account includes a negative value movement of € 2.5 million. It refers to the effect of the valuation of the commitment with respect to the future acquisition of shopping centre 'Hoog Ambacht' in Hendrik-Ido-Ambacht, the Netherlands. The resulting provision is included in 'Investment creditors' under 'Other liabilities and accruals'.

Please refer to '25 Rights and obligations not recorded in the balance sheet' for further details on the committed investment properties in pipeline.

## 13 DEFERRED TAX ASSETS AND LIABILITIES

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| Investment properties | – | 31,211 | – | 42,460 |
| Financial derivatives | – | (3,616) | – | (1,551) |
| Offsettable losses | 904 | (3,548) | 1,218 | (342) |
| Other | – | (58) | – | (107) |
| | **904** | **23,989** | **1,218** | **40,460** |

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

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

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| Balance as at 1 January | 1,218 | 40,460 | 2,422 | 57,669 |
| Net credit/charge to the profit and loss account | 40 | (14,755) | 104 | (12,393) |
| Net credit/charge to equity | – | (2,019) | – | (4,471) |
| Transferred to long-term tax liabilities | – | 299 | – | – |
| Transferred to income tax (short-term liabilities) in connection with merger | – | – | – | (306) |
| Offsettable losses used | – | – | (1,308) | – |
| Tax effect of expiry of offsettable losses | (354) | – | – | – |
| Exchange rate differences | – | 4 | – | (39) |
| *Balance as at 31 December* | **904** | **23,989** | **1,218** | **40,460** |

The deferred tax assets and liabilities as per 31 December, 2009 concern the Netherlands, Spain, France, Turkey and Portugal.

The deferred tax assets concern offsettable losses that must be set off before 2018. The deferred tax liabilities are related mainly to the difference between the market value and the fiscal book value of the investment properties.

As at the balance sheet date, unused tax losses totalled € 6.8 million. In view of the expectation that, given the present structure, it will not be possible to set off these unused tax losses against taxable profits in the near future, no deferred tax asset has been recognised.

## 14 DEBTORS AND OTHER RECEIVABLES

| | 2009 | 2008 |
|---|---|---|
| Debtors | 6,192 | 5,790 |
| Provision for doubtful debtors | (3,876) | (2,822) |
| | 2,316 | 2,968 |
| Taxes | 4,878 | 2,338 |
| Receivable from disposals | 8,817 | 6,116 |
| Interest | 46 | 630 |
| Service charges | 732 | 560 |
| Prepayments | 1,517 | 1,228 |
| Other receivables | 4,168 | 7,341 |
| | **22,474** | **21,181** |

The ‘Receivable from disposals’ item concerns the disposal of the properties Frederiklaan 108-110/ Schootsestraat 101-109 in Eindhoven, the Netherlands and Lammerdries 6 in Olen, Belgium. The properties were transferred on 1 February 2010 and in January 2010 respectively, at which point the receivables in question were collected.

The receivables include items with a term in excess of one year with a total value of € 1.0 million (2008: € 0.2 million).

## 15 CASH AND CASH EQUIVALENTS

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

## 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 reputable 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.

The aging analysis of the debtors as at 31 December was as follows:

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Gross amounts | Provision | Gross amounts | Provision |
| Overdue by less than 30 days | 1,111 | 103 | 1,680 | 27 |
| Overdue by between 31 and 90 days | 798 | 206 | 1,288 | 434 |
| Overdue by between 91 days and one year | 1,989 | 1,485 | 1,483 | 1,191 |
| Overdue by more than one year | 2,294 | 2,082 | 1,339 | 1,170 |
| | **6,192** | **3,876** | **5,790** | **2,822** |

Movements in the provision for doubtful debtors were as follows:

| | 2009 | 2008 |
|---|---|---|
| Balance as at 1 January | 2,822 | 2,434 |
| Acquisition of subsidiaries | – | 105 |
| Allocation to the provision | 2,042 | 2,137 |
| Write-off for bad debts | (84) | (1,260) |
| Release | (904) | (594) |
| *Balance as at 31 December* | **3,876** | **2,822** |

Receivables are recognised after deduction of a provision for bad debts.

There is no credit risk concentration since the tenant base consists of a large number of different parties.

## 17 EQUITY

The authorized share capital is € 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 equity VastNed Retail shareholders was € 51.42 per share as at 31 December 2009 (31 December 2008: € 60.80 per share).

### NUMBER OF SHARES IN ISSUE

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Ordinary shares | Priority shares | Ordinary shares | Priority shares |
| Balance as at 1 January | 16,417,526 | 10 | 16,362,097 | 10 |
| Share issue | 1,660,473 | – | – | – |
| Stock dividend | 187,214 | – | 55,429 | – |
| *Balance as at 31 December* | **18,265,213** | **10** | **16,417,526** | **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 the event of a share buyback by VastNed Retail where the shares are not cancelled, these rights are suspended until such time as the shares are reissued.

The Company's articles of association confer special controlling rights on the priority shares. The priority shares have been placed at par value 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 A directors and B directors respectively of the Stichting Prioriteit VastNed Retail. A directors are not entitled by the articles of association to cast more votes than B directors.

### DILUTED EPRA TRIPLE NET ASSET VALUE[1)]

The diluted EPRA net asset value represents the fair value of equity on a long-term basis. Items that have no long-term impact on the Company, such as the fair value of derivatives and deferred taxes on the fair value of investment property, are therefore excluded.

The diluted EPRA triple net asset value represents the fair value of equity and includes fair value adjustments of all material balance sheet items that are not reported as part of the net asset value in the IFRS balance sheet.

| | 31-12-2009 | | 31-12-2008 | |
|---|---|---|---|---|
| | | Per share | | Per share |
| Equity VastNed Retail shareholders | 939,133 | 51.42 | 998,170 | 60.80 |
| Fair value of financial derivatives | 31,083 | 1.70 | 17,864 | 1.09 |
| Deferred taxes | 31,184 | 1.71 | 39,242 | 2.39 |
| *Diluted EPRA net asset value* | **1,001,400** | **54.83** | **1,055,276** | **64.28** |
| Fair value of financial derivatives | (31,083) | (1.70) | (17,864) | (1.09) |
| Fair value of debt[2)] | (1,051) | (0.06) | (940) | (0.06) |
| Deferred taxes | (16,451) | (0.90) | (20,459) | (1.25) |
| *Diluted EPRA triple net asset value* | **952,815** | **52.17** | **1,016,013** | **61.88** |

## 18 PROVISIONS IN RESPECT OF EMPLOYEE BENEFITS

The VastNed Group has pension plans in place for its employees in the Netherlands that 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 involving the defined benefit pension plans:

| | 31-12-2009 | 31-12-2008 |
|---|---|---|
| Discount rate | 6.00% | 5.70% |
| Expected return on plan assets | 6.00% | 5.70% |
| 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% |

1 This overview contains additional information that is not part of the primary overviews and is not required under IFRS.
2 Only the difference with the interest rate curve was taken into account in the calculation of the market value. The effect of increased credit spreads is not included as it is difficult to determine credit spreads in the current financial market.

| | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|---|---|---|---|---|
| Present value of defined benefit pension obligations | 10,178 | 9,977 | 10,337 | 10,845 | 10,709 |
| Fair value of plan assets | (8,753) | (8,083) | (8,874) | (9,546) | (7,983) |
| | 1,425 | 1,894 | 1,463 | 1,299 | 2,726 |
| Unrecognised actuarial gains and losses | (329) | (779) | 330 | 180 | (1,322) |
| Obligations in respect of pension plans | 1,096 | 1,115 | 1,793 | 1,479 | 1,404 |
| Long-term employee benefits | 140 | 121 | 122 | 96 | 90 |
| | **1,236** | **1,236** | **1,915** | **1,575** | **1,494** |

A technical change was introduced in the model used to determine the discount rate. At the end of 2008, when the discount rate was determined, the credit spread on government bonds was assumed to be constant from a given point in time for the yield curve, after which the curve developed in accordance with these long-term government bonds. Long-term corporate bonds were not taken into consideration. At year-end 2009, however, these long-term corporate bonds were explicitly included in the determination of the yield curve.
If the old method had been used to determine the discount rate, it would have been 5.3% rather than 6.0%.
The present value of the defined benefit obligation would then have been € 9.6 million.

Movements in the provisions were as follows:

| | 2009 | 2008 |
|---|---|---|
| Balance as at 1 January | 1,236 | 1,915 |
| Contribution charged to the profit and loss account | 553 | 523 |
| Contributions paid (on balance) | (572) | (1,201) |
| Movement in provision of long-term employee benefits | 19 | (1) |
| *Balance as at 31 December* | **1,236** | **1,236** |

The amounts recognised under general expenses in the profit and loss account in respect of the defined benefit pension plans are as follows:

| | 2009 | 2008 |
|---|---|---|
| Employer service costs | 455 | 469 |
| Interest | 561 | 547 |
| Expected return on plan assets | (467) | (493) |
| Actuarial losses recognised in the year | 4 | – |
| | **553** | **523** |

The VastNed Group expects to contribute a total of € 0.6 million to its defined benefit pension plans in 2010. An amount of less than € 0.1 million was recognised in the profit and loss account in 2009 in respect of the defined contribution plans (2008: less than € 0.1 million).

## 19 LONG-TERM INTEREST-BEARING LOANS

| | 2009 | | | | 2008 | | | |
|---|---|---|---|---|---|---|---|---|
| | Remaining term | | | | Remaining term | | | |
| | 1-5 years | More than 5 years | Total | Average interest rate at year-end | 1-5 years | More than 5 years | Total | Average interest rate at year-end |
| Secured loans: | | | | | | | | |
| fixed interest[1)] | 166,742 | 19,331 | 186,073 | 4.30 | 175,057 | 20,696 | 195,753 | 4.54 |
| floating interest | – | – | – | | – | – | – | – |
| | **166,742** | **19,331** | **186,073** | 4.30 | **175,057** | **20,696** | **195,753** | 4.54 |
| Unsecured loans: | | | | | | | | |
| fixed interest[1)] | 348,729 | 42,500 | 391,229 | 4.69 | 193,511 | 142,841 | 336,352 | 4.91 |
| floating interest | 20,314 | – | 20,314 | 2.32 | 14,862 | 63,489 | 78,351 | 4.32 |
| | **369,043** | **42,500** | **411,543** | 4.57 | **208,373** | **206,330** | **414,703** | 4.80 |
| Total: | | | | | | | | |
| fixed interest[1)] | 515,471 | 61,831 | 577,302 | 4.56 | 368,568 | 163,537 | 532,105 | 4.77 |
| floating interest | 20,314 | – | 20,314 | 2.32 | 14,862 | 63,489 | 78,351 | 4.32 |
| | **535,785** | **61,831** | **597,616** | 4.49 | **383,430** | **227,026** | **610,456** | 4.71 |

The partial right of mortgage on investment properties with a value of € 437.1 million (2008: € 522.3 million) has been granted as security for the secured loans.
A positive/negative mortgage covenant was issued for the unsecured loans. In addition, a number of lenders have set conditions regarding the solvency and interest coverage of the Company and/or its subsidiaries. VastNed Retail met these conditions on 31 December 2009. Please refer to '24 Financial instruments' for more details on the conditions set by the lenders.

The part of the long-term interest-bearing loans due within one year of € 42.1 million (2008: € 36.3 million) is recognised under short-term liabilities.

As at 31 December 2009, the total credit facility of the long-term interest-bearing loans, including the part due within one year, was € 652.4 million (2008: € 656.9 million).
The unused credit facility of the long-term interest-bearing loans as at 31 December 2009 was € 12.7 million (2008: € 10.2 million).

The average term of the long-term interest-bearing loans was 3.6 years (2008: 4.4 years).

The market 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.

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

The market value as at 31 December of the long-term interest-bearing loans, including the part due within one year, based on the historical interest-rate curve at year-end 2009 and year-end 2008 respectively, was as follows:

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Market value[1] | Carrying amount | Market value[1] | Carrying amount |
| | **640,822** | **639,754** | **647,701** | **646,739** |

The average interest rate in 2009 was 4.47% (2008: 4.73%).

## 20 LONG-TERM TAX LIABILITIES

| | 2009 | 2008 |
|---|---|---|
| Balance as at 1 January | 8,435 | 9,690 |
| Short-term portion as at 1 January | 2,934 | 6,339 |
| | 11,369 | 16,029 |
| Allocation | 165 | (1,065) |
| Payments | (2,823) | (3,595) |
| Transferred to deferred tax liabilities | (299) | – |
| | 8,412 | 11,369 |
| Short-term portion as at 31 December | (2,978) | (2,934) |
| *Balance as at 31 December* | **5,434** | **8,435** |

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

## 21 GUARANTEE DEPOSITS AND OTHER LONG-TERM LIABILITIES

As at 31 December 2009, the guarantee deposits received from tenants amounted to € 8.3 million (2008: € 9.3 million).

Other long-term liabilities included the long-term portion of the rental guarantee provided at the time of the disposal of the German property portfolio in 2004.

Movements in this item were as follows:

| | 2009 | 2008 |
|---|---|---|
| Balance as at 1 January | – | 396 |
| Short-term portion as at 1 January | 656 | 4,186 |
| | 656 | 4,582 |
| Adjustments to rental guarantees provided | (80) | – |
| Interest | 6 | 39 |
| Payments | (582) | (3,965) |
| | – | 656 |
| Short-term portion as at 31 December | – | (656) |
| *Balance as at 31 December* | **–** | – |

1 Only the difference with the interest-rate curve was taken into account in the calculation of the market value.
The effect of increased credit spreads is not included as it is difficult to determine credit spreads in the current financial market.

## 22 PAYABLE TO BANKS

| | 2009 | 2008 |
|---|---|---|
| Credit facility | 235,545 | 285,545 |
| Of which undrawn | (133,071) | (102,165) |
| *Drawn as at 31 December* | **102,474** | **183,380** |

The item 'Payable to banks' concerns short-term credits and cash loans.
By way of security for the credit facilities, it has been agreed with the lenders that investment properties will only be mortgaged on behalf of third parties subject to the lenders' approval.

The amounts payable to banks are payable at the lenders' request within one year.

The average interest rate in 2009 was 2.37% (2008: 4.99%).

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

Where the Company operates a notional cash pooling arrangement, the cash and amounts payable to banks are set off against each other.

## 23 OTHER LIABILITIES AND ACCRUALS

| | 2009 | 2008 |
|---|---|---|
| Accounts payable | 3,035 | 3,429 |
| Investment creditors | 7,059 | 5,122 |
| Dividend | 405 | 67 |
| Taxes | 943 | 967 |
| Prepaid rent | 10,485 | 7,134 |
| Interest | 6,955 | 4,812 |
| Operating expenses | 2,714 | 2,849 |
| Short-term portion of the rental guarantees provided | – | 656 |
| Payable in respect of acquisitions | 75 | 3,500 |
| Other liabilities and accruals | 5,183 | 6,065 |
| | **36,854** | **34,601** |

## 24 FINANCIAL INSTRUMENTS

### A FINANCIAL RISK MANAGEMENT

For the realisation of its objectives and the exercise of its day-to-day activities, VastNed Retail has defined a number of financial preconditions aimed at mitigating the financing and refinancing risk, liquidity risk, interest rate risk and currency risk. These preconditions have been laid down inter alia in the financing and interest-rate policy memorandum, which is updated annually, and in the treasury regulations. Quarterly reports on these risks are submitted to the audit committee.
A summary is given below of the main preconditions aimed at mitigating these risks.

*Financing and refinancing risks*

Investing in property is a capital-intensive activity. The property portfolio is financed partly with equity and partly with loan capital. If loan capital accounts for a large proportion of the financing, there is a risk when returns are less than expected or the property decreases in value that the interest and repayment obligations on the loans and other payment obligations can no longer be met. This would make loan capital or refinancing more difficult to arrange, with a possibility that more unfavourable conditions have to be agreed to. To limit this risk, VastNed Retail's guiding principle is to limit loan capital financing to approximately 40-45% of the market value of the investment properties. In line with these objectives, solvency ratios and interest coverage ratios have been agreed in most of the credit agreements with banks.

In addition, VastNed Retail aims to secure access to the capital market through transparent information provision, regular contacts with financiers and current and potential shareholders, and by increasing the liquidity of VastNed Retail shares. Finally, the aim with regard to long-term financing is to have a balanced spread of refinancing dates and a weighted average term of at least 5.0 years.

The solvency ratio is calculated by taking equity plus the provision for deferred tax liabilities and dividing it by the balance sheet total. At year-end 2009 the solvency ratio was 55.9%, which is in compliance with the minimum solvency ratios agreed with the banks.

The interest coverage ratio is calculated by taking net rental income less general expenses and dividing it by net financing costs. The interest coverage ratio for 2009 was 3.3, which was considerably more than the ratios agreed with the banks.

At year-end 2009, the weighted average term of the long-term interest-bearing loans was 3.6 years.

*Liquidity risk*

VastNed Retail must generate sufficient cash flows in order to be able to meet its day-to-day payment obligations. On the one hand, this is realised by taking measures aimed at high occupancy rates and by preventing financial loss due to tenants becoming bankrupt. On the other hand, the aim is to arrange sufficient credit facilities to be able to absorb fluctuations in liquidity needs. Liquidity management is centralised in the Netherlands, where most of the foreign subsidiaries' bank accounts have been placed in cash pool schemes.

At year-end 2009, VastNed Retail had € 235.5 million in short-term credit facilities available, of which it had drawn down € 102.5 million. The unused credit facility of the long-term interest-bearing loans as at 31 December 2009 was € 12.7 million.

The table below shows the financial liabilities, including the estimated interest payments [1].

| | Balance sheet value | Contractual cash flows | Less than 1 year | 1-5 years | More than 5 years |
|---|---|---|---|---|---|
| Long-term interest-bearing loans[2] | 597,616 | 720,841 | 27,830 | 612,245 | 80,766 |
| Long-term tax liabilities | 5,434 | 5,434 | – | 5,434 | – |
| Guarantee deposits | 8,281 | 8,281 | – | 8,281 | – |
| Payable to banks[3] | 102,474 | 102,596 | 102,596 | – | – |
| Redemption of long-term loans | 42,138 | 42,420 | 42,420 | – | – |
| Income tax | 3,813 | 3,813 | 3,813 | – | – |
| Other liabilities and accruals | 36,854 | 36,854 | 36,854 | – | – |
| | **796,610** | **920,239** | **213,513** | **625,960** | **80,766** |

*Interest-rate risk*

The interest-rate risk policy aims to mitigate the interest-rate risks arising from the financing of the property portfolio while optimising net interest expenses. This policy translates into a loan portfolio composition in which in principle at least two thirds of the loans have fixed interest rates. There may be temporary deviations from this principle depending on developments in interest rates. Furthermore, the aim is to have a balanced spread of interest-rate review dates within the long-term loan capital portfolio and a typical minimum interest-rate term of three years. At least once per quarter, a report on the interest-rate and refinancing risks is submitted to the audit committee and the Supervisory Board.

VastNed Retail mitigates its interest-rate risk by making use of financial derivatives (*interest-rate swaps*), swapping the floating interest rate it pays on part of its loans for a fixed interest rate.

1 The interest rate for the long-term interest-bearing loans with a floating interest rate is based on the market rates of Euribor and Libor in effect on 1 January 2010.
2 Including IRS's.
3 Including interest up to the next expiry date or interest review date.

The IRS's are designated as cash flow hedges, whereby it has been established that all hedges, except for the IRS's detailed below, are materially effective. Accordingly, cash flow hedge accounting has been applied for these IRS's, which means that value movements in these IRS's are recognised directly in equity.

The cash flow hedges that are not effective are IRS's where the interest on an amount totalling € 60.0 million has been fixed, with fixed interest rates varying from 3.02% to 4.43% and expiry dates varying from 2013 to 2014. These hedges are not materially effective as at year-end 2009 and consequently the value movements in these IRS's are recognised directly in the profit and loss account.

Regarding the materially effective cash flow hedges, the interest-rate risk on loans with a nominal value of € 607.9 million at year-end 2009 was hedged by entering into (forward) IRS's. To this end, contracts have been concluded with fixed interest rates ranging from 3.37% to 5.10% (excluding margins) and expiry dates ranging from 2010 through to 2017. In addition to this, (forward) IRS's were concluded in January 2010 for loans with a nominal value of € 31.0 million.

Most of the (forward) IRS's are settled on a quarterly basis. The floating interest rate is based on the 3 months Euribor rate. The differences between the floating rate and the agreed fixed interest rate are settled at the same time.

The average term of the long-term interest-bearing loans calculated in fixed interest periods was 4.6 years (2008: 5.0 years).

All transactions involving financial derivatives are entered into with reputable banks as counterparties. For this reason, it is thought unlikely that the counterparties will be unable to fulfil their obligations.

*Interest-rate sensitivity*

As at 31 December 2009 the impact on the direct investment result of a hypothetical 100 basis points increase in interest rates - all other factors remaining equal - would be a fall of € 1.2 million. Should interest rates decrease by 100 basis points as at this date, the impact on the direct investment result would be an increase of € 1.2 million. The calculations take account of the financial derivatives entered into.

*Currency risk*

In principle, currency risks are limited as a result of the strategic decision to invest primarily in the euro zone. Since 2007 VastNed Retail has had investment properties in Turkey. Turkey is not in the euro zone, so that there is a currency risk here. The risk is mitigated on the one hand by limiting the size of the Turkish property portfolio to a maximum of 10% of the total property portfolio and on the other hand by stipulating a rent in euros or US dollars in the lease contracts wherever possible and by financing the investment wholly or partly in the same currency as the investment itself, which significantly lowers the exposure.

## B SUMMARY OF EXPIRY DATES AND FIXED INTEREST RATES ON LONG-TERM INTEREST-BEARING LOANS

| | 2009 | | | 2008 | | |
|---|---|---|---|---|---|---|
| | Contract renewal | Interest review | Average interest rate[1] | Contract renewal | Interest review | Average interest rate[1] |
| 2010 | – | 9,765 | 4.78 | 50,143 | 35,143 | 4.81 |
| 2011 | 98,350 | 21,500 | 4.54 | 86,000 | 52,500 | 4.43 |
| 2012 | 136,331 | 88,068 | 4.43 | 119,667 | 88,508 | 4.76 |
| 2013 | 122,000 | 104,340 | 4.80 | 122,000 | 105,687 | 4.80 |
| 2014 | 163,458 | 134,845 | 4.73 | 163,497 | 109,805 | 4.91 |
| 2015 | 77,477 | 102,412 | 4.40 | 42,500 | 55,000 | 5.17 |
| 2016 onwards | – | 116,372 | 4.38 | 26,649 | 85,462 | 4.52 |
| Total long-term interest-bearing loans with a fixed interest rate | 597,616 | 577,302 | 4.56 | 610,456 | 532,105 | 4.77 |
| Long-term interest-bearing loans with a floating interest rate | – | 20,314 | 2.32 | – | 78,351 | 4.32 |
| *Total long-term interest-bearing loans* | **597,616** | **597,616** | **4.49** | **610,456** | **610,456** | **4.71** |

## C SUMMARY OF MARKET VALUE OF INTEREST-RATE DERIVATIVES

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Asset | Liability | Asset | Liability |
| Interest-rate swaps | – | 37,066 | – | 20,697 |

Market value of interest-rate derivatives, compared with the nominal value of the loans for which the interest-rate risk has been hedged.

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | Market value of interest-rate derivatives | Nominal value of loans | Market value of interest-rate derivatives | Nominal value of loans |
| IRS's 0 < 1 year | (208) | 25,000 | – | – |
| IRS's 1-2 years | (2,657) | 52,500 | (544) | 25,000 |
| IRS's 2-5 years | (21,962) | 328,391 | (7,459) | 247,239 |
| IRS's > 5 years | (12,239) | 202,000 | (12,694) | 249,500 |
| | **(37,066)** | **607,891** | **(20,697)** | **521,739** |

For the purposes of the valuation method the interest-rate derivatives are classed under 'level 2', which means the valuation is based on calculations by financial institutions.

1 Including IRS's and credit spreads as at 31 December 2009.

## 25 RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

There is a long-term partnership agreement between VastNed Retail, VastNed Offices/Industrial and VastNed Management, as well as a long-term agreement for the allocation of costs, in which mutual rights and obligations are laid down. A further agreement contains specific change-of-control clauses, including the stipulation that if a public offer for VastNed Offices/Industrial is honoured, VastNed Retail will be compensated for the consequences of the early termination of these contracts, and vice versa. At the end of 2007, certain points in this agreement were clarified by VastNed Retail, VastNed Offices/Industrial and VastNed Management. As part of this, the compensation to be paid by VastNed Offices/Industrial or VastNed Retail was estimated at between € 10 million and € 25 million.

At the end of September 2006 a VAT inspection was initiated at the Belgian subsidiary Intervest Retail; it concerned the deduction of VAT on the construction costs incurred in 2003 for the property Factory Shopping Messancy. As a result of this investigation, in 2007 the Belgian tax authorities imposed a retrospective assessment of € 2.1 million in total. The assessment has been paid in full. However, the disposal of Factory Shopping Messancy at the end of January 2008 led to a possible adjustment, based on the inspection of the books, being reduced to € 0.8 million. Intervest Retail is challenging the assessment. As the court of first instance ruled against Intervest Retail in 2009, a provision of € 0.8 million has been entered in the balance sheet as a precaution. Intervest Retail has appealed against the ruling.

In 2007 a turnkey agreement was concluded for the acquisition of shopping centre ‘Hoog Ambacht’ in Hendrik-Ido-Ambacht, the Netherlands. The investment is expected to total € 22.3 million. Delivery of the shopping centre is scheduled for 2010. The market value of this property as at 31 December 2009 was determined at € 19.5 million. The reduction in value is € 2.8 million in total: € 2.5 million was recognised under ‘Value movements investment properties in pipeline’ in 2009 and € 0.3 million in 2008.

In 2006, VastNed Retail signed a turnkey purchase agreement for the acquisition of a cinema and a catering unit in the extension to shopping centre ‘Het Rond’ in Houten, the Netherlands. A lease was signed with a cinema company in 2009. The delivery to VastNed Retail is expected to take place in the second quarter of 2010. The investment amounts to approximately € 3.0 million. As at 31 December 2009 the market value was determined at € 2.4 million. Thus the reduction in value is equal to € 0.6 million, of which € 0.4 million was recognised in 2009 and € 0.2 million in 2008.

VastNed Retail has an outstanding debt to the seller for the purchase price of two unlet retail units on Wisselplein in Lelystad, the Netherlands. The final purchase price depends on the units being taken on by tenants and the rent agreed for the units. A bank guarantee of € 2.3 million has been provided to the seller for the purchase sum owing. If the units are not let within three years, a more limited purchase sum will be paid.

### RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET AS AT 31 DECEMBER 2008 AND SETTLED IN 2009

In December 2009, the city centre development at the Wisselplein in Lelystad was delivered to VastNed Retail for the sum of € 17.6 million including costs. The shops have been let to reputable tenants such as Hennes & Mauritz, Parfumerie Douglas, La Place and BCC. The first appraisal after delivery of the object gave a value of € 14.7 million. This means the reduction in value compared with the purchase price is € 2.9 million: € 1.4 was recognised under ‘Value movements investment properties in pipeline’ in 2009 (2008: € 1.5 million).

The retail warehouse in Thoiry, France was delivered to VastNed Retail in November 2009. The total cost was € 6.6 million. The property has been let to Leroy Merlin under a long-term lease. The first appraisal for this property after delivery gave a value of € 5.9 million. The difference with the cost has been recognised under ‘Value movements investment properties in pipeline’.

## 26 OPERATING LEASES

VastNed Retail leases its property investments in the form of non-cancellable operating leases.

The future minimum income from non-cancellable operating leases is as follows:

| | 2009 | 2008 |
|---|---|---|
| Within one year | 115,920 | 120,943 |
| One to five years | 217,105 | 239,005 |
| More than five years | 37,445 | 44,777 |
| | **370,470** | **404,725** |

In the Netherlands, virtually all leases are concluded for a period of five years, the tenant having one or more options to extend the lease by five years. Annual rent increases are based on the cost-of-living index.
In Spain, normally virtually all leases are concluded for a minimum period of five years. However, in the current uncertain economic climate leases are sometimes being concluded for a shorter period. Annual rent increases are based on the cost-of-living index.
In France, leases are normally concluded for a period of nine or twelve years, the tenant having the option of renewing the lease every three years. Annual rent increases are based on the rise in the construction cost index, unless agreed otherwise.
In Belgium, leases are normally concluded for a period of nine years, with termination options after three and six years. Annual rent increases are based on the cost-of-living index.
In Turkey, leases are generally concluded for a period of five years. Various methods are used for the annual indexation of leases. Indexation of the leases concluded in Turkish lira is based on the cost-of-living index.
The indexation of leases denominated in US dollars and euros is based on specific agreements.
In Portugal there are two kinds of lease legislation. Under the old legislation, leases are concluded for an indefinite period and may only be terminated by the tenant. The new legislation is comparable to that in Spain.

## 27 EVENTS AFTER THE BALANCE SHEET DATE

No events of significance for the consolidated annual accounts have taken place since the balance sheet date.

## 28 RELATED PARTIES TRANSACTIONS

The following are designated related parties: 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 might be regarded as related parties.

### INTERESTS OF MAJOR INVESTORS

As at year-end 2009, the AFM had received the following reports of shareholders with an interest in the Company exceeding five per cent:

| | |
|---|---|
| Nomura Asset Management Co. Ltd. | 5.93% |
| Commonwealth Bank of Australia | 5.79% |
| DIAM Co. Ltd. | 5.39% |

## SUBSIDIARIES

Please refer to 29 Subsidiaries and the chapter Management and corporate governance included elsewhere in this annual report for an overview of the major subsidiaries.
Transactions as well as internal balances and income and expenditure between the Company and its subsidiaries are eliminated in the consolidation and are not commented upon.

The subsidiary VastNed Management has a cost allocation agreement with VastNed Retail and VastNed Offices/Industrial. Costs relating directly to the Company or the investment properties 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 in line with the actual work done without any mark-up for profit.

## SUPERVISORY BOARD MEMBERS AND MEMBERS OF THE BOARD OF MANAGEMENT

During the 2009 financial year none of the members of the Supervisory Board or the Board of Management of VastNed Retail had a personal interest in the investments of the Company.

## REMUNERATION OF THE SUPERVISORY BOARD AND SHAREHOLDING

| | Remuneration 2009 | Shares held at year-end 2009 |
|---|---|---|
| W.J. Kolff | 30 | – |
| N.J. Westdijk | 27 | – |
| J.B.J.M. Hunfeld | 25 | – |
| P.M. Verboom | 25 | – |
| | 107 | – |

## REMUNERATION OF THE BOARD OF MANAGEMENT AND SHAREHOLDING

| | Salaries (including social security charges) | Post-payment of salary for 2008 | Bonus for 2008 paid in 2009 | Pension premiums | Total | Shares held at year-end 2009 |
|---|---|---|---|---|---|---|
| R.A. van Gerrevink | 469 | 8 | 25 | 80 | 582 | 2,405 |
| T.M. de Witte | 248 | 10 | 15 | 34 | 307 | 1,467 |
| | 717 | 18 | 40 | 114 | 889 | 3,872 |
| of which allocated to VastNed Offices/Industrial | (330) | – | (18) | (52) | (400) | |
| | 387 | 18 | 22 | 62 | 489 | |

In previous years, Mr Van Gerrevink acquired 271 VastNed Retail shares at his own expense. The remainder concerns shares granted in respect of the bonuses related to the direct investment results for 2006 and 2007.
Mr De Witte acquired 400 VastNed Retail shares in 2009 at his own expense. He acquired the remaining shares in respect of the bonuses related to the direct investment results for 2006 (unconditional bonus) and 2007 (conditional bonus). VastNed Retail has not provided any guarantees with regard to these shares.

The direct investment result per share for 2008 was not lower than the direct investment result per share for 2006; as a result, the bonuses related to the investment result per share for 2006 became definitive in 2008.
The bonuses related to the direct investment result in 2007 and paid in 2008 have been granted conditionally.
They will become unconditional after the 2009 financial year, as the direct investment result per share for the 2009 financial year is not lower than the direct investment result for the 2007 financial year.

No option rights have been granted to the members of the Board of Management nor to the Supervisory Board members. Nor have any loans or advances been made to them or guarantee been provided on their behalf.

For further details of the remuneration, please refer to the chapter VastNed Management Remuneration Report 2009 included elsewhere in this annual report.

## 29 SUBSIDIARIES

The most important subsidiaries are:

| | Established in | Interest and voting rights in % |
|---|---|---|
| VastNed Retail Nederland B.V. | The Netherlands | 100 |
| – C.V. Winkelcentrum Het Rond | The Netherlands | 50 |
| – Het Rond Houten B.V. | The Netherlands | 50 |
| VastNed Retail Monumenten B.V. | The Netherlands | 100 |
| VastNed Management B.V. | The Netherlands | 67 |
| Foram International Holdings B.V. | The Netherlands | 100 |
| – Hispania Retail Properties S.L. | Spain | 100 |
| – – VastNed Management España S.L. | Spain | 100 |
| – – VastNed Emlak Yatirim ve İnşaat 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 |
| – 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. AB Rénovation | France | 100 |
| – – S.A.R.L. Foncière Atlas | France | 100 |
| – Parivolis S.A.R.L. | France | 100 |
| – Plaisimmo S.A.R.L. | France | 100 |
| – Val Thoiry S.A.R.L. | France | 100 |
| VastNed Management France S.A.R.L. | France | 100 |
| Intervest Retail NV | Belgium | 72 |
| – EuroInvest Retail Properties NV | Belgium | 72 |

## 30 ACCOUNTING ESTIMATES AND JUDGEMENTS

In consultation with the audit committee, the Board of Management has applied the following essential estimates and judgements that have a material effect on the amounts included in the financial statements.

### KEY SOURCES OF ESTIMATION UNCERTAINTY

*Assumptions concerning pending legal proceedings*

The most important pending legal proceedings are set out under ‘25 Rights and obligations not recorded in the balance sheet’. 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 ASSUMPTIONS IN APPLYING THE COMPANY’S ACCOUNTING PRINCIPLES

*Assumptions concerning investment properties in operation*

As described in ‘2 Significant principles for financial reporting’, all investment properties in operation are valued at least once a year by independent certified appraisers. These appraisals are based on assumptions including the estimated rental value of the investment property, net rental income, future capital expenditure and the net market yield of the investment property. The appraisers also make reference to market data on transaction prices for comparable investment properties. The credit crisis has led to a substantial decrease in the number of transactions, many of which may be classified as distressed transactions. This has caused appraisers to examine the limited number of transactions even more carefully and to consider cancelled transactions. Furthermore, appraisers are focusing on other instruments, such as discounted cash flow parameters, in their appraisal of an investment property.

*Assumptions concerning investment properties in pipeline*

The investment properties in pipeline are valued internally as well as externally. The appraisals are based on assumptions such as the estimated rental value of the investment property in pipeline, future capital expenditure and the net market yield for the property. The actual outcome may differ from the assumptions, and this can have a positive or negative effect on the value of the investment properties in pipeline and as a consequence on the investment result.

*Assumptions concerning pensions*

The Board of Management has made a number of assumptions concerning the calculation of the provision for pension obligations. These assumptions involve inter alia assumptions about the future return to be realised on investments and about future salary 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 2010.

*Deferred tax liabilities*

If it is possible to realise the disposal of an investment property through the disposal of shares in a (taxable) company which has ownership of the investment property in question, no income tax is payable on the disposal. The transfer of the deferred tax liability to the purchaser will in that case normally take place through a reduction of the sale price of the shares, whereby (generally) a deferred tax liability of 50% of the nominal tax rate is taken into account. The Board of Management of VastNed Retail is of the opinion that in these cases the deferred tax liabilities should be valued at 50% of the nominal tax rate. The Board of Management of VastNed Retail has applied this valuation method to the deferred tax assets and liabilities in respect of the Turkish and Portuguese investment properties. If these deferred tax assets and liabilities were valued at 100% of the nominal tax rate, the effect on equity as at 31 December 2009 would be a negative amount of € 1.7 million.

*Deferred tax liabilities in Spain*

The nominal tax rate in Spain is 30%. However, if a capital gain realised from a disposal is reinvested in Spain within three years, income tax paid is refunded to the value of 12% of the capital gain realised from the sale. 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 when determining the deferred tax liability. If these deferred tax liabilities were valued at the nominal 30% tax rate, there would be a negative effect on equity of € 19.2 million as per 31 December 2009.

*Amendments to the SIIC regime in France*

Since 1 January 2005, most of the investment properties in France have been held by companies for which the effectively tax-exempt SIIC regime has been chosen. VastNed Retail has brought almost the entire Lille portfolio acquired in 2007 under the SIIC regime with effect from 1 January 2009. The SIIC regime includes tax exemption for revenues from the operation and results on disposal of investment property.

Certain aspects of the SIIC regimes have been amended with effect from 1 January 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 after 1 July 2007 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. The likelihood of VastNed Retail falling within the scope of the *prélèvement* is extremely small, since the interest of Stichting Pensioenfonds Zorg en Welzijn PFZW has fallen to less than 5% in 2009, there have been no reports to the AFM of shareholders with an interest of more than 10% in VastNed Retail and no distributions have yet been made that could be subject to the *prélèvement*.

If a report was to be made to the AFM in the future of a shareholder with an interest of more than 10% in VastNed Retail, this could have consequences for the tax burden on future profits to be distributed from France. However, it is unclear at present whether the French legislator specifically had the position of the Dutch fiscal investment institution in mind in the creation of SIIC4 and whether the *prélèvement* conflicts with the existing French-Dutch tax treaty. In view of these uncertainties and given the fact that there are no shareholders known currently to hold an interest of more than 10% in VastNed Retail, any consequences of this levy have not been recognised in the financial statements.

## 31 TOTAL EXPENSE RATIO

The total expense ratio for 2009 was 2.34% (2008: 2.32%).

The total expense ratio is calculated by dividing the total costs for the reporting period by the average equity of VastNed Retail shareholders. The total costs include ground rents paid, net service charge expenses, operating expenses, general expenses and current income tax expense. These costs are adjusted to allow for the share of these costs attributable to third parties.

## 32 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 10 March 2010.

# COMPANY BALANCE SHEET AS AT 31 DECEMBER

(x € 1,000)

| | 2009 | 2008 |
|---|---|---|
| **ASSETS** | | |
| Investment properties in operation | 13,520 | 14,474 |
| Accrued assets in respect of lease incentives | 20 | 6 |
| *Total investment properties* | 13,540 | 14,480 |
| Participations in group companies | 1,137,262 | 1,214,315 |
| *Total fixed assets* | **1,150,802** | **1,228,795** |
| Group companies | 102,517 | 91,574 |
| Debtors and other receivables | 157 | 815 |
| Income tax | - | 560 |
| Cash and cash equivalents | 473 | 1,136 |
| *Total current assets* | **103,147** | **94,085** |
| *Total assets* | **1,253,949** | **1,322,880** |
| **EQUITY AND LIABILITIES** | | |
| Capital paid-up and called | 91,326 | 82,088 |
| Share premium reserve | 472,554 | 407,460 |
| Hedging reserve in respect of financial derivatives | (31,083) | (17,864) |
| Translation reserve | (103) | 76 |
| Revaluation reserve | 481,265 | 575,507 |
| Other reserves | (13,443) | 1,957 |
| Investment result attributable to VastNed Retail shareholders | (61,383) | (51,054) |
| *Equity VastNed Retail shareholders* | **939,133** | **998,170** |
| Long-term interest-bearing loans | 139,912 | 129,876 |
| Financial derivatives | 8,144 | 4,793 |
| Guarantee deposits | 200 | 172 |
| *Total long-term liabilities* | **148,256** | **134,841** |
| Payable to banks | 148,203 | 162,450 |
| Redemption of long-term interest-bearing loans | 15,000 | 24,504 |
| Income tax | 83 | 12 |
| Other liabilities and accruals | 3,274 | 2,903 |
| *Total short-term liabilities* | **166,560** | **189,869** |
| *Total equity and liabilities* | **1,253,949** | **1,322,880** |

# COMPANY PROFIT AND LOSS ACCOUNT

(x € 1,000)

| | 2009 | 2008 |
|---|---|---|
| Company result | (2,397) | 68,183 |
| Result from participations in group companies | (58,986) | (119,237) |
| *Investment result* | **(61,383)** | **(51,054)** |

## NOTES TO THE COMPANY ANNUAL ACCOUNTS

### GENERAL

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

The company annual accounts are part of the 2009 annual accounts, which also include the consolidated annual accounts.

The Company has availed itself of the provisions 2:379 of the Netherlands Civil Code.

The list as referred to in this Article has been filed with the offices of the Commercial Register in Rotterdam.

The Company has issued certificates of guarantee for a number of group companies in accordance with 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 to those accounts.

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

### RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

The Company heads fiscal unities for the purposes of both Dutch corporate income tax and value added tax and is consequently jointly and severally liable for the tax liabilities of these fiscal unities as a whole.

## INVESTMENT PROPERTIES

| | 2009 | 2008 | | |
|---|---|---|---|---|
| | In operation | In operation | In pipeline | Total |
| Balance as at 1 January | 14,474 | 661,821 | 7,559 | 669,380 |
| Acquisitions | – | 5,653 | – | 5,653 |
| Capital expenditure | – | 1,673 | 52,354 | 54,027 |
| Taken into operation | – | 56,545 | (56,545) | – |
| Disposals | – | (728,551) | (4,227) | (732,778) |
| | 14,474 | (2,859) | (859) | (3,718) |
| Value movements | (954) | 17,333 | 859 | 18,192 |
| *Balance as at 31 December* | 13,520 | 14,474 | – | 14,474 |
| Accrued assets in respect of lease incentives | 20 | 6 | – | 6 |
| *Appraisal value as at 31 December* | **13,540** | **14,480** | **–** | **14,480** |

## PARTICIPATIONS IN GROUP COMPANIES

| | 2009 | 2008 |
|---|---|---|
| Balance as at 1 January | 1,214,315 | 615,379 |
| Legal split-off | - | 747,170 |
| Share in investment result | (58,986) | (119,237) |
| Share in other comprehensive income | (10,048) | (20,261) |
| Payments received | (7,694) | (8,777) |
| Other movements | (325) | 41 |
| *Balance as at 31 December* | **1,137,262** | **1,214,315** |

As at 31 December 2009, VastNed Retail, together with its subsidiaries, held 3,675,960 Intervest Retail shares (31 December 2008:3,675,960 shares). The net asset value per share on 31 December 2009 was € 34.29 (31 December 2008: € 34.20 per share).
The share price of Intervest Retail shares was € 37.60 per share on 31 December 2009 (31 December 2008: € 28.49 per share).

## EQUITY

| | Capital paid-up and called | Share premium reserve | Hedging reserve in respect of financial derivatives | Translation reserve | Revaluation reserve | Other reserves | Investment result attributable to VastNed Retail shareholders | Equity VastNed Retail shareholders |
|---|---|---|---|---|---|---|---|---|
| Balance as at 1 January 2008 | 84,381 | 405,181 | 8,471 | 66 | 677,464 | (284,274) | 244,540 | 1,135,829 |
| Investment result | – | – | – | – | – | – | (51,054) | (51,054) |
| Value movements financial derivatives | – | – | (26,335) | – | – | – | – | (26,335) |
| Translation differences on net investments | – | – | – | 10 | – | – | – | 10 |
| Cancellation of own shares | (2,571) | 2,571 | – | – | – | – | – | – |
| Stock dividend | 278 | (278) | – | – | – | – | – | – |
| Costs of stock dividend | – | (14) | – | – | – | – | – | (14) |
| Final dividend previous financial year in cash | – | – | – | – | – | – | (41,073) | (41,073) |
| Interim dividend 2008 in cash | – | – | – | – | – | (19,209) | – | (19,209) |
| Contribution from profit appropriation | – | – | – | – | – | 203,467 | (203,467) | – |
| Allocation to revaluation reserve | – | – | – | – | (101,957) | 101,957 | – | – |
| Other movements | – | – | – | – | – | 16 | – | 16 |
| *Balance as at 31 December 2008* | 82,088 | 407,460 | (17,864) | 76 | 575,507 | 1,957 | (51,054) | 998,170 |
| Investment result | – | – | – | – | – | – | (61,383) | (61,383) |
| Value movements financial derivatives | – | – | (13,219) | – | – | – | – | (13,219) |
| Translation differences on net investments | – | – | – | (179) | – | – | – | (179) |
| Share issue | 8,302 | 67,249 | – | – | – | – | – | 75,551 |
| Costs of share issue | – | (1,198) | – | – | – | – | – | (1,198) |
| Stock dividend | 936 | (936) | – | – | – | – | – | – |
| Costs of stock dividend | – | (21) | – | – | – | – | – | (21) |
| Final dividend previous financial year in cash | – | – | – | – | – | – | (37,832) | (37,832) |
| Interim dividend 2009 in cash | – | – | – | – | – | (20,756) | – | (20,756) |
| Contribution from profit appropriation | – | – | – | – | – | (88,886) | 88,886 | – |
| Allocation to revaluation reserve | – | – | – | – | (94,242) | 94,242 | – | – |
| *Balance as at 31 December 2009* | **91,326** | **472,554** | **(31,083)** | **(103)** | **481,265** | **(13,443)** | **(61,383)** | **939,133** |

The authorized share capital is € 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 legal reserves comprise the Hedging reserve in respect of financial derivatives, the Translation reserve and the Revaluation reserve.

## APPROVAL OF THE COMPANY ANNUAL ACCOUNTS

The company annual accounts were drawn up by the Board of Management and authorised for publication by the Supervisory Board on 10 March 2010.

# 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 at par value 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 rights, the receipt of dividends 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 A directors and B directors respectively of the Stichting Prioriteit VastNed Retail. A directors are not entitled by the articles of association to cast more votes than B directors.

## 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 then 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 as an investment institution, the Company must distribute the taxable profit, after making permitted reservations, within eight months after the end of the year under review.

## PROFIT APPROPRIATION

The Board of Management proposes to distribute the investment result as follows (x € 1,000):

| | |
|---|---|
| Investment result attributable to VastNed Retail shareholders | (61,383) |
| Negative indirect investment result charged to reserves | 130,032 |
| Available for dividend payment | 68,649 |
| Distributed earlier as interim dividend | (20,756) |
| *Available for final dividend payment* | **47,893** |

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:
  - € 1.10 in cash plus a percentage in shares yet to be determined, depending on the share price, to be charged to the share premium reserve; or
  - € 2.78 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 8 May 2010. 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.

# AUDITOR'S REPORT

## REPORT ON THE ANNUAL ACCOUNTS

We have audited the accompanying annual accounts 2009 of VastNed Retail N.V., Rotterdam. The annual accounts consist of the consolidated annual accounts and the company annual accounts. The consolidated annual accounts comprise the consolidated balance sheet as at 31 December 2009, the consolidated statements of comprehensive income, the consolidated statement of movements in equity and the consolidated cash flow statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The company annual accounts comprise the company balance sheet as at 31 December 2009, 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 annual accounts 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 report of the board of management 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 annual accounts 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 annual accounts 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 annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts , 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 annual accounts 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 annual accounts. 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 ANNUAL ACCOUNTS

In our opinion, the consolidated annual accounts give a true and fair view of the financial position of VastNed Retail N.V. as at 31 December 2009, 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, with Part 9 of Book 2 of the Netherlands Civil Code and with the Act on Financial Supervision.

### OPINION WITH RESPECT TO THE COMPANY ANNUAL ACCOUNTS

In our opinion, the company annual accounts give a true and fair view of the financial position of VastNed Retail N.V. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code and with the Act on Financial Supervision.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the report of the Board of Management is consistent with the annual accounts as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 10 March 2010
Deloitte Accountants B.V.

H.H.H. Wieleman

# MANAGEMENT AND CORPORATE GOVERNANCE

## INTRODUCTION

VastNed Retail feels that a property investment fund can only generate sustained revenues and take balanced decisions if there is sound management and clear rules on how the Company should be governed. Thus VastNed Retail acknowledges the importance of proper corporate governance as a basis of trust between the Company and its shareholders. With a view to the transparency that is an essential part of corporate governance, VastNed Retail is continuing its practice of reporting extensively on how its corporate governance operates and the extent to which the Company complies with the Code. This chapter provides information about the organisation, the legal structure of the company and its subsidiaries and the people who manage the company. VastNed Retail's corporate governance structure is also described in detail.

## VASTNED GROUP'S ORGANISATIONAL STRUCTURE

VastNed Retail is an NYSE Euronext (Amsterdam and Paris) listed Company and is part of the VastNed Group. The VastNed Group, which is not itself a legal entity, consists of VastNed Retail, VastNed Offices/Industrial and their respective subsidiaries. The Board of Management is in the hands of VastNed Management. The shares in VastNed Management are held by VastNed Retail and VastNed Offices/Industrial. This joint management enables cost advantages to be realised as well as enabling synergy due to the exchange of knowledge.

### LEGAL STRUCTURE

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

- the only aim of which is to invest its capital in such a way that the risks are spread, in order to let its shareholders share in the profits;
- the Board of Management of which has the authority under the articles of association to issue, acquire and dispose of shares in its capital (share issue and share buyback programmes);
- the shares of which are included in the price list of a stock exchange, with the exception of shares to which the articles of association grant extraordinary rights of control in the company; and
- the articles of association of which stipulate that the company is an investment company with variable capital.

### VASTNED MANAGEMENT

VastNed Management is the sole Managing Director of VastNed Retail. VastNed Management does not have a profit objective on its own behalf. Consequently, it has entered into a partnership agreement with VastNed Retail and VastNed Offices/Industrial as well as an agreement with them regarding the allocation of its costs (cost allocation agreement). VastNed Management carries out asset management activities for the entire property portfolio and property management for the Dutch property portfolio. Costs relating directly to one of the two Companies or to the property of that Company or its subsidiaries are recognised directly by the Company in question. Other costs that cannot be allocated directly are borne by VastNed Management and charged on to VastNed Retail and VastNed Offices/Industrial in line with the actual work done. This is assessed on an annual basis; the ratio in 2009 was 54% to 46%. Two-thirds of the shares in VastNed Management are held by VastNed Retail and one-third by VastNed Offices/Industrial. This ratio has its origins in the size of the property portfolios at the time of the conclusion of the cost allocation agreement in January 1996; it does not affect the results or the equity position of the two shareholders. The agreement has a term of 10 years and is renewed each time for periods of five years with due observance of a notice period of two years; the next expiry date is 31 December 2015. A further agreement includes specific change of control clauses that ensure that VastNed Retail's performance is not affected in the event of a public bid for VastNed Offices/Industrial and vice versa.

VastNed Management has a licence within the meaning of 2:65 sub 1 part a of the Act on Financial Supervision. This licence authorises VastNed Management to carry out the 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 listed company. With the exception of five French high-street shops it holds directly, it acts as a national and international holding company and finance company. VastNed Retail has the status of a fiscal investment institution in the Netherlands and is subject to the SIIC regime in France.

*VastNed Retail Nederland*

VastNed Retail Nederland is a company holding 317 of the 319 properties in the Netherlands and a share in the limited partnership Winkelcentrum Het Rond. VastNed Retail Nederland also has the status of a fiscal investment institution and is part of the Dutch group tax entity under VastNed Retail.

*Winkelcentrum Het Rond*

The Winkelcentrum Het Rond limited partnership holds VastNed Retail Nederland's stake in the Het Rond shopping centre in Houten, the Netherlands. VastNed Retail Nederland is a limited partner with a 49.5% interest in the financial results of this limited partnership. Due to the transparent fiscal structure of this limited partnership, the profits and losses from this interest accrue to VastNed Retail Nederland and are thus subject to the regime of the fiscal investment institution.

*Het Rond Houten*

The private limited company Het Rond Houten, a 50% subsidiary of VastNed Retail, acts as managing partner of the limited partnership Winkelcentrum Het Rond. This company is entitled to 1% of the financial results of this limited partnership. VastNed Management is one of the two directors of Het Rond Houten and carries out the day-to-day property management. VastNed Retail, the listed holding company, consolidates this subsidiary and the limited partnership fully in its financial reporting and recognises the minority interest under equity.

*VastNed Retail Monumenten*

VastNed Retail Monumenten holds a single property (Rembrandtplein 7, Amsterdam), which is listed as a historic building. This company also has the status of a fiscal investment institution and is part of the group tax entity under VastNed Retail.

*Foram International Holdings*

Foram International Holdings is the holding company for the Spanish, Turkish and Portuguese investments of VastNed Retail. The properties themselves are held by local companies. This company is not a fiscal investment institution and is subject to taxation according to the usual rules in the Netherlands. Since its operations are limited to holding participations, any income will generally qualify for the participation exemption so that this company is effectively not liable for tax.

*Hispania Retail Properties*

The Spanish investments are held by Hispania Retail Properties, a wholly-owned subsidiary of Foram International Holdings. This company also acts as a holding company for VastNed Emlak Yatirim ve İnşaat Ticaret.

*VastNed Management España*

The property and asset management of the Spanish and Portuguese portfolios is carried out by VastNed Management España, a wholly-owned Spanish subsidiary of Hispania Retail Properties. VastNed Management España also carries out part of the asset management of the Turkish property portfolio.

*VastNed Emlak Yatirim ve İnşaat Ticaret*

The Turkish investments are held and managed by VastNed Emlak Yatirim ve İnşaat Ticaret, a Turkish subsidiary of Hispania Retail Properties.

*VastNed Lusitania Investimentos Imobiliarios*

The Portuguese investments are held by VastNed Lusitania Investimentos Imobiliarios, a wholly-owned Portuguese subsidiary of Foram International Holdings.

*Permanent French establishment*

The French property investments are held directly or indirectly by VastNed Retail's permanent French establishment. The major part of the investment properties is held by a number of local French subsidiaries. VastNed Retail and the subsidiaries holding the French investment properties are, with the exception of two entities, subject to the so-called SIIC regime. Under this French tax regime, VastNed Retail and its French subsidiaries are exempt from tax on profits both on its French property investments-related operating income and on the capital gains realised in this respect.

*VastNed France Holding*

VastNed France Holding is a holding company for the French property companies and is subject to the SIIC regime.

*VastNed Management France*

VastNed Management France is responsible for the property and asset management of the French property portfolio.

*Palocaux*

Palocaux is the French property company that holds most of the French high-street shops. Palocaux is subject to the SIIC regime.

*Icopro*

Icopro holds the larger French retail warehouses. Icopro is subject to the SIIC regime.

*Centre Marine Dunkerque, Val Thoiry, Plaisimmo, Limoges Corgnac, Jeancy, Lenepveu and Parivolis*

The companies Centre Marine Dunkerque, Val Thoiry, Plaisimmo, Limoges Corgnac, Jeancy, Lenepveu and Parivolis hold VastNed Retail's properties in Dunkirk, Thoiry, Plaisir, Limoges (Limoges Corgnac shopping centre), Nancy, Angers (Rue Lenepveu) and Paris (Rue de Rivoli) respectively. All these companies are subject to the SIIC regime.

*Intervest Retail*

As at 31 December 2009, VastNed Retail had a 72.4% interest in the Bevak Intervest Retail, which is listed on NYSE Euronext Brussels. A Belgian Bevak essentially has a tax-exempt status and as such is comparable to a Dutch fiscal investment institution. 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 there being a shared management company acting as intermediary. Some directors and members of the Board of Management of Intervest Retail carry out their work through the intermediary of their own company.

## PEOPLE

### BOARD OF MANAGEMENT AND MANAGEMENT TEAM

VastNed Retail's articles of association stipulate that the number of directors should be fixed by the Supervisory Board. VastNed Management is the sole Managing Director of VastNed Retail. VastNed Management is represented by its Board of Management, appointed in accordance with the articles of association. VastNed Management is in charge of day-to-day management. Its responsibilities include the realisation of the Company's targets, the strategy and associated risk profile, developments in the results and aspects of corporate social responsibility relevant to the Company. The Board of Management carries out its tasks within a framework set together with the Supervisory Board and submits the operational and financial targets, the strategy and the boundary conditions to be observed to the Supervisory Board for approval. The Board of Management is responsible for having full and correct information at its disposal.
The Board of Management as laid down in the articles of association and the two supplementary directors of VastNed Management together make up the management team. This team generally meets every fortnight.

The Directors of VastNed Retail, currently VastNed Management, are appointed by the General Meeting of Shareholders. If one or more Directors are to be appointed, the holder of the priority shares (the Priority Shareholder) will make a binding nomination. However, the General Meeting of Shareholders can remove the binding nature of the nomination if a resolution is passed by an absolute majority and the votes cast in favour represent at least one third of the issued capital. If that is not the case but there has been a vote with an absolute majority in favour of the resolution to remove the binding nature of the nomination and these votes represent less than one third of the issued capital, a new meeting is called in which the resolution can be adopted irrespective of the proportion of capital represented at this meeting.
The VastNed Retail Directors can be suspended or dismissed at any time by a resolution adopted by the General Meeting of Shareholders by an absolute majority of the votes if the proposal for the suspension or dismissal was made by the Priority Shareholder. Without such a proposal by the Priority Shareholder, directors can be suspended or dismissed at any time by the General Meeting of Shareholders by a resolution passed by an absolute majority of the votes provided that majority represents at least one third of the issued capital. A Director can also be suspended by a resolution of the Supervisory Board.

### CURRICULA VITAE MEMBERS BOARD OF MANAGEMENT AND OTHER MEMBERS MANAGEMENT TEAM

*Reinier A. van Gerrevink (3 March 1950)*

Nationality: Dutch
Position: Managing Director, CEO
Joined the company: 1 July 2002
Appointment to present position: 1 September 2002
Previous positions: various management positions with:

- Robeco (Weiss Peck & Greer);
- Rodamco; and
- ABN AMRO.

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

*Tom M. de Witte (7 September 1966)*

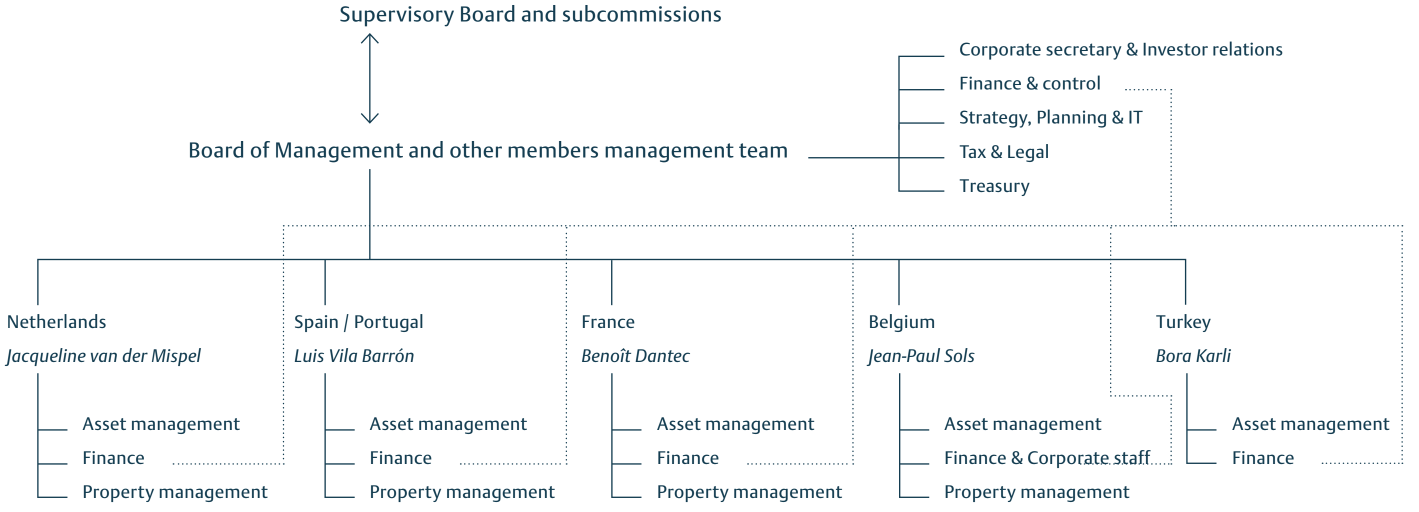
Nationality: Dutch
Position: Managing Director, CFO
Joined the company: 16 June 2003
Appointment to present position: 16 June 2003
Previous positions: accountant with Deloitte
Education: business economics, Dutch law and accountancy, Erasmus University Rotterdam.

*Arnaud G.H. du Pont (25 May 1966)*

Nationality: Dutch
Position: General Counsel/Investor Relations Director
Joined the company: 1 January 2000
Previous positions:
– tax consultant with BDO; and
– tax consultant with PricewaterhouseCoopers.
Education: tax law, Erasmus University Rotterdam.

*Wim Fieggen (3 November 1957)*

Nationality: Dutch
Position: Director
Joined the company: 15 February 2003
Previous positions: various positions with Robeco, Rodamco, Roproperty and Altera Vastgoed, also worked as an independent consultant.
Education: economics, Erasmus University Rotterdam.




The Managing Directors and other members of the management team have reported all other positions held by them of any significance. None of them are members of the Supervisory Board of another listed company. Acceptance of such a position would members require approval from this company's Supervisory Board.

## REMUNERATION MEMBERS BOARD OF MANAGEMENT

Please refer to the separate remuneration report elsewhere in this annual report.

## SHARES HELD BY THE MEMBERS OF THE BOARD OF MANAGEMENT

*Summary of the shares held by the Board of Management*

| | R.A. van Gerrevink | T.M. de Witte |
|---|---|---|
| Number of shares as at 1 January 2009 | 2,405 | 1,067 |
| Movements | – | 400 |
| *Number of shares as at 31 December 2009* | **2,405** | **1,467** |

Mr De Witte acquired 400 shares in 2009 at his own expense. VastNed Retail has not provided any guarantees with regard to these shares. The above share ownership was reported to the AFM at the time of acquisition and can be viewed at www.afm.nl. VastNed Retail has drawn up revised regulations as referred to in 5:65 of the Act on Financial Supervision. These regulations determine the periods during which members of the Supervisory Board, members of the Board of Management and employees of VastNed Management and its subsidiaries, including VastNed Management, may trade in VastNed Retail shares (the open periods). The periods preceding the publication of financial reports are closed periods, during which trading is not permitted. The full text can be inspected on www.vastned.nl.

## COUNTRY TEAMS

*Netherlands*

In addition to the Board of Management, which is in charge of the central management and coordination of the various country portfolios from its base in the Netherlands, there is a Dutch team of 14 property specialists headed by Ms Jacqueline van der Mispel. Its activities are carried out from the Rotterdam head office.

*Spain and Portugal*

The Spanish organisation, VastNed Management España, based in Madrid, is headed by Mr Luis Vila Barrón. VastNed Management España has 12 employees in total and carries out activities in the areas of property and asset management and administration. The operations in Turkey and Portugal are also run from this location. A local office has not been set up in Portugal in view of the nature and size of the Portuguese operations.

*France*

The French organisation, VastNed Management France, which is located in Paris, is headed by Mr Benoît Dantec. VastNed Management France has 18 employees in total. They are responsible for asset and property management of the property portfolio and administration. Only a limited part of the property management is outsourced to third parties.

*Belgium*

The Belgian activities are handled by Intervest Retail in Antwerp. The day-to-day management is in the hands of the executive committee, consisting of Mr Jean-Paul Sols (CEO), Ms Inge Tas (CFO) and Mr Rudi Taelemans (COO). Mr Reinier van Gerrevink sits on the executive committee as managing director. The Belgian team of property specialists consists of 5 employees. There are two members of the Board of Management of VastNed Management representing VastNed Retail on the Board of Management of Intervest Retail. On 31 December 2009 this board consisted of Mr Reinier van Gerrevink and Mr Tom de Witte, representing VastNed Retail, Mr Hubert Roovers, a former employee of VastNed Management, and a number of independent members, namely: Mr Paul Christiaens, Mr Gérard Philippson, Mr Nick van Ommen and Mr Chris Peeters.

*Turkey*

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

## SUPERVISORY BOARD

VastNed Retail has a Supervisory Board in addition to its Board of Management.
The members of the Supervisory Board are appointed by the General Meeting of Shareholders. If one or more members of the Supervisory Board are to be appointed, the Priority Shareholder will make a binding nomination. However, the Annual General Meeting of Shareholders can remove the binding nature of the nomination if a resolution is passed by an absolute majority and the votes cast in favour represent at least one third of the issued capital. If that is not the case but there has been a vote with an absolute majority voting in favour of the resolution to remove the binding nature of the nomination and these votes represent less than one third of the issued capital, a new meeting is called in which the resolution can be adopted irrespective of the proportion of capital represented at this meeting.
The members of the Supervisory Board can be suspended or dismissed at any time by a resolution adopted by the General Meeting of Shareholders by an absolute majority of the votes if the proposal for the suspension or dismissal was made by the Priority Shareholder. Without such a proposal by the Priority Shareholder, Supervisory Board members can be suspended or dismissed at any time by the General Meeting of Shareholders by a resolution passed by an absolute majority of the votes provided that majority represents at least one third of the issued capital. Supervisory Board members step down at the latest in the fourth financial year following the financial year in which they were appointed. A Supervisory Board member who is stepping down can be reappointed forthwith, with the proviso that members can only serve on the Supervisory Board for a maximum of three four-year terms.

## COMPOSITION OF THE SUPERVISORY BOARD

- Wouter J. Kolff, chairman
- N.J. (Klaas) Westdijk, vice-chairman
- Pieter M. Verboom
- Jeroen B.J.M. Hunfeld

## CURRICULA VITAE SUPERVISORY BOARD MEMBERS

*Wouter J. Kolff (23 July 1945)*

Nationality: Dutch
Position: retired
Appointment: 4 April 2006 (also as chairman)
Previous positions:
- various management and board positions with ABN AMRO (1971-1990), most recently as chairman of the executive committee 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, the Netherlands;
- executive partner of SAC Private Equity Group, New York, USA;
- 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 Advisory Board of Rich Management, Nairobi, Kenya.

Education: economics, Erasmus University Rotterdam.

*N.J. (Klaas) Westdijk (20 June 1941)*

Nationality: Dutch
Position: retired
Appointment: 19 April 2000; vice-chairman since 6 April 2004
Previous positions:
- president of the Board of Management Koninklijke Pakhoed; and
- president of the Board of Management Connexxion Holding.

Other positions:
- 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, USA.

*Dr Pieter M. Verboom (20 April 1950)*

Nationality: Dutch

Position: Executive Vice-president & CFO Schiphol Group

Appointment: 6 April 2004

Previous positions:

- senior lecturer at Erasmus University Rotterdam, the Netherlands; and
- various management positions with Philips, including CFO of the Board of Management for Argentina, Hong Kong and the Far East.

Other positions:

- member of the Supervisory Board of Super de Boer, Amersfoort;
- member of the Board of Directors of the Brisbane Airport Corporation Holdings, Brisbane; and
- member of the Supervisory Board of Eindhoven Airport.

Education: econometrics, Erasmus University Rotterdam; PhD from VU University Amsterdam.

*Jeroen B.J.M. Hunfeld (11 April 1950)*

Nationality: Dutch

Position: shareholder and partner in Mirveld Capital Partners (informal investor)

Appointment: 3 April 2007

Previous positions:

- Chief Operating Officer, Koninklijke Vendex KBB (2000-2004);
- chairman of the Board of Management 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
- member of the Advisory Board of BORN05, Utrecht;
- member of the Advisory Board of Tracks, Amsterdam;
- member of the Advisory Board of Braintower, Waarloos, Belgium;
- member of the Advisory Board of Tomorrow, Amsterdam;
- member of the Advisory Board of Mondial Cosmetics, Alkmaar;
- member of the Advisory Board of Italo Suisse, Comines, Belgium; and
- member of the Advisory Board of Verenigde Bedrijven Nimco, Berg en Dal.

Education: Business Administration, Nyenrode Business University, Breukelen, and Management Program, Harvard University, USA.

## RETIREMENT SCHEDULE

Mr Wouter J. Kolff, 2010 (eligible for re-election)

Mr Jeroen B.J.M. Hunfeld, 2011 (eligible for re-election)

Mr Pieter M. Verboom, 2012 (eligible for re-election)

Mr N.J. (Klaas) Westdijk, 2012 (not eligible for re-election)

## TASKS OF THE SUPERVISORY BOARD

The Supervisory Board supervises the day-to-day policy of VastNed Retail's Board of Management and assists the Board of Management with advice. In carrying out its tasks, the Supervisory Board considers the interests of VastNed Retail and its associated companies, in doing so weighing up the relevant interests of all stakeholders (including the shareholders). The Supervisory Board is itself responsible for the quality of its performance. VastNed Retail provides the Supervisory Board with the necessary resources for the execution of its tasks. Members of the Supervisory Board will resign before the end of their term if they show inadequate performance or in the event of structural incompatibility of interests or similar problems.

The tasks of the Supervisory Board include:

- supervision and monitoring, and advising the Board of Management regarding:
  - the achievement of the Company's targets;
  - the strategy and the risks associated with the business operations;
  - the setup and operation of the internal risk management and control systems;
  - the financial reporting process and compliance with legislation and regulations;
  - disclosure of, compliance with and enforcement of the Company's corporate governance structure;

  - the relationship with shareholders; and
  - aspects of corporate social responsibility, where relevant for the Company.
- approving the financial statements as well as approving the annual budget and major acquisitions and disposals by the Company;
- selecting and proposing the Company's external auditor;
- selecting the Board of Management at present, VastNed Management, including the members of the Board of Management of VastNed Management, proposing the remuneration policy governing members of the Board of Management for adoption by the General Meeting of Shareholders, determining the remuneration (with due observance of the aforementioned remuneration policy) and the contractual employment conditions of the members of the Board of Management;
- selecting the members of the Supervisory Board and proposing the remuneration of its members for adoption by the General Meeting of Shareholders;
- evaluating and appraising the performance of the Board of Management and the Supervisory Board as well as their individual members (including an assessment of the job profile for the Supervisory Board and the induction, education and training programme);
- dealing with and making decisions about potential conflicts of interest between VastNed Retail on the one hand and members of the Board of Management, the external auditor and the controlling shareholder(s) on the other hand; and
- dealing with and making decisions about reports of alleged irregularities in the performance of members of the Board of Management.

Each year after the close of the financial year, the Supervisory Board will draw up and publish a report of the performance and activities of the Supervisory Board and its committees during the financial year in question.

For a full list of the Supervisory Board's tasks, please see the regulations drawn up by the Supervisory Board. They can be found on the website www.vastned.nl.

## CHAIRMAN SUPERVISORY BOARD

The chairman of the Supervisory Board has a coordinating task. The chairman ensures compliance with the requirements of the best practice provisions detailed in III.4.1 of the Code. He is assisted in this by the general counsel (company secretary). The chairman is neither a former member of the Board of Management nor an employee of VastNed Retail or any of its subsidiaries.

## PROFILE SUPERVISORY BOARD

The profile of the Supervisory Board is included in the regulations of the Supervisory Board and may be inspected on www.vastned.nl. A key element in the profile is diversity in the composition of the Supervisory Board. The board aims to have at least one woman amongst its members.

## AUDIT COMMITTEE

*Tasks*

The audit committee is charged with supervising the financial affairs of VastNed Retail in the broadest sense of the word. Please refer to www.vastned.nl for an extensive overview of its tasks.

*Procedural tasks*

Four times a year, the audit committee draws up a report of its deliberations and findings. The committee reports on the developments in the relationship with the external auditor at least once a year. A thorough assessment is carried out of the external auditor's performance once every four years. The external auditor is sent the financial information on which the quarterly, semi-annual and annual results are based and given the opportunity to make comments. The audit committee is the first point of contact for the external auditor if any irregularities are encountered. The committee decides whether members of the Board of Management or the external auditor are to attend 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 the chairman while Mr Hunfeld is a member. Mr Verboom is a financial expert.

## REMUNERATION COMMITTEE

*Tasks*

The remuneration committee is charged with advising the Supervisory Board on the remuneration policy in the broadest sense of the word. Please refer to www.vastned.nl for an extensive overview of its tasks. They include submitting a proposal to the Supervisory Board regarding the remuneration policy to be pursued for the Board of Management, for adoption by the General Meeting of Shareholders.

*Procedural tasks*

In addition, the remuneration committee draws up the remuneration report for adoption by the Supervisory Board. The Supervisory Board's remuneration report is included in this annual report and placed on the company's website. It contains the information stipulated in the Code.

*Composition*

In view of the fact that the Managing Director, VastNed Management, constitutes the Board of Management of VastNed Offices/Industrial as well as of VastNed Retail, the remuneration committee consists of the members of the Supervisory Board of VastNed Management. This board has four independent members, none of whom are members of the Board of Management of another Dutch listed company. Mr Westdijk is the chairman and Mr Kolff is a member of the remuneration committee. Mr W.M. Steenstra Toussaint and Mr H.W. Breukink are members of the remuneration committee representing VastNed Offices/Industrial.

## NOMINATION COMMITTEE

*Tasks*

The tasks of the nomination committee include drawing up selection and appointment criteria, periodically assessing the size and composition of the Supervisory Board and the Board of Management as well as evaluating the performance of the members of the Supervisory Board and the Board of Management, supervising the Board of Management in the matter of senior management appointments and taking concrete decisions with regard to selection and appointments.

*Composition*

In view of the fact that the Managing Director, VastNed Management, constitutes the Board of Management VastNed Offices/Industrial as well as of VastNed Retail, the nomination committee consists of the members of the Supervisory Board of VastNed Management. This board has four independent members, none of whom are members of the Board of Management of another Dutch listed company. Mr Kolff is the chairman and Mr Westdijk is a member of the nomination committee. Mr W.M. Steenstra Toussaint and Mr H.W. Breukink are members of the nomination committee representing VastNed Offices/Industrial.

The Supervisory Board receives reports of the meetings of the three committees.

## REMUNERATION MEMBERS SUPERVISORY BOARD

The members of the Supervisory Board receive a payment of € 21,000 per annum. The chairman receives an annual payment of € 27,000 and the vice-chairman receives € 24,000. In view of the labour-intensive nature of their duties, members of the audit committee receive an additional € 4,000 per annum. The members of the remuneration committee receive an additional € 3,000 per annum. All the members of the remuneration committee are also members of the Supervisory Board of VastNed Management. This Supervisory Board also contains the members of the remuneration committee of VastNed Offices/Industrial. No additional remuneration is paid for the membership of the Supervisory Board of VastNed Management. Apart from the afore mentioned payments, the members do not receive any further compensation other than reimbursements of actually incurred expenses.

## STATEMENT OF SHARE OWNERSHIP (PRINCIPLE)

Members of the Supervisory Board shall only hold shares in VastNed Retail as a long-term investment and shall purchase these shares at their own cost. When purchasing and selling shares, they act in accordance with the regulations adopted by the company as referred to in 5:65 of the Act on Financial Supervision. Transactions are also reported to the AFM (www.afm.nl) in accordance with the relevant rules. As at 31 December 2009, none of the members of the Supervisory Board held any shares in VastNed Retail.

## COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

*Introduction*

VastNed Retail acknowledges the importance of proper corporate governance as the basis of trust between the Company and its shareholders. With a view to the transparency that is an essential part of corporate governance, VastNed Retail is continuing its practice of reporting extensively in this annual report on how its corporate governance operates and the extent to which the Company complies with the Code. The Supervisory Board took the amended Code published on 10 December 2008 into account when carrying out its update of the various corporate governance documents in 2009.

*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 provisions of the Code. At present, VastNed Retail deviates from the principles and best practice provisions as formulated in the Code in two respects. They are:

- The appointment of members of the Board of Management for a period of four years:
  all the current members of the Board of Management joined the company before the publication of the (draft) Code. All of the existing employment contracts are permanent contracts.
- Limitation of any severance payment to a maximum of one year's salary:
  all the current members of the Board of Management joined the Company before the publication of the (draft) Code. When their contracts were concluded, severance arrangements were agreed that also took account of the years of service with previous employers. These arrangements may result in compensation of more than one year's salary.

*Availability of corporate governance documents*

The documents that define the corporate governance structure, such as the articles of association, the regulations of the Supervisory Board and the registration document as required by the Act on Financial Supervision, have been made available by the company on its website www.vastned.nl.

*Independence*

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

## SPECIFIC CORPORATE GOVERNANCE REQUIREMENTS FOR THE BOARD OF MANAGEMENT

*Transactions with 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 arising from their employment contracts.

*Conflicts of interest involving members of the Board of Management*

None of the members of the Board of Management is in competition with VastNed Retail in any way. No payments have been made by VastNed Retail to the members of the Board of Management or members of their families, no member of the Board of Management has granted any third parties an unjustified advantage or arranged for himself or his family to gain from commercial opportunities provided by VastNed Retail. In view of the corporate governance pursued by VastNed Retail, the members of the Board of Management declare that

they will comply with the Code in all of the above-mentioned cases. In the event of a conflict of interest, the member of the Board of Management involved will report that conflict of interest to the chairman of the Supervisory Board.
The member in question will not participate in any discussions and decision making where he has a conflict of interest. In addition, the usual industry conditions will apply to transactions where there is a conflict of interest.

*Loans to or from members of the Board of Management*

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

### SPECIFIC CORPORATE GOVERNANCE REQUIREMENTS FOR THE SUPERVISORY BOARD

*Principle*

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 means the members of the Supervisory Board have a considerable degree of independence. The Supervisory Board has four members.

*Conflicts of interests involving members of the Supervisory Board*

Members of the Supervisory Board report any material conflicts of interest to the chairman of the Supervisory Board. In line with the corporate governance pursued by VastNed Retail, the members of the Supervisory Board declare that they will comply with the Code in such cases. Any member with a conflict of interests will refrain from participating in discussions and decision making regarding that matter. In addition, the usual industry conditions will apply to transactions where there is a conflict of interest. Decisions to enter into transactions with controlling shareholders, defined here as shareholders holding more than 10% of the share capital in issue, must be approved by the Supervisory Board and are subject to the usual industry conditions. At present, VastNed Retail does not have a delegated Supervisory Board member. The Supervisory Board will act in accordance with the best practice provisions III.6.6 and III.6.7 where applicable.

*Loans to or from members of the Supervisory Board*

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

## OTHER INFORMATION

### GENERAL MEETING OF SHAREHOLDERS AND VOTING RIGHTS

The regular General Meeting of Shareholder should be held within six months of the close of the financial year. The General Meeting of Shareholders is called in the manner laid down in the legislation and regulations applicable to VastNed Retail. One or more shareholders that together represent at least 10% of the share capital in issue can ask the Board of Management to call a General Meeting of Shareholders. One or more shareholders that together represent at least 1% of the share capital in issue, or alternatively hold shares worth at least € 50 million, can ask for items to be placed on the agenda of the General Meeting of Shareholders, provided they do so at least 60 days before the meeting.
In the General Meeting of Shareholders of VastNed Retail an explanation is given of, among other things, the strategy and course of business. Furthermore, the General Meeting of Shareholders is asked to give its approval on matters as defined by law and the articles of association.

*Subjects for discussion*

Generally, the following subjects are discussed at the General Meeting of Shareholders without being subjected to approval: the minutes of the previous General Meeting of Shareholders, the report by the Board of Management on the most recent financial year, the dividend policy and policy on reserves, material changes to the corporate governance structure and the remuneration report.

The General Meeting of Shareholders is asked to vote on the following subjects: the adoption of the financial statements for the most recent financial year, the determination of the final dividend for the most recent financial year, major changes to the strategy and corporate governance, discharging the members of the Board of Management for their management during the most recent financial year, discharging the Supervisory Board members for their supervision of the directors' management during the most recent financial year and the appointment or reappointment of members of the Company's Supervisory Board or Board of Management (VastNed Management). Every share gives the right to vote in the General Meeting of Shareholders. No vote can be cast for shares held by VastNed Retail itself or by or on behalf of a subsidiary unless those shares are encumbered by usufruct or pledge.

*Special controlling rights*

The requirement for most resolutions by VastNed Retail's General Meeting of Shareholders is an absolute majority (half of the votes cast plus 1). There are a number of specific resolutions where the Priority Shareholder usually submits a proposal.
If a member of the Board of Management or Supervisory Board is to be appointed or reappointed, the Priority Shareholder makes a binding nomination such that there is a choice between at least two individuals.
The General Meeting of Shareholders can remove the binding nature if the condition is met of an absolute majority of the votes, with the votes cast in favour representing at least one third of the issued capital. If there is an absolute majority but less than one third of the issued capital is represented, a new General Meeting of Shareholders will be called. The binding nature of the nomination can be removed in that meeting by an absolute majority of the votes cast without there being a quorum requirement. The same rules apply to the dismissal and suspension of members of the Board of Management or Supervisory Board. For more information, please refer to articles 14 and 18 of the articles of association (www.vastned.nl ).

Furthermore, the Priority Shareholder has rights with regard to the following subjects: proposals for changes to the articles of association, for the liquidation of the company or to file a petition for liquidation or suspension of payments. If the request is made by the Priority Shareholder, such proposals can be adopted by the General Meeting of Shareholders if passed by an absolute majority of the votes. If such proposals are not made by the Priority Shareholder, a supermajority requirement applies (more than two-thirds of the votes cast with a quorum of three quarters of the issued capital). For more information, please refer to article 25 of the articles of association (www.vastned.nl ).

The Board of Management and the Supervisory Board supply the General Meeting of Shareholders with all information required unless there is a substantial interest in not doing so. VastNed Retail announces the meetings in line with the stipulations in the applicable legislation and regulations. It also announces the meetings in a French national newspaper. The agenda and shareholders' circular can be obtained at the offices of VastNed Retail in Rotterdam and Paris, and via www.vastned.nl. These publications include among other things the registration date for exercising voting rights attached to shares. The minutes of the General Meeting of Shareholders will be made available after the meeting in accordance with best practice provision IV.3.8.

## CAPITAL STRUCTURE

VastNed Retail's authorised share capital amounts to € 375,000,000 and consists of 10 priority shares and 74,999,990 ordinary shares, all with a nominal value of € 5. As at 31 December 2009, a total of 18,265,213 ordinary shares and 10 priority shares were in issue.

*Issuing and repurchasing shares*

VastNed Retail is a public limited liability company with the status of an investment company with variable capital pursuant to 2:76 sub a of the Netherlands Civil Code. The decision to issue shares is taken by the Board of Management, taking into account the limits and conditions set by the Supervisory Board.
The Board of Management can also acquire shares in its own capital at times and under conditions determined by the Board of Management, taking into account limits and conditions set by the Supervisory Board, provided that the Company's capital minus the shares it holds itself amounts to at least one tenth of the authorised capital.

## STICHTING PRIORITEIT VASTNED RETAIL AND ANTI-TAKEOVER MEASURES

The Stichting Prioriteit VastNed Retail holds all 10 priority shares. The members of the Supervisory Board and the members of the Board of Management VastNed Management sit on the board of the Stichting Prioriteit VastNed Retail.

## FINANCIAL REPORTING AND THE EXTERNAL AUDITOR

Financial reports are drawn up in accordance with internal procedures. The Board of Management is responsible for ensuring that the financial reports are accurate, complete and produced on time. The external auditor is also involved in the content and publication of the semi annual results figures, the annual accounts and the associated press releases. The external auditor attends the General Meeting of Shareholders and may be asked to comment on his opinion concerning the fairness of the annual accounts. The external auditor attends at the very least the meetings of the Supervisory Board and 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 that applies to all employees, including the Board of Management. A whistleblower's code also applies. It allows employees and members of the Board of Management to report abuses within the Company without endangering their own employment relationship. The texts of these codes have been published on www.vastned.nl.

## ARTICLE 10 OF THE EU TAKEOVER DIRECTIVE

Under Article 10 of the Takeover Directive, VastNed Retail should, among other things, include information in its annual report concerning the following: the capital structure, significant participations in VastNed Retail where there is a disclosure obligation under Chapter 5.3 of the Act on Financial Supervision, limitations to voting rights and the issue of depositary receipts with the concurrence of the company, stipulations in the articles of association regarding the appointment and dismissal of members of VastNed Retail's Board of Management or Supervisory Board, the Management Board's powers (in particular regarding the issue of shares), any significant agreements in which VastNed Retail is a party and which take effect, are altered or terminated upon a change of control following a takeover bid, and any agreements between VastNed Retail and any members of the Board of Management or employees that arrange for a payment in the event of employment being terminated due to a takeover bid.

The information provided under Article 10 of the Takeover Directive is included either in this 'Corporate Governance' section or elsewhere in the annual report.

# VASTNED MANAGEMENT REMUNERATION REPORT 2009

## INTRODUCTION

VastNed Retail and VastNed Offices/Industrial ('the funds') have a single Managing Director, VastNed Management, a joint subsidiary of both funds and the management company of both VastNed Retail and VastNed Offices/Industrial. This remuneration report outlines the remuneration of the Managing Directors of VastNed Management ('the Board of Management'), the private individuals who actually manage the funds. All Directors work for both funds. VastNed Management's costs are passed on to the individual funds based on the source of the costs in accordance with a cost allocation agreement.

## MAIN POINTS OF THE REMUNERATION POLICY

VastNed Management's remuneration policy was approved by the shareholders of both funds in the General Meetings of Shareholders of VastNed Retail and VastNed Offices/Industrial on 6 April 2004 and is based on the following principles:

a The level and structure of the total remuneration should enable VastNed Management to attract and retain qualified Directors with the necessary expertise.
b The relationship between the fixed and variable salary components in the remuneration structure must be such that it furthers the interests of the funds in the medium and long term.

Based on these principles, the following criteria have been formulated for the various elements in the remuneration policy for the next few years:

a The chairman of the Board of Management (CEO) is awarded a fixed annual salary that is in line with the fixed annual salaries of the chairmen of the Boards of Management of VastNed Group's fellow investment funds. This peer group comprises the property investment funds Corio, Eurocommercial Properties, Unibail-Rodamco and Wereldhave.
b The other members of the Board of Management are awarded a fixed annual salary of between 40% and 70% of the CEO's fixed salary, depending on performance, experience and how demanding their duties are.
c Only part of the annual salary is marked as pensionable income in order to keep pension costs down. The pensionable income is limited to 75% to 90% of the fixed annual salary, whereby the higher the fixed annual salary, the lower this percentage.
d In addition to the fixed annual salary, a bonus may be awarded of a maximum of € 200,000 to the CEO and of € 100,000 to any other member of the Board of Management for their activities for the two funds. No more than 50% of the aforementioned amounts may be awarded per fund.

## BONUS SYSTEM

### INTRODUCTION

The bonus to be awarded is divided up in two parts: the direct result-related bonus (75%) and the personal bonus (25%). The performance criteria of the direct investment result-related bonus creates alignment between Managing Directors and shareholders both in the short term and in the long term, since an increase in the direct investment result per share benefits both the Directors and the shareholders. The conditional nature of the direct result-related bonus safeguards the long-term interests and the risk profile (best practice provision 11.2.12). The personal bonus promotes the realisation of key objectives that do not necessarily lead to an increase in the direct investment result per share in the short term. The bonuses are not part of the pensionable income. Various scenarios are assessed prior to the formulation of the remuneration policy. This means that no bonus is paid if none of the targets are achieved, whereas, if all of the targets for both funds are achieved, a maximum of € 200,000 is paid to the CEO and € 100,000 is paid to every other member of the Board of Management. This maximum is less than 50% of the fixed salary for all members of the Board of Management.

## DIRECT INVESTMENT RESULT-RELATED BONUS

*Basic principles*

This part of the bonus, with a maximum value set at € 150,000 and € 75,000 respectively, is directly related to the development in the direct investment result per share, as evidenced by the annual accounts approved by the external auditor and corrected for subsequent changes to the funds' accounting system (like-for-like).

*System*

The bonus system provides for a bonus of € 5,000 for the CEO and € 2,500 for the other members of the Board of Management for every increase of 10 basis points in the direct investment result per share above the average weighted inflation in the countries in which the funds invest (calculated using the average value of properties in the respective countries). This part of the bonus has a maximum per fund of € 75,000 for the CEO and € 37,500 for the other members of the Board of Management. A percentage decrease in one fund's direct investment result is not set off against any percentage increase there might be in the other fund's result. The costs of the direct investment result-related bonus will be charged to the fund to which the percentage increase in question refers.

*Payment in shares*

The direct investment result-related bonus is awarded conditionally in the form of shares in the relevant fund at the first ex-dividend share price after the Annual General Meeting of Shareholders. The award is made on a condition precedent, whereby the award becomes unconditional after two years provided that the direct investment result per share in the previous financial year is not lower than the direct investment result per share for the financial year preceding the conditional grant of the bonus.

*Lock-up*

Once a member of the Board of Management becomes unconditionally entitled to the shares, he is allowed to sell a maximum of 50% of the shares awarded unconditionally. The proceeds may be used for settling the wage withholding tax which becomes payable when the entitlement to the shares becomes unconditional. The other shares must then be held for a subsequent period of at least three years or until the end of the employment of the Director in question, if earlier.

*Dividend entitlement*

The shares are entitled to dividend from the moment when they are awarded conditionally. The cash equivalent of the dividends on the shares awarded will not be paid out until the award has become unconditional.

## PERSONAL BONUS

A joint bonus for both funds not exceeding € 50,000 for the CEO and € 25,000 for each of the other members of the Board of Management is awarded on the basis of an assessment by VastNed Management's Supervisory Board of the degree to which the Director in question achieved pre-defined qualitative and/or quantitative targets during that financial year. This bonus is paid out in cash. The costs of this bonus are shared by the two funds in accordance with the stipulations in the cost allocation agreement.

## PENSIONS

The pension plans in operation are non-contributory. Mr Van Gerrevink's pension is based on a final-pay formula, while the pension plan of Mr De Witte is based on the career-average system. Mr Van Gerrevink's expected retirement age is 63, while the retirement age for Mr De Witte is 65.

## EXPENSE ALLOWANCES

The customary arrangements for company cars and reimbursement of business expenses are in place for all Managing Directors.

## DURATION AND TERMINATION CONDITIONS IN EMPLOYMENT CONTRACTS

*Basic principles*

The employment contracts with the Directors have been concluded for an indefinite period. All contracts contain a severance payment arrangement with a minimum compensation amount in the case of termination by VastNed Management that exceeds the compensation of one year's fixed salary as referred to in the Code.

The employment contracts with the current members of the Board of Management were concluded before the Code came into effect. The severance payment arrangements agreed were necessary at the time to persuade the current directors to give up their positions elsewhere and take up employment with VastNed Management. The current arrangements will be honoured. VastNed Management does, however, intend to implement this aspect of the Code when taking on new Directors. If termination of the employment contract is the consequence of a takeover or merger, or happens within a certain period of a takeover or merger taking place, a higher minimum severance payment may apply in certain cases.

*Mr R.A. van Gerrevink*

Mr Van Gerrevink is entitled to compensation of at least € 600,000 in the event of dismissal by the General Meeting of Shareholders of VastNed Management. If the employment contract is terminated due to a merger or takeover of one of the funds, compensation of at least € 400,000 per fund will be paid. If a share price is realised for shareholders that exceeds 105% of the net asset value, an additional bonus is awarded of 2% of the excess per share, multiplied by the number of shares in issue. This additional bonus has a maximum of € 750,000 per fund. These arrangements were negotiated when the employment contract was concluded.

*Mr T.M. de Witte*

In the event of dismissal, Mr De Witte is entitled to compensation to be determined in line with the method used in the Dutch subdistrict court formula, taking into account his 12 years of service at the time of appointment. This arrangement was negotiated when the employment contract was concluded. If the employment contract is terminated as a result of a merger or take-over of one of the funds on the initiative of VastNed Management, compensation is paid of at least 15 months.

*Terms of notice*

The terms of notice for the members of the Board of Management are as follows:

| | Employer | Employee |
|---|---|---|
| Mr R.A. van Gerrevink | 6 months | 3 months |
| Mr T.M. de Witte | 6 months | 3 months |

## REMUNERATION OF THE BOARD OF MANAGEMENT IN 2009

### FIXED SALARY AND PERSONAL BONUS

Their income in 2009 is shown below (the personal bonus is the payment in cash to be made in 2010 as a bonus for the financial year 2009).

| | Years of service | Fixed salary (excl. social security contributions) | Pensionable part | Personal bonus* | Post-payment of 2008 salary |
|---|---|---|---|---|---|
| Mr R.A. van Gerrevink | 8 | 465,000 | 348,000 | 25,000 | 8,100 |
| Mr T.M. de Witte | 7 | 240,000 | 210,000 | 12,500 | 9,720 |
| *Total* | | **705,000** | **558,000** | **37,500** | **17,820** |

| | | |
|---|---|---|
| * | VastNed Retail share | € 37,500 |
| | VastNed Offices/Industrial share | Nil |

The post-payment of salary for 2008 was approved by VastNed Retail's General Meeting of Shareholders on 7 April 2009. It concerns that part of the salary increase in 2008 that was held back due to VastNed Retail's General Meeting of Shareholders not giving its approval in 2008.

In 2009, VastNed Management paid the following pension contributions on behalf of its Managing Directors: € 79,510 for Mr Van Gerrevink and € 33,988 for Mr De Witte.

### DIRECT INVESTMENT RESULT-RELATED BONUS FOR 2009

The direct investment result-related bonus for VastNed Retail for the financial year 2009 will be paid out conditionally in full. After all, the direct investment result per share was € 4.03 in 2009. This is an increase of 4.7% compared with 2008, which is 4.2 percent points above the average weighted inflation of 0.5% in the countries where VastNed Retail has operations. Accordingly, the maximum bonus of € 75,000 for the CEO and € 37,500 for the other Director are awarded conditionally.

### BONUS RELATED TO DIRECT INVESTMENT RESULT AWARDED IN 2008 WILL BECOME UNCONDITIONAL

The direct investment result per VastNed Retail share in 2009 of € 4.03 was more than the direct investment result per share in 2007 (the year prior to the grant in 2008), when the result was € 3.85 per share. Consequently all shares awarded conditionally in 2008 as a bonus related to the direct investment result will become unconditional on 23 April 2010 (the ex-dividend date).

### PERSONAL BONUS FOR 2009

The personal bonus for 2009 paid to Mr Van Gerrevink and Mr De Witte amounts to € 25,000 and € 12,500 respectively as the predefined targets for VastNed Retail concerning solvency, occupancy rates and sales were achieved in full.

## REMUNERATION OF THE BOARD OF MANAGEMENT IN 2010

The present remuneration policy, adopted in 2004, will not be changed.

Mr Van Gerrevink's fixed salary and pensionable component will remain unchanged at € 465,000 and € 348,000 respectively.

Mr De Witte's fixed salary will be raised to € 255,000. The pensionable component will be raised to € 215,000.

## SHARE OWNERSHIP OF THE BOARD OF MANAGEMENT

An overview is given below of the share ownership of the statutory Board of Management as at 31 December 2009.

*Overview of VastNed Retail shares held by the statutory Board of Management*

| | R.A. van Gerrevink | T.M. de Witte |
|---|---|---|
| Number of shares as at 1 January 2009 | 2,405 | 1,067 |
| Movements | – | 400 |
| Number of shares as at 31 December 2009 1) | 2,405 | 1,467 |
| Conditional part | – | – |

1 The adoption of this remuneration report means that 1,134 VastNed Retail shares held by Mr Van Gerrevink and 567 VastNed Retail shares held by Mr De Witte have become unconditional.

# RISK MANAGEMENT

The risk management and control system at VastNed Retail is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Risk Management framework. It aims to guarantee with a reasonable degree of certainty that the risks the company is exposed to have been adequately identified and are being managed within a limited risk profile. The following summary shows the key categories of risks that apply to VastNed Retail. The potential impact of each of the risk categories is indicated, along with the way in which VastNed Retail tries to manage the risk.

| DESCRIPTION OF RISK CATEGORY | POTENTIAL IMPACT | CONTROL MEASURES |
|---|---|---|
| **STRATEGIC RISKS**<br>Impact of external factors as a consequence of investment and financial policy choices. | - The choice of investment country, investment type, relative size and timing of investments can have a major impact on the extent to which the expected rental trends and the demand for retail locations are dependent on inflation, currency fluctuations, consumer expenditure, rent legislation and permit policies and consequently the investment value trends;<br>- the degree of leverage and the interest rate policy have a significant effect on borrowing costs and the refinancing risk, as well as on the volatility of these two aspects. | A strategic choice has been made for:<br>– investing primarily in countries in the euro zone, where the political and economic climate is relatively stable, namely the Netherlands, Spain, France, Belgium and Portugal. For further details about the rental regulations in these countries, please refer to page 191;<br>– a considerable spread across a range of different types of retail property, lessees and locations (please refer to the chapter on 'Profile and strategy' and the key figures for the property portfolio). The gross rental income from the largest property and largest property tenant were 4.2% and 5.8% respectively of the total gross rental income at the end of 2009;<br>– a critical mass for each country/region to guarantee sufficient local expertise and proper research. Properly equipped teams are present in all countries. The Istanbul team will receive reinforcements as the size of its property portfolio increases;<br>- the size of the portfolio in Turkey not to exceed 10% of the total investment portfolio, with a focus on Istanbul, which is orientated towards the West; and<br>– a conservative financing policy (for more detail, please refer to 'Financing Risks').<br><br>Decisions on strategy and changes in strategy are first approved by the Supervisory Board before being implemented. |

| DESCRIPTION OF RISK CATEGORY | POTENTIAL IMPACT | CONTROL MEASURES |
|---|---|---|
| **FINANCIAL REPORTING RISKS**<br>The impact of incorrect, incomplete or late provision of information on decision-making (internal or by external parties, including shareholders, banks and regulators). | – Incorrect estimate of risk-return profile in investment decisions; and<br>– reputation damage and claims due to having made misleading statements to stakeholders. | A sound system of internal control measures and administrative and organisational measures has been implemented and laid down in various places such as the Administrative Organisation manual, the code of conduct, the whistleblower code and the rules of procedure of the Board of Management. They provide important checks and balances with regard to financial reports, for example:<br>– involvement of different disciplines in the preparation of reports and proposals for investments and disposals;<br>– budgeting, quarterly updated forecasts and quantitative analyses;<br>– valuation procedures (independent external assessors who are regularly replaced, internal IRR analyses and internationally accepted valuation guidelines);<br>– regular business report meetings in which reports are used as the basis for discussing operational activities in detail with the country managers;<br>– group instructions on accounting principles and reporting data, as well as internal training in IFRS matters and the like; and<br>– regular management meetings and discussion of the results of external audits with the audit committee and the Supervisory Board. |
| **OPERATIONAL RISKS**<br>Risks arising from daily transactions and (external) events. | | |
| *Investment and divestment risks*<br>Investment or disposal analysis performed incorrectly. | – Incorrect estimation of the risk-return profile; and/or<br>– investment or divestment made too late;<br>– negative effect on (future) net rental income;<br>– unanticipated negative value movements; and<br>– lower (than expected) direct and indirect investment results. | Careful acquisition and divestment procedures, consisting of:<br>– using a checklist when carrying out due diligence to assess financial, legal, construction and fiscal aspects;<br>– involvement of different disciplines in acquisitions and sales;<br>– standard format for investment and divestment proposals; and<br>– internal authorisation procedures (investment and divestment exceeding € 25 million require approval by the Supervisory Board). |

| DESCRIPTION OF RISK CATEGORY | POTENTIAL IMPACT | CONTROL MEASURES |
|---|---|---|
| *Leasing and debtor risks*<br>The risk that a property cannot be let at the anticipated rent (resulting in a vacant property) or the rent cannot be collected, due to its nature and location and/or the quality of the tenant. | – Drop in rental income and rise in service charge expenses that cannot be passed on due to vacant properties;<br>– decrease in property values due to vacant properties;<br>– write-off of overdue receivables; and<br>– lower (than expected) direct and indirect investment results. | Internal procedures aimed at:<br>– very frequent evaluation of local factors and the investment property itself by portfolio and technical managers, plus research;<br>– extensive annual forward-looking yield analysis, including ten-year forecast;<br>– aiming for an even spread of expiry dates of lease contracts, in accordance with current rental legislation and regulations;<br>– aiming for an optimum tenant mix and setting a maximum exposure to any individual tenant (the overall gross rental income from our largest tenant is 4.2% of the total gross rental income);<br>– regular reports on the occupancy rate and rent arrears in the property portfolio, listing the resulting actions;<br>– screening tenants when concluding leases;<br>– interim evaluations of the financial positions and payment behaviour of tenants by holding regular meetings with them and by consulting external sources on this subject; and<br>– securing bank guarantees and/or payment of guarantee deposits from tenants. |
| *Cost control risks*<br>The risk of unexpected increases in operating expenses and general expenses, and of having to make unanticipated further investments. | – Incorrect estimation of the risk-return profile; and<br>– lower direct and indirect investment results. | – Budgeting procedures and maintenance forecasts;<br>– authorisation procedures for entering into maintenance and investment commitments;<br>– regular reporting (on realisation-vs.-budget analyses); and<br>– benchmarking costs against those of other funds. |
| *Pipeline risks*<br>Risks associated with acquired pipeline projects. | – Delays in delivery;<br>– deviations from agreed (technical) specifications or lease conditions;<br>– not able to rent out fully or only at lower than previously estimated rental levels; and<br>– lower direct and indirect investment results. | – The pipeline risk is for a large part generally transferred to contracted reputable and reliable project developers and building contractors. Early involvement in the design of the property and the composition of the lessee mix enables leasing risks to be kept down;<br>– regular progress reporting (on realisation-vs.-budget analyses); and<br>– continuous involvement of in-house commercial and technical experts to monitor progress.<br><br>The committed investment properties in pipeline amounted to € 25.3 million at year-end 2009; |

| DESCRIPTION OF RISK CATEGORY | POTENTIAL IMPACT | CONTROL MEASURES |
|---|---|---|
| Legal and tax risks<br>Risks associated with amendments to tax law and corporate law, and risks arising from the incorrect assessment of contractual stipulations or tax exposure. | – Legal and tax claims resulting in fines, loss of income or additional costs;<br>– loss of present tax status;<br>– reputation damage; and<br>– lower direct and indirect investment results. | Internal procedures, comprising:<br>– mandatory evaluation of contractual commitments by internal and (where necessary) external lawyers and tax experts;<br>– ensuring that the employees receive relevant professional training;<br>– continuous monitoring of the conditions imposed on the application of the tax regime (including financing ratios, mandatory dividend payments and the composition of the shareholder base) by internal and external tax experts; and<br>– careful analysis of the tax risks involved in acquisitions and disposals (value added tax, transfer tax, deferred tax liabilities and similar). |
| *IT-related risks*<br>Risks associated with malfunctions or security issues related to the internal IT infrastructure. | – Being unable to issue internal or external reports correctly or on time;<br>– loss of relevant information;<br>– unauthorised access to information by third parties; and<br>– reputation damage. | Internal procedures aimed at:<br>– access security;<br>– backup and recovery procedures. Backups are collected daily by an external company;<br>– regular checks by external experts;<br>– digitisation of key documents; and<br>– hiring in external know-how and experience to keep up to date on IT developments.<br><br>The IT network between the different countries is centralised in Rotterdam, with the individual countries connected to the company Wide Area Network over fixed lines hired from professional network providers. |
| **FINANCIAL RISKS** | | |
| *Financing and Refinancing risks*<br>The risk that insufficient equity and (long-term) loan capital can be raised, or only on unfavourable terms, or of agreed bank covenants not being met. | – Insufficient financing facilities for investments;<br>– enforced sale of investment properties, investments;<br>– higher financing costs;<br>– lower direct and indirect investment results; and<br>– reputation damage. | – Regular contact with existing and potential shareholders and with loan capital providers through road shows, transparent financial reporting and analysts' meetings;<br>– limiting loan capital financing to a maximum of 50% of the market value of the property. At year-end 2009, this value was 39.8%;<br>– limiting the proportion of short-term loans to a maximum of 25% of the loan portfolio. At year-end 2009, this value was 19.5%;<br>– efforts are made to achieve an even spread in the refinancing dates (see table on page 85);<br>– efforts are made to achieve a weighted average term of at least five years for the long-term loan portfolio. At year-end 2009, this term was 3.6 years;<br>– internal monitoring based on periodic financial reports detailing sensitivity analyses, financing ratios, changes in bank covenants and financing facilities; and<br>– regular board meetings on the subject and discussion of these reports with the audit committee and the Supervisory Board. |

| DESCRIPTION OF RISK CATEGORY | POTENTIAL IMPACT | CONTROL MEASURES |
|---|---|---|
| *Liquidity risk*<br>The risk that insufficient resources will be available for day-to-day payment obligations. | – Reputation damage;<br>– extra financing costs; and<br>- lower direct investment result | – Procedures aimed at reducing operational risks that may result in loss of cash flow (see above);<br>– attracting sufficient credit facilities, aimed at ensuring sufficient borrowing capacity. At year-end 2009, unused capacity was €145.8 million;<br>– drawing up daily cash-flow prognoses; and<br>– internal monitoring of the credit facilities and conditions, based on periodic internal financial reports. |
| *Interest rate risk*<br>Risks resulting from interest rate fluctuations. | – Rising financing costs; and<br>– lower direct investment results. | – In principle, no more than one third of the loan portfolio has variable interest rates;<br>– rate fixing by taking out interest rate derivatives contracts with national and international banks;<br>– efforts are made to obtain an even spread of interest rate review dates;<br>– efforts are made to achieve a typical interest-rate term of at least 3.0 years for the long-term loan portfolio. At year-end 2009, this term was 4.6 years;<br>– internal monitoring of interest-rate risks based on regular internal financial reports; and<br>– regular board meetings on the subject and discussion of these reports with the audit committee and the Supervisory Board. |
| *Exchange-rate risk*<br>Risks resulting from exchange-rate fluctuations. | – Falling income; and<br>– lower direct and indirect investment results. | – Investing primarily in the euro zone;<br>– no more than 10% of the total invested capital is invested in Turkey. The amount invested was € 30.3 million at year-end 2009; and<br>– concluding lease contracts in euros or US dollars and financing part or all of the property in the same currency. |

| DESCRIPTION OF RISK CATEGORY | POTENTIAL IMPACT | CONTROL MEASURES |
|---|---|---|
| **COMPLIANCE RISKS** | | |
| Risks associated with non-compliance or inadequate compliance with legislation and regulations, or risks associated with not acting with integrity. | – Reputation damage;<br>– claims and legal procedures; and<br>– lower direct investment results. | – Internal procedures and training aimed at keeping knowledge of legislation and regulations up to date;<br>– internal code of conduct and whistleblower code;<br>– compliance with the code of conduct is discussed with employees at least once a year;<br>– procedures aimed at hiring staff who will act with integrity (including references, etc.); and<br>– having the country managers sign an internal Letter of Representation at least once a year. |

As indicated above, VastNed Retail devotes a great deal of attention to risk management. Only a relatively small number of people work at VastNed Retail who, moreover, are spread across the various country organisations. Activities in the areas of financing, cash management, tax, legal affairs, IT, research, budgeting and budgetary control are carried out at group level in Rotterdam, which also benefits the local country organisations. VastNed Retail does not have a separate internal audit department. In view of the limited complexity of the day-to-day transactions and the short internal communication lines, the absence of a separate internal audit department is deemed to be acceptable from the perspective of risk management.

# SUPERVISORY BOARD

*Wouter J. Kolff (23 July 1945)*

*N.J. (Klaas) Westdijk (20 June 1941)*

*Pieter M. Verboom (20 April 1950)*

*Jeroen B.J.M. Hunfeld (11 April 1950)*

# MANAGEMENT TEAM

*Reinier A. van Gerrevink (3 March 1950)*

*Tom M. de Witte (7 September 1966)*

*Arnaud G.H. du Pont (25 May 1966)*

*Wim Fieggen (3 November 1957)*

# PROPERTY PORTFOLIO 2009

# INVESTMENT PROPERTIES IN OPERATION

| Country<br>City<br>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 NETHERLANDS** | | | | | | | | |
| **ALKMAAR** | | | | | | | | |
| Laat 165-167 | Shop | 1990 | 1906 | 345 | 1 | – | – | 92 |
| Payglop 6 | Shop | 1988 | 1900 | 45 | 1 | – | – | 22 |
| Payglop 14 | Shop | 1994 | 1930 | 143 | 1 | – | – | 42 |
| **ALMELO** | | | | | | | | |
| Grotestraat 32 / Hof van Gülick 10 | Shop | 1993 | 1920 | 210 | 1 | 1 | – | 44 |
| Grotestraat 35a-37 | Shop | 1994 | 1900 | 150 | 1 | 1 | – | 51 |
| Grotestraat 36 | Shop | 1996 | 1920 | 430 | 1 | – | – | 81 |
| Grotestraat 83-85 | Shop | 1994 | 1850 | 255 | 1 | – | – | 127 |
| Grotestraat 97a / Koornmarkt 3-5 and 9-11 / Werfstraat 1 | Shop | 1993 | 1920 | 1,132 | 5 | – | – | 199 |
| **AMERSFOORT** | | | | | | | | |
| Langestraat 8 | Shop | 1990 | 1900 | 409 | 1 | – | – | 93 |
| Utrechtsestraat 13 / Hellestraat 3 | Shop | 2008 | 1900 | 97 | 1 | 1 | – | 67 |
| **AMSTERDAM** | | | | | | | | |
| Buikslotermeerplein 88-90 1) | Shopping centre | 1990 | 1968 | 388 | 1 | – | – | 96 |
| Buikslotermeerplein 123 1) | Shopping centre | 1993 | 1968 | 9,293 | 1 | – | – | 1,007 |
| Buikslotermeerplein 255 1) | Shopping centre | 2007 | 1972 | 307 | 1 | – | – | 107 |
| Ferdinand Bolstraat 65 | Shop | 1989 | 1883 | 113 | 1 | 3 | – | 53 |
| Ferdinand Bolstraat 79 | Shop | 1987 | 1905 | 85 | 1 | 3 | – | 62 |
| Ferdinand Bolstraat 81 | Shop | 1989 | 1884 | 82 | 1 | 3 | – | 55 |
| Ferdinand Bolstraat 88 | Shop | 1987 | 1883 | 85 | 1 | 3 | – | 63 |
| Ferdinand Bolstraat 92 / G, Flinckstraat 118 | Shop | 1987 | 1882 | 81 | 1 | 6 | – | 66 |
| Ferdinand Bolstraat 95-97 / 1e Jan v.d. Heydenstraat 88a-90 | Shop | 1987 | 1892 | 194 | 1 | 9 | – | 113 |
| Ferdinand Bolstraat 101 | Shop | 1989 | 1892 | 118 | 1 | 3 | – | 45 |
| Ferdinand Bolstraat 109 | Shop | 1989 | 1882 | 76 | 1 | 3 | – | 51 |
| Ferdinand Bolstraat 120 / 1e Jan v.d. Heydenstraat 88 | Shop | 1993 | 1893 | 130 | 1 | 6 | – | 68 |
| Ferdinand Bolstraat 122 | Shop | 1987 | 1893 | 95 | 1 | 3 | – | 60 |
| Ferdinand Bolstraat 124 | Shop | 1987 | 1893 | 75 | 1 | 3 | – | 54 |
| Ferdinand Bolstraat 126 | Shop | 1989 | 1893 | 80 | 1 | 3 | – | 53 |
| Heiligeweg 47 | Shop | 1989 | 1899 | 60 | 1 | – | – | 95 |
| Jan Evertsenstraat 100 | Shop | 1988 | 1925 | 144 | 1 | 3 | – | 42 |
| Jan Evertsenstraat 106 | Shop | 1987 | 1925 | 107 | 1 | 3 | – | 41 |
| Jan Evertsenstraat 108 | Shop | 1987 | 1940 | 95 | 1 | 3 | – | 50 |
| Kalverstraat 9 | Shop | 1990 | 1900 | 253 | 1 | – | – | 113 |
| Kalverstraat 162-164 | Shop | 1988 | 1800 | 328 | 1 | – | – | 291 |
| Kalverstraat 182 | Shop | 1987 | 1900 | 95 | 1 | – | – | 121 |
| Kalverstraat 208 | Shop | 1991 | 1850 | 160 | 2 | – | – | 105 |
| Kinkerstraat 115 1) | Shop | 1994 | 1988 | 97 | 1 | – | – | 35 |
| Leidsestraat 5 | Shop | 1990 | 1905 | 380 | 1 | – | – | 94 |
| Leidsestraat 64-66 / Kerkstraat 44 | Shop | 1986 | 1912 | 790 | 3 | – | – | 223 |
| Paleisstraat 21 | Shop | 1990 | 1876 | 310 | 1 | – | – | 50 |
| Reguliersbreestraat 9 / Amstel 8 | Shop | 1987 | 1905 | 277 | 2 | 3 | – | 115 |

| Country<br>City<br>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) |
|---|---|---|---|---|---|---|---|---|
| Rembrandtplein 7 1) | Shop | 2007 | 1897 | 285 | 1 | 3 | – | 209 |
| Van Baerlestraat 86 | Shop | 1994 | 1800 | 90 | 1 | 2 | – | 72 |
| Van Baerlestraat 108-110 | Shop | 1990 | 1800 | 265 | 2 | 3 | – | 123 |
| **APELDOORN** | | | | | | | | |
| Deventerstraat 5 | Shop | 1990 | 1900 | 363 | 2 | 2 | – | 116 |
| Deventerstraat 6 | Shop | 1990 | 1930 | 70 | 1 | – | – | 31 |
| Deventerstraat 14 and 14b | Shop | 1994 | 1900 | 295 | 2 | 3 | – | 96 |
| **ARNHEM** | | | | | | | | |
| Bakkerstraat 3a and 4 / Wielakkerstraat 8 | Shop | 1990 | 1600 | 188 | 2 | 1 | – | 113 |
| Bakkerstraat 6 | Shop | 1994 | 1950 | 574 | 1 | – | – | 145 |
| Koningstraat 12-13 / Beekstraat 105-107 and 108 | Shop | 1988 | 1890 | 1,052 | 4 | 3 | – | 246 |
| Rijnstraat 23 / Varkensstraat 34 | Shop | 1990 | 1900 | 447 | 2 | 4 | – | 113 |
| Vijzelstraat 24 | Shop | 1994 | 1800 | 161 | 1 | – | – | 92 |
| **ASSEN** | | | | | | | | |
| Gedempte Singel 11-13 / Mulderstraat 8 | Shop | 1995 | 1952 | 894 | 3 | – | – | 98 |
| **BEMMEL** | | | | | | | | |
| Dorpsstraat 31, 31a-e / Kloosterplaats 1 / Dr Poellstraat 1 | Shop | 1998 | 1992 | 1,815 | 6 | 2 | – | 241 |
| **BERGEN OP ZOOM** | | | | | | | | |
| Wouwsestraat 48 | Shop | 1994 | 1900 | 80 | 1 | – | – | 48 |
| **BEVERWIJK** | | | | | | | | |
| Nieuwstraat 9 -11 / Breestraat 65 | Shop | 1989 | 1910 | 2,630 | 4 | – | – | 336 |
| **BILTHOVEN** | | | | | | | | |
| Julianalaan 53 | Shop | 1997 | 1930 | 367 | 1 | – | – | 36 |
| **BORCULO** | | | | | | | | |
| Lichtenhorst 7-9 | Shop | 2007 | 2007 | 2,350 | 2 | – | – | 278 |
| **BOXMEER** | | | | | | | | |
| Hoogkoorpassage 14-18 and 22 | Shop | 1990 | 1989 | 566 | 5 | – | – | 78 |
| Steenstraat 110 / D'n entrepot | Shop | 1997 | 1992 | 135 | 1 | – | – | 47 |
| **BOXTEL** | | | | | | | | |
| Rechterstraat 42-44 | Shop | 1997 | 1940 | 877 | 1 | – | – | 104 |
| Stationstraat 18-20 | Shop | 1997 | 1920 | 750 | 1 | – | – | 82 |
| **BREDA** | | | | | | | | |
| Eindstraat 14-16 | Shop | 1988 | 1924 | 260 | 1 | – | – | 205 |
| Ginnekenstraat 3 | Shop | 1994 | 1985 | 88 | 1 | – | – | 81 |
| Ginnekenstraat 19 | Shop | 1993 | 1980 | 150 | 1 | – | – | 119 |
| Ginnekenstraat 80-80a | Shop | 1998 | 1905 | 165 | 1 | 5 | – | 108 |
| Grote Markt 29 / Korte Brugstraat 2 | Shop | 1991 | 1953 | 102 | 1 | – | – | 95 |
| Karrestraat 25 | Shop | 1994 | 1920 | 268 | 1 | 2 | – | 132 |
| Ridderstraat 19 | Shop | 1994 | 1800 | 225 | 1 | – | – | 60 |
| Torenstraat 2 / Korte Brugstraat 14 | Shop | 1992 | 1953 | 90 | 1 | – | – | 84 |
| Veemarktstraat 30 | Shop | 1991 | 1920 | 555 | 1 | – | – | 78 |
| Veemarktstraat 32 | Shop | 1992 | 1800 | 70 | 1 | 2 | – | 40 |
| **BRIELLE** | | | | | | | | |
| De Reede 36-50 1) | Shopping centre | 1993 | 1977 | 1,610 | 7 | – | – | 250 |
| **BRUNSSUM** | | | | | | | | |
| Kerkstraat 45 / Schiffelerstraat 1 | Shop | 1997 | 1970 | 620 | 2 | – | – | 93 |
| **BUSSUM** | | | | | | | | |
| Kerkstraat 1 / Brinklaan | Shop | 1994 | 1974 | 1,007 | 2 | – | – | 125 |
| Nassaulaan 12 / Nassaustraat 1a and 1g | Shop | 1994 | 1920 | 295 | 1 | 2 | – | 84 |
| Nassaustraat 12-16 | Shop | 1994 | 1900 | 181 | 2 | 1 | – | 87 |
| Veerstraat 11 and 11d | Shop | 1990 | 1900 | 360 | 2 | – | – | 108 |

| 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) |
|---|---|---|---|---|---|---|---|---|
| **CAPELLE A/D IJSSEL** | | | | | | | | |
| Lylantse Baan 7 | Retail warehouse | 1990 | 1985 | 13,336 | 3 | – | 150 | 917 |
| De Wingerd 247-267 | Shopping centre | 1993 | 1969 | 2,043 | 5 | 1 | – | 282 |
| **COEVORDEN** | | | | | | | | |
| Friesestraat 14 / Weeshuisstraat 9 | Shop | 1997 | 1950 | 203 | 1 | 3 | – | 55 |
| **CULEMBORG** | | | | | | | | |
| Everwijnstraat 6-14 / Markt 53 | Shop | 1999 | 1989 | 493 | 6 | – | – | 103 |
| **DALFSEN** | | | | | | | | |
| Van Bloemendalstraat 6-8 / Wilhelminastraat 5 | Shop | 1997 | 1991 | 434 | 3 | 1 | – | 62 |
| **DEDEMSVAART** | | | | | | | | |
| Julianastraat 13-19 | Shop | 1997 | 1922 | 1,190 | 4 | – | – | 145 |
| **DELFT** | | | | | | | | |
| Hippolytusbuurt 1 / Nieuwstraat | Shop | 1997 | 1700 | 750 | 1 | – | – | 108 |
| Markt 23 | Shop | 1990 | 1906 | 54 | 1 | 3 | – | 48 |
| Oude Langendijk 2 | Shop | 1996 | 1906 | 120 | 1 | – | – | 38 |
| Oude Langendijk 11 | Shop | 1987 | 1906 | 150 | 1 | – | – | 54 |
| Wijnhaven 9 / Oude Delft 92 | Shop | 1986 | 1700 | 184 | 1 | – | – | 39 |
| **DEVENTER** | | | | | | | | |
| Brink 95 / Spijkerboorsteeg 33 and 37 | Shop | 1995 | 1850 | 127 | 2 | 2 | – | 55 |
| Lange Bisschopstraat 11-15 | Shop | 1993 | 1800 | 310 | 2 | 1 | – | 81 |
| Lange Bisschopstraat 34 | Shop | 1991 | 1900 | 278 | 1 | – | – | 48 |
| Lange Bisschopstraat 50 | Shop | 1993 | 1800 | 210 | 1 | 1 | – | 108 |
| **DIDAM** | | | | | | | | |
| Hoofdstraat 5-7 | Shop | 1997 | 1960 | 520 | 1 | 1 | – | 52 |
| Oranjestraat 6-10 | Shop | 1997 | 1978 | 520 | 1 | 1 | – | 49 |
| **DOETINCHEM** | | | | | | | | |
| Dr, Huber Noodstraat 2 | Shop | 1997 | 1968 | 1,840 | 4 | – | – | 298 |
| Korte Heezenstraat 6 / Heezenpoort 13-15 and 21 | Shop | 1994 | 1985 | 310 | 5 | – | – | 87 |
| Nieuwstad 57-59 | Shop | 1988 | 1988 | 1,686 | 2 | – | – | 147 |
| **DOORWERTH** | | | | | | | | |
| Mozartlaan 52-66 / van der Molenallee 107-125 | Shopping centre | 1997 | 2007 | 3,395 | 12 | – | – | 460 |
| **DORDRECHT** | | | | | | | | |
| Voorstraat 262 | Shop | 1996 | 1800 | 175 | 1 | 4 | – | 118 |
| **DRACHTEN** | | | | | | | | |
| Zuidkade 2 | Shop | 1995 | 1900 | 150 | 1 | 1 | – | 50 |
| **EERBEEK** | | | | | | | | |
| Stuyvenburchstraat 44 | Shop | 1997 | 1965 | 350 | 2 | 2 | – | 77 |
| Stuyvenburchstraat 141 | Shop | 1998 | 1950 | 420 | 1 | 2 | – | 55 |
| **EINDHOVEN** | | | | | | | | |
| Orionstraat 137-159 | Shopping centre | 1993 | 1973 | 3,102 | 11 | – | – | 476 |
| Rechtestraat 25 | Shop | 1992 | 1930 | 100 | 1 | – | – | 118 |
| Rechtestraat 44-48 | Shop | 1988 | 1966 | 3,273 | 2 | – | – | 575 |
| Shopping centre ‘Woensel’ 113 | Shopping centre | 1994 | 1970 | 115 | 1 | – | – | 78 |
| Woenselse Markt 19-21 | Shop | 1994 | 1979 | 810 | 1 | 4 | – | 142 |
| **ELST** | | | | | | | | |
| Kleine Molenstraat 6 | Shop | 1997 | 1951 | 572 | 2 | – | – | 82 |
| **EMMELOORD** | | | | | | | | |
| Lange Nering 65 | Shop | 1993 | 1960 | 275 | 1 | 1 | – | 64 |
| **ENSCHEDE** | | | | | | | | |
| Kalanderstraat 6 | Shop | 1993 | 1950 | 124 | 1 | – | – | 93 |
| Langestraat 9-17a / Achter het Hofje 2 | Shop | 1987 | 1930 | 2,703 | 9 | 1 | – | 375 |
| Raadhuisstraat 9 | Shop | 1990 | 1954 | 289 | 1 | – | – | 59 |

| 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) |
|---|---|---|---|---|---|---|---|---|
| **GOES** | | | | | | | | |
| Lange Kerkstraat 9 | Shop | 1994 | 1920 | 65 | 1 | – | – | 34 |
| **GOOR** | | | | | | | | |
| Grotestraat 57-59 and 63 | Shop | 1994 | 1910 | 859 | 2 | 1 | – | 62 |
| **GOUDA** | | | | | | | | |
| Hoogstraat 5 | Shop | 1988 | 1900 | 190 | 1 | – | – | 44 |
| Kleiweg 77-95 | Shop | 1994 | 1900 | 1,200 | 4 | 5 | – | 460 |
| Kleiweg 103 / Regentesseplantsoen | Shop | 1990 | 1988 | 862 | 3 | – | – | 201 |
| Markt 52 | Shop | 1990 | 1900 | 284 | 1 | – | – | 45 |
| **GROESBEEK** | | | | | | | | |
| Spoorlaan 1 | Shop | 1988 | 1989 | 1,100 | 1 | – | – | 146 |
| **GRONINGEN** | | | | | | | | |
| Brugstraat 2-6 / Schuitemakersstraat 1 | Shop | 1995 | 1905 | 840 | 2 | – | – | 151 |
| Dierenriemstraat 198/2 | Shop | 1993 | 1992 | 914 | 1 | – | – | 146 |
| Herestraat 41 | Shop | 1994 | 1991 | 243 | 1 | – | – | 142 |
| Stoeldraaierstraat 17 | Shop | 1990 | 1953 | 266 | 1 | 10 | – | 63 |
| Vismarkt 31-31a-c | Shop | 1993 | 1880 | 275 | 1 | 5 | – | 127 |
| **HAAKSBERGEN** | | | | | | | | |
| Spoorstraat 45 | Shop | 1997 | 1986 | 800 | 1 | 1 | – | 84 |
| **HAARLEM** | | | | | | | | |
| Gen, Cronjéstraat 56-58 / Kloosterstraat 10 | Shop | 1996 | 1920 | 200 | 1 | 2 | – | 72 |
| Grote Houtstraat 90 | Shop | 1988 | 1850 | 96 | 1 | – | – | 60 |
| **HARDENBERG** | | | | | | | | |
| Fortuinstraat 21 | Shop | 1997 | 1985 | 300 | 1 | – | – | 41 |
| Voorstraat 10 | Shop | 1997 | 1930 | 1,173 | 1 | – | – | 132 |
| **HARDERWIJK** | | | | | | | | |
| Markt 14 | Shop | 1991 | 1875 | 470 | 1 | – | – | 82 |
| Shopping centre 'Vuldersbrink' | Shopping centre | 1998 | 1978 | 4,735 | 14 | – | – | 728 |
| **HARLINGEN** | | | | | | | | |
| Kleine Bredeplaats 8a-10a / Grote Bredeplaats 26-26b | Shop | 1997 | 1990 | 658 | 2 | 3 | – | 98 |
| Voorstraat 71 | Shop | 1997 | 1900 | 294 | 1 | 1 | – | 57 |
| **HEEMSTEDE** | | | | | | | | |
| Binnenweg 135-137 | Shop | 1989 | 1924 | 65 | 1 | 1 | – | 33 |
| **HEERDE** | | | | | | | | |
| Dorpsstraat 57-61 | Shop | 1998 | 1994 | 1,270 | 1 | 2 | – | 181 |
| **HEERLEN** | | | | | | | | |
| In de Cramer 140 | Retail warehouse | 2007 | 2007 | 6,000 | 1 | – | 120 | 468 |
| Saroleastraat 38 | Shop | 1994 | 1930 | 225 | 1 | 1 | – | 109 |
| **HELDEN PANNINGEN** | | | | | | | | |
| Kepringelehof 3-5 and 9-11 | Shop | 1998 | 1991 | 2,990 | 4 | – | 147 | 346 |
| **HELMOND** | | | | | | | | |
| Markt 15-25 / Veestraat 2a | Shop | 1998 | 1978 | 1,615 | 4 | 1 | – | 260 |
| Veestraat 1 | Shop | 1994 | 1950 | 240 | 1 | – | – | 90 |
| Veestraat 39 | Shop | 1994 | 1960 | 136 | 1 | – | – | 39 |
| **HENGELO** | | | | | | | | |
| De Telgen 9 | Shop | 1993 | 1920 | 105 | 1 | 1 | – | 66 |
| Molenstraat 4 | Shop | 1991 | 1991 | 120 | 1 | 1 | – | 37 |
| Wegtersweg 4 | Retail warehouse | 2006 | 2006 | 4,622 | 1 | – | 100 | 358 |
| **HILLEGOM** | | | | | | | | |
| Hoofdstraat 66 | Shop | 1997 | 1930 | 145 | 1 | 1 | – | 48 |

| Country<br>City<br>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) |
|---|---|---|---|---|---|---|---|---|
| **HILVERSUM** | | | | | | | | |
| Kerkstraat 55 | Shop | 1994 | 1950 | 130 | 1 | – | – | 62 |
| Kerkstraat 87 | Shop | 1988 | 1905 | 100 | 1 | – | – | 60 |
| Kerkstraat 91 | Shop | 1994 | 1850 | 250 | 1 | – | – | 59 |
| Kerkstraat 98 | Shop | 1990 | 1927 | 77 | 1 | 1 | – | 57 |
| Schoutenstraat 6 | Shop | 1987 | 1923 | 65 | 1 | – | – | 36 |
| Schoutenstraat 8 | Shop | 1986 | 1923 | 122 | 1 | – | – | 44 |
| **’S-HERTOGENBOSCH** | | | | | | | | |
| Hinthamerstraat 48 | Shop | 1988 | 1900 | 130 | 1 | 2 | – | 74 |
| Hooge Steenweg 19-23 | Shop | 1994 | 1800 | 555 | 1 | 8 | – | 212 |
| Schapenmarkt 17-21 | Shop | 1988 | 1890 | 476 | 1 | – | – | 139 |
| **HOOGEVEEN** | | | | | | | | |
| Hoofdstraat 157 | Shop | 1993 | 1960 | 75 | 1 | – | – | 37 |
| **HOOGEZAND** | | | | | | | | |
| Gorecht Oost 133-135 | Shop | 1993 | 1970 | 160 | 2 | – | – | 53 |
| **HOORN** | | | | | | | | |
| Grote Noord 114 | Shop | 1996 | 1912 | 85 | 1 | – | – | 31 |
| Grote Noord 118 | Shop | 1994 | 1900 | 80 | 1 | 1 | – | 50 |
| Nieuwsteeg 24 | Shop | 1994 | 1920 | 134 | 1 | 1 | – | 66 |
| **HOUTEN** | | | | | | | | |
| Onderdoor 3-13 | Other | 2006 | 1984 | 2,187 | 4 | – | 14 | 300 |
| Shopping centre ‘Het Rond’ 2) | Shopping centre | 90/08 | 84/08 | 28,063 | 113 | – | 505 | 6,518 |
| **IJSSELSTEIN** | | | | | | | | |
| Utrechtsestraat 45 | Shop | 2007 | 2007 | 595 | 1 | – | – | 96 |
| Utrechtsestraat 75 | Shop | 1990 | 1911 | 300 | 1 | – | – | 73 |
| **JOURE** | | | | | | | | |
| Midstraat 153-163 | Shop | 1998 | 2006 | 2,519 | 6 | 5 | – | 383 |
| **LEEK** | | | | | | | | |
| Tolberterstraat 3-5 | Shop | 1997 | 1996 | 575 | 2 | 1 | – | 76 |
| **LEEUWARDEN** | | | | | | | | |
| Ruiterskwartier 127 | Shop | 1995 | 1929 | 291 | 1 | – | – | 39 |
| Ruiterskwartier 135 | Shop | 1995 | 1930 | 70 | – | – | – | 31 |
| Wirdumerdijk 7 / Weaze 16 | Shop | 1994 | 1920 | 520 | 2 | 1 | – | 191 |
| **LEIDEN** | | | | | | | | |
| Botermarkt 4-5 | Shop | 1988 | 1928 | 732 | 2 | – | – | 101 |
| Haarlemmerstraat 53 | Shop | 1996 | 1928 | 85 | 1 | – | – | 57 |
| Haarlemmerstraat 202 / v,d, Werfstraat 39 | Shop | 1994 | 1928 | 110 | 1 | 5 | – | 52 |
| Haarlemmerstraat 208 / Duizenddraadsteeg 2 | Shop | 1993 | 1928 | 72 | 1 | 1 | – | 37 |
| Haarlemmerstraat 213 | Shop | 1990 | 1928 | 546 | 1 | – | – | 87 |
| Maarsmansteeg 2 | Shop | 1989 | 1928 | 121 | 1 | – | – | 27 |
| Vismarkt 2-3 | Shop | 1993 | 1900 | 135 | 1 | 3 | – | 49 |
| **LELYSTAD** | | | | | | | | |
| Stadhuisstraat 2 1) | Shop | 1995 | 1975 | 470 | 2 | – | – | 128 |
| Stadhuisplein 75 1) | Shop | 1996 | 1985 | 1,632 | 1 | – | – | 241 |
| Wisselplein B 9-14 | Shopping centre | 2009 | 2009 | 7,349 | 8 | – | – | 1,035 |
| **LEUSDEN** | | | | | | | | |
| Grutterij 6 | Shopping centre | 1996 | 1980 | 150 | 1 | – | – | 43 |
| **MAASTRICHT** | | | | | | | | |
| Muntstraat 16-18 | Shop | 1989 | 1897 | 135 | 1 | – | – | 98 |
| Muntstraat 20 | Shop | 1987 | 1891 | 110 | 1 | – | – | 104 |
| Wolfstraat 8 / Minckelersstraat 1 | Shop | 1992 | 1883 | 789 | 2 | – | – | 312 |

| 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) |
|---|---|---|---|---|---|---|---|---|
| **MEPPEL** | | | | | | | | |
| Hoofdstraat 50 | Shop | 1990 | 1980 | 143 | 1 | – | – | 30 |
| **MIDDELBURG** | | | | | | | | |
| Korte Delft 1 | Shop | 1991 | 1950 | 75 | 2 | – | – | 32 |
| Lange Delft 59 | Shop | 1991 | 1850 | 198 | 1 | – | – | 51 |
| **MIDDELHARNIS** | | | | | | | | |
| Westdijk 22-24 | Shop | 1997 | 1990 | 325 | 1 | – | – | 63 |
| **MIJDRECHT** | | | | | | | | |
| Prinses Margrietlaan 24-52 | Shopping centre | 1993 | 1965 | 2,225 | 10 | – | – | 374 |
| **NIJKERK** | | | | | | | | |
| Oosterstraat 2-2a and 4-4a | Shop | 1997 | 1969 | 420 | 2 | 2 | – | 49 |
| **NIJMEGEN** | | | | | | | | |
| Broerstraat 26 / Scheidemakershof 37 | Shop | 1993 | 1960 | 161 | 1 | 3 | – | 99 |
| Broerstraat 70 / Plein 1944 nr, 151 | Shop | 1989 | 1951 | 2,020 | 5 | – | – | 381 |
| Houtstraat 35 / T, Brandsmastraat 1-3 | Shop | 1989 | 1951 | 204 | 1 | 7 | – | 69 |
| Molenstraat 130-134 / Piersonstraat 75-77 | Shop | 1988 | 1900 | 1,231 | 3 | – | – | 154 |
| Molenstraat 136 | Shop | 1988 | 1925 | 60 | 1 | – | – | 25 |
| Molenstraat 140 / 1e Walstraat 2 | Shop | 1989 | 1918 | 400 | 1 | 3 | – | 119 |
| Plein 1944 nr, 2 | Shop | 1988 | 1957 | 164 | 1 | 7 | – | 56 |
| **OOSTERHOUT** | | | | | | | | |
| Arendshof 48-52 | Shopping centre | 2000 | 1963 | 349 | 1 | – | – | 108 |
| Arendstraat 9-11 | Shop | 1994 | 1982 | 889 | 3 | – | – | 175 |
| Arendstraat 13 | Shop | 1994 | 1989 | 440 | 2 | 1 | – | 172 |
| **OSS** | | | | | | | | |
| Heschepad 49-51 / Molenstraat 21-25 | Shop | 1986 | 1983 | 2,803 | 3 | – | – | 323 |
| **PURMEREND** | | | | | | | | |
| Hoogstraat 19 / Zuidersteeg 16 | Shop | 1993 | 1978 | 999 | 2 | 1 | – | 167 |
| Kaasmarkt 7 / Westersteeg 1 | Shop | 1994 | 1920 | 135 | 1 | 1 | – | 53 |
| Padjedijk 4 / Barak 1 | Shop | 1989 | 1900 | 82 | 1 | 1 | – | 26 |
| Padjedijk 6-8 | Shop | 1989 | 1800 | 257 | 2 | – | – | 54 |
| **RENKUM** | | | | | | | | |
| Dorpsstraat 21-23 | Shop | 1997 | 1907 | 520 | 1 | – | – | 52 |
| **RIDDERKERK** | | | | | | | | |
| St. Jorisplein 30 | Shop | 1994 | 1970 | 478 | 3 | – | – | 102 |
| **RODEN** | | | | | | | | |
| Heerestraat 94 | Shop | 1997 | 1967 | 260 | 2 | – | – | 54 |
| **ROERMOND** | | | | | | | | |
| Hamstraat 34-38 / Veldstraat 19 | Shop | 1998 | 1996 | 1,763 | 2 | – | 6 | 148 |
| Schaarbroekerweg 14-58 | Shopping centre | 2008 | 2007 | 34,098 | 17 | – | 1,250 | 3,832 |
| Schoenmakersstraat 2 | Shop | 1994 | 1900 | 140 | 1 | – | – | 77 |
| Steenweg 1 / Schoenmakersstraat 6-18 | Shop | 1986 | 1980 | 2,283 | 8 | – | – | 345 |
| **ROOSENDAAL** | | | | | | | | |
| Nieuwe Markt 51 | Shop | 1994 | 1960 | 200 | 1 | – | – | 51 |
| **ROTTERDAM** | | | | | | | | |
| Keizerswaard 73 | Shopping centre | 1996 | 1992 | 280 | 1 | – | – | 82 |
| Korte Hoogstraat 22-26 / Soetensteeg 1 | Shop | 1993 | 1952 | 819 | 3 | – | – | 123 |
| Lijnbaan 35-43 | Shop | 1987 | 1955 | 880 | 4 | – | – | 227 |
| Zuidplein Hoog 587 | Shopping centre | 1995 | 1972 | 160 | 1 | – | – | 72 |
| Zuidplein Hoog 611 | Shopping centre | 1994 | 1972 | 37 | 1 | – | – | 28 |
| Zuidplein Hoog 731 | Shopping centre | 1995 | 1972 | 50 | 1 | – | – | 52 |
| Zwart Janstraat 4 | Shop | 1988 | 1892 | 96 | 1 | 3 | – | 47 |

| 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) |
|---|---|---|---|---|---|---|---|---|
| Zwart Janstraat 8 | Shop | 1988 | 1892 | 120 | 1 | 2 | – | 49 |
| Zwart Janstraat 24 | Shop | 1988 | 1892 | 83 | 1 | 2 | – | 37 |
| Zwart Janstraat 34 | Shop | 1991 | 1887 | 92 | 1 | 1 | – | 31 |
| Zwart Janstraat 36-38 | Shop | 1994 | 1887 | 200 | 1 | 4 | – | 83 |
| Zwart Janstraat 55-59 | Shop | 1987 | 1950 | 272 | 2 | 4 | – | 101 |
| Zwart Janstraat 58-60 | Shop | 1992 | 1888 | 160 | 1 | 2 | – | 60 |
| Zwart Janstraat 63 | Shop | 1990 | 1893 | 70 | 1 | 1 | – | 23 |
| Zwart Janstraat 71-73 | Shop | 1994 | 1900 | 178 | 1 | 2 | – | 55 |
| Zwart Janstraat 72 | Shop | 1991 | 1888 | 95 | 1 | 2 | – | 34 |
| Zwart Janstraat 84 | Shop | 1994 | 1920 | 92 | 1 | 2 | – | 34 |
| **SCHIEDAM** | | | | | | | | |
| Hof van Spaland 35 1) | Shopping centre | 1997 | 1970 | 217 | 1 | – | – | 45 |
| Hof van Spaland 36 1) | Shopping centre | 1996 | 1978 | 205 | 1 | – | – | 40 |
| Hof van Spaland 40 1) | Shopping centre | 1996 | 1978 | 130 | 1 | – | – | 37 |
| **SCHOONHOVEN** | | | | | | | | |
| Lopikerstraat 27-29 | Shop | 1998 | 1977 | 320 | 1 | 2 | – | 69 |
| **SINT OEDENRODE** | | | | | | | | |
| Heuvel 32 | Shop | 1997 | 1940 | 240 | 1 | – | – | 29 |
| **SITTARD** | | | | | | | | |
| De Kemperkoul | Shopping centre | 1993 | 1987 | 1,771 | 8 | – | – | 327 |
| **SNEEK** | | | | | | | | |
| Oosterdijk 58 | Shop | 1996 | 1940 | 75 | 1 | – | – | 38 |
| Schaapmarktplein 4 | Shop | 1994 | 1852 | 275 | 1 | – | – | 42 |
| **STADSKANAAL** | | | | | | | | |
| Europaplein 3 | Shop | 1994 | 1970 | 160 | 1 | – | – | 41 |
| Europaplein 20 | Shop | 1993 | 1970 | 150 | 1 | – | – | 27 |
| Europaplein 60 and 73 | Shop | 1997 | 1983 | 246 | 2 | – | – | 63 |
| Navolaan 12 | Shop | 1993 | 1968 | 2,080 | 5 | – | – | 130 |
| **STEENWIJK** | | | | | | | | |
| Oosterstraat 22-26 | Shop | 1994 | 1900 | 285 | 1 | 1 | – | 58 |
| **THE HAGUE** | | | | | | | | |
| Frederik Hendriklaan 101-103 | Shop | 1989 | 1995 | 90 | 1 | 3 | – | 64 |
| Frederik Hendriklaan 128 / v. Beuningenstraat 48 | Shop | 1987 | 1990 | 125 | 1 | 2 | – | 56 |
| Gravenstraat 1 | Shop | 1993 | 1916 | 374 | 1 | – | – | 68 |
| Grote Markt 4 | Shop | 1990 | 1900 | 964 | 1 | – | – | 203 |
| Hoogstraat 24-26 | Shop | 1988 | 1923 | 319 | 1 | – | – | 68 |
| Hoogstraat 27-27a | Shop | 1986 | 1916 | 530 | 1 | – | – | 111 |
| Korte Poten 10 | Shop | 1989 | 1916 | 56 | 1 | – | – | 29 |
| Korte Poten 13 | Shop | 1990 | 1916 | 120 | 1 | – | – | 67 |
| Korte Poten 42 | Shop | 1987 | 1900 | 55 | 1 | 2 | – | 49 |
| Korte Poten 46 / Bleyenburg 35-37 | Shop | 1990 | 1920 | 131 | 2 | 1 | – | 37 |
| Lange Poten 7 | Shop | 1989 | 1937 | 112 | 1 | – | – | 33 |
| Lange Poten 21 | Shop | 1989 | 1916 | 204 | 1 | 2 | – | 105 |
| Noordeinde 9 / Hartogstraat 1 | Shop | 1988 | 1916 | 100 | 1 | – | – | 79 |
| Noordeinde 16-18 | Shop | 1989 | 1888 | 530 | 4 | 1 | – | 117 |
| Noordeinde 48 | Shop | 1988 | 1921 | 80 | 1 | – | – | 58 |
| Noordeinde 54 / Molenstraat 1 | Shop | 1989 | 1919 | 90 | 1 | 1 | – | 72 |
| Plaats 17 and 21-23 | Shop | 1990 | 1916 | 415 | 2 | – | – | 127 |
| Plaats 25 | Shop | 1987 | 1920 | 517 | 1 | – | – | 67 |
| Plein 10 | Shop | 1988 | 1920 | 507 | 1 | – | – | 115 |
| Plein 11 | Shop | 1987 | 1917 | 276 | 1 | – | – | 73 |

| Country<br>City<br>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) |
|---|---|---|---|---|---|---|---|---|
| Spuistraat 13 | Shop | 1988 | 1930 | 858 | 1 | – | – | 302 |
| Venestraat 43 | Shop | 1989 | 1916 | 115 | 1 | – | – | 40 |
| Vlamingstraat 43 | Shop | 1995 | 1916 | 163 | 1 | – | – | 86 |
| **TIEL** | | | | | | | | |
| Waterstraat 29 / Kerkstraat 2b | Shop | 1994 | 1850 | 70 | 1 | 1 | – | 46 |
| Waterstraat 51a | Shop | 1994 | 1920 | 65 | 1 | – | – | 43 |
| **TILBURG** | | | | | | | | |
| Heuvel 29-31 / J. v. Stolbergstraat 2-6 | Shop | 1994 | 1920 | 298 | 3 | 3 | – | 138 |
| Westermarkt 16-17 | Shopping centre | 2008 | 1963 | 1,919 | 1 | – | – | 297 |
| Westermarkt 28-29 and 35-37 | Shopping centre | 1993 | 1963 | 2,274 | 6 | – | – | 321 |
| Westermarkt 33 | Shopping centre | 2008 | 1963 | 223 | 1 | – | – | 30 |
| Westermarkt 38 | Shopping centre | 1993 | 1962 | 2,696 | 2 | – | – | 335 |
| Westermarkt 139-141 | Shopping centre | 1994 | 1961 | 502 | 1 | – | – | 132 |
| **UDEN** | | | | | | | | |
| Marktstraat 32 | Shop | 1994 | 1958 | 420 | 1 | 1 | – | 118 |
| **UTRECHT** | | | | | | | | |
| Achter Clarenburg 19 | Shop | 1987 | 1975 | 91 | 1 | – | – | 46 |
| Choorstraat 13 | Shop | 1987 | 1900 | 139 | 1 | 1 | – | 60 |
| Lange Elisabethstraat 6 | Shop | 1987 | 1850 | 113 | 1 | – | – | 85 |
| Lange Elisabethstraat 36 | Shop | 1993 | 1850 | 188 | 1 | – | – | 98 |
| Nachtegaalstraat 55 | Shop | 1994 | 1904 | 2,116 | 2 | 2 | – | 232 |
| Oudegracht 126-128 | Shop | 1990 | 1930 | 209 | 2 | 1 | – | 65 |
| Oudegracht 134-136 / Vinkenburgstraat 8 and 12-14 | Shop | 1987 | 1900 | 2,482 | 9 | 5 | – | 554 |
| Oudegracht 153 | Shop | 1997 | 1904 | 819 | 3 | – | – | 173 |
| Oudegracht 161 | Shop | 1997 | 1900 | 1,963 | 4 | – | – | 542 |
| Roelantdreef 249 1) | Shopping centre | 1994 | 1970 | 170 | 1 | – | – | 86 |
| Steenweg 9 / Choorstraat 9-9bis | Shop | 1990 | 1900 | 578 | 2 | 3 | – | 153 |
| **VAASSEN** | | | | | | | | |
| Dorpsstraat 22 | Shop | 1990 | 1981 | 550 | – | – | – | 72 |
| **VEENENDAAL** | | | | | | | | |
| Hoofdstraat 25 | Shop | 1990 | 1930 | 260 | 1 | – | – | 53 |
| Hoofdstraat 40-42 / Tuinstraat 95-97 | Shop | 1988 | 1967 | 1,413 | 3 | – | – | 153 |
| **VEGHEL** | | | | | | | | |
| Kalverstraat 8-16 | Shop | 1993 | 1988 | 446 | 3 | 3 | – | 101 |
| **VELP** | | | | | | | | |
| Hoofdstraat 77-79 | Shop | 1997 | 1937 | 440 | 1 | – | – | 60 |
| **VENLO** | | | | | | | | |
| Lomstraat 30-32 | Shop | 1993 | 1960 | 465 | 1 | – | – | 150 |
| Lomstraat 33 | Shop | 1994 | 1970 | 50 | 1 | – | – | 33 |
| **VENRAY** | | | | | | | | |
| Grotestraat 2-4 / Grote Markt 2a-4 | Shop | 1986 | 1946 | 1,166 | 4 | – | – | 157 |
| **VRIEZENVEEN** | | | | | | | | |
| Westeinde 19-29 | Shop | 1993 | 1938 | 2,781 | 9 | – | 80 | 314 |
| **WASSENAAR** | | | | | | | | |
| Langstraat 188-190 | Shop | 1990 | 1981 | 290 | 1 | – | – | 69 |
| **WINSCHOTEN** | | | | | | | | |
| Langestraat 22 / Venne 109 | Shop | 1994 | 1900 | 70 | 1 | – | – | 27 |
| Langestraat 24 | Shop | 1991 | 1960 | 430 | 1 | – | – | 67 |
| **WINTERSWIJK** | | | | | | | | |
| Dingstraat 1-3 | Shop | 1998 | 1900 | 2,335 | 1 | – | 65 | 262 |
| Misterstraat 8-10 / Torenstraat 5a and 5c | Shop | 1996 | 1900 | 441 | 1 | 2 | 2 | 142 |

| 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) |
|---|---|---|---|---|---|---|---|---|
| Misterstraat 12 / Torenstraat 5b | Shop | 1991 | 1939 | 135 | 1 | 1 | – | 51 |
| Misterstraat 14 | Shop | 1991 | 1989 | 377 | 2 | – | – | 98 |
| Misterstraat 33 | Shop | 1999 | 1900 | 550 | 1 | – | – | 77 |
| Misterstraat 43-45 / Tuinstraat 26-28 | Shop | 1998 | 1955 | 290 | 1 | 2 | – | 82 |
| Weurden 2-4 | Shop | 1998 | 1977 | 278 | 2 | 3 | – | 63 |
| Wooldstraat 26 | Shop | 1999 | 1900 | 603 | 2 | – | – | 84 |
| **ZAANDAM** | | | | | | | | |
| Gedempte Gracht 37 / Rozengracht 90 | Shop | 1993 | 1888 | 235 | 2 | – | – | 73 |
| Gedempte Gracht 80 / Vinkenstraat 41 | Shop | 1993 | 1920 | 55 | 1 | 1 | – | 31 |
| **ZEEWOLDE** | | | | | | | | |
| Flevoplein 1-6 | Shopping centre | 1994 | 1991 | 2,033 | 5 | – | – | 301 |
| Kerkplein 23 / Torenstraat 3 | Shop | 1997 | 1991 | 328 | 3 | 5 | – | 95 |
| Kerkstraat 6-18 | Shop | 1997 | 1996 | 689 | 3 | 2 | – | 138 |
| **ZEIST** | | | | | | | | |
| Slotlaan 194 / Huydecoperweg 9a | Shop | 1999 | 1981 | 90 | 1 | 1 | – | 46 |
| **ZOETERMEER** | | | | | | | | |
| Lijnbaan 285-297 | Shopping centre | 1994 | 1988 | 2,476 | 8 | – | – | 432 |
| **ZUNDERT** | | | | | | | | |
| Markt 16a and 17-18 | Shop | 1998 | 1965 | 1,062 | 3 | – | – | 134 |
| **ZUTPHEN** | | | | | | | | |
| Beukerstraat 28 | Shop | 1989 | 1800 | 296 | 1 | – | – | 49 |
| Beukerstraat 40 | Shop | 1989 | 1838 | 335 | 1 | – | – | 42 |
| **ZWOLLE** | | | | | | | | |
| Broerenstraat 7 | Shop | 1994 | 1930 | 66 | 1 | – | – | 15 |
| Diezerstraat 62 | Shop | 1996 | 1910 | 95 | 1 | – | – | 82 |
| Diezerstraat 78 | Shop | 1990 | 1832 | 140 | 1 | – | – | 66 |
| Kleine A 11-13 / Broerenkerkplein 2-6 | Shop | 1989 | 1989 | 1,050 | 1 | 3 | – | 200 |
| Luttekestraat 26 / Ossenmarkt 1a | Shop | 1990 | 1930 | 78 | 1 | 1 | – | 32 |
| Roggenstraat 3 | Shop | 1994 | 1800 | 104 | 1 | – | – | 39 |
| Roggenstraat 6 | Shop | 1987 | 1900 | 106 | 1 | – | – | 44 |
| *Total investment properties in operation the Netherlands* | | | | **271,611** | **710** | **299** | **2,439** | **49,104** |
| **SPAIN** | | | | | | | | |
| **ALICANTE** | | | | | | | | |
| ‘Parque Vistahermosa’ | | | | | | | | |
| Avenida Antonio Ramos Carratalá 56-60 | Retail warehouse | 1999 | 2002 | 24,152 | 6 | – | 1,400 | 3,317 |
| **BADALONA** | | | | | | | | |
| ‘Centro Comercial Montigalá’ | | | | | | | | |
| Passeig Olof Palme 28-36 | Shopping centre | 1998 | 1991 | 11,396 | 49 | – | 2,618 | 3,909 |
| **BARCELONA** | | | | | | | | |
| Ronda de la Universitat 35 | Shop | 2000 | < 1950 | 645 | 1 | – | – | 184 |
| **BURGOS** | | | | | | | | |
| ‘Centro Comercial El Mirador’ | | | | | | | | |
| Carretera de Santener | Shopping centre | 99/01 | 1997 | 9,832 | 39 | – | 1,500 | 2,277 |
| **CASTELLÓN DE LA PLANA** | | | | | | | | |
| Calle Grecia 4 | Retail warehouse | 2001 | 2003 | 5,109 | 1 | – | – | 877 |
| **LEON** | | | | | | | | |
| Avenida Ordoño II 18 | Shop | 2001 | < 1950 | 591 | 1 | – | – | 227 |

| Country<br>City<br>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) |
|---|---|---|---|---|---|---|---|---|
| **MADRID** | | | | | | | | |
| Calle de Fuencarral 23 | Shop | 2006 | < 1950 | 256 | 1 | – | – | 342 |
| Calle de Fuencarral 25 | Shop | 2006 | < 1950 | 120 | 1 | – | – | 143 |
| Calle Serrano 36 | Shop | 1999 | < 1950 | 615 | 1 | – | – | 552 |
| Calle Tetuân 19 / Calle Carmen 3 | Shop | 2002 | < 1950 | 429 | 1 | – | – | 497 |
| 'Centro Comercial Getafe III'<br>Avenida Juan Carlos I, 1 [1)] | Shopping centre | 2006 | 2006 | 20,328 | 49 | – | 1,200 | 3,799 |
| 'Centro Comercial Las Rosas'<br>Avenida Guadalajara s/No | Shopping centre | 99/01 | 1998 | 8,254 | 88 | – | 1,800 | 4,416 |
| 'Centro Comercial Madrid Sur'<br>Avenida Pablo Neruda 91-97 | Shopping centre | 2003 | 1998 | 23,405 | 68 | – | 2,500 | 5,748 |
| **MALAGA** | | | | | | | | |
| 'Centro Comercial La Rosaleda'<br>Avenida Simon Bolivar | Shopping centre | 1998 | 1993 | 15,336 | 76 | – | 3,200 | 5,133 |
| **MURCIA** | | | | | | | | |
| 'Centro Comercial Las Atalayas'<br>C/Molina de Segura s/no | Shopping centre | 99/01 | 1993 | 10,342 | 40 | – | 2,222 | 2,958 |
| *Total investment properties in operation Spain* | | | | **130,810** | **422** | **–** | **16,440** | **34,379** |

## FRANCE

| Country<br>City<br>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 | – | – | 94 |
| **ALENÇON** | | | | | | | | |
| Rue de la Cave aux Boeufs 1-7 / Rue de Cygne 12 | Shop | 2001 | 1950 | 2,368 | 2 | – | – | 250 |
| **AMIENS** | | | | | | | | |
| Rue des Trois Cailloux 7-9 | Shop | 2000 | 1950 | 560 | 1 | – | – | 293 |
| **ANGERS** | | | | | | | | |
| Rue d'Alsace 9 | Shop | 2001 | 1950 | 67 | 1 | – | – | 54 |
| Rue Lenepveu 25-29 | Shop | 1998 | 1990 | 4,664 | 5 | – | – | 973 |
| **ANNECY** | | | | | | | | |
| Rue de Vaugelas 22 | Shop | 2001 | 1950 | 60 | 1 | – | – | 17 |
| **ARMENTIÈRES** | | | | | | | | |
| Place du Général de Gaulle 31 | Shop | 2007 | 1945 | 180 | 1 | – | – | 27 |
| **ARRAS** | | | | | | | | |
| Rue Ernestale 31-35 | Shop | 2006 | 1920 | 947 | 3 | – | – | 416 |
| **AUGNY** | | | | | | | | |
| Rue du Bois d'Orly 23 | Retail warehouse | 2008 | 2005 | 1,570 | 2 | – | – | 183 |
| Rue du Bois d'Orly 32 | Retail warehouse | 2007 | 1990 | 2,116 | 1 | – | – | 163 |
| **AULNOYE-AYMERIES** | | | | | | | | |
| Allée des Grands Chênes 34 | Other | 2007 | 1970 | – | – | 1 | – | 8 |
| Anatole France 45 | Shop | 2007 | 1945 | 137 | 1 | – | – | 13 |
| Rue Ampère 9 | Other | 2007 | 1950 | – | – | 1 | – | 3 |
| **BESANÇON** | | | | | | | | |
| Grande Rue 22 / Place Pasteur 3 | Shop | 2001 | 1950 | 104 | 2 | – | – | 76 |
| **BOULOGNE SUR MER** | | | | | | | | |
| Rue Adolphe Thiers 29 | Shop | 2001 | 1950 | 246 | 1 | – | – | 41 |
| **BOURGES** | | | | | | | | |
| Rue de Mirebeau 14 | Shop | 2001 | 1950 | 50 | – | – | – | 24 |
| Rue de Mirebeau 16 | Shop | 2001 | 1950 | 71 | 1 | – | – | 34 |

| Country<br>City<br>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) |
|---|---|---|---|---|---|---|---|---|
| **BREST** | | | | | | | | |
| Rue de Siam 70 | Shop | 2000 | 1950 | 818 | 1 | – | – | 98 |
| **CANNES** | | | | | | | | |
| Rue d'Antibes 40 | Shop | 2000 | 1950 | 948 | 1 | – | – | 340 |
| **CARCASSONNE** | | | | | | | | |
| Place Carnot 16 | Shop | 2001 | 1950 | 90 | 1 | – | – | 22 |
| **CHAMBÉRY** | | | | | | | | |
| Place Saint-Léger 228 | Shop | 2001 | 1950 | 40 | 1 | – | – | 55 |
| **CHARLEVILLE-MÉZIÈRES** | | | | | | | | |
| Rue de la République 35-37 | Shop | 2001 | 1950 | 105 | 1 | – | – | 43 |
| **CHAUMONT** | | | | | | | | |
| Rue de la Victoire de la Marne 28-42 | Shop | 2001 | 1950 | 1,370 | 3 | – | – | 176 |
| **DAX** | | | | | | | | |
| Rue des Carmes 7-9 | Shop | 2001 | 1950 | 248 | 1 | – | – | 55 |
| **DIEPPE** | | | | | | | | |
| Grande Rue 84-86 | Shop | 2001 | 1950 | 100 | 1 | – | – | 54 |
| **DIJON** | | | | | | | | |
| Rue du Bourg 39bis / Rue Jules Mercier 20bis | Shop | 2001 | 1950 | 40 | 1 | – | – | 36 |
| **DOUAI** | | | | | | | | |
| Avenue Georges Clemenceau 21 | Shop | 2007 | 1900 | 318 | 1 | – | – | 9 |
| **DUNKIRK** | | | | | | | | |
| Centre Commercial 'Centre Marine'<br>Place Emile Bollaert 1) | Shopping centre | 2005 | 2000 | 10,263 | 19 | – | – | 2,042 |
| **FERRIÈRE-LA-GRANDE** | | | | | | | | |
| Avenue Georges Clemenceau 1 | Other | 2007 | 1970 | – | – | 20 | – | 90 |
| **FROUARD** | | | | | | | | |
| Rue du Bois 12 | Retail warehouse | 2007 | 1996 | 1,155 | – | – | – | 121 |
| **GRENOBLE** | | | | | | | | |
| Grande Rue 11 | Shop | 2001 | 1950 | 73 | 1 | – | – | 23 |
| Rue des Clercs 18 | Shop | 2001 | 1950 | 75 | 1 | – | – | 25 |
| **LA GARDE** | | | | | | | | |
| ZAC Quatre Chemins de la Pauline | Retail warehouse | 2007 | 2005 | 1,967 | 4 | – | 89 | 407 |
| **LAVAL** | | | | | | | | |
| Rue du Général de Gaulle 41 / Rue de Rennes 14 | Shop | 2001 | 1950 | 450 | 1 | – | – | 57 |
| **LE TOUQUET-PARIS-PLAGE** | | | | | | | | |
| Rue de Metz 73 | Shop | 2007 | 1950 | 260 | 1 | – | – | 9 |
| **LILLE** | | | | | | | | |
| Avenue Foch 21 | Other | 2007 | 1970 | 260 | – | – | – | 36 |
| Avenue Kuhlmann 187 | Other | 2007 | 1890 | – | – | 1 | – | 7 |
| Avenue Lelièvre 364 | Other | 2007 | 1890 | – | – | 1 | – | 2 |
| Boulevard de la Liberté 62 | Shop | 2007 | 1945 | 79 | 1 | – | – | 19 |
| Parc Notre Dame 6 | Other | 2007 | 1890 | – | – | 1 | – | 6 |
| Place de Béthune 13 | Shop | 2007 | 1950 | 155 | 1 | – | – | 118 |
| Place de la Gare 8 | Shop | 2007 | 1945 | 314 | 1 | – | – | 20 |
| Place de la Gare 42 | Shop | 2007 | 1945 | 1,317 | 2 | – | – | 85 |
| Place de la République 4bis | Shop | 2007 | 1945 | 162 | 1 | – | – | 23 |
| Place des Patiniers 1bis | Shop | 2007 | 1900 | 112 | 1 | – | – | 48 |
| Place des Patiniers 2 | Shop | 2007 | 1945 | 132 | 1 | – | – | 72 |
| Place des Reignaux 16 | Shop | 2007 | 1950 | 290 | 1 | – | – | 29 |
| Place du Lion d'Or 9 | Shop | 2007 | 1870 | 150 | 1 | – | – | 15 |
| Place Louise de Bettignies 15-17 | Shop | 2007 | 1870 | 352 | 1 | – | – | 282 |

| Country<br>City<br>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 Basse 8 | Shop | 2007 | 1930 | 293 | 2 | – | – | 55 |
| Rue de la Barre 8 | Shop | 2007 | 1987 | 47 | 1 | – | – | 19 |
| Rue de la Clef 43 | Other | 2007 | 1950 | – | – | – | 1 | 1 |
| Rue de la Grande Chaussée 25 | Shop | 2007 | 1870 | 200 | 1 | – | – | 41 |
| Rue de la Grande Chaussée 29 | Shop | 2007 | 1870 | 236 | 1 | 1 | – | 46 |
| Rue de la Grande Chaussée 33-35 | Shop | 2007 | 1870 | 429 | 1 | – | – | 170 |
| Rue de la Monnaie 2 /<br>Place Louise de Bettignies 11-13 | Shop | 2007 | 1870 | 240 | 1 | 4 | – | 198 |
| Rue de la Monnaie 4 | Shop | 2007 | 1870 | 103 | 1 | – | – | 62 |
| Rue de la Monnaie 6 | Shop | 2007 | 1870 | 126 | 1 | – | – | 65 |
| Rue de la Monnaie 6bis | Shop | 2007 | 1870 | 83 | 1 | – | – | 48 |
| Rue de la Monnaie 12 | Shop | 2007 | 1870 | 168 | 1 | – | – | 4 |
| Rue de la Monnaie 13 | Shop | 2007 | 1870 | 85 | 1 | – | – | 82 |
| Rue de la Monnaie 83 | Shop | 2007 | 1870 | 68 | 1 | 2 | – | 60 |
| Rue de Paris 20 | Shop | 2007 | 1870 | 336 | 1 | 2 | – | 80 |
| Rue de Paris 38 | Shop | 2007 | 1870 | 100 | 1 | 1 | – | 71 |
| Rue de Paris 42 | Shop | 2007 | 1870 | 200 | 1 | – | – | 98 |
| Rue des Chats Bossus 13 | Shop | 2007 | 1870 | 418 | 1 | – | – | 150 |
| Rue des Chats Bossus 21 | Shop | 2007 | 1870 | 168 | 1 | – | – | 161 |
| Rue des Fleurs 21 | Other | 2007 | 1890 | – | – | 1 | – | 7 |
| Rue des Ponts de Comines 19bis/<br>Rue Faidherbe 32-34 | Shop | 2007 | 1945 | 676 | 1 | 4 | – | 252 |
| Rue des Ponts de Comines 30 | Shop | 2007 | 1945 | 267 | 1 | – | – | 174 |
| Rue des Ponts de Comines 31 | Shop | 2007 | 1945 | 179 | 1 | – | – | 11 |
| Rue des Ponts de Comines 32 | Shop | 2007 | 1945 | 197 | 1 | – | – | 66 |
| Rue Destailleurs 56 | Other | 2007 | 1890 | – | – | 1 | – | 1 |
| Rue du Curé Saint-Etienne 6 | Shop | 2007 | 1950 | 153 | 1 | – | – | 27 |
| Rue du Curé Saint-Etienne 17 | Shop | 2007 | 1870 | 172 | 1 | – | – | 82 |
| Rue du Faisan 6 | Shop | 2007 | 1950 | 105 | 1 | – | – | 16 |
| Rue du Général de Wett 1 | Other | 2007 | 1960 | – | – | 2 | – | 12 |
| Rue du Sec Arembault 24 | Shop | 2007 | 1945 | 78 | 1 | – | – | 70 |
| Rue Faidherbe 28-30 | Shop | 2007 | 1945 | 102 | 1 | – | – | 77 |
| Rue Faidherbe 38 | Shop | 2007 | 1945 | 59 | 1 | – | – | 49 |
| Rue Faidherbe 42 | Shop | 2007 | 1945 | 86 | 1 | – | – | 5 |
| Rue Faidherbe 44 | Shop | 2007 | 1945 | 142 | – | – | – | 61 |
| Rue Faidherbe 48 | Shop | 2007 | 1945 | 135 | 1 | – | – | 84 |
| Rue Faidherbe 50 | Shop | 2007 | 1945 | 308 | 1 | – | – | 26 |
| Rue Faidherbe 54 | Shop | 2007 | 1945 | 176 | 1 | – | – | 73 |
| Rue Gay-Lussac 17-19 | Other | 2007 | 1900 | – | – | 20 | – | 189 |
| Rue Jacquemars Giélée 106 | Other | 2007 | 1945 | – | – | 6 | – | 32 |
| Rue Léon Gambetta 32 | Shop | 2007 | 1945 | 88 | 1 | – | – | 28 |
| Rue Léon Gambetta 163 | Shop | 2007 | 1945 | 101 | 1 | – | – | 22 |
| Rue Léon Gambetta 236 | Shop | 2007 | 1950 | 115 | 1 | – | – | 36 |
| Rue Léon Thiriez 98 | Other | 2007 | 1890 | – | – | 1 | – | 4 |
| Rue Léon Thiriez 99 | Other | 2007 | 1890 | – | – | 1 | – | 7 |
| Square Dutilleul | Other | 2007 | 2008 | – | – | – | 2 | 4 |

| Country<br>City<br>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) |
|---|---|---|---|---|---|---|---|---|
| **LIMOGES** | | | | | | | | |
| Centre Commercial 'Beaubreuil' | Shopping centre | 2001 | 1980 | 4,452 | 12 | – | – | 546 |
| Centre Commercial 'Limoges Corgnac' | Shopping centre | 2007 | 2007 | 5,407 | 17 | – | – | 1,752 |
| **LYON** | | | | | | | | |
| Rue Victor Hugo 5 | Shop | 2001 | 1950 | 90 | 1 | – | – | 71 |
| **MÂCON** | | | | | | | | |
| Rue Carnot 111 / Rue Rameau 39 | Shop | 2001 | 1950 | 160 | 1 | – | – | 86 |
| Rue Philibert Laguiche 11-13 / Place aux Herbes 53-56 | Shop | 2001 | 1950 | 1,148 | 1 | – | – | 79 |
| **MARSEILLE** | | | | | | | | |
| Rue Saint Ferréol 29 | Shop | 2007 | 1980 | 249 | 1 | – | – | 210 |
| **NANCY** | | | | | | | | |
| Rue Saint-Jean 44-45 | Shop | 1998 | 1990 | 4,794 | 7 | – | – | 2,058 |
| **NICE** | | | | | | | | |
| Avenue Jean Médecin 8bis / Rue Gustave Deloye 5 | Shop | 2001 | 1950 | 362 | 1 | – | – | 197 |
| Route de Grenoble 604 | Retail warehouse | 1999 | 1990 | 2,067 | 1 | – | – | 585 |
| **PARIS** | | | | | | | | |
| Boulevard Saint-Germain 104 | Shop | 1998 | 1950 | 1,278 | 1 | – | – | 741 |
| Rue d'Alésia 123 | Shop | 2006 | 1956 | 420 | 1 | – | 1 | 311 |
| Rue de Rivoli 118-120 | Shop | 1998 | 1997 | 3,341 | 7 | 8 | 5 | 3,306 |
| Rue Montmartre 17 | Shop | 2007 | 2003 | 270 | 1 | – | – | 175 |
| **ROANNE** | | | | | | | | |
| Rue Bourgneuf 18 / Passage Bourgneuf 7 / Rue Charles de Gaulle 51-53 | Shop | 2001 | 1950 | 1,422 | 3 | 3 | – | 164 |
| **RONCQ** | | | | | | | | |
| Avenue de l'Europe 20 | Retail warehouse | 2007 | 2000 | 2,700 | 1 | – | – | 160 |
| **ROUBAIX** | | | | | | | | |
| Grande Rue 21 | Shop | 2007 | 1900 | 1,059 | 1 | – | – | 112 |
| Grande Rue 56ter | Shop | 2007 | 1900 | 40 | – | – | – | 7 |
| Place de la Liberté 2 | Shop | 2007 | 1900 | 52 | 1 | – | – | 3 |
| **SAINT-ÉTIENNE** | | | | | | | | |
| Rue Saint-Jean 27 | Shop | 2001 | 1950 | 60 | 1 | – | – | 11 |
| **SECLIN** | | | | | | | | |
| Rue de l'Industrie 32 | Retail warehouse | 2007 | 2000 | 2,277 | 1 | – | – | 247 |
| **SOISSONS** | | | | | | | | |
| Rue Saint-Martin 57 | Shop | 2001 | 1950 | 400 | 1 | – | – | 59 |
| **THOIRY** | | | | | | | | |
| Centre Commercial 'Val Thoiry' | Shopping centre | 1998 | 2000 | 14,825 | 62 | – | – | 5,563 |
| Centre Commercial 'Val Thoiry 2' | Retail warehouse | 2009 | 2009 | 8,590 | 1 | – | – | 400 |
| **THONON-LES-BAINS** | | | | | | | | |
| Rue des Arts 16 | Shop | 2001 | 1950 | 320 | 1 | – | – | 99 |
| **TOULON** | | | | | | | | |
| Rue Jean Jaurès 82 / Rue Racine 11 | Shop | 2000 | 1950 | 1,609 | 2 | – | – | 163 |
| **TOURCOING** | | | | | | | | |
| Place de Charles et Albert Roussel 32-33 | Shop | 2007 | 1950 | 126 | 1 | 9 | – | 54 |
| **TROYES** | | | | | | | | |
| Rue Emile Zola 113 | Shop | 2007 | 2006 | 359 | 1 | – | – | 184 |
| Rue Emile Zola 117 | Shop | 2001 | 1950 | 360 | 1 | – | – | 170 |

| Country<br>City<br>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) |
|---|---|---|---|---|---|---|---|---|
| **VALENCE** | | | | | | | | |
| Avenue Victor Hugo 25 / Rue Pasteur 1-3 | Shop | 2001 | 1950 | 200 | 1 | – | – | 63 |
| **VICHY** | | | | | | | | |
| Rue Georges Clemenceau 12 / Rue Ravy-Breton 2 | Shop | 2001 | 1950 | 1,437 | 2 | – | – | 177 |
| *Total investment properties in operation France* | | | | **101,796** | **241** | **91** | **98** | **27,672** |
| **BELGIUM** [3] | | | | | | | | |
| **AALST** | | | | | | | | |
| Albrechtlaan 56 [1] | Retail warehouse | 2000 | > 1980 | 1,000 | 1 | – | – | 71 |
| Brusselsesteenweg 41 | Retail warehouse | 2007 | > 1980 | 770 | 1 | – | – | 71 |
| Nieuwstraat 10 | Shop | 1998 | < 1950 | 151 | 1 | – | – | 67 |
| **AARTSELAAR** | | | | | | | | |
| Antwerpsesteenweg 13 / 4 | Retail warehouse | 2000 | > 1980 | 1,334 | 1 | – | – | 112 |
| **ANDENNE** | | | | | | | | |
| Avenue Roi Albert 137-139 | Retail warehouse | 1999 | > 1980 | 3,154 | 7 | – | – | 476 |
| **ANS** | | | | | | | | |
| Rue de Français 393 | Retail warehouse | 1999 | > 1980 | 4,013 | 11 | – | – | 375 |
| **ANTWERP** | | | | | | | | |
| Abdijstraat 29 | Shop | 1995 | < 1950 | 198 | 1 | – | – | 36 |
| Abdijstraat 82-84 | Shop | 1995 | < 1950 | 167 | 1 | – | – | 52 |
| Carnotstraat 18-20 | Shop | 2000 | < 1950 | 1,299 | 1 | – | – | 106 |
| De Keyserlei 47 | Shop | 2000 | < 1950 | 62 | 1 | – | – | 47 |
| De Keyserlei 49 | Shop | 2000 | < 1950 | 102 | 1 | – | – | 62 |
| Frankrijklei 27 | Shop | 1993 | < 1950 | 654 | 1 | 1 | – | 85 |
| Groendalstraat 11 | Shop | 2000 | < 1950 | 48 | 1 | – | – | 27 |
| Huidevettersstraat 12 | Shop | 1994 | < 1950 | 721 | 1 | – | – | 288 |
| Korte Gasthuisstraat 27 | Shop | 2000 | < 1950 | 145 | 1 | – | – | 120 |
| Leysstraat 17 | Shop | 2000 | < 1950 | 325 | 1 | 2 | – | 177 |
| Leysstraat 28-30 | Shop | 1997 | < 1950 | 1,705 | 2 | 5 | – | 814 |
| Meir 99 | Shop | 1996 | < 1950 | 583 | 1 | – | – | 450 |
| Schuttershofstraat 24 / Kelderstraat 7 | Shop | 2000 | < 1950 | 106 | 1 | – | – | 69 |
| Schuttershofstraat 30 | Shop | 2000 | < 1950 | 66 | 1 | – | – | 75 |
| Schuttershofstraat 32/Arme Duivelstraat 2 | Shop | 2000 | < 1950 | 54 | 1 | – | – | 61 |
| **BALEN** | | | | | | | | |
| Molsesteenweg 56 | Retail warehouse | 1999 | > 1980 | 1,871 | 3 | – | – | 149 |
| **BEAUMONT** | | | | | | | | |
| Rue G, Michiels 40 | Retail warehouse | 1998 | > 1980 | 1,113 | 1 | – | – | 106 |
| **BOECHOUT** | | | | | | | | |
| Hovesesteenweg 123-127 | Retail warehouse | 2002 | > 1980 | 1,022 | 1 | – | – | 100 |
| **BORGLOON** | | | | | | | | |
| Sittardstraat 10 | Retail warehouse | 1999 | > 1980 | 996 | 2 | – | – | 59 |
| **BREE** | | | | | | | | |
| Toleikstraat 30 | Retail warehouse | 1999 | > 1980 | 855 | 1 | – | – | 58 |
| **BRUGES** | | | | | | | | |
| Maalsesteenweg 142 | Retail warehouse | 2007 | > 1980 | 600 | 1 | – | – | 64 |
| Steenstraat 80 | Shop | 1998 | < 1950 | 2,058 | 2 | – | – | 867 |
| **BRUSSELS** | | | | | | | | |
| Elsensesteenweg 16 | Shop | 1996 | < 1950 | 1,325 | 3 | – | – | 248 |
| Elsensesteenweg 41-43 | Shop | 1998 | < 1950 | 6,577 | 7 | – | – | 1,510 |

| 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) |
|---|---|---|---|---|---|---|---|---|
| Louizalaan 7 | Shop | 2000 | < 1950 | 245 | 1 | – | – | 235 |
| Nieuwstraat 98 | Shop | 2001 | < 1950 | 150 | 1 | – | – | 210 |
| **CHÊNÉE** | | | | | | | | |
| Rue de la Station 23 | Retail warehouse | 2002 | 50/80 | 2,881 | 3 | – | – | 242 |
| **DIEST** | | | | | | | | |
| Hasseltsestraat 15 | Shop | 1998 | < 1950 | 198 | 1 | – | – | 38 |
| **DILSEN** | | | | | | | | |
| Rijksweg 17 nr. 770 | Retail warehouse | 1999 | > 1980 | 992 | 1 | – | – | 78 |
| **DROGENBOS** | | | | | | | | |
| Nieuwe Stallestraat 217 | Retail warehouse | 2007 | > 1980 | 530 | 1 | – | – | 74 |
| **FLÉMALLE** | | | | | | | | |
| Rue de la Fabrique 6 | Retail warehouse | 2002 | > 1980 | 2,887 | 5 | – | – | 225 |
| **FROYENNES** | | | | | | | | |
| Rue des Roselières 6 | Retail warehouse | 2000 | > 1980 | 950 | 1 | – | – | 100 |
| **GENK** | | | | | | | | |
| Guillaume Lambertlaan 115 | Retail warehouse | 1999 | > 1980 | 3,109 | 6 | – | – | 220 |
| Hasseltweg 74 | Retail warehouse | 2002 | > 1980 | 2,331 | 4 | – | – | 219 |
| **GHENT** | | | | | | | | |
| Veldstraat 81 / Zonnestraat 6-10 | Shop | 1998 | < 1950 | 2,966 | 5 | – | – | 558 |
| Volderstraat 15 | Shop | 1993 | < 1950 | 279 | 1 | – | – | 155 |
| **GRIVEGNÉE** | | | | | | | | |
| Boulevard de Froidmont 29 | Retail warehouse | 2007 | > 1980 | 1,100 | 2 | – | – | 105 |
| Rue Servais Malaise | Retail warehouse | 2002 | > 1980 | 2,000 | 1 | – | – | 128 |
| **HASSELT** | | | | | | | | |
| Genkersteenweg 76 | Retail warehouse | 1999 | > 1980 | 1,241 | 2 | 1 | – | 104 |
| Genkersteenweg 215-219 | Retail warehouse | 2007 | > 1980 | 1,745 | 2 | – | – | 171 |
| Genkersteenweg 282 | Retail warehouse | 2000 | > 1980 | 2,240 | 2 | – | – | 111 |
| **HEUSDEN-ZOLDER** | | | | | | | | |
| Inakker | Retail warehouse | 2002 | > 1980 | 1,019 | 2 | – | – | 70 |
| **HOBOKEN** | | | | | | | | |
| Zeelandstraat 6-8 | Retail warehouse | 2002 | > 1980 | 2,490 | 2 | – | – | 201 |
| **HUY** | | | | | | | | |
| Rue Joseph Wauters 3 1) | Retail warehouse | 2007 | > 1980 | 1,000 | 2 | – | – | 86 |
| **JEMAPPES** | | | | | | | | |
| Avenue Wilson 510 | Retail warehouse | 2007 | > 1980 | 900 | 2 | – | – | 79 |
| **KAMPENHOUT** | | | | | | | | |
| Mechelsesteenweg 38-42 | Retail warehouse | 1999 | > 1980 | 3,322 | 3 | – | – | 213 |
| **KORBEEK-LO** | | | | | | | | |
| Tiensesteenweg 378 1) | Retail warehouse | 2007 | > 1980 | 990 | 1 | – | – | 105 |
| **KUURNE** | | | | | | | | |
| Ringlaan 12 | Retail warehouse | 2007 | > 1980 | 1,336 | 2 | – | – | 67 |
| **LA LOUVIÈRE** | | | | | | | | |
| Avenue de la Wallonie 1 | Retail warehouse | 2007 | > 1980 | 1,620 | 2 | – | – | 142 |
| Rue Albert 1er 84-86 | Shop | 2000 | < 1950 | 198 | 1 | – | – | 68 |
| **LEOPOLDSBURG** | | | | | | | | |
| Lidostraat 7 | Retail warehouse | 1999 | > 1980 | 1,850 | 2 | – | – | 126 |
| **LEUVEN** | | | | | | | | |
| Bondgenotenlaan 69-73 | Shop | 2001 | < 1950 | 1,495 | 2 | – | – | 614 |
| **LIÈGE** | | | | | | | | |
| Rue Pont d'Ile 35 | Shop | 1998 | < 1950 | 80 | 1 | – | – | 75 |
| Rue Pont d'Ile 45 | Shop | 1998 | < 1950 | 55 | 1 | – | – | 69 |
| Rue Pont d'Ile 49 | Shop | 1998 | < 1950 | 375 | 1 | – | – | 99 |

| Country<br>City<br>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) |
|---|---|---|---|---|---|---|---|---|
| **MALMÉDY** | | | | | | | | |
| Avenue des Alliés 14b | Retail warehouse | 1999 | > 1980 | 813 | 1 | – | – | 58 |
| **MECHELEN** | | | | | | | | |
| Bruul 39-41 | Shop | 2000 | < 1950 | 361 | 2 | – | – | 210 |
| Bruul 42-44 | Shop | 2001 | < 1950 | 2,948 | 2 | – | – | 672 |
| **MERKSEM** | | | | | | | | |
| Bredabaan 474-476 | Shop | 1998 | 50/80 | 467 | 1 | – | – | 76 |
| **MOESKROEN** | | | | | | | | |
| Petite Rue 18 | Shop | 1998 | < 1950 | 235 | 1 | – | – | 46 |
| **MONS** | | | | | | | | |
| Chaussée de Binche 101 | Retail warehouse | 2000 | > 1980 | 1,000 | 1 | – | – | 86 |
| Grand Rue 19 | Shop | 2000 | < 1950 | 185 | 1 | – | – | 80 |
| Rue de la Chaussée 31-33 | Shop | 1998 | < 1950 | 447 | 2 | 1 | – | 145 |
| **MONTIGNIES-SUR-SAMBRE** | | | | | | | | |
| Rue de la Persévérance 14 | Retail warehouse | 2007 | > 1980 | 750 | 1 | – | – | 61 |
| **MORTSEL** | | | | | | | | |
| Statielei 71-73 | Shop | 1998 | 50/80 | 430 | 2 | – | – | 136 |
| **OVERPELT** | | | | | | | | |
| Burgemeester Misottenstraat 3 | Retail warehouse | 2002 | > 1980 | 877 | 2 | – | – | 86 |
| **PHILIPPEVILLE** | | | | | | | | |
| Rue de France | Retail warehouse | 1999 | > 1980 | 3,705 | 6 | – | – | 328 |
| **SCHAARBEEK** | | | | | | | | |
| Leuvensesteenweg 610-640 | Retail warehouse | 1999 | > 1980 | 2,964 | 4 | – | – | 350 |
| **SCHELLE** | | | | | | | | |
| Provinciale Steenweg 453-455 | Retail warehouse | 99/02 | > 1980 | 2,962 | 8 | – | – | 208 |
| **SCHERPENHEUVEL** | | | | | | | | |
| Mannenberg 26 | Retail warehouse | 1999 | > 1980 | 600 | 1 | – | – | 77 |
| **SINT-JOB-IN-'T-GOOR** | | | | | | | | |
| Handelslei 10 | Retail warehouse | 2002 | > 1980 | 600 | 1 | – | – | 68 |
| **SINT-NIKLAAS** | | | | | | | | |
| Kapelstraat 101 | Retail warehouse | 2007 | > 1980 | 740 | 1 | – | – | 25 |
| **SINT-PIETERS-LEEUW** | | | | | | | | |
| Bergensesteenweg 458 | Retail warehouse | 2007 | > 1980 | 750 | 1 | – | – | 74 |
| **TIELT-WINGE** | | | | | | | | |
| 'Retailpark Gouden Kruispunt', Aarschotsesteenweg 1-6 | Retail warehouse | 99/02 | > 1980 | 18,866 | 23 | – | – | 1,648 |
| **TIENEN** | | | | | | | | |
| Slachthuisstraat 36 | Retail warehouse | 2002 | > 1980 | 4,871 | 6 | – | – | 439 |
| **TONGRES** | | | | | | | | |
| Shopping centre 'Julianus' | Shopping centre | 2008 | 2008 | 8,811 | 21 | – | – | 1,321 |
| **TURNHOUT** | | | | | | | | |
| Gasthuisstraat 5-7 | Shop | 2001 | < 1950 | 1,045 | 1 | – | – | 372 |
| Gasthuisstraat 32 | Shop | 1996 | < 1950 | 1,743 | 1 | – | – | 281 |
| **VILVOORDE** | | | | | | | | |
| Leuvensestraat 43 | Shop | 1998 | 2008 | 1,338 | 1 | – | – | 194 |
| Luchthavenlaan 5 | Retail warehouse | 1999 | > 1980 | 6,345 | 3 | – | – | 500 |
| Mechelsesteenweg 48 | Retail warehouse | 1999 | > 1980 | 7,936 | 14 | 1 | – | 702 |
| **WATERLOO** | | | | | | | | |
| Chaussée de Bruxelles 284 | Retail warehouse | 1993 | 50/80 | 1,198 | 1 | – | – | 119 |

| 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) |
|---|---|---|---|---|---|---|---|---|
| **WAVER** | | | | | | | | |
| Boulevard de l'Europe 41 | Retail warehouse | 2007 | > 1980 | 860 | 1 | – | – | 130 |
| Rue du Commerce 26 | Shop | 1998 | < 1950 | 242 | 1 | – | – | 56 |
| Rue du Pont du Christ 46 / Rue Barbier 15 | Shop | 1998 | < 1950 | 319 | 2 | – | – | 119 |
| **WESTERLO** | | | | | | | | |
| Hotelstraat 2 a-b | Retail warehouse | 2007 | > 1980 | 1,000 | 2 | – | – | 86 |
| **WILRIJK** | | | | | | | | |
| Boomsesteenweg 643-645 | Retail warehouse | 2000 | 50/80 | 1,837 | 3 | – | – | 171 |
| Boomsesteenweg 666-672 | Retail warehouse | 2000 | > 1980 | 4,884 | 4 | – | – | 505 |
| *Total investment properties in operation Belgium* | | | | **157,777** | **244** | **11** | **–** | **21,218** |
| **TURKEY** | | | | | | | | |
| **ISTANBUL** | | | | | | | | |
| Bahariye Caddesi 58 | Shop | 2009 | 1985 | 400 | – | – | – | 206 |
| Bahariye Caddesi 66/b | Shop | 2009 | 2005 | 195 | 1 | – | – | 133 |
| 'Bomonti Park', Kazim Orbay Caddesi 3 | Shopping centre | 2007 | 2006 | 4,867 | 13 | – | 200 | 644 |
| Istiklal Caddesi 34 | Shop | 2007 | 1980 | 1,170 | 1 | – | – | 309 |
| Istiklal Caddesi 98 | Shop | 2007 | 2008 | 530 | 1 | – | – | 280 |
| Istiklal Caddesi 119 | Shop | 2009 | 2009 | 495 | 2 | – | – | 384 |
| *Tota investment properties in operation Turkey* | | | | **7,657** | **18** | **–** | **200** | **1,956** |
| **PORTUGAL** | | | | | | | | |
| **BARCELOS** | | | | | | | | |
| Rua Porta Nova 41 | Shop | 2002 | < 1950 | 128 | 1 | – | – | 29 |
| **BRAGA** | | | | | | | | |
| Avenida Central 78-80 | Shop | 2002 | < 1950 | 471 | 1 | – | – | 122 |
| **LISBON** | | | | | | | | |
| Rua Damião de Góis 41-44d | Shop | 2002 | < 1950 | 150 | 1 | – | – | 86 |
| Rua do Carmo 100-102 / Rua do Ouro 287 and 291-295 | Shop | 2002 | < 1950 | 1,139 | 5 | – | – | 389 |
| Rua Morais Soares 93 | Shop | 2002 | < 1950 | 257 | 1 | – | – | 82 |
| **PORTO** | | | | | | | | |
| Praça Marquês Pombal 152 | Shop | 2002 | < 1950 | 437 | 1 | – | – | 78 |
| Praça Mouzinho de Alburquerque 119-124 | Shop | 2002 | < 1950 | 148 | 1 | – | – | 80 |
| Rua de Brito Capelo 160 | Shop | 2002 | < 1950 | 164 | 1 | – | – | 65 |
| Rua Santa Caterina 325-329 | Shop | 2002 | < 1950 | 529 | 1 | – | – | 200 |
| *Total investment properties in operation Portugal* | | | | **3,423** | **13** | **–** | **–** | **1,131** |
| *Total investment properties in operation* | | | | **673,074** | **1,648** | **401** | **19,177** | **135,460** |

1 Land on long lease.
2 VastNed Retail holds a 50% interest.
3 All Belgian properties are held directly by Intervest Retail, in which VastNed Retail has a 72.4% interest at year-end 2009.

## NOTES TO THE PROPERTY PORTFOLIO IN OPERATION

The theoretical rental income as at 31 December 2009, including turnover rents, mall income and other income, concerns rent in the case of full occupancy.

- In the Netherlands, virtually all leases are concluded for a term of five years in which the tenant has 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 leases are concluded for a term of at least five years. Annual rent increases are based on the cost of living index;
- In France, leases are normally concluded for a term of nine or 12 years in which the tenant has the right to terminate or extend the lease every three years. Annual rent increases are based on increases in the construction cost index unless agreed otherwise;
- In Belgium, leases are normally concluded for a term of nine years with an option of termination after three and six years. Annual rent increases are based on the cost of living index;
- In Turkey, leases are normally concluded for a term of five years. Different methods are used for the annual indexation of leases. Indexation of leases concluded in Turkish Lira is based on cost of living, whereas the indexation of leases concluded in American dollars and euros is based on specific agreements;
- In Portugal, two sets of rent legislation exist. Under the ‘old’ legislation, leases are entered into for an indefinite period of time and can in principle only be terminated by the tenant. Under the ‘new’ legislation, regulations comparable with those in Spain apply, which means that leases are usually concluded for a term of at least five years and that annual rent increases are based on cost of living. These regulations are being increasingly applied, especially among internationally oriented tenants.

In uncertain economic times, the number of leases with irregular terms increases.

*Appraisers*

- CBRE in Brussels
- Cushman & Wakefield in Amsterdam, Brussels, Istanbul, Madrid and Paris
- De Crombrugghe & Partners in Brussels
- DTZ Pamir & Soyuer in Istanbul
- DTZ Zadelhoff v.o.f. in Amsterdam
- Jones Lang Lasalle in Lisbon and Madrid
- Retail Consulting Group in Paris

# OTHER INVESTMENT PROPERTIES

| Country / City / Location | Type of property | Year of acquisition | Lettable floor space (sqm) | Investment (x € 1 million) | Net initial yield |
|---|---|---|---|---|---|
| **INVESTMENT PROPERTIES UNDER RENOVATION** | | | | | |
| **SPAIN** | | | | | |
| **ALICANTE** | | | | | |
| 'Parque Vistahermosa' | Shopping centre | 2010 | 10,499 | 10.9 | 8.3% |

| Country / City / Location | Type of property | Year of acquisition | Lettable floor space (sqm) | Investment (x € 1 million) | Net initial yield |
|---|---|---|---|---|---|
| **INVESTMENT PROPERTIES IN PIPELINE** | | | | | |
| **THE NETHERLANDS** | | | | | |
| **HENDRIK-IDO-AMBACHT** | | | | | |
| Shopping centre 'Hoog Ambacht' | Shopping centre | 2010 | 7,745 | 22.3 | 5.6% |
| **HOUTEN** | | | | | |
| Onderdoor 4 | Cinema | 2010 | 2,105 | 3.0 | 7.4% |
| Spoorhaag 130-134 / Achterom 1-5 1) | Shopping centre | – | 2,575 | 4.1 | – |
| **LELYSTAD** | | | | | |
| Wisselplein | Shopping centre | 2010 | 1,313 | 2.6 | 5.3% |
| **FRANCE** | | | | | |
| **PLAISIR-SABLONS** | | | | | |
| Centre Commercial 'Plaisir-Sablons' 1) | Shopping centre | 2012 | 27,000 | 70.0 | 6.5% |

1 Uncommitted

## SECTOR SPREAD TOTAL PROPERTY PORTFOLIO




# KEY FIGURES

| | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|---|---|---|---|---|
| **Results** (x € 1 million) | | | | | |
| Gross rental income | 130.6 | 132.0 | 120.6 | 110.7 | 106.8 |
| Direct investment result | 68.6 | 60.9 | 64.4 | 62.5 | 59.6 |
| Indirect investment result | (130.0) | (112.0) | 180.1 | 110.4 | 98.3 |
| *Investment result* | **(61.4)** | **(51.1)** | **244.5** | **172.9** | **157.9** |
| **Balance sheet** (x € 1 million) | | | | | |
| Investment properties | 1,861.4 | 2,014.8 | 2,093.1 | 1,730.7 | 1,487.5 |
| Equity | 1,035.1 | 1,094.4 | 1,214.9 | 1,048.1 | 930.8 |
| Equity VastNed Retail shareholders | 939.1 | 998.2 | 1,135.8 | 977.7 | 862.5 |
| Long-term liabilities | 673.6 | 690.5 | 617.3 | 479.0 | 409.5 |
| **Average number of ordinary shares in issue** | 17,028,420 | 16,399,050 | 16,706,552 | 16,892,880 | 16,851,120 |
| **Number of ordinary shares in issue** (at year-end) | 18,265,213 | 16,417,526 | 16,362,097 | 16,876,183 | 16,903,156 |
| **Per share** (x € 1) | | | | | |
| Equity VastNed Retail shareholders at beginning of year (including dividend) | 60.80 | 69.42 | 57.93 | 51.02 | 46.48 |
| Final dividend previous financial year | (2.68) | (2.73) | (2.60) | (2.47) | (3.74) |
| *Equity VastNed Retail shareholders at beginning of year* (excluding dividend) | **58.12** | **66.69** | **55.33** | **48.55** | **42.74** |
| Direct investment result | 4.03 | 3.71 | 3.85 | 3.70 | 3.54 |
| Indirect investment result | (7.64) | (6.82) | 10.79 | 6.53 | 5.83 |
| *Investment result* | **(3.61)** | **(3.11)** | **14.64** | **10.23** | **9.37** |
| Other movements | (1.84) | (1.61) | 0.57 | 0.25 | (0.02) |
| Interim dividend | (1.25) | (1.17) | (1.12) | (1.10) | (1.07) |
| *Equity VastNed Retail shareholders at year-end* | **51.42** | **60.80** | **69.42** | **57.93** | **51.02** |
| **Share price** (at year-end) | 45.835 | 36.00 | 65.70 | 77.00 | 53.75 |
| **Dividend in cash** | **4.03** | 3.85 | 3.85 | 3.70 | 3.54 |
| or in cash | **2.35** | 2.02 | 2.47 | 3.30 | 2.54 |
| and in shares charged to the share premium reserve | 1) | 5.56% | 2.13% | 0.53% | 1.55% |
| Dividend yield as a percentage of equity VastNed Retail shareholders at beginning of year (excluding dividend) | 6.9 | 5.8 | 7.0 | 7.6 | 8.3 |
| **Solvency ratio** (in %) | 55.9 | 55.5 | 59.1 | 61.8 | 62.9 |
| **Loan-to-value** (in %) | 39.9 | 41.2 | 38.3 | 33.5 | 34.5 |

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