PRESS RELEASE
ANNUAL RESULTS 2014

Regulated information - embargo till 10/2/2015, 8.00 am

ANTWERP, 10 FEBRUARY 2015

Summary 2014

- Achievement of the stated strategy to invest 65% of the real estate portfolio in inner-city shops. On 31 December 2014, 68% of the real estate portfolio consists of inner-city shops (58% on 31 December 2013), with 49% of the portfolio already invested in premium city high street shops, located in the prime high streets of the major cities of Antwerp, Brussels, Ghent and Bruges.

- Acquisition of an inner-city shop in a prime location on Veldstraat in Ghent in July 2014 for an investment amount of € 27,7 million.

- Divestment of 19 non-strategic retail warehouse properties and inner-city shops in secondary locations with a total fair value of € 42,9 million (12% of the real estate portfolio).

- Realisation of 27 rental transactions representing approx. 16% of the total annual rental income, resulting in an average increase in rent of 5%.

- Increase in the occupancy rate in 2014 by 2,5% to 97,9% as at 31 December 2014 via leases and divestments in properties with a low occupancy rate.

- Increase in the fair value of the existing real estate portfolio of 3%[1] in 2014, mainly through stronger yields on the prime locations in the city centres of the major cities.

- The gross dividend in 2014 rises to € 2,72 per share (€ 2,65 for financial year 2013). A gross dividend yield of 4,7% based on the closing share price on 31 December 2014, being € 57,97.

- The debt ratio amounts to only 31% as at 31 December 2014.

- The change to the status of regulated real estate company (RREC) is approved by the general meeting of shareholders on 27 October 2014.

- Further intensification of the strategy by focussing on premium city high street shops (Antwerp, Brussels, Ghent and Bruges).

1 With unchanged composition of the real estate portfolio compared with 31 December 2013.

Contents

1. OPERATING ACTIVITIES IN 2014

1.1. General and strategic evolutions

1.2. Leases

1.3. Evolution real estate portfolio

1.4. Investments

1.5. Divestments

1.6. Intensification of investment strategy

1.7. Change to RREC

2. FINANCIAL RESULTS 2014

2.1. Consolidated income statement

2.2. Consolidated balance sheet

2.3. Financial structure

3. OUTLOOK FOR 2015

4. FINANCIAL CALENDAR 2015

ANNEXES: financial statements

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Statement of changes in consolidated equity

1. OPERATING ACTIVITIES IN 2014

1.1. General and strategic evolutions[2]

In 2014, Vastned Retail Belgium has succeeded in further implementing its strategy for rent increases via lease extensions, as well as in expanding the share of inner-city shops within the portfolio.

Despite signs of slowed growth in recent years, the Belgian retail property market continues to perform fairly well. Yet there is a mixed sentiment within the retail property market, that is evolving at different speeds within its sub-segments. Meanwhile, the degree to which prime locations (both retail warehouses and inner-city shops) are able to withstand these changing market conditions clearly differs from that of the somewhat less qualitative locations.

The turnover of many retailers has declined in recent years, due in part to the increase in online sales and the protracted economic crisis. This has resulted in a substantial decline in their need to lease new or additional units, and this is reflected in downward pressure on rents. The prime high streets in the major cities are for the most part doing well due to the (planned) presence of retailers such as Primark, Marks & Spencer, Zara and Uniqlo, which lease large properties. But even in the six Belgian prime high streets, some prime locations have experienced a downward adjustment in rents. In the secondary high streets and in the smaller cities, vacancies are on the rise and rents are falling. In these locations especially, retailers are closing their businesses if they are not profitable enough.

Retail warehouse locations are doing fairly well in Belgium. There is a trend towards higher quality architecture, which, combined with attractive prices on the periphery, is also attracting better inner-city brands. The periphery has been the most active segment in 2014, especially in retail parks. Demand is higher in this segment compared to the rest of the market. Expanding retailers such as Albert Heyn and typical city-centre retailers are quite active. We are awaiting the impact of the move to shift responsibilities for retail licences to the regional level in Belgium. It's expected that the forthcoming regulations will impede future developments in the periphery and in turn boost the demand for prime locations in the periphery which are already licenced.

In this difficult market, Vastned Retail Belgium has achieved nice results in 2014. A total of 27 **rental transactions** are concluded in 2014 that are valued at € 3,6 million in annual rental income. This represents roughly 16% of the company's total annual rental income. The average rent increase in these transactions is about 5%.

In terms of its **investment strategy**, Vastned Retail Belgium decided back in 2012 that at least 65% of its investment properties must be inner-city shops, preferably in prime locations in the city centres of larger cities such as Brussels, Antwerp, Ghent and Bruges. As at 31 December 2014, inner-city shops already constitute 68% of the real estate portfolio, which is higher than the stated goal of 65%. In 2014, the company has invested in an inner-city shop in a prime location in Ghent and has divested non-strategic properties in order to achieve this goal.

2 Market information in this text is based on Cushman & Wakefield, Vastned Retail Belgium Portfolio 31 December 2014, market overview p.12 - 18; CBRE Belgium Retailer Survey 2014, p.2 - 5; CBRE interview Kim Verdonck, dd. 14/1/2015 and CBRE's annual review of retail activity in 2014 and trends for 2015, p. 46-47.

Ghent, Veldstraat - 2.690 m²

In late July 2014, Vastned Retail Belgium has succeeded in acquiring an inner-city shop in a **prime location**: Veldstraat 23-27 in Ghent, which is leased to H&M.

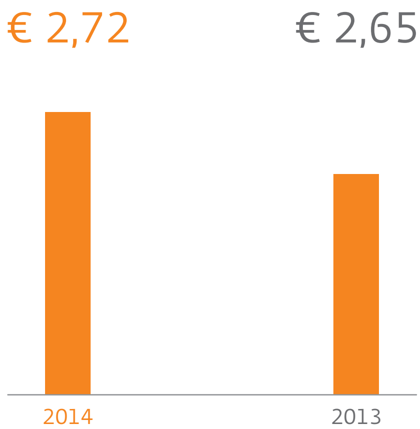
This retail property is acquired for an investment value of roughly € 27,7 million and at a yield in line with the market. This acquisition generates a rental income stream for the company of roughly € 1,1 million annually. The transaction is funded from the company's existing credit lines and via the takeover of the loans of the acquired company.

Retail properties are in high demand on the investment market, and Vastned Retail Belgium took advantage of these favourable market conditions in 2014 by divesting a total of 19 non-strategic retail warehouse properties and inner-city shops at secondary locations having a total fair value of € 42,9 million, or roughly 12% of the overall real estate portfolio. These **divestments** include Julianus Shopping in Tongeren and retail properties in Flanders and Wallonia, with a total gross retail surface area of roughly 39.000 m². The combined annual rental income of the divested retail properties amounts to € 3,6 million, or roughly 16% of the company's total annual rental income. The company's strategy is to use the funds that are freed up via these divestments to invest in inner-city shops in prime locations.

Despite these divestments representing roughly 12% of the real estate portfolio, the rental income of Vastned Retail Belgium rises in 2014 by € 0,3 million, or 1%, due to investments in inner-city shops in prime locations, indexing and lease extensions. The company's financing costs fall in 2014 by € 0,7 million, or 14%, mainly as a result of lower interest rates. For financial year 2014, the average interest rate of the company falls to 3,2% including bank margins, compared to 4,0% for financial year 2013.

As a result, the **operating distributable result** per share in 2014 is higher than in 2013. For financial year 2014, Vastned Retail Belgium can offer its shareholders a gross dividend of € 2,72 per share, this compared to € 2,65 per share for financial year 2013. The gross dividend yield of the share amounts to 4,7% based on the closing share price on 31 December 2014.

Gross dividend (€ per share)



The gross dividend of Vastned Retail Belgium increases to € 2,72 per share in 2014.

Antwerp, Leysstraat - 140 m²

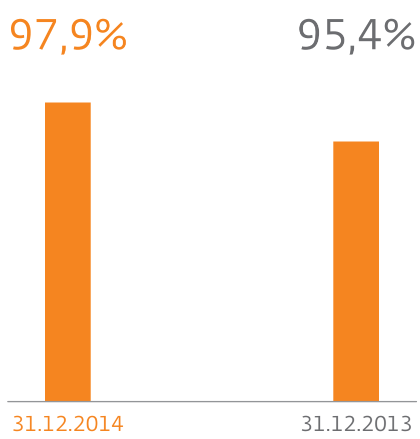
1.2. Leases

2014 has been an active year for Vastned Retail Belgium in the area of new leases. A total of 27 rental transactions are concluded that are valued at € 3,6 million in annual rental income. This represents roughly 16% of the company's total annual rental income. The average rent increase in these transactions is about 5%. In 2014, 21 lease agreements went into force, with the rest to commence in 2015 or later.

Given current market conditions, it is often not possible to realise a substantial increase in rent when leasing to new tenants, especially at secondary locations where it is often necessary to lower the rent. When lease agreements are extended with existing tenants, a rent increase can indeed be achieved if these involve prime locations, both in the city centres of the top shopping cities (Antwerp, Brussels, Ghent and Bruges) and in the best retail warehouse parks (Gouden Kruispunt in Tielt-Winge).

The **occupancy rate** of the portfolio was 97,9% on 31 December 2014. The increase of 2,5% relative to 31 December 2013 is the result of divestments in properties with a low occupancy rate as well as leases, mainly in Brussels, Philippeville and Turnhout. The occupancy rate of the real estate portfolio excluding buildings undergoing renovation is 98,5% on 31 December 2014 (96,0% on 31 December 2013).

Occupancy rate in %



Rental renewals and renegotiations with existing tenants

In 2014, Vastned Retail Belgium has extended 14 lease agreements for an annual rental volume of roughly € 2,5 million, or approximately 11% of the company's total rental income. The new rent for these lease agreements is on average 7% higher than the rent currently being charged for these lease agreements.

There are 10 transactions concluded for **retail warehouse locations** for an annual rental volume of € 0,8 million and with an average rent increase of 18%. 6 of these 10 lease agreements are extended based on the same lease terms. In the retail warehouse park in Philippeville, a 7% increase in rent is attained. Vastned Retail Belgium has also managed to conclude two major transactions for lease extensions in the Gouden Kruispunt retail park in Tielt-Winge. The rents charged are raised by almost 50% over the previous rent level. This is evidence of the quality of this top retail warehouse project. There continues to be a marked discrepancy between the rent levels of primary and secondary locations in 2014.

Properties in the centres of the major Belgian shopping cities remain popular among competitive retailers, and existing tenants are willing to pay higher rent in order to preserve their name recognition at certain good locations. As a result, Vastned Retail Belgium has attained a 2% rent increase on lease extensions for its **inner-city shops** on an annual rental volume of € 1,7 million in four transactions. This rental volume represents roughly 8% of the company's annual rental income. Two of these four lease extensions are concluded with H&M for their shops on Steenstraat in Bruges and on Bondgenotenlaan in Leuven. These lease extensions are concluded for the same lease terms as those currently in force, and the tenant is also undertaking major renovations at its own expense. H&M completely renovated its shop on Leuven's Bondgenotenlaan. For its building in Bruges, H&M also completely renovated and expanded the shop, which occupies three levels (ground, 1st and 2nd floors). The adjoining ground floor shop - which until end of September was still being operated by For Men - as well as various storage rooms on the 1st and 2nd floors have now been incorporated into the current H&M shop.

vastned
Retail Belgium

New leases

In 2014, 13 transactions are concluded with new tenants that will generate an annual rental volume of € 0,9 million. The rent for these transactions is on average 1% lower than the previous rent.

This decline in rent is concentrated in the **retail warehouses,** which generate an annual rental volume of € 0,2 million in 9 transactions with an average rent decrease of 6%. All of these leases are for properties in secondary locations. Four of the nine rental transactions are concluded for vacant units in the Rooseveltcenter in Vilvoorde, which was divested in late December 2014. In the retail park in Philippeville, a new lease agreement is concluded with a rent increase of 11% for the opening of a Cassis-Paprika shop of 400 m². Cassis-Paprika is an attractive Belgian fashion retailer that also has a presence in France, Luxembourg and the Netherlands.

For the **inner-city shops**, four transactions are concluded for € 0,7 million in annual rental income. These transactions produce an average rent increase of 1% compared to the previous level. In late 2014, G-Star Raw opened a flagship store in a prime location at Huidevettersstraat 12 in Antwerp. Until recently, this shop had been leased to a local multi-brand shop. G-Star Raw completely renovated the store. With a surface area of 530 m², the Antwerp branch is the second-largest G-Star Raw outlet in the world.

One new inner-city tenant is the French chain The Kase in Jardin d'Harscamp in Namur. This newcomer on the Belgian market is an established retail chain in France that has international growth aspirations. The Kase specialises in (personalised) cases for smartphones and tablets.

One of the rental transactions involves the lease of the property located at Gasthuisstraat 32 in Turnhout. Turnhout's city centre has struggled with vacancies for several years, and this strategically located property - on the best section of the high street - was difficult to lease. Since late October 2014, the Spanish fashion giant Desigual has occupied the ground floor of the building. Desigual is already a tenant of Vastned Retail Belgium in Jardin d'Harscamp in Namur and via existing contacts a transaction has swiftly been concluded.

Namur, Jardin d'Harscamp - 2.270 m²

1.3. Evolution real estate portfolio[3]

Vastned Retail Belgium focuses on an investment policy based on commercial real estate, with respect for criterions of risk spread in the real estate portfolio, relating to the type of building as well as to the geographic spread and the sector of the tenants.

Vastned Retail Belgium believes that popular high streets in the inner-city of major cities guarantee the most authentic and unique shopping experience and also provide most certainty as investment object on the long run. For this reason the company decided back in 2012 that at least 65% of its investment properties must be inner-city shops, preferably in these prime locations. As at 31 December 2014, inner-city shops already constitute 68% of the real estate portfolio. 49% of the entire portfolio is already invested in premium city high street shops, located in the prime high streets of the major cities of Antwerp, Brussels, Ghent and Bruges.

The real estate portfolio of Vastned Retail Belgium, due to its scale model, diversity and above all its overall quality, withstands relatively well the evolutions on the market.

This is also reflected in the fair value of the investment properties of Vastned Retail Belgium where a sharpening of the yield for prime locations occurred during 2014. Furthermore the improvement of the quality of the real estate portfolio through the acquisition of a premium high street shop in a prime location in Ghent and the divestment of 19 non-strategic properties has led to a decrease of the **average yield** of the real estate portfolio of Vastned Retail Belgium for retail warehouse properties as well as for inner-city shops. On 31 December 2014 the retail warehouse properties have an average yield of 6,9% (7,3% on 31 December 2013) and inner-city shops of 5,2% (5,5% on 31 December 2013).

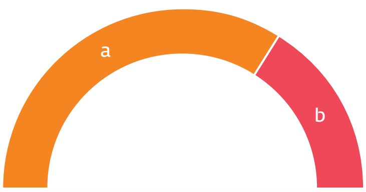
On 31 December 2014, the portfolio consists of 68% of inner-city shops, and of 32% retail warehouses.

The total fair value of the investment properties amounts to € 357 million on 31 December 2014.

On 31 December 2014 the risk spread is as follows:

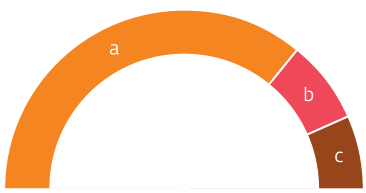
Type of retail property

a 68% High street shops
b 32% Retail warehouses



Geographic spread

a 72% Flanders
b 15% Brussels
c 13% Walloon region

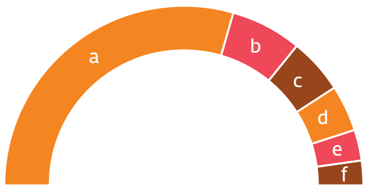


At present the portfolio is made up of 169 leasable units, spread over 69 different locations.

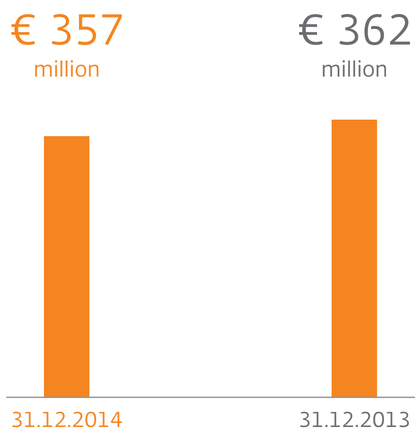
3 The graphs are composed on the basis of the annual rental income of 2014 and the real estate value on 31 December 2014.

Sector of tenants

a	63%	Clothing, shoes and accessoires
b	13%	Domestic articles, interior and do-it-yourself
c	10%	Leisure, luxury articles and personal care
d	6%	Specialised food shops and department stores
e	5%	TV, hifi, electrical articels, multimedia and telephone
f	3%	Others



Evolution of fair value of investment properties (million €)



REAL ESTATE PATRIMONY	31.12.2014	31.12.2013
Fair value of investment properties (€ 000)	356.536	361.678
Total leasable space (m²)	111.594	146.962
Occupancy rate (%)	97,9%	95,4%
Occupancy rate except buildings under renovation (%)	98,5%	96,0%

On 31 December 2014, the fair value of the **investment properties** of Vastned Retail Belgium amounts to € 357 million (€ 362 million). This decrease of € 5 million in 2014 compared to 31 December 2013 is mainly the combined effect of:

- the divestment of 19 non-strategic retail warehouses and inner-city shops on secondary locations with a fair value of € 42,9 million on 31 December 2013
- the acquisition of a premium high street shop in a prime location on Veldstraat in Ghent with a fair value of approximately € 26,7 million
- an increase in fair value of the existing real estate portfolio of € 11,1 million mainly for retail properties located in prime locations, in the inner-city of important cities as well as in retail parks in the periphery, through the sharpening of the yields.

1.4. Investments

For new investments, Vastned Retail Belgium focusses on high qualitative commercial real estate in prime locations in inner-cities of larger cities in Belgium, such as Antwerp, Brussels, Ghent and Bruges.

Acquisition of a premium high street shop in Ghent Veldstraat

After the acquisition in 2013 of the superb historical building on Steenstraat 38 in Bruges, Vastned Retail Belgium succeeded once again at the end of July 2014 to acquire a premium high street shop let to H&M, this time on Veldstraat 23-27 in Ghent. The commercial building is situated at the very best location of the Veldstraat, at the corner with the Bennesteeg and has a façade of 25 meters on the Veldstraat and of 28 meters on the Bennesteeg.

Ghent belongs to the top 3 of Belgian retail cities. The footfall on the Veldstraat amounts weekly to 150.000 people on average. Vastned Retail Belgium strengthens its position with this acquisition in Ghent where it owns also other retail properties on Veldstraat, Zonnestraat and Volderstraat.

The commercial space of this premium high street shop consists of a ground floor of 1.025 m² and a first floor of 850 m². On the first and second floor storage and social space are provided as well as technical space.

The commercial building was acquired for an investment value of approximately € 27,7 million at market rate yield. This acquisition generates for the property investment fund rental income of approximately € 1,1 million on an annual basis and contributes to the consolidated operating distributable result. The transaction was funded from the existing credit lines of the property investment fund and from the take-over of the credit facilities of the acquired company.

Ghent, Veldstraat - 2.690 m²

The acquisition of this commercial building fits into the investment strategy of Vastned Retail Belgium which focuses on premium high street shops in the most popular commercial streets in larger cities with a strong shopping district.

1.5. Divestments

In 2014, Vastned Retail Belgium divested a total of 19 non-strategic retail warehouse properties and inner-city shops in secondary locations with a total fair value of € 42,9 million or approximately 12% of its entire real estate portfolio.

The divestments concern Julianus Shopping Center in Tongeren and retail properties in Vilvoorde, Hoboken, Bree, Chênée, Flémalle, Genk, La Louvière, Malmédy, Mons, Sint-Pieters-Leeuw, Waterloo, Anvers, Westerlo, Hasselt and Wilrijk with a total gross commercial space of approximately 39.000 m².

The total sales price is about 1 % lower than the fair value on 31 December 2013 (fair value as estimated by the independent property expert of the company). The net sales price (after deduction of the sales costs and the VAT revision) lies approximately 4% lower than the fair value on 31 December 2013.

The common rental income of the divested retail properties amounts to € 3,6 million of approximately 16% of the total rental income of the company.

1.6. Intensification of investment strategy

Over the past year, Vastned Retail Belgium has achieved its stated goal of increasing the share of inner-city shops in the portfolio to 65%. Based on currently identifiable trends, Vastned Retail Belgium intends to intensify this strategy by pursuing a target of 75% for premium city high street shops. Premium cities are attractive shopping cities that have positive demographic growth, strong purchasing power, a historic city centre, are highly attractive to tourists and are home to national and international institutions and universities. These include cities such as Antwerp, Brussels, Bruges and Ghent. Vastned Retail Belgium will focus exclusively on the prime high streets in the historic centres of these cities. 49% of the portfolio is already invested in these types of locations. The aim is to achieve the strategic goal of investing 75% of the portfolio in these markets through acquisitions and divestments. For the remaining 25%, Vastned Retail Belgium will continue to invest in high-quality retail warehouse locations and inner-city locations in other cities.

Bruges, Steenstraat - 941 m²

1.7. Change from real estate investment company to regulated real estate company (RREC)

Following the publication of the Act of 12 May 2014 on regulated real estate companies and the Royal Decree of 13 July 2014 on regulated real estate companies, Vastned Retail Belgium decided to change its status in order to adopt the status of a public regulated real estate company ("public RREC").

In essence, for the company, it is about positioning itself as a REIT (Real Estate Investment Trust) in order to improve its visibility and its understanding by international investors and to avoid being considered as an "alternative investment fund", a qualification that will, going forward, be attached to real estate investment companies, which would imply respecting the economic model of an alternative investment fund, governed by the Act of 19 April 2014 on alternative investment funds and their managers, transposing the AIFMD directive.

For that reason, the company convened an extraordinary general meeting on 27 October 2014 to amend the articles of association of the company in view of the proposed status change. This extraordinary general meeting has approved the change unanimously. Since no exit right was exercised and all conditions precedent to which the change of the articles of association were subject, were fulfilled, Vastned Retail Belgium benefited of the status of public RREC immediately, with effect from 27 October 2014.

Vastned Retail Belgium is pleased with this new status, which corresponds better to the economic reality and provides an adjusted legal framework that is aligned with the capacity of Vastned Retail Belgium as an operating and commercial real estate company. This status allows Vastned Retail Belgium to continue its current activities in the interest of the company, its shareholders and other stakeholders.

2. FINANCIAL RESULTS 2014

2.1. Consolidated income statement[4]

in thousands €	2014	2013
Rental income	22.011	21.743
Rental-related expenses	-81	-72
Property management costs and income	43	37
Property result	**21.973**	**21.708**
Property charges	-2.468	-2.276
General costs and other operating costs and income	-1.223	-989
Operating result before result on portfolio	**18.282**	**18.443**
Result on disposals of investment properties	-1.870	273
Changes in fair value of investment properties	11.102	-3.030
Other result on portfolio	-1.305	-154
Operating result	**26.209**	**15.532**
Financial result (excl. changes in fair value - IAS 39)	-4.191	-4.891
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-1.240	1.586
Taxes	-290	-33
NET RESULT	**20.488**	**12.194**
Note:		
Operating distributable result	13.801	13.448
Result on portfolio	7.927	-2.911
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	-1.240	1.657

RESULT PER SHARE	2014	2013
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	4,03	2,40
Gross dividend (€)	2,72	2,65
Net dividend (€)	2,0400	1,9875

4 Between brackets comparable figures of financial year 2013.

Notwithstanding the divestment of approximately 12% of the real estate portfolio, rental income of Vastned Retail Belgium increases in 2014 by € 0,3 million or 1% through the acquisition of two inner-city shops in prime locations, indexations and rental renewals.

In 2014, **rental income** of Vastned Retail Belgium amounts to € 22,0 million (€ 21,7 million). The increase of € 0,3 million or 1% compared to 2013 is mainly due to the acquisition of two premium high streets shops in the centre of Bruges in May 2013 and in Ghent in July 2014, as well as to indexations of existing lease agreements and realised rental renewals, partly compensated by the divestment of approximately 12% of the real estate portfolio in 2014.

Property charges of the company increase in 2014 by € 0,2 million to - € 2,5 million (- € 2,3 million) as a result of higher technical costs for planned roof renovations and increased commercial costs, mainly brokers' fees for lettings.

General costs and other operating costs and income increase in 2014 to - € 1,2 million (- € 1,0 million) mainly through advice and publishing costs for the status change of the company from real estate investment company into public regulated real estate company.

Through the increase in rental income, compensated by the increase of property charges and general costs, the **operating result before result on portfolio** decreases in 2014 by € 0,1 million to € 18,3 million (€ 18,4 million).

The operating margin of Vastned Retail Belgium is 83% for financial year 2014 (85% in 2013).

The **result on disposals of investment properties** amounts to - € 1,9 million (€ 0,3 million) and comprises the loss which has been realised on the divestment of 19 non-strategic retail warehouse properties and inner-city shops on secondary locations. The total sales prices of the divested properties is approximately 1% lower than the fair value on 31 December 2013 (fair value as estimated by the independent property expert of the company). The net sales price (after deduction of the sales costs and the VAT revision) is approximately 4% lower than the fair value on 31 December 2013.

In 2014 the fair value of the existing real estate portfolio of Vastned Retail Belgium increases by 3% compared to the end of 2013. The **changes in fair value of investment properties** in 2014 are thus positive and amount to € 11,1 million compared to the negative changes in fair value of - € 3,0 million in 2013. This increase in fair value in 2014 comes mainly from retail properties in prime locations, in the inner-city of important cities as well as in retail parks in the periphery through the sharpening of the yields during 2014.

In 2014 the fair value of the existing real estate portfolio of Vastned Retail Belgium increases by 3% compared to the end of 2013 which confirms the quality of the portfolio.

The **other result on portfolio** amounts to - € 1,3 million and comprises the immediate write off of the difference in price of - € 1,1 million on the acquisition of the shares of the company Veldstraat 23-27 sa (owner of the premium high street shop in Ghent) at the end of July 2014. IFRS 3 is not applicable on this acquisition.

The **financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39))** amounts for financial year 2014 to - € 4,2 million (- € 4,9 million). The decrease of € 0,7 million or 14% results mainly from the start of interest rate swaps (for hedging credit facilities with a variable interest rate) at lower interest rates than the interest rate of the interest rate swaps which have expired. The average interest rate of the company for 2014 decreases to 3,2% including bank margins compared to 4,0% for financial year 2013.

For financial year 2014, the average interest rate of the outstanding credit facilities of the company amounts to 3,2% including bank margins (4,0 % in 2013).

Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) in 2014 include the increase of the negative market value of interest rate swaps that, in line with IAS 39, cannot be classified as cash flow hedging instruments, for an amount of - € 1,2 million (€ 1,6 million). This results from the decrease of the interest rate curve.

The **net result** of Vastned Retail Belgium amounts to € 20,5 million (€ 12,2 million) for financial year 2014 and can be divided in:

- the **operating distributable result** of € 13,8 million (€ 13,4 million) or an increase of € 0,4 million or approximately 3% mainly through lower financing costs as a result of interest rate swaps that start at lower interest rates
- the **result on portfolio** of € 7,9 million (- € 2,9 million) mainly as a result of the increase in fair value of the investment properties
- **changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements** for an amount of - € 1,2 million (€ 1,7 million).

For financial year 2014, the **operating distributable result** of Vastned Retail Belgium increases thus to € 13,8 million (€ 13,4 million). With 5.078.525 shares being issued, this represents a **gross dividend** of € 2,72 per share for financial year 2014 compared to € 2,65 in 2013. Herewith the gross dividend yield amounts to 4,7% based on the share price on 31 December 2014.

2.2. Consolidated balance sheet[5]

in thousands €	31.12.2014	31.12.2013
Non-current assets	357.023	362.265
Current assets	5.391	2.768
ASSETS	**362.414**	**365.033**
Shareholders' equity	**242.967**	**235.467**
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	120.910	121.877
Net result of financial year	20.494	12.194
Minority interests	167	0
Liabilities	**119.447**	**129.566**
Non-current liabilities	91.632	116.965
Current liabilities	27.815	12.601
SHAREHOLDERS' EQUITY AND LIABILITIES	**362.414**	**365.033**

On 31 December 2014, the fair value of the real estate portfolio amounts to € 357 million.

On 31 December 2014, the fair value of the **investment properties** of Vastned Retail Belgium amounts to € 357 million (€ 362 million). This decrease of € 5 million in 2014 compared to 31 December 2013 comes mainly from:

- the divestment of 19 non-strategic retail warehouse properties and inner-city shops in secondary locations with a total fair value of € 42,9 million on 31 December 2013
- the acquisition of a premium high street shop in a prime location on Veldstraat in Ghent with a fair value of approximately € 26,7 million
- an increase in fair value of the existing real estate portfolio of € 11,1 million mainly for retail properties located in prime locations, in the inner-city of important cities as well as in retail parks in the periphery through the sharpening of the yields.

On 31 December 2014, the real estate properties are valued at € 365 million (investment value) by the independent property experts. The fair value is the investment value minus the hypothetical transaction rights and costs that must be paid in the event of any future potential disposal.

Current assets amount to € 5 million (€ 3 million) and consist mainly of € 4 million assets held for sale for which the notarial deeds still have to be executed.

Thanks to a strict credit control the number of days of outstanding customers' credit is only 2 days.

5 Between brackets comparable figures of financial year 2013.

Shareholders' equity of the company amounts to € 243 million (€ 235 million). The share **capital** (€ 97 million) and the **share premium** (€ 4 million) have remained unchanged. The number of shares entitled to dividend amounts to 5.078.525 on 31 December 2014.

In 2014 the free float of the share remains unchanged at 34,5%.

On 31 December 2014, the **reserves** of the company amount to € 121 million (€ 122 million) and consist mainly of a reserve for the positive balance of the changes in fair value of the investment properties for € 132 million (€ 135 million), a reserve for the negative impact on the fair value of the estimated transaction rights and costs resulting from the hypothetical disposal of investment properties for - € 9 million (- € 9 million) and a reserve for the negative balance of the changes in fair value of hedging instruments for - € 3 million (- € 5 million).

Compared to 2013, **non-current liabilities** decrease to € 92 million (€ 117 million) and consist mainly of € 87 million long-term financings as well as the negative market value of € 5 million of non-current hedging instruments. The decrease results mainly from the realised sales of investment properties.

Current liabilities amount to € 28 million (€ 13 million) and consist mainly of € 20 million (€ 8 million) current financial debts (short-term financings progressing each time), of € 7 million in trade debts and other current debts and of € 1 million in deferred charges and accrued income.

The **debt ratio** of the company amounts to 31% on 31 December 2014 and has decreased by 3% compared to 31 December 2013 (34%) as a result of divestments of investment properties in 2014 and the increase in fair value of the existing real estate portfolio.

A low debt ratio of 31% on 31 December 2014 (34% on 31 December 2013) offers the company a stable balance-sheet position.

DATA PER SHARE	31.12.2014	31.12.2013
Number of shares entitled to dividend	5.078.525	5.078.525
Net value (fair value) (€)	47,81	46,37
Net value (investment value) (€)	49,59	48,13
Net value EPRA (€)	48,71	47,08
Share price on closing date (€)	57,97	52,40
Premium to net value (fair value) (%)	21%	13%
Debt ratio (max. 65 %) (%)	31%	34%

On 31 December 2014, the **net value** (fair value) of the share is € 47,81 (€ 46,37). Given that the share price on 31 December 2014 is € 57,97, the share of Vastned Retail Belgium is quoted with a premium of approximately 21% compared to this net value (fair value).

On 31 December 2014 the share price of Vastned Retail Belgium is € 57,97, offering a gross dividend yield of 4,7%.

2.3. Financial structure

On 31 December 2014, Vastned Retail Belgium has a conservative financial structure allowing it to continue to carry out its activities in 2015.

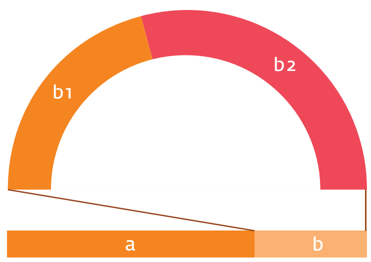
The most important characteristics of the financial structure on 31 December 2014 are:

- amount of financial debts: € 106 million
- 69% of the available credit lines at financial institutions are long-term financings with an average remaining duration of 2,1 years
- well-spread expiry dates of credit facilities between 2015 and 2018
- spread of credit facilities over 5 European financial institutions
- € 31 million of available non-withdrawn credit lines at financial institutions
- 75% of the withdrawn credit facilities have a fixed interest rate or are fixed through interest rate swaps, 25% have a variable interest rate
- fixed interest rates are fixed for a remaining period of 3,6 years in average
- average interest rate for 2014: 3,2% including bank margins (2013: 4,0%)
- market value of financial derivatives: € 4,6 million in negative
- limited debt ratio of 31% (legal maximum: 65%) (34% on 31 December 2013).

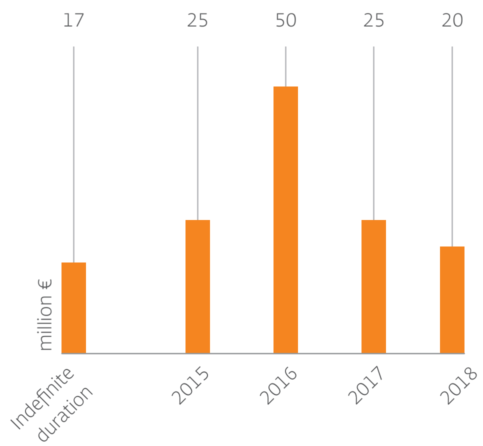
On 31 December 2014, 69% of the available credit lines at financial institutions are long-term financings. 31% of the credit lines are short-term financings with 13% consisting of credit facilities with an unlimited duration (€ 17,4 million) and 18% of a credit facility which has to be refinanced in the first quarter of 2015 (€ 25 million). For the refinancing of the latter credit facility, discussions are ongoing with the financial institution concerned.

Balance between long-term and short-term financings

a	Long-term credit facilities	69%
b	Short-term credit facilities	31%
b1	Credit facilities with indefinite duration	13%
b2	Credit facility expiring in the first quarter of 2015	18%



Expiry calendar credit lines



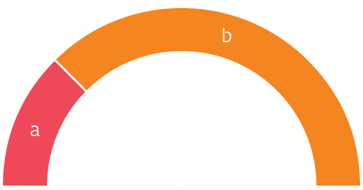
For the protection of its operating results against future interest rate fluctuations, Vastned Retail Belgium covers partially the interest rate fluctuations with interest rate swaps.

In the first semester of 2014 the company purchased an interest rate swap for a notional amount of € 15 million with a duration of 5 years as from 1 October 2014. This interest rate cover was realised at 0,72% which is substantially lower than the interest rate of the existing interest rate swap which amounted to 3,02% and expired on 1 October 2014 (with a notional amount of € 25 million).

On 31 December 2014 Vastned Retail Belgium has a notional amount of € 70 million active interest rate swaps at a weighted average interest rate of 1,87% (to increase by the bank margins). Furthermore, the company has one credit facility of € 10 million with a fixed interest rate of 3,40 %. Through these interest rate covers the interest rate for 75% of the withdrawn credit lines is fixed on 31 December 2014 for a remaining period of 3,6 years in average.

Percentage credit facilities with fixed and variable interest rate

a	25%	Variable interest rate
b	75%	Fixed interest rate



Brussels, Avenue Louise - 245 m²

3. OUTLOOK FOR 2015[6]

Vastned Retail Belgium intends to pursue this strategy further in 2015 by focusing explicitly on premium quality locations and properties. By the close of 2014, the aim of increasing the share of inner-city shops in the portfolio to at least 65% had been reached, with 68% of the portfolio consisting of inner-city retail properties. Currently, 49% of the portfolio is already invested in prime retail properties located in the prime high streets of the major cities of Antwerp, Brussels, Ghent and Bruges.

Vastned Retail Belgium has intensified its **investment strategy**. It now intends to achieve a 75% investment ratio in inner-city shops in Belgium over time. The share of prime retail properties in the most popular high streets in the major cities must in time amount to 50% of the entire real estate portfolio.

Acquisitions will only be made in major cities having strong shopping districts in which an authentic shopping experience is possible, such as Antwerp, Brussels, Ghent and Bruges. It would not be realistic to state short-term growth targets due to the fact that the market for high-quality products is still scarce. But it's expected that investments will pick up on the investment market in 2015, particularly in the prime high streets, where mainly private investors account for a large part of the total investment volume. The larger investors are focusing more on the shopping centres and retail parks, which have more reasonable investment yields (between 5,25% - 6% and 5,75% - 6,25%, respectively) than properties in the prime high streets (4%).

Making the shift to prime locations therefore implies a lower yield. Yields on prime locations in Antwerp, Brussels, Ghent and Bruges are currently about 4%, and sometimes even lower depending on a property's rental potential. Investing in these kinds of yields only makes economic sense if the rent levels make it possible to increase the rent.

Divestments will for the most part be made in an opportunistic way, and are only being considered for less strategic inner-city shops in smaller cities and less strategic retail warehouses or retail parks.

Absolute premium retail warehouse projects of Vastned Retail Belgium, such as the Gouden Kruispunt in Tielt-Winge, will remain in the portfolio. By means of active asset management, Vastned Retail Belgium is seeking to better exploit the commercial potential of its best retail warehouse projects through an optimisation of the tenant mix as well as investments in the buildings.

We are awaiting the impact of the move to shift responsibility for retail business to the regional level. This brings about uncertainty regarding future developments as well as potential disparities between the regions of Belgium. Flanders is clearly opting for city-centre developments in line with the 'Retail Memorandum' strategy. It's expected that the forthcoming regulations will impede future developments in the periphery and in turn boost the demand for prime locations in the periphery which are already licenced.

The annual CBRE Survey moreover gives Vastned Retail Belgium reason for hope. A predominantly positive sentiment is being noted among retailers. Nearly three-quarters of the retail chains surveyed by CBRE say they are thinking about expanding in the next twelve months, with one of every four looking at units with more surface area. Half of these chains are convinced of an increase in turnover, and slightly more than half expect rents to stay the same.

Veritas continues to be a success story to follow, as are two other local players, Zeb (Colruyt Group) and Lola & Liza. Internationally, we are awaiting the impact of the (planned) arrival of Uniqlo on the Meir in Antwerp and the expansion plans of Primark for Ghent, Brussels and Hasselt. The outlook for pure e-commerce players like Zalando is difficult to judge. Belgium has lagged behind in e-commerce for a long time, though it now finds itself at the European average in terms of volume. A portion of this volume goes to foreign retailers. It is estimated that the loss in turnover for local retailers amounts to about 3% to 4%.

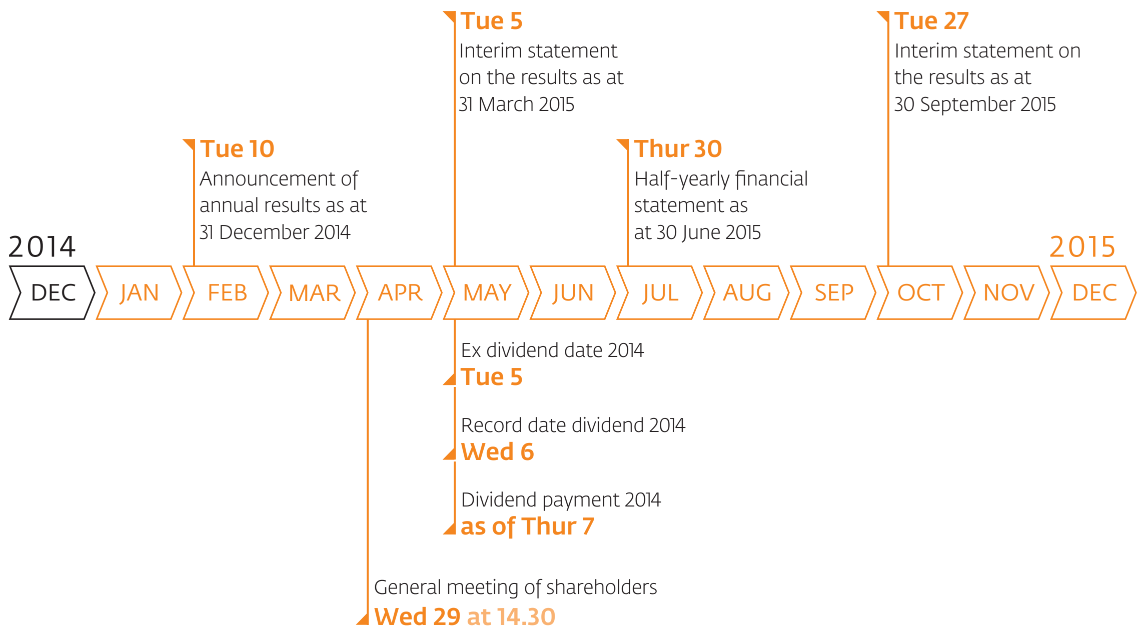
In regards to **future rent increases** stemming primarily from lease extensions that will be negotiated in 2015, Vastned Retail Belgium is mildly optimistic. A number of prime locations definitely have the potential for rent increases, but there are some cases in which we might have to be content with current rent levels. The rate of inflation will likely remain low.

In 2014, Vastned Retail Belgium divested 19 non-strategic high-yield retail warehouse properties and inner-city shops at secondary locations, thereby increasing the quality of the real estate portfolio. This means that the **distributable operating profit** is expected to be significantly lower in 2015 than in 2014. The actual decrease in the distributable operating profit will depend largely on the investments that the company is able to make in the prime high streets of major cities with healthy shopping districts in which an authentic shopping experience is possible, such as Antwerp, Brussels, Ghent and Bruges.

6 Market information in this text is based on Cushman & Wakefield, Vastned Retail Belgium Portfolio 31 December 2014, market overview p.12 - 18; CBRE Belgium Retailer Survey 2014, p.2 - 5; CBRE interview Kim Verdonck, dd. 14/1/2015 and CBRE's annual review of retail activity in 2014 and trends for 2015, p. 46-47.

vastned Retail Belgium

4. FINANCIAL CALENDAR 2015



The annual report for financial year 2014 will be available as from 27 March 2015 on the website of the company (www.vastned.be).

For more information, please contact:
VASTNED RETAIL BELGIUM SA, public regulated real estate company under Belgian law,
Inge Tas - CFO, T + 32 3 287 67 87, www.vastned.be.

ANNEXES: FINANCIAL STATEMENTS 2014[7]

CONSOLIDATED INCOME STATEMENT

in thousands €	2014	2013
Rental income	22.011	21.743
Rental-related expenses	-81	-72
NET RENTAL INCOME	**21.930**	**21.671**
Recovery of rental charges and taxes normally payable by tenants on let properties	1.506	1.548
Rental charges and taxes normally payable by tenants on let properties	-1.506	-1.548
Other rental-related income and expenses	43	37
PROPERTY RESULT	**21.973**	**21.708**
Technical costs	-582	-460
Commercial costs	-319	-215
Charges and taxes on unlet properties	-219	-168
Property management costs	-1.223	-1.229
Other property charges	-125	-204
PROPERTY CHARGES	**-2.468**	**-2.276**
OPERATING PROPERTY RESULT	**19.505**	**19.432**
General costs	-1.248	-1.066
Other operating income and costs	25	77
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**18.282**	**18.443**
Result on disposals of investment properties	-1.870	273
Changes in fair value of investment properties	11.102	-3.030
Other result on portfolio	-1.305	-154
OPERATING RESULT	**26.209**	**15.532**
Financial income	6	3
Net interest charges	-4.187	-4.883
Other financial charges	-10	-11
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-1.240	1.586
FINANCIAL RESULT	**-5.431**	**-3.305**
RESULT BEFORE TAXES	**20.778**	**12.227**
Corporate tax	-290	-33
Taxes	**-290**	**-33**
NET RESULT	**20.488**	**12.194**

7 The statutory auditor has confirmed that his full audit, which has been substantially completed, has not revealed material adjustments which would have to be made to the accounting information disclosed in this press release and that an unqualified auditor's report will be issued.

CONSOLIDATED INCOME STATEMENT (CONTINUED)

in thousands €	2014	2013
NET RESULT	**20.488**	**12.194**
Note:		
Operating distributable result	13.801	13.448
Result on portfolio	7.927	-2.911
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	-1.240	1.657
Attributable to:		
Equity holders of the parent company	20.494	12.194
Minority interests	-6	0

RESULT PER SHARE	2014	2013
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	4,03	2,40
Diluted net result (€)	4,03	2,40
Operating distributable result (€)	2,72	2,65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands €	2014	2013
NET RESULT	**20.488**	**12.194**
Other components of comprehensive income (recyclable in the income statement)		
Changes in the effective part of fair value of allowed hedging instruments that are subject to hedge accounting	297	1.499
COMPREHENSIVE INCOME	**20.785**	**13.693**
Attributable to:		
Equity holders of the parent company	20.791	13.693
Minority interests	-6	0

CONSOLIDATED BALANCE SHEET

ASSETS in thousands €	31.12.2014	31.12.2013
NON-CURRENT ASSETS	**357.023**	**362.265**
Intangible assets	3	7
Investment properties	356.536	361.678
Other tangible assets	477	560
Financial non-current assets	0	17
Trade receivables and other non-current assets	7	3
CURRENT ASSETS	**5.391**	**2.768**
Assets held for sale	4.156	0
Trade receivables	163	173
Tax receivables and other current assets	213	91
Cash and cash equivalents	339	1.860
Deferred charges and accrued income	520	644
TOTAL ASSETS	**362.414**	**365.033**

vastned Retail Belgium

CONSOLIDATED BALANCE SHEET (CONTINUED)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.12.2014	31.12.2013
SHAREHOLDERS' EQUITY	**242.967**	**235.467**
Shareholders' equity attributable to the shareholders of the parent company	**242.800**	**235.467**
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	120.910	121.877
Net result of financial year	20.494	12.194
Minority interests	**167**	**0**
LIABILITIES	**119.447**	**129.566**
Non-current liabilities	**91.632**	**116.965**
Non-current financial debts	86.906	113.712
Credit institutions	*86.900*	*113.700*
Financial lease	*6*	*12*
Other non-current financial liabilities	4.552	3.106
Other non-current liabilities	174	109
Deferred taxes - liabilities	0	38
Current liabilities	**27.815**	**12.601**
Provisions	205	0
Current financial debts	19.256	8.405
Credit institutions	*2.250*	*8.400*
Financial lease	*6*	*5*
Other current financial debts	*17.000*	*0*
Other current financial liabilities	0	521
Trade debts and other current debts	7.209	2.576
Other current liabilities	136	175
Deferred charges and accrued income	1.009	924
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**362.414**	**365.033**

vastned Retail Belgium

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

in thousands €	Share capital	Share premium	Reserves	Net result of financial year	Minority interests	TOTAL SHARE-HOLDERS' EQUITY
Balance at 31 December 2012	**97.213**	**4.183**	**115.020**	**18.664**	**0**	**235.080**
Comprehensive income of 2013			1.499	12.194		13.693
Transfer through result allocation 2012:						
Transfer from result on portfolio to reserves			7.415	-7.415		0
Transfer from changes in fair value of financial assets and liabilities			-2.090	2.090		0
Other mutations			33	-33		0
Dividends financial year 2012				-13.306		-13.306
Balance at 31 December 2013	**97.213**	**4.183**	**121.877**	**12.194**	**0**	**235.467**
Comprehensive income of 2014			297	20.494	-6	20.785
Transfer through result allocation 2013:						
Transfer from result on portfolio to reserves			-2.911	2.911		0
Transfer from changes in fair value of financial assets and liabilities			1.586	-1.586		0
Other mutations			61	-61		0
Minority interest Veldstraat 23-27 sa					173	173
Dividends financial year 2013				-13.458		-13.458
Balance at 31 December 2014	**97.213**	**4.183**	**120.910**	**20.494**	**167**	**242.967**