



Half-yearly financial report of the board of directors for the period 01.01.2018 to 30.06.2018

- The EPRA earnings¹ in the first semester of 2018, € 1,38 per share (€ 1,24 for the first semester of 2017).
- Continued implementation of the strategy to ensure that the share of core city assets in the real estate portfolio exceeds 75% in the long term.
- As at 30 June 2018, 59% of the real estate portfolio consists of core city assets and 41% of mixed retail locations (city centre shops, retail parks and retail warehouses).
- The voluntary and conditional takeover bid by Vastned Retail N.V. for Vastned Retail Belgium will not take place because the minimum acceptance percentage of 90% of the free float has not been reached within the only acceptance period.
- Realisation of 10 rental transactions representing approximately 6% of the total annual rental income.
- Occupancy rate as at 30 June 2018: 97% (99% as at 31 December 2017).
- Increase in the fair value of the existing real estate portfolio by € 0,4 million in the first semester of 2018.
- Limited debt ratio of 29% as at 30 June 2018.
- Expected gross dividend for 2018 between € 2,70 and € 2,80 per share.

¹ In accordance with the guidelines issued by the European Securities and Market Authority (ESMA), which have been applicable since 3 July 2016, the Alternative Performance Measures (APM) used by Vastned Retail Belgium are now included. The definitions and use of the APMs, as well as the reconciliation tables, are set out in the chapter "Alternative Performance Measures" of the Annual Report 2017 and a separate Lexicon regarding these APMs is available on the website www.vastned.be. A consequence of these guidelines is that the term used prior to this, "operating distributable result", was no longer usable and has been changed to "EPRA earnings". However, with regard to content there is no difference with "operating distributable result", the term used previously.

² With unchanged composition of the real estate portfolio compared with 31 December 2017.

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1. Interim management report for the first semester of 2018

In the first semester of 2018, Vastned Retail Belgium remained true to its investment strategy of focusing on core city assets. These are the prime retail properties located on the best shopping streets of the major cities of Antwerp, Brussels, Ghent and Bruges. Furthermore, the real estate portfolio consists of mixed retail locations, i.e. city centre shops outside the premium cities, retail parks and retail warehouses.

1.1. Operational result

In the first semester of 2018 there was a slight increase in rental income compared to the first semester of 2017, with a relatively unchanged composition of the real estate portfolio.

The EPRA earnings of Vastned Retail Belgium increased in the first semester of 2018 and amounted to € 7,0 million compared to € 6,3 million in the first semester of 2017. This increase of € 0,7 million is primarily due to the refinancing of the total loan portfolio as at 31/07/2017 on better terms. (0,6 million)

This represents EPRA earnings of € 1,38 per share compared to € 1,24 in the first semester of the previous financial year.



Mechelen - Bruul

1.2. Rental activities

In the first semester of 2018, Vastned Retail Belgium completed 10 rental transactions, 4 of which were in core city assets, which represent approximately 6% of the total annual rental income.

In the first semester of 2018, 4 rental transactions were concluded with new tenants for a total rental volume of € 0,2 million on an annual basis. This concerns 2 leases by splitting up an existing retail property, 1 lease following the departure of the previous tenant and 1 lease of an unoccupied unit. These 4 lease agreements represent roughly 1% of the company's total rental income. The new rent for these lease agreements is on average 9% lower than the rent for the previous rental agreements. This decrease in rental price represents only € 21.000, or 0,1% of the total annual rental income.

This decrease is mainly due to the re-leasing of a shop already leased where the current rent was brought down to the level of the current market rent.

Vastned Retail Belgium renewed 6 lease agreements with existing tenants in the first semester of 2018 for a total annual rental volume of € 1,1 million. These 6 lease agreements represent roughly 5% of the company's total rental income. On average, the new rental price for these lease agreements is 2% higher than the rent of the previous rental agreements.

Occupancy rate³

OCCUPANCY RATE (EXCLUDING BUILDINGS UNDERGOING RENOVATION)	30.06.2018	31.12.2017	30.06.2017
Core city assets	98%	100%	99%
Mixed retail assets	97%	98%	98%
Occupancy rate of the real estate portfolio	97%	99%	98%

The occupancy rate³ of the real estate portfolio as at 30 June 2018 was 97%, compared to 99% as at 31 December 2017. The fall in the occupancy rate is largely due to the completion of the premises located in Veldstraat, Ghent, where renovation

work was carried out to increase the leasability of the premises. Vastned Retail Belgium expects to lease these premises shortly.

1.3. Redevelopment

Redevelopment of a core city asset on Zonnestraat in Ghent

The redevelopment of this building, which started at the end of March 2017, into state-of-the-art retail premises and two residential apartments is gradually being completed.

In the meantime, the commercial premises have been taken up by the women's clothing brand YAYA and opened on 9 March 2018. The apartments above are expected to be completed in the course of the third quarter of 2018.



Ghent - Zonnestraat

1.4. Composition and evolution of the real estate portfolio as at 30 June 2018

As at 30 June 2018, 59% of the real estate portfolio of Vastned Retail Belgium consisted of core city assets, i.e. prime retail properties located in the best shopping streets of the major cities of Antwerp, Brussels, Ghent and Bruges (59% as at 31 December 2017). 41% of the portfolio consisted of mixed retail locations, i.e. city centre shops outside the premium cities, retail parks and retail warehouses (41% as at 31 December 2017).

As at 30 June 2018, the fair value of the investment properties amounted to € 379 million (€ 378 million as at 31 December 2017). This slight increase is mainly due to the CAPEX absorption of the premises located in Ghent, Veldstraat and Zonnestraat.

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.

REAL ESTATE PORTFOLIO	30.06.2018	31.12.2017	30.06.2017
Fair value of investment properties (in thousands €)	378.555	378.195	364.263
Investment value of investment properties (in thousands €)	388.019	387.650	373.369
Total leasable space (m ²)	89.868	89.877	88.684



Brussels - Elsenesteenweg



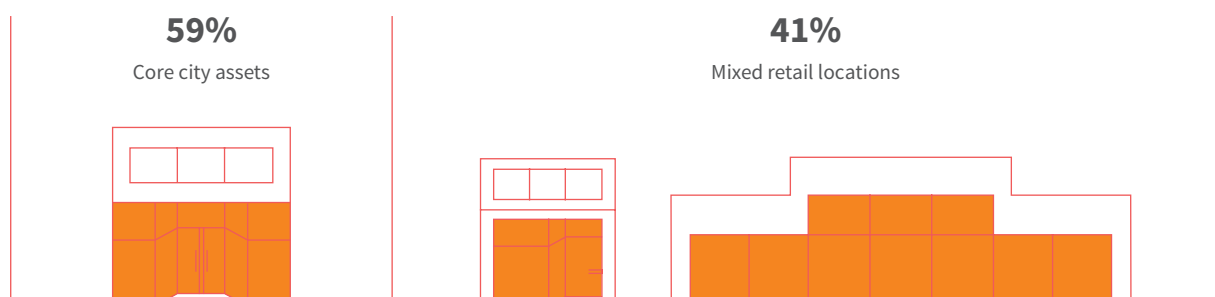
Antwerp - Steenhouwersvest

The average yield in the real estate company's portfolio is 5.41% in the first semester of 2018 and has increased slightly compared to 31 December 2017 (5,28% as at 31 December 2017). This increase is largely due to the completion of the 2 properties in the city centre of Ghent. As at 30 June 2018, the average yield in the Vastned Retail Belgium portfolio was 4,66% for its core city assets (4,47% as at 31 December 2017) and 6,49% for its mixed retail locations (6,45% as at 31 December 2017).

Vastned Retail Belgium focuses on a strategy based on commercial real estate, with respect for the criteria of risk spread in the real estate portfolio, relating to the type of building as well as to the geographic spread and the nature of the tenants.

As at 30 June 2018 this risk spread was as follows:

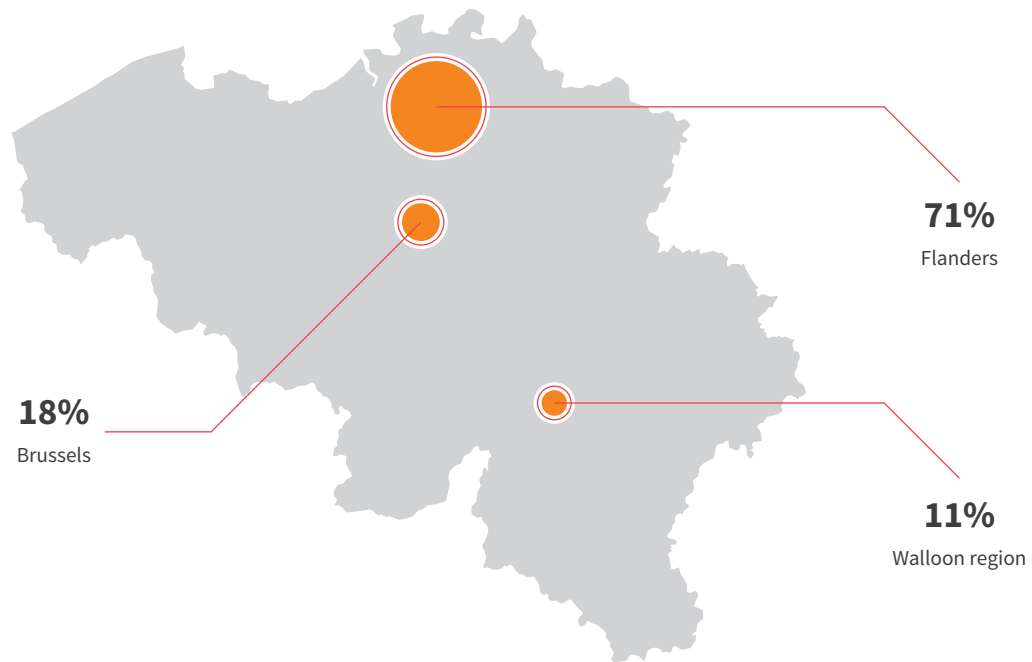
Type of retail property



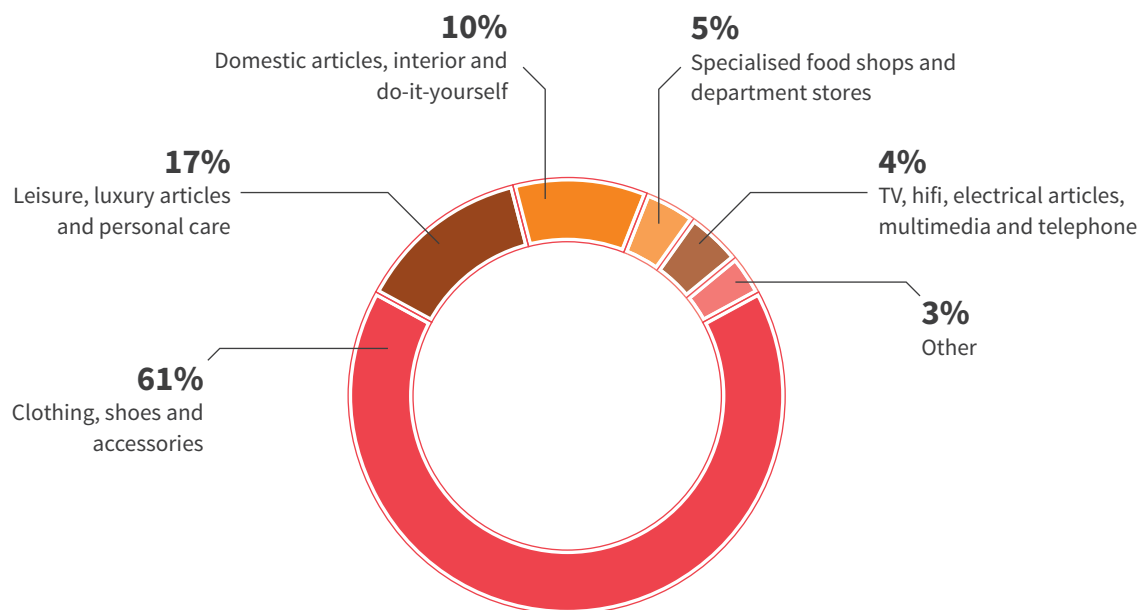
Vastned Retail Belgium intends to achieve a 75% investment ratio in core city assets in Belgium in due course. The company believes that these top locations guarantee the most

authentic and unique experience and also provide the most certainty as an investment object in the long run.

Geographic spread



Distribution per tenant by nature



Valuation of the portfolio by independent property experts as at 30 June 2018

Property expert	Fair value of investment properties (in thousands €)
Cushman & Wakefield	208.772
CB Richard Ellis	169.783
Total	378.555

1.5. Market situation of Belgian retail real estate in 2018⁴

Rental market

Rental activity during the first semester was below the annual average with a take up of 178.395 m².

Rents are under pressure in all segments (high street shops, shopping centres and out of town retail). Retailers' margins are under pressure and they are trying to renegotiate current rents or to link them to realised turnover. However, the prime rent for shops of 150 m² in Brussels and Antwerp remains stable. Rents for large shops are falling, even in top cities such as Antwerp and Brussels.

In the short and medium term, we expect this trend to continue and that market rents in commercial real estate will experience stagnation to slight decline.



Antwerp - Meir

⁴ Sources: Retail Focus 2018 and Retail Detail and Marketbeat 2018 (Cushman & Wakefield)

Investment market

During the first semester of 2018, the investment volume amounted to €1.300 million, which is exceptionally high. This was mainly due to the sale of Dockx Brussels, Woluwe Shopping Centre in Brussels and Rive Gauche in Charleroi. These 3 shopping centres were sold to international institutional investors.

Investment returns are no longer decreasing and are expected to increase slightly in the future, in line with bond interest.

1.6. Analysis of the results⁵

The rental income of Vastned Retail Belgium amounted to € 9,7 million in the first semester of 2018 (€ 9,5 million). The increase of € 0,2 million is mainly due to the indexation of the existing rental agreements and rent Steenhouwersvest.

The average interest rate for financing amounted to 1,72%, including bank margins, for the first semester of 2018 (3,1%).

The real estate costs amount to € 0,9 million (€ 1,0 million) and decreased by € 0,1 million mainly due to a decrease in commercial costs, specifically those relating to commissions and lawyers' fees. General costs amount to € 0,8 million (€ 0,6 million) and have increased by € 0,2 million compared to the first semester of 2017 as a result of additional (interim) personnel costs for continuity during 2 interruptions of fixed FTEs and an increase in consultancy costs relating to the takeover bid by the majority shareholder.

Changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39) in the first semester of 2017 include the decrease in the negative market value of the interest rate swaps that, in accordance with IAS 39, cannot be classified as a cash flow hedging instrument, for an amount of € 0,9 million. The negative effect for the first semester of 2018 amounts to - € 68K.

The fair value of the real estate portfolio decreased slightly in the first semester of 2018. The decrease in the fair value of the investment properties amounted to € 0,7 million. (increase € 13,7 million).

The net result of Vastned Retail Belgium for the first semester of 2018 amounted to € 6,3 million (€ 20,7 million) and can be split up into:

- The EPRA earnings of € 7,0 million (€ 6,3 million) or an increase of € 0,7 million, primarily due to the refinancing of the total loan portfolio as at 31/07/2017 on better terms. (0,6 million)
- The result on the portfolio of € -0,6 million. (€ 13,5 million)

The financial result (excl. changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39)) for the first semester of 2018 amounted to € 0,9 million (€ 1,5 million). The fall of 0,6 million is the result of refinancing of the total loan portfolio on better terms as at 31/07/2017.

For the first semester of 2018, this means EPRA earnings of € 1,38 (€ 1,24) per share, an increase of approximately 11%.

KEY FIGURES PER SHARE	30.06.2018	31.12.2017	30.06.2017
Number of shares entitled to dividend	5.078.525	5.078.525	5.078.525
Net result (6 months/1 year/6 months) (€)	1,25	6,83	4,08
EPRA earnings (6 months/1 year/6 months) (€)	1,38	2,62	1,24
Net value (fair value) (€)	52,68	54,05	51,31
Net value (investment value) (€)	54,57	55,83	53,09
Share price on closing date (€)	49,5	45	46,26
Premium (+) / discount (-) to net value (fair value) (%)	-6%	-17%	-10%

⁵ The figures between brackets are the comparative figures for the first semester of 2017.

As at 30 June 2018, the net value (fair value) of the share was € 52,68 (€ 54,05 as at 31 December 2017). Given that the share price as at 30 June 2018 was € 49,50, the share of Vastned Retail Belgium (VASTB) is quoted at a discount of 6% with respect to this net value (fair value). The debt ratio

of the RREC amounted to 29% as at 30 June 2018 (27% as at 31 December 2017). The increase stems from the dividend payment for financial year 2017 in May 2018 for an amount of € 13,3 million.

EPRA - KEY FIGURES*	30.06.2018	31.12.2017	30.06.2017
EPRA Earnings per share (€)	1,38	2,62	1,24
EPRA NAV per share (€)	53,17	54,52	51,79
EPRA NNNAV per share (€)	52,68	54,05	51,31
EPRA Net Initial Yield (NIY) (%)	4,6%	4,6%	4,6%
EPRA Topped-up NIY (%)	4,7%	4,7%	4,8%
EPRA Vacancy rate (%)	3,1%	0,9%	1,6%
EPRA Cost Ratio (including direct vacancy costs)	18,0%	14,7%	17,3%
EPRA Cost Ratio (excluding direct vacancy costs)	17,7%	14,7%	16,8%

1.7. Financial structure as at 30 June 2018

Vastned Retail Belgium has a conservative financial structure as at 30 June 2018 allowing it to continue to carry out its activities in 2018. In the first semester of 2017, Vastned Retail Belgium began refinancing its entire loans portfolio. This refinancing had its impact in the course of the third quarter of 2017. The result of this refinancing is an extension of the term of the credit lines, a good spread of maturity dates and a drop in average interest rates.

The most important characteristics of the financial structure as at 30 June 2018 are:

- Amount of withdrawn financial debts: € 107 million (excluding the market value of financial derivatives).
- 92% of credit lines are long-term financing with an average remaining term of 4,8 years. Some 8% of the credit lines are short-term, open-ended financing.

Proportion of long-term and short-term credit facilities

92%
Long-term credit facilities



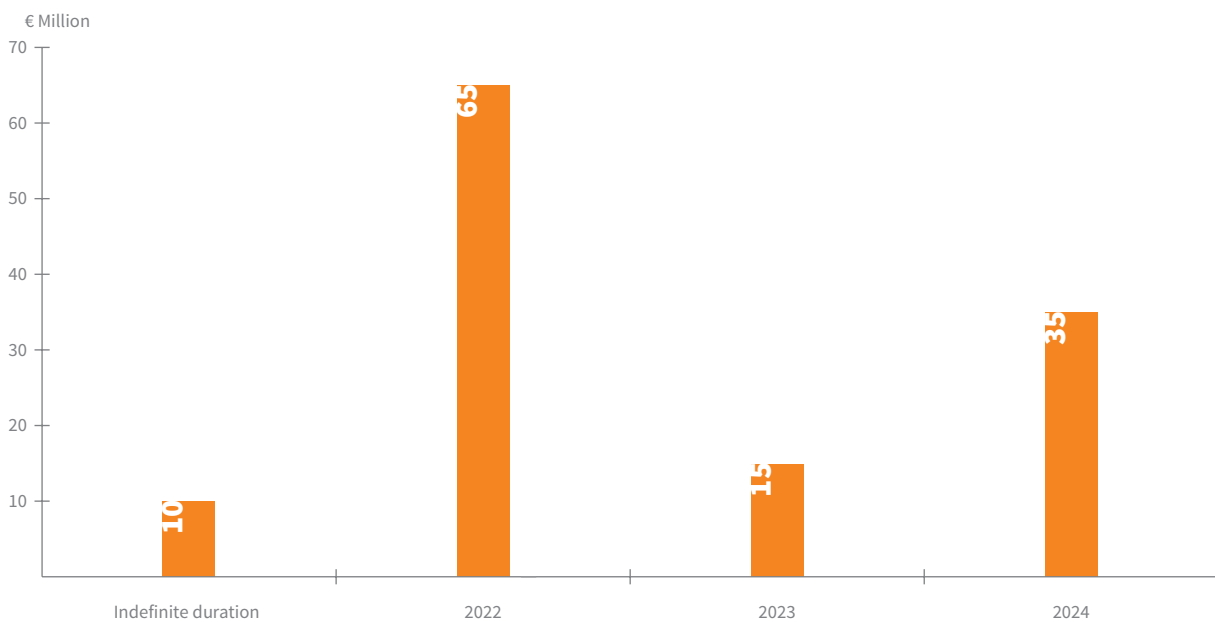
8%
Short-term credit facilities,
of which 100% with limited maturity



* The statutory auditor has verified whether the "EPRA earnings", "EPRA NAV" and "EPRA NNNAV" ratios were calculated according to the EPRA BPR definitions of December 2014, and whether the data used for the calculation of these ratios correspond with the accounting data of the consolidated financial statements..

- Expiry dates of the credits between 2022 and 2024
- Spread of credit facilities over 4 European financial institutions;
- € 17,9 million of available non-withdrawn credit lines to cover the fluctuations of cash needs and for financing future investments
- 64% of the credit facilities have a fixed rate or are fixed by means of interest rate swaps, 36% have a variable rate.
- Fixed interest rates are set for a remaining period of 5 years on average;
- Average interest rate for the first semester of 2018: 1.72% including bank margins (3.1% for the first semester 2017).
- Value of financial derivatives: € 1,9 million negative.
- Limited debt ratio of 28.81% (27% as at 31 December 2017) (legal maximum: 65%)
- In the first semester of 2018 there were no changes made to the existing agreements contracted, and the RREC fulfilled these agreements as at 30 June 2018.

Due dates calendar of credit lines



Brussels - Elsenesteenweg

1.8. Takeover bid by Vastned Retail N.V.

On 12 April 2018, Vastned Retail N.V., which directly and indirectly holds 65.49% of the shares in Vastned Retail Belgium, issued a voluntary and conditional takeover bid on all shares in Vastned Retail Belgium that are not yet in its possession. One of the conditions of the offer was that shareholders had to offer at least 90% of the free float during the only accep-

tance period which ran from 2 May through 1 June 2018. During this period, 1.2 million shares were contributed to the takeover bid, or 70% of the free float. This means that the minimum acceptance percentage of 90% has not been achieved and the takeover bid will not proceed any further.

1.9. Risks for the remaining months of 2018

Vastned Retail Belgium estimates the main risk factors and uncertainties for the remaining months of the 2018 financial year as follows:

Rental risks

Given the nature of the buildings which are mainly let to national and international retailers, the real estate portfolio is to a certain degree sensitive to the economic situation. However, in the short term no direct risks are recognised that could fundamentally influence the results of the 2018 financial year. Furthermore, there are clear and efficient internal control procedures within the company to limit this risk of default.

In the current economic situation there is an increased risk of vacancy outside the absolute prime locations. This increased risk could lead to a decrease in the value of the real estate portfolio in the second half of 2018.

Evolution of the value of the portfolio

To a certain degree, the value of the investment properties of Vastned Retail Belgium is sensitive to the economic situation.

Evolution of interest rates

Due to financing with borrowed capital, the return generated by the company depends on changes in interest rates. To limit this risk an appropriate ratio between borrowed capital with a variable interest rate and borrowed capital with a fixed interest rate is pursued during the composition of the credit facilities portfolio. As at 30 June 2018, 75% of the utilised credit facilities portfolio had a fixed interest rate, or the rate was fixed by means of interest rate swaps. 25% of the credit facilities portfolio has a variable interest rate which is subject to (un)foreseen rises of the currently low interest rates.

1.10. Outlook for 2018

The demand of retailers for available shop space remains below the annual average. This will increase vacancy rates, especially in the smaller cities. There is too little inflow of new international retailers, which means there are vacancies here and there even in the best streets. Retailer margins remain under pressure, among other things because of e-commerce.

Top cities such as Antwerp, Brussels and Ghent must ensure their accessibility for interested shoppers.

The hospitality sector continues to develop with nice formats that provide the necessary “look & feel” in our shopping streets.

Investments

The supply of top-sellers in the “core cities” is thin. By maintaining close contacts with all players on the retail property market,

Vastned Retail Belgium has a good insight into available investment objects.

Redevelopments

Further growth in the premium segment can also be achieved by renovating and upgrading properties in the existing portfolio.

The redevelopment of the building at Zonnestraat 10 is gradually being completed. In the meantime, the commercial premises have been taken up by the women's clothing brand YAYA. The apartments above are expected to be completed in the course of the third quarter of 2018.



Brussels - Elsensesteenweg

Divestments

With the current high-quality portfolio of the real estate company, divestments are not a priority within the strategy. Nevertheless, opportunistic divestments of non-core city assets - such as non-strategic mixed retail locations (i.e. city centre shops outside the premium cities, retail parks and retail warehouses) - are being considered

Gross dividend financial year 2018

Based on the half-yearly results and the forecasts as at 30 June 2018, Vastned Retail Belgium expects to be able to propose to its shareholders a gross dividend per share of between € 2,70 and € 2,80 for the 2018 financial year (compared to € 2,62 for the 2017 financial year). Based on the closing price on 30 June 2018 (€ 49,50), this equates to a gross dividend yield of between 5,6% and 5,8%.



Ghent - Zonnestraat

2. Consolidated condensed half-yearly figures

2.1. Condensed consolidated income statement

IN THOUSANDS €	30.06.2018	30.06.2017
Rental income	9.672	9.460
Rental-related expenses	-70	-67
NET RENTAL INCOME	9.602	9.393
Recovery of rental charges and taxes normally payable by tenants on let properties	1.110	1.140
Rental charges and taxes normally payable by tenants on let properties	-1.110	-1.140
Other rental-related income and expenses	45	30
PROPERTY RESULT	9.647	9.423
Technical costs	-260	-210
Commercial costs	-69	-178
Charges and taxes on unlet properties	-35	-47
Property management costs	-528	-528
Other property charges	-2	-17
Property charges	-894	-980
OPERATING PROPERTY RESULT	8.753	8.443
General costs	-820	-634
Other operating income and costs	6	16
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	7.939	7.825
Result on disposals of investment properties	0	-21
Changes in fair value of investment properties	-742	13.705
Other result on portfolio	107	-196
OPERATING RESULT	7.304	21.313
Financial income	10	4
Net interest costs	-867	-1.468
Other financial charges	-2	-2
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-68	942
Financial result	-927	-524
RESULT BEFORE TAXES	6.377	20.789
Taxes	-30	-61
NET RESULT	6.347	20.728

IN THOUSANDS €	30.06.2018	30.06.2017
NET INCOME	6.347	20.728
Note::		
EPRa earnings	7.021	6.290
Result on portfolio	-635	13.488
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	-39	950
Attributable to:		
Shareholders of the parent company	6.347	20.728
Minority interests	0	0

BALANCE SHEET INFORMATION PER SHARE	30.06.2018	30.06.2017
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	1,25	4,08
Diluted net result (€)	1,25	4,08
EPRa earnings (€)	1,38	1,24

2.2. Condensed consolidated statement of comprehensive income

IN THOUSANDS €	30.06.2018	30.06.2017
NET RESULT	6.347	20.728
Other components of comprehensive income (recyclable through income statement)	0	0
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	6.347	20.728
Attributable to:		
Shareholders of the parent company	6.347	20.728
Minority interests	0	0

2.3. Condensed consolidated balance sheet

ASSETS IN THOUSANDS €	30.06.2018	31.12.2017
Non-current assets	379.079	378.759
Intangible non-current assets	17	15
Investment properties	378.555	378.195
Other tangible non-current assets	504	546
Trade receivables and other non-current assets	3	3
Current assets	2.907	1.907
Assets held for sale	0	0
Trade receivables	439	373
Tax receivables and other current assets	51	151
Cash and cash equivalents	617	367
Deferred charges and accrued income	1.800	1.016
TOTAL ASSETS	381.986	380.666
SHAREHOLDERS' EQUITY AND LIABILITIES IN THOUSANDS €	30.06.2018	31.12.2017
Shareholders' equity	267.548	274.508
Shareholders' equity attributable to shareholders of the parent company	267.548	274.508
Share capital	97.213	97.213
Share premiums	4.183	4.183
Reserves	159.805	138.443
Net result of the financial year	6.347	34.669
Minority interests	0	0
Liabilities	114.438	106.158
Non-current liabilities	100.740	98.146
Non-current financial debts	98.125	95.625
<i>Credit institutions</i>	98.125	95.625
Other non-current financial liabilities	1.949	1.880
Other non-current liabilities	147	145
Deferred tax - liabilities	519	496
Current liabilities	13.698	8.012
Provisions	269	269
Current financial debts	9.000	4.400
<i>Credit institutions</i>	9.000	4.400
Other current financial debts	0	0
Trade debts and other current debts	2.193	2.107
Other current liabilities	575	625
Deferred charges and accrued income	1.661	611
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	381.986	380.666

2.4. Condensed consolidated cash flow statement

IN THOUSANDS €	30.06.2018	30.06.2017
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	367	320
1. Cash flow from operating activities	7.635	5.909
Operational result	7.304	21.313
Interest paid	-873	-1.457
Other non-operating elements	-90	883
Adjustment of result for non-cash flow transactions	879	-14.509
• Depreciations on intangible and other tangible fixed assets	46	44
• Income from disposal of investment properties	0	21
• Spread of rental discounts and benefits granted to tenants	131	-124
• Changes in fair value of investment properties	742	-13.705
• Other result on portfolio	-107	196
• Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	68	-942
Change in working capital	415	-320
• Movements of assets	231	551
• Movements of liabilities	184	-871
2. Cash flow from investment activities	-1.131	80
Acquisitions of intangible and other tangible fixed assets	-6	-51
Acquisitions of investment properties	0	0
Investments in existing investment properties	-1.116	-400
Income from disposal of investment properties	0	541
Prepaid investment invoices	-9	-9
3. Cash flow from financing activities	-6.254	-5.162
Repayment of loans	0	0
Drawdown of loans	7.100	7.250
Resolution of IRS	0	0
Repayment of financial lease liabilities	0	0
Receipts from non-current liabilities as guarantee	2	30
Dividend paid	-13.356	-12.442
CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER	617	1.147

2.5. Condensed statement of changes in the consolidated shareholders' equity

IN THOUSANDS €	Share capital	Share premium	Reserves	Net result of the financial year	Minority interests	Total shareholders' equity
Balance sheet as at 31 December 2016	97.213	4.183	130.352	20.533	0	252.281
Comprehensive income 2017				34.669		34.669
Transfer because of profit appropriation 2016:						
Transfer from result on portfolio to reserves			7.136	-7.136		0
Transfer of changes in fair value of financial assets and liabilities			889	-889		0
Other changes			66	-66		0
Dividends financial year 2016				-12.442		-12.442
Balance sheet as at 31 December 2017	97.213	4.183	138.443	34.669	0	274.508
Comprehensive income of first semester 2018				6.347		6.347
Transfer because of profit appropriation 2017:						
Transfer from result on portfolio to reserves			20.003	-20.003		0
Transfer of changes in fair value of financial assets and liabilities			885	-885		0
Other changes			474	-474		0
Dividends financial year 2017				-13.306		-13.305
Balance sheet as at 30 June 2018	97.213	4.183	159.805	6.347	0	267.549

2.6. Notes to the consolidated condensed half-yearly figures

Condensed consolidated income statement by segment

BUSINESS SEGMENT	Core city assets		Mixed retail locations		Corporate		TOTAL	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2018	30.06.2017
IN THOUSANDS €								
Rental income	4.907	4.736	4.764	4.724			9.672	9.460
Rental-related expenses	5	0	-74	-67			-70	-67
Property management costs and income		0	45	30			45	30
PROPERTY RESULT	4.912	4.736	4.735	4.687			9.647	9.423
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	4.366	4.169	4.312	4.198		-740	7.939	7.825
Result on disposals of investment properties	0	0	0	-21			0	-21
Changes in fair value of investment properties	-1.313	6.490	571	7.215			-742	13.705
Other result on portfolio	55	36	53	-232			107	-196
OPERATING RESULT OF THE SEGMENT	3.108	10.695	4.936	11.160		-740	7.304	21.313
Financial result						-927	-927	-524
Taxes						-30	-30	-61
NET RESULT	3.108	10.695	4.936	11.160		-1.697	6.347	20.728

BUSINESS SEGMENT: KEY FIGURES	Core city assets		Mixed retail locations		TOTAL	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2018	30.06.2017
IN THOUSANDS €						
Fair value of investment properties	223.976	213.791	154.580	150.472	378.555	364.263
Investments during the financial year	1.002	3	101	397	1.103	400
Divestments during the financial year (fair value)	0	0	0	-561	0	-561
Investment value of investment properties	229.576	219.135	158.444	154.234	388.019	373.369
Total leasable space (m ²)	24.535	23.634	65.333	65.050	89.868	88.684
Occupancy rate (%)	98%	99%	97%	98%	97%	98%

Principles for preparation of the half-yearly figures

The condensed consolidated half-yearly figures are prepared on the basis of the principles of financial reporting in accordance with IAS 34 "Interim financial reporting". In these

condensed half-yearly figures the same principles of financial information and calculation methods are used as those used for the consolidated annual accounts as at 31 December 2017.

New or amended standards and interpretations effective for the financial year starting on 01 January 2018

Published standards and interpretations effective in 2018

The following amendments have no material impact on the presentation, explanation or results of the RREC:

IFRS 9 - Financial instruments

IFRS 9 was published by the IASB in July 2014 and adopted by the EU in November 2016. IFRS 9 includes provisions about the classification and valuation of financial assets and financial liabilities, impairments of financial assets and general provisions of hedge accounting. IFRS 9 largely replaces IAS 39 - Financial instruments Recognition and Measurement.

Based on an analysis of Vastned Retail Belgium's situation as at 30 June 2018, IFRS 9 has no material impact on the consolidated financial statements.

IFRS 15 - Revenue from contracts with customers

IFRS 15 provides a unique and all-encompassing model of principles that an entity must apply for the accounting treatment of revenue arising from a contract with a customer. Upon entering into force, this new standard replaces both IAS 18 with respect to revenue from the sale of goods and the provision of services as well as IAS 11 with respect to projects in progress commissioned by third parties and the related interpretations.

Based on an analysis of Vastned Retail Belgium's situation as at 30 June 2018, IFRS 15 has no material impact on the consolidated financial statements.

Published standards and interpretations not yet effective in 2018

IFRS 16 - Lease Agreements

IFRS 16 provides a comprehensive model for the identification of lease agreements and their accounting treatment in the financial statements of both lessor and lessee. Upon entering into force, this standard replaces IAS 17 - Lease agreements and the accompanying interpretations. IFRS 16 has not yet been approved within the European Union.

IFRS 16 introduces significant changes with respect to the accounting treatment of lease agreements by the lessee, eliminating the distinction between operating and financial leases and recognising assets and liabilities for all lease agreements (except exceptions for short term leases or low value assets). In contrast to the treatment of lease agreements by the lessee, IFRS 16 retains virtually all of the provisions of IAS 17 - Lease agreements relating to the lessor's treatment of

lease agreements. This means that the lessors must permanently classify the lease agreements as operating or financial lease agreements.

Since Vastned Retail Belgium acts almost exclusively as lessor and has not opted to re-evaluate whether a contract is or contains a lease agreement in comparison with IAS 17, it is expected that IFRS 16 will not have a material impact on the consolidated financial statements. In the limited number of cases where Vastned Retail Belgium is the lessee in lease agreements classified as operational leases under IAS 17 and these contracts are not among the exceptions provided for in IFRS 16 (e.g. real estate used by the group), a right of use and corresponding obligation will have to be recognised in the consolidated financial statements.

Evolution of investment properties

	30.06.2018			30.06.2017		
	Core city assets	Mixed retail locations	Total	Core city assets	Mixed retail locations	Total
IN THOUSANDS €						
Balance sheet as at 1 January	224.288	153.907	378.195	207.297	143.422	350.719
Investments in existing investment properties	1.002	101	1.103	3	397	400
Acquisition of shares of real estate companies				0	0	0
Acquisitions of investment properties				0	0	0
Disposals of investment properties				0	-561	-561
Changes in fair value of investment properties	-1.313	571	-742	6.491	7.214	13.705
Balance sheet as at 30 June	223.976	154.579	378.555	213.791	150.472	364.263
OTHER INFORMATION						
Investment value of real estate properties	229.576	158.444	388.019	219.136	154.233	373.369

Investment properties are recorded at fair value. The fair value is determined based on one of the following levels of the fair value hierarchy:

- Level 1: measurement is based on quoted market prices in active markets
- Level 2: measurement is based on (externally) observable information, either directly or indirectly
- Level 3: measurement is based either fully or partially on information that is not (externally) observable.

IFRS 13 classifies investment properties as level 3.

Overview of future minimum rental income

The cash value of the future minimum rental income until the first expiry date of the lease contracts has as at 30 June 2017 the following collection terms:

IN THOUSANDS €	30.06.2018	30.06.2017
Receivables with a remaining duration of:		
• Less than one year	18.165	18.482
• Between one and five years	15.542	21.057
• More than five years	0	0
Total of the future minimum rental income	33.707	39.539

Non-current and current liabilities

An update of the financial structure as at 30 June 2018 is given in paragraph 1.7. (supra) of the interim report.

In the first semester of 2017, Vastned Retail Belgium began refinancing its entire loans portfolio. This refinancing had its

impact in the course of the third quarter of 2017. The result of this refinancing is an extension of the term of the credit lines, a good spread of maturity dates and a drop in average interest rates.

Financial instruments

The major financial instruments of Vastned Retail Belgium consist of financial and commercial receivables and debts,

cash and cash equivalents as well as financial instruments of the interest rate swap type (IRS).

Summary of financial instruments			30.06.2018		31.12.2017	
(IN THOUSAND €)	Catego- ries	Level	Book value	Fair value	Book value	Fair value
FINANCIAL INSTRUMENTS (ASSETS)						
Non-current assets						
Non-current financial assets	C	2	0	0	0	0
Trade receivables and other non-current assets	A	2	3	3	3	3
Current assets						
Trade receivables	A	2	439	439	373	373
Tax receivables and other current assets	A	2	51	51	151	151
Cash and cash equivalents	B	2	617	617	367	367
FINANCIAL INSTRUMENTS - LIABILITIES						
Non-current liabilities						
Non-current financial debts (interest-bearing)	A	2	98.125	98.125	95.625	95.625
Other non-current financial liabilities	C	2	1.948	1.948	1.880	1.880
Other non-current liabilities	A	2	147	147	145	145
Current liabilities						
Current financial debts (interest-bearing)	A	2	9.000	9.000	4.400	4.400
Other current financial debts	C	2	0	0	0	0
Trade debts and other current debts	A	2	2.193	2.193	2.107	2.107
Other current liabilities	A	2	575	575	626	626

The categories correspond to the following financial instruments:

- A. Financial assets or liabilities (including receivables and loans) held to maturity and measured at amortised cost
- B. Investments held to maturity and measured at amortised cost
- C. Assets and liabilities held at fair value through the income statement, with the exception of financial instruments defined as hedging instruments.

Financial instruments are recognised at fair value. The fair value is determined based on one of the following levels in the fair value hierarchy:

- Level 1: measurement is based on quoted market prices in active markets
- Level 2: measurement is based on (externally) observable information, either directly or indirectly
- Level 3: measurement is based either fully or partially on information that is not (externally) observable

The financial instruments of Vastned Retail Belgium correspond to Level 2 of the fair value hierarchy. The valuation techniques relating to the fair value of level 2 financial instruments are mentioned in the 2017 annual report in Note 19 Financial instruments.

As at 30 June 2018, the company was in possession of the following financial derivatives:

IN THOUSANDS €		Start date	End date	Interest rate	Contractual notional amount	Hedge accounting	Fair value		
							Yes/No	30.06.18	31.12.17
1	IRS	31/07/17	31/07/22	0,9100%	€ 15.000	No	-385	-375	
2	IRS	31/07/17	31/07/22	1,0100%	€ 10.000	No	-298	-296	
3	IRS	28/07/17	31/07/22	0,8850%	€ 5.000	No	-125	-121	
4	IRS	31/07/17	31/07/23	0,9520%	€ 15.000	No	-413	-394	
5	IRS	31/07/17	31/07/24	0,9550%	€ 10.000	No	-230	-208	
6	IRS	31/07/17	31/07/24	1,0940%	€ 15.000	No	-497	-486	
Other non-current financial liabilities								-1.948	-1.880
Other current financial debts								0	0
Total fair value of financial derivatives								-1.948	-1.880

As at 30 June 2018, these interest rate swaps had a negative market value of € -1,9 million (contractual notional amount of € 70 million), which is determined by the issuing financial institution on a quarterly basis.

Vastned Retail Belgium did not classify any interest rate swaps as a cash flow hedge as at 30 June 2018. The value fluctuations of all existing interest rate swaps are directly included in the income statement

Related parties

No modifications have occurred during the first semester of 2018 regarding the type of transactions with related parties as described in Note 21 of the Financial report of the 2017 annual report.

Off-balance sheet obligations

In the first semester of 2018, there have been no changes in the off-balance sheet obligations as described in Note 25 of the Financial report of the Annual report 2017.

Events after the balance sheet date

There are no significant events to be mentioned that occurred after the closing of the accounts as at 30 June 2018.



Antwerp - Steenhouwersvest

2.7. Statutory auditor's report

Report of the statutory auditor to the shareholders of Vastned Retail Belgium nv on the review of the Condensed Consolidated Half-yearly Figures as of 30 June 2018 and for the six-month period then ended.

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Vastned Retail Belgium nv (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2018 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated cash flow statement and condensed statement of changes in consolidated equity for the six-month period then ended, and explanatory notes, collectively, the "Condensed Consolidated Half-yearly Figures". These statements show a consolidated balance sheet total of € 381.986 thousand and a consolidated profit for the six-month period of € 6.347 thousand. The board of directors is responsible for the preparation and presentation of these Condensed Consolidated Half-yearly Figures in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34") as adopted by the European Union. Our responsibility is to express a conclusion on these Condensed Consolidated Half-yearly Figures based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Half-yearly Figures are not prepared, in all material aspects, in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Brussels, 30 July 2018

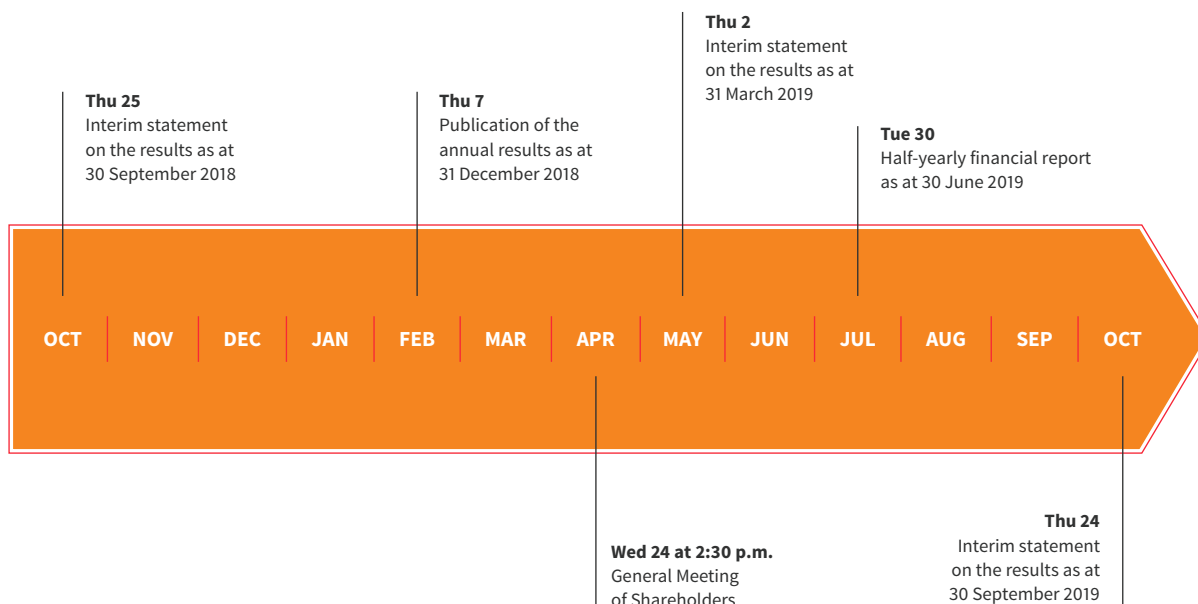
Ernst & Young Bedrijfsrevisoren bcvba/Ernst & Young Réviseurs d'Entreprises scrl

Auditor
represented by

Joeri Klaykens*
Partner

* Acting on behalf of a bvba/sprl

2.8. Financial calendar



3. Statement regarding the half-yearly financial report

In accordance with Article 13 § 2 of the Royal Decree of 14 November 2007, the Board of Directors, composed of Jean-Pierre Blumberg (chairman), Taco de Groot, Reinier Walta, Peggy Deraedt, Anka Reijnen and Lieven Cuvelier, declares that according to its knowledge:

- the condensed half-yearly figures, prepared in accordance with the principles of financial information in accordance with IFRS and in accordance with IAS 34 "Interim Financial Information" as accepted by the European Union, give a true and fair view of the equity, the financial position and the results of Vastned Retail Belgium and the companies included in the consolidation
- the interim management report gives a true statement of the main events which occurred during the first six

months of the current financial year, their influence on the condensed half-yearly figures, the main risk factors and uncertainties regarding the remaining months of the financial year, as well as the main transactions between related parties and their possible effect on the condensed half-yearly figures if these transactions should have a significant importance and were not concluded at normal market conditions.

- the information in the interim management report coincides with reality and no information has been omitted the statement of which could modify the tenor of the interim management report.

These condensed half-yearly figures were approved for publication by the board of directors on 30 July 2018.

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 property, 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 (city centre shops outside the premium cities, retail parks and high quality retail warehouses). The RREC intends to achieve a 75% investment ratio in core city assets in due course.

For more information, please contact:

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Taco de Groot, Rudi Taelmans or Reinier Walta, Tel. +32 3 361 05 90 www.vastned.be

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, and tax, competitive along with environmental factors. Vastned Retail Belgium cannot guarantee that the assumptions underlying the prospective information are free of error.



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