

Interim statement by the Board of Directors on the first quarter of 2018

- Firm establishment in the core city assets' segment remains the objective.
- As at 31 March 2018, 59% of the real estate portfolio consisted of core city assets and 41% of mixed retail locations (inner-city shops outside of the premium cities, high-end retail parks and retail warehouses).
- Occupancy rate as at 31 March 2018: 99% (99% as at 31 December 2017).
- Increase in the fair value of the existing real estate portfolio by € 1 million¹ in the first quarter of 2018.
- Increase of the EPRA earnings² in the first quarter of 2018 of 13% to € 0.66 per share (€ 0.58 for the first quarter of 2017), mainly as the result of the refinancing executed in 2017.
- Limited debt ratio of 26% as at 31 March 2018.
- Vastned Retail N.V. issues a voluntary and conditional takeover bid on Vastned Retail Belgium NV. The acceptance period runs from 2 May 2018 through 1 June 2018.

¹ With unchanged composition of the real estate portfolio compared with 31 December 2017

² In accordance with the issued guidelines of the European Securities and Markets Authority (ESMA), which are applicable as of 3 July 2016, the Alternative Performance Measures (APM) used by Vastned Retail Belgium are included. The definitions, the use and the related reconciliation tables are included in the chapter "Alternative Performance Measures" of the Annual Report 2017 and also on the website www.vastned.be there is a separate Lexicon available with regard to these APM's. A consequence of these guidelines is that the term used prior to this, "operating distributable result", is no longer usable and has been changed to "EPRA earnings". However, with regard to content there is no difference from "operating distributable result", the term used previously.

1. Operational activities in the first quarter of 2018

Redevelopment of a core city asset on Zonnestraat in Ghent

The second phase, dealing with the prominent redevelopment and thorough restoration of a core city asset in the historic city centre of Ghent, has been launched at the end of March 2017.

The existing retail property at Zonnestraat 10 in Ghent was demolished and construction works have progressed very well. The retail property will be rebuilt as an up-to-date building with both retail and residential functionalities.

This redevelopment involves an investment amount of approximately €1 million. Delivery of the commercial premises to the new tenant, the women's clothing brand YAYA, took place on 25 January 2018. The opening of this shop specialising in women's apparel, described as a mix of authentic items, both feminine and casual and nonchalant with a feminine edge, along with lifestyle products, took place on 9 March 2018.

Delivery of the apartments above the shop is anticipated in the course of the third quarter of 2018.



Ghent - Zonnestraat 10



Ghent - Zonnestraat 10



Ghent - Zonnestraat 10

Redevelopment of a core city asset on Veldstraat in Ghent

The property, located at Veldstraat 81 in the historic centre of Ghent, was thoroughly renovated after the last tenant left. This in-depth renovation involved among other things removing differences in level in the retail space and replacing the existing shopfront with a state-of-the-art shopfront offering a nice height. These works have significantly improved the property's appearance and visibility.

This redevelopment involves an investment amount of approximately € 0.3 million. Delivery is planned for the second quarter of 2018, and the property has already been put on the rental market in the meantime.



Antwerp - Leysstraat

Redevelopment of a mixed retail location on Borzestraat in Mechelen

In the building located at Bruul 40-42 in Mechelen, a retail unit has been created along Borzestraat by breaking out the existing interior walls and creating a new shopfront with a nice free height.

Delivery of this new retail unit is planned for the second quarter of 2018, after which the property will be placed on the rental market. This redevelopment involves an investment amount of approximately € 0.1 million.

Renovation of apartments at Leysstraat 28-30 and Leysstraat 17 in Antwerp

The renovation of five apartments located at Leysstraat 28-30 and Leysstraat 17 in the centre of Antwerp began in the first quarter of 2018. It is estimated that this redevelopment will involve an investment amount of approximately € 0.4 million. The apartments will be delivered gradually, with a first delivery expected in the second quarter of 2018 and the last apartment becoming available in the fourth quarter of 2018.

The apartments have in the meantime already been made available for rental pre-registration.



Antwerp - Leysstraat

Occupancy rate³

OCCUPANCY RATE (EXCLUDING BUILDINGS UNDERGOING RENOVATION)	31.03.2018	31.12.2017
Occupancy rate Core city assets	100%	100%
Occupancy rate Mixed retail locations	98%	98%
Occupancy rate of the real estate portfolio	99%	99%

The occupancy rate for the real estate portfolio amounted to 99% as at 31 March 2018, remaining unchanged compared to 31 December 2017. The occupancy rate of the core city assets

and the mixed retail locations remained stable at 100% and 98%, respectively.

Evolution of fair value

REAL ESTATE PORTFOLIO	31.03.2018	31.12.2017
Fair value of investment properties (€ 000)	378.941	378.195
Total leasable space (m ²)	89.877	89.877

As at 31 March 2018 the fair value of the real estate portfolio of Vastned Retail Belgium amounted to € 379 million, an increase of € 1 million compared to year-end 2017 (€ 378 million as per 31 December 2017). This increase is mainly the result of the capital expenditures carried out in the existing real estate portfolio.

As at 31 March 2018, the total leasable space is 89.877 m².

Composition of the real estate portfolio

No changes were made during the first quarter of 2018 to the composition of the real estate portfolio compared to 31 December 2017. As at 31 March 2018, 59% of the Vastned Retail Belgium real estate portfolio consisted of core city assets, i.e. prime retail properties located on the best shop-

ping streets of the major cities of Antwerp, Brussels, Ghent and Bruges. 41% of the portfolio consists of mixed retail locations, i.e. inner-city shops outside the premium cities, retail parks and retail warehouses.

³ The occupancy rate is calculated as the ratio between the rental income and the sum of this income and the estimated rental income of unoccupied rental premises.

2. Financial results for the first quarter of 2018

Consolidated income statement

IN THOUSANDS €	31.03.2018	31.03.2017
Rental income	4.832	4.733
Rental-related expenses	-39	-33
Property management costs and income	30	3
PROPERTY RESULT	4.823	4.703
Property charges	-529	-610
General costs and other operating income and costs	-506	-394
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	3.788	3.699
Result on disposal of investment properties	0	0
Changes in fair value of investment properties	25	-228
Other result on portfolio	54	-101
OPERATING RESULT	3.867	3.370
Financial result (excl. changes in fair value - IAS 39)	-428	-721
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	171	507
Taxes	-15	-13
NET RESULT	3.595	3.143
Note:		
EPRA result	3.330	2.951
Result on portfolio	79	-329
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	186	521
INFORMATION PER SHARE	31.03.2018	31.03.2017
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	0,71	0,62
EPRA result (€)	0,66	0,58

Analysis of the results⁴

The rental income of Vastned Retail Belgium in the first quarter of 2018 amounted to € 4.8 million (€ 4.7 million). The increase of € 0.1 million is mainly attributable to the acquisition of three core city assets in the city centre of Antwerp in the third quarter of 2017 and new leases that were concluded over the course of the 2017 financial year, as well as indexations of existing lease agreements and lease renewals realised.

The real estate costs amounted to € 0.5 million (€ 0.6 million) and decreased by € 0.1 million, primarily due to a decrease in the commercial costs, among others including those related to commissions, lawyers' fees and other consultancy fees, in combination with an increase of the technical costs for maintenance. The general costs amounted to € 0.5 million (€ 0.4 million) and have therefore increased by € 0.1 million compared with the same period last year.

The changes in the fair value of the investment properties are slightly positive in the first quarter of 2018 and amounted to € 25,000 (€ -0.2 million).

The financial result (excl. changes in fair value - IAS 39) amounted to € -0.4 million as at 31 March 2018 (€ 0.7 million). The increase in financial result is attributable to the refinancing under better conditions of the entire loan portfolio, which took place during the third quarter of 2017. The average interest rate for financing amounted to 1.7%, including bank margins for the first quarter of 2018 (3.2%).

The changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39) in the first quarter of 2018 included the decrease in the negative market value of the interest rate swaps which, in line with IAS 39 - Financial Instruments: Recognition and Measurement, cannot be classified as cash flow hedging instruments, in the amount of € 0.2 million (€ 0.5 million).

The net result of Vastned Retail Belgium for the first quarter of 2018 amounted to € 3.6 million (€ 3.1 million) and may be divided into:

- EPRA earnings of € 3.3 million (€ 3.0 million), or an increase of approximately 12.9%;
- results on the portfolio of € 0.1 million (€ -0.3 million);
- changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements in the amount of € 0.2 million (€ 0.5 million).

The EPRA earnings per share are therefore € 0.66 for the first quarter of 2018 or an increase of 8 euro cents compared to the same period of the previous year (€ 0.58 per share).

KEY FIGURES PER SHARE	31.03.2018	31.03.2017
Number of shares entitled to dividend	5.078.525	5.078.525
Net value (fair value) (€)	54,76	54,05
Net value (investment value) (€)	56,54	55,83
Net asset value EPRA (€)	55,20	54,52
Share price on closing date (€)	56,80	45,00
Premium (+) / Discount (-) with regard to fair net value (%)	4%	-17%

As at 31 March 2018, the net value (fair value) is € 54.76 per share (€ 54.05 as at 31 December 2017). As the share price of Vastned Retail Belgium amounted to € 56.80 on 31 March 2018, the share was listed as at 31 March 2018 with a premium of 4% compared to this net value (fair value).

The debt ratio of the company has decreased by 1% in the first quarter of 2018 and amounted to 26% as at 31 March 2018 (27% as at 31 December 2017).

⁴ Comparative figures for the first quarter of 2017 are between brackets.

3. General Meeting and dividend distribution

The General Meeting of Shareholders of 25 April 2018 approved the statutory and consolidated annual accounts of Vastned Retail Belgium closed on 31 December 2017, including the profit appropriation. A gross dividend of € 2.62 per share is being distributed for the 2017 financial year. After deducting an amount of 30% for withholding tax, the net dividend for the 2017 financial year amounts to € 1.834 per share. The dividend is payable as from 22 May 2018 based on the shareholding on 18 May 2018.

As regards dematerialised shares, the financial institutions with which the shares are held in a securities account pay the dividend to the holders. The company automatically pays the dividend for the registered shares to the shareholders by bank transfer.

4. Takeover bid

On 12 April 2018, Vastned Retail N.V., which directly and indirectly holds 65.49% of the shares in Vastned Retail Belgium NV, issued a formal voluntary and conditional takeover bid of €57.50 per share for all the shares in Vastned Retail Belgium that it does not yet hold.

On 24 April 2018 the FSMA has approved the prospectus and the memorandum of response from the Board of Directors as part of the takeover bid.

The takeover bid of Vastned Retail N.V. on Vastned Retail Belgium only has one acceptance period, without the possibility of a voluntary reopening of the bid. This acceptance period runs from 2 May 2018 through 1 June 2018.

5. Outlook for 2018

The Belgian economy is doing well and continues to expand, with growth of 1.8% expected in 2018. Real disposable income for private individuals rose by 0.9% in 2017, and a more pronounced increase of 2.2% is expected in 2018. Private consumption is expected to rise by 1.9% in 2018, thanks in part to a high level of consumer confidence. Employment growth is expected to be 1% in 2018.

The influence of the internet on consumers is exceeding all expectations, and customers have a completely different buying experience than they did before, with mobile technology becoming increasingly important. Physical shops still have added value, and they remain relevant when they connect consumers, products, brands and employees. Despite strong growth in online shopping, consumers still buy 80 to 85% of their non-food products in physical shops.

Vastned Retail Belgium intends to pursue its strategy further in 2018 by focusing more explicitly on premium quality retail locations and retail parks. The company will continue to work towards a clear predominance of core city assets, i.e. the very best retail property in the most popular shopping streets in the major cities. The primary focus is on the acquisition of retail property in the Antwerp city centre, and additionally

in other major cities. By focusing on a limited number of city centres, the market knowledge of the asset team of the company grows, thereby allowing for a good assessment of opportunities. New investments will, to a considerable extent depend on further developments on the retail property market. The long-term goal is to ensure that 75% of all investments are in this type of real estate. At the end of March 2018 the company owned 59% of core city assets.

In past years, Vastned Retail Belgium has greatly increased the quality of its real estate portfolio by investing in high-quality core city assets and divesting from various non-strategic mixed retail locations. For this reason, the vacancy rate for the portfolio had dropped to less than 1% as at the end of the first quarter of 2018.

For the 2018 financial year Vastned Retail Belgium expects that EPRA earnings will continue to grow as a result of a high-quality real estate portfolio with limited vacancies on the one hand and the refinancing implemented in July 2017 on the other. The result of this refinancing is a further decrease of the average interest rate of the credit facilities, which will have a positive effect on EPRA earnings.

About Vastned Retail Belgium. Vastned Retail Belgium is a public regulated real estate company (RREC), the shares of which are listed on Euronext Brussels (VASTB). Vastned Retail Belgium invests exclusively in Belgian commercial real estate, more specifically in core city assets (prime retail properties located on the best shopping streets in the major cities of Antwerp, Brussels, Ghent and Bruges), and mixed retail locations (inner-city shops outside of the premium cities, high-end retail parks and retail warehouses). The RREC intends to achieve a 75% investment ratio in core city assets in due course.

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Disclaimer

This press release contains prospective information, forecasts, convictions and estimates prepared by Vastned Retail Belgium on the expected future performance of Vastned Retail Belgium and the markets in which it operates. Readers are held to observe that such prospects are subject to risks and uncertainties which can cause the actual results to differ considerably from those expressed in such prospective statements. Prospective statements such as these can be impacted by significant factors such as changes in the economic situation, tax, competitive along with environmental factors. Vastned Retail Belgium cannot guarantee that the assumptions underlying the prospective information are free of misstatements.

Financial statements

1. Consolidated income statement

IN THOUSANDS €	31.03.2018	31.03.2017
Rental income	4.832	4.733
Rental-related expenses	-39	-33
NET RENTAL INCOME	4.793	4.700
Recovery of rental charges and taxes normally payable by tenants on let properties	1.094	1.065
Rental charges and taxes normally payable by tenants on let properties	-1.094	-1.065
Other rental-related income and expenses	30	3
PROPERTY RESULT	4.823	4.703
Technical costs	-211	-117
Commercial costs	-28	-112
Charges and taxes on unlet properties	-30	-46
Property management costs	-251	-311
Other property charges	-9	-24
Property charges	-529	-610
OPERATING PROPERTY RESULT	4.294	4.093
General expenses	-509	-399
Other operating income and expenses	3	5
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	3.788	3.699
Result on disposal of investment properties	0	0
Changes in fair value of investment properties	25	-228
Other result on portfolio	54	-101
OPERATING RESULT	3.867	3.370
Financial income	1	4
Net interest charges	-427	-723
Other financial charges	-2	-2
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	171	507
Financial result	-257	-214
RESULT BEFORE TAXES	3.610	3.156
Taxes	-15	-13
NET RESULT	3.595	3.143

IN THOUSANDS €	31.03.2018	31.03.2017
Note:		
EPRA result	3.330	2.951
Result on portfolio	79	-329
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	186	521
Attributable to:		
Shareholders of the parent company	3.595	3.143
Non-controlling interests	0	0

2. Consolidated statement of comprehensive income

IN THOUSANDS €	31.03.2018	31.03.2017
NET RESULT	3.595	3.143
Other components of comprehensive income (recyclable through income statement)		
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	3.595	3.143
Attributable to:		
Shareholders of the parent company	3.595	3.143
Non-controlling interests	0	0

3. Consolidated balance sheet

ASSETS IN THOUSANDS €	31.03.2018	31.12.2017
Non-current assets	379.487	378.759
Intangible assets	18	15
Investment properties	378.941	378.195
Other tangible assets	525	546
Trade receivables and other non-current assets	3	3
Current assets	2.986	1.907
Trade receivables	313	373
Tax receivables and other current assets	150	151
Cash and cash equivalents	553	367
Deferred charges and accrued income	1.970	1.016
TOTAL ASSETS	382.473	380.666
SHAREHOLDERS' EQUITY AND LIABILITIES IN THOUSANDS €	31.03.2018	31.12.2017
Shareholders' equity	278.103	274.508
Shareholders' equity attributable to the shareholders of the parent company	278.103	274.508
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	138.443	138.443
Net result of the financial year	34.669	34.669
Net result of the financial year - first quarter of 2018	3.595	0
Non-controlling interests	0	0
Liabilities	104.370	106.158
Non-current liabilities	97.989	98.146
Non-current financial debts	95.625	95.625
<i>Credit institutions</i>	95.625	95.625
Other non-current financial liabilities	1.709	1.880
Other non-current liabilities	147	145
Deferred tax - liabilities	508	496
Current liabilities	6.381	8.012
Provisions	269	269
Current financial debts	1.500	4.400
<i>Credit institutions</i>	1.500	4.400
Trade debts and other current debts	2.297	2.107
Other current liabilities	621	625
Deferred income and accrued charges	1.694	611
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	382.473	380.666



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