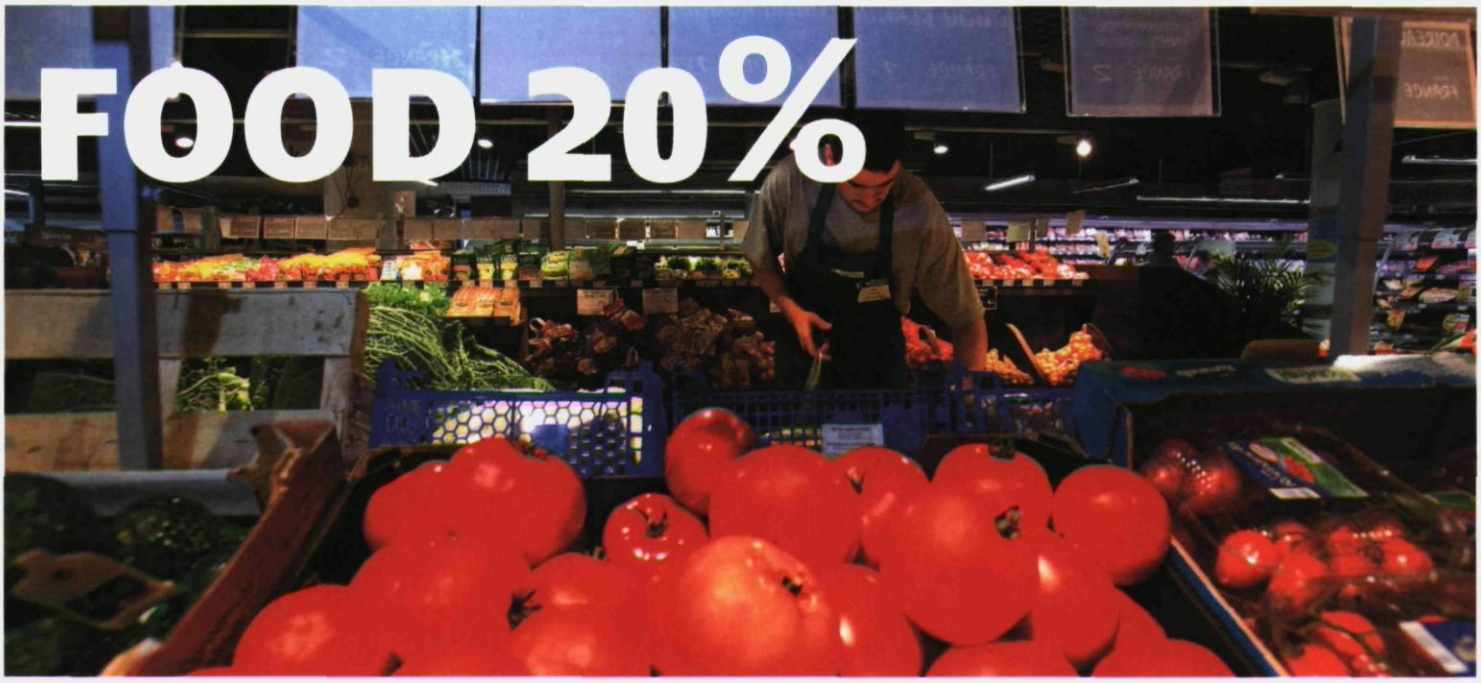
VASTNED RETAIL

ANNUAL REPORT 2010

VASTNED BALANCED GROWTH IN EUROPEAN PROPERTY

PORTFOLIO


FOOD 20%


HOME AND
GARDEN 8%


OTHER 13%
DESIGN
DESTINATIONS
WORLDWIDE
Cool Hotels
LUXURY HOUSES
TOP OF THE WORLD
LUXURY HOTELS

INDUSTRY SPREAD TOTAL PROPERTY

KEY FIGURES

	2010	2009	2008	2007	2006
Results (x € 1 million)					
Gross rental income	126.6	130.6	132.0	120.6	110.7
Direct investment result	67.8	68.6	60.9	64.4	62.5
Indirect investment result	31.4	(130.0)	(112.0)	180.1	110.4
Investment result	**99.2**	**(61.4)**	**(51.1)**	**244.5**	**172.9**
Balance sheet (x € 1 million)					
Investment properties	1,995.5	1,861.4	2,014.8	2,093.1	1,730.7
Equity	1,074.9	1,035.1	1,094.4	1,214.9	1,048.1
Equity VastNed Retail shareholders	975.6	939.1	998.2	1,135.8	977.7
Long-term liabilities	686.9	673.6	690.5	617.3	479.0
Average number of ordinary shares in issue	18,409,519	17,028,420	16,399,050	16,706,552	16,892,880
Number of ordinary shares in issue (at year-end)	18,495,220	18,265,213	16,417,526	16,362,097	16,876,183
Per share (x € 1)					
Equity VastNed Retail shareholders at beginning of year (including dividend)	51.42	60.80	69.42	57.93	51.02
Final dividend previous financial year	(2.78)	(2.68)	(2.73)	(2.60)	(2.47)
Equity VastNed Retail shareholders at beginning of year (excluding dividend)	**48.64**	**58.12**	**66.69**	**55.33**	**48.55**
Direct investment result	3.68	4.03	3.71	3.85	3.70
Indirect investment result	1.71	(7.64)	(6.82)	10.79	6.53
Investment result	**5.39**	**(3.61)**	**(3.11)**	**14.64**	**10.23**
Other movements	(0.18)	(1.84)	(1.61)	0.57	0.25
Interim dividend	(1.10)	(1.25)	(1.17)	(1.12)	(1.10)
Equity VastNed Retail shareholders at year-end	**52.75**	**51.42**	**60.80**	**69.42**	**57.93**
Share price (at year-end)	51.98	45.835	36.00	65.70	77.00
Dividend in cash	3.68	4.03	3.85	3.85	3.70
or in cash	2.35	2.35	2.02	2.47	3.30
and in shares charged to the share premium reserve	1)	4.00%	5.56%	2.13%	0.53%
Dividend yield as a percentage of equity VastNed Retail shareholders at beginning of year (excluding dividend)	7.6	6.9	5.8	7.0	7.6
Solvency ratio (in %)	54.6	55.9	55.5	59.1	61.8
Loan-to-value (in %)	41.4	39.9	41.2	38.3	33.5

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

ANNUAL REPORT 2010
VASTNED RETAIL N.V.

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SUPERVISORY BOARD

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

* Chairman remuneration committee
** Chairman audit committee

BOARD OF MANAGEMENT

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

VASTNED RETAIL SHARE

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

This is the English 2010 annual report. The Dutch version is available on our website only in PDF-format. In case of inconsistencies, the Dutch version shall prevail.

FINANCIAL CALENDAR 2011

Monday 2 May 2011
Press release first quarter results 2011 *

Tuesday 3 May 2011
Analysts' conference call/webcast

Wednesday 4 May 2011
General Meeting of Shareholders

Friday 6 May 2011
Ex final dividend 2010 trading
(Record date: Tuesday 10 May 2011)

Friday 6 May up to and including
Friday 13 May 2011
Option period final dividend 2010

Monday 16 May 2011
Payment date final dividend 2010

Thursday 4 August 2011
Press release semi-annual results 2011 *

Friday 5 August 2011
Analysts' meeting/webcast

Tuesday 9 August 2011
Ex interim dividend 2011 trading
(Record date: Thursday 11 August 2011)

Monday 29 August 2011
Payment date interim dividend 2011

Thursday 3 November 2011
Press release nine months' results 2011 *

Friday 4 November 2011
Analysts' conference call/webcast

Thursday 8 March 2012
Press release annual results 2011 *

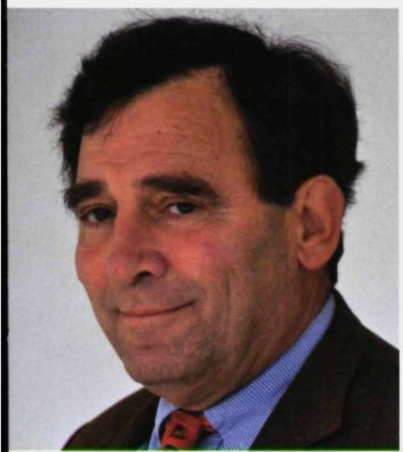
Friday 9 March 2012
Analysts' meeting/webcast

* After trading

VASTNED RETAIL

ANNUAL REPORT 2010

PREFACE CEO



Reinier A. van Gerrevink

Dear readers of this annual report,

2010 once again was an interesting year in many respects. There was uncertainty about the development of the Dutch and especially other European economies, growth or a lack of it, double dip or maybe not, uncertain financial climate, government cutbacks, interminable cabinet formations in the Netherlands and Belgium, encouraging consumers to resume spending. All of this of course is of key importance to our property portfolio.

Increasingly more news reports in the last few months of the past year were relatively positive. The investment markets already appeared to be anticipating an economic recovery, at least in countries such as the Netherlands, Belgium and France. It is as yet unclear where Spain stands in all this. Turkey is once again booming, while countries such as Greece, Portugal and Ireland were hit hard by the economic crisis and there are rumours about the next 'victims', such as Spain and Italy. In that light, markets such as Spain appear attractive in terms of property acquisition prices, because we proceeded on the premise that the Spanish banks would end up in such difficulty that they would start selling property from their overfilled portfolios/loan portfolios. In spite of many attempts on our part, investment in Spain remained just limited, because potential sellers are apparently able to sit out the situation.

In the Netherlands, Unibail-Rodamco has been in the process of reorganising their extensive property portfolio for some time and has been selling the relative smaller properties. We were able to profit from this. We acquired part of the Overvecht shopping centre in Utrecht and expect that plans for expansion will push this centre forward in terms of importance and development. ING REIM was also active as a seller. That enabled us to reinforce our existing position in the Zuidplein shopping centre in Rotterdam, on the premise that this shopping centre, which has been around for a long time and performs well, still has a lot of potential. In addition, we acquired a key position in the Spijkenisse city centre.

France is doing well, even though the process of realising market rents that are higher than current rents is proceeding appreciably slower in Lille than we had expected on purchase. The transactions that have been concluded so far have resulted in substantial increases in the rents of our shops in Lille, consistent with our assumptions a few years ago. The sale of the residential component of that property portfolio is proceeding steadily. In addition, several large-scale reletting transactions were completed, including a contract renewal with H&M in Nancy, where the Spanish fashion chain Desigual was welcomed as well.

The focus in acquisitions is more and more on becoming a high street shops fund. Currently, more than 55% of the entire portfolio already consists of high street shops. This does not mean that we are leaving other types of investments, such as shopping centres and retail warehouses, completely aside, but the crisis has shown that well-located high street shops are able to weather any kind of storm.

In Spain, the entire focus is on reducing the vacancy rate, which had increased significantly in a very short period of time, something that we are not used to at all. The Spanish team has been quite successful in addressing this issue. Many opportunities for enlarging the Spanish property portfolio at the bottom of the market were reviewed. This has led to some successes. One reason for this is that in view of the difficult economic conditions in this country, we are not planning to make major or excessive concessions to minimum yields. In addition, in carrying out various due diligences we also uncovered insurmountable problems of all kinds, as a result of which we have had to let various opportunities go by. We will be increasingly concentrating on high street shops in this country as well. In this context we acquired a bank branch of Banesto in the heart of Málaga in 2010.

It is and remains extremely difficult to grow the property portfolio in Belgium in a profitable way. There are few properties for sale, let alone attractive properties, and investments that we appeared to be able to acquire turned out to have a lot of snags, that ultimately stood in the way of completing a transaction. Proper due diligence once again turned out to be of major importance, in spite of how frustrating it can sometimes be not to be able to ultimately complete a transaction. For that matter, the existing Belgian property portfolio is doing very well.

And in Turkey we currently possess a portfolio comprising seven high street shops at the best possible addresses in Istanbul. As you know, in principle, we purchase empty properties for redevelopment. During the development, we approach potential tenants who are diligently looking for a good place to establish themselves in this city. Pursuing a process such as this does, however, mean that we do not receive any rent for a certain period of time. Our local management currently has another € 100 million in opportunities at the best possible locations in that city on its radar screen. However, we have decided that we first want to see more evidence of lettings at good rent levels before considering further investments. Expectations are high, and the first rent increase with a tenant who is extending his position, has since been realised on favourable terms. The Turkish economy is growing fast and it would seem that this is still going to be the case for many years to come. Our policy is to invest a maximum of 10% of our overall portfolio, equating to € 200 million, in this country. Current investments there amount to approximately half of that figure.

As you are no doubt aware of, VastNed Offices/Industrial entered into discussions about a possible merger with Nieuwe Steen Investments. These conversations have been struck in the middle of February 2011.
Additionally, after the assessment date it has been decided, under suspending condition of approval of the general meeting of shareholders, to conclude the joint operating agreement with VastNed Offices/ Industrial. In that event as well, the capacity of the organisation will remain more than sufficient, in part due to our ambition the coming years to realize an increase of 10% per year, on the basis of autonomous growth as well as making interesting acquisitions or forming effective combinations. We realise that
we are mostly a niche player, in view of the fact that other retail funds do not have as much of a focus – if any – on high street shops.

We are relishing our task and the arrival of Taco de Groot as Chief Investment Officer will play a major role in this. He is an experienced professional in this business and has a very good track record. We are delighted to be able to introduce him to you for the first time at the next General Meeting of Shareholders. We believe that after experiencing a regression in the direct investment result per share in 2010, we will once again be on the upswing in 2011.

Kind regards,
Reinier A. van Gerrevink, CEO

LIST OF ABBREVIATIONS

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

DEFINITIONS

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

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

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

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

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

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

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

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

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

Net rental income
Gross rental income less ground rents paid, less net service charge expenses and operating expenses attributable to the respective period, such as maintenance costs, management expenses, insurance, letting costs and local taxes.

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

Occupancy rate
100% less the vacancy rate.

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

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

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

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

PROFILE AND STRATEGY

HISTORY

VastNed Retail N.V., founded in 1986, is a (closed-end) property investment fund with variable capital which makes long-term investments in high street shops, shopping centres and retail warehouses, all with healthy occupancy levels and primarily in the euro zone. The shares have been listed on NYSE Euronext Amsterdam since 9 November 1987 and have been included in the Amsterdam AMX index since 3 March 2008. The shares have also been listed on the NYSE Euronext Paris since 20 December 2004. At the end of 2010, VastNed Retail decided to terminate its listing on the NYSE Euronext Paris. The last trading day was on 8 November 2010. VastNed Retail is part of the VastNed Group.

VISION

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

MISSION AND STRATEGIC OBJECTIVE

VastNed Retail offers institutional and private shareholders an investment product that focuses primarily on retail properties. Investors are given the opportunity to benefit from the dynamics of retail markets with the aim to achieve a high total return. The total return consists of direct returns based on rental income plus indirect returns due to changes in value in the property portfolio. In the longer term, the objective is to increase the dividend per share through active management of the retail portfolio. The Board of Management strives for 10% increases of the convened capacity per year.

INVESTMENT PRODUCT AND INVESTMENT METHODOLOGY

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

- a mix of high street shops, shopping centres and retail warehouses, striving for a balanced investment mix. The aim is to have the investment in high street shops increased to between 55% and 65%, to reduce the investment in shopping centres to between 25% and 35%, and to let the investment in retail warehouses decline to between 10% and 15%;
- focus on shopping areas and tenants that stand out in terms of vitality and competitiveness;
- a balanced risk-return profile for the investments;
- focus on five core countries: the Netherlands, Spain, France, Belgium and Turkey; with a desired share for Turkey of approximately 10% of the total property portfolio if interesting opportunities arise;
- aiming for sufficient critical mass in the core countries, so that local management has a sufficient number of disciplines available and is able to attract and retain high-quality staff, and;
- focus on an optimum spread within the property portfolio, using the following spread criteria: countries, regions, cities, spread in categories, number of properties, number of tenants, a limit to the size of properties and a limit to the size of individual tenants.

SIZE AND COMPOSITION

At year-end 2010, VastNed Retail's property portfolio had a value of € 1,995.5 million (year-end 2009: € 1,861.4 million). At that date it had the following composition:

- 55% high street shops;
- 30% shopping centres;
- 14% retail warehouses, and;
- 1% other properties.

Broken down by the countries where VastNed Retail currently has operations, the composition is as follows at year-end 2010:

- 38% The Netherlands;
- 21% Spain;
- 21% France;
- 15% Belgium;
- 4% Turkey, and;
- 1% Portugal.

FISCAL STRUCTURE

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

FINANCING POLICY

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

CURRENCY POLICY

VastNed Retail aims to avoid currency risks by investing primarily in the euro zone. When currency risks occur, their scope is limited by carefully matching the currencies of assets and liabilities on the one hand and income and expenditure on the other. Please refer to the Risk Management chapter on page 172 in this annual report.

DIVIDEND POLICY AND RESERVATION POLICY

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

ACQUISITION AND DIVESTMENT POLICY

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

RISK MANAGEMENT

VastNed Retail pursues an active policy of assessing the risks associated with investing in property and taking appropriate action where necessary. In doing so, it distinguishes between strategic risks, operational risks, financial risks, reporting risks and compliance risks. A more detailed description of VastNed Retail's risk management can be found in the Report by the Board of Management chapter on page 86 and the Risk Management chapter on page 172 in this annual report.

SUSTAINABILITY

Sustainability is a high priority for VastNed Retail. VastNed Retail actively implements its policy on sustainable business practices in its property portfolio. This is further clarified on page 83 in this annual report.

ORGANISATION

VastNed Retail actively manages its property portfolio; its aim is to have fully-fledged local management in place in the countries in which it has operations. With over 100 employees in total, VastNed Management in Rotterdam, VastNed Management España in Madrid, VastNed Management France in Paris, Intervest Retail and Intervest Offices, both in Antwerp, VastNed Management Deutschland in Frankfurt and VastNed Emlak Yatırım ve İnşaat Ticaret in Istanbul manage the investments of VastNed Retail and VastNed Offices/Industrial. VastNed Management has no profit objective, but provides the funds with a board of directors and management.

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

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

REPORT OF THE SUPERVISORY BOARD

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

INTRODUCTION

In spite of the fact that the impact of the credit crisis was still clearly felt in 2010 as well, a number of positive signals were discernable to the Supervisory Board during the year under review, including the once again rising property values and a recovery in the occupancy rate of the Spanish property portfolio. This was the subject of in-depth discussions by the Supervisory Board. The Supervisory Board held eight meetings in 2010 that were attended by the Board of Management; twice of these meetings took the form of a conference call. In the context of making sound decisions, the Board of Management always kept the Supervisory Board supplied with sufficient information in time. None of the members of the Supervisory Board was absent, or frequently absent, during its deliberations.

The subjects that were discussed in the Supervisory Board's eight meetings included the following:

- the state of affairs and the risks in the property portfolio;
- the strategy and the risks (risk management) of the Company;
- the financial results, plus how they were reported in press releases;
- the financing structure of the Company and its resilience in the light of the credit crisis;
- dividend policy and the policy on reserves;
- the composition of the Board of Management;
- the performance of the external auditor;
- the remuneration of the members of the Board of Management;
- the relationship with the shareholders;

- aspects of corporate social responsibility, where relevant for the Company;
- the consequences for the Company of the proposed merger between Nieuwe Steen Investments and VastNed Offices/Industrial;
- the partnership agreement with VastNed Offices/Industrial, including compensation in the event the partnership is terminated, and;
- the performance of the subcommittees of the Supervisory Board, including the reporting by these committees.

PERFORMANCE OF THE PROPERTY PORTFOLIO

Rents continue to be under pressure due to current market sentiment. Property values, following two years of sharp declines, are once again rising. The latter is also reflected in the investments market, which is characterised by a high demand for retail properties and consequently high prices. It was striking that a significant number of transactions took place at prices that were difficult to justify for VastNed Retail. Up until now the crisis therefore has not resulted in any windfalls on a major scale.

STRATEGY

Further to a meeting devoted to strategy, it was decided that VastNed Retail will specifically pursue the profile of a high street shops specialist, in view of the fact that experience shows that on average high street shops in strong city centre locations appear to be better able to withstand the impact of the economic crisis than other retail investments. This refinement of the strategy has been incorporated into the 2011–2013 business plan. The Supervisory Board supports the Board of Management to realise an increase of 10% per year of the convened capacity.

FINANCING STRUCTURE

The Supervisory Board reviewed the financing structure, which focuses on maintaining a relatively low degree of borrowing and a spread of the loans portfolio in terms of long and short term contracts and fixed interest rate terms. In addition, it was decided to enter the private placements market, which has been executed in 2010.

2010 ANNUAL REPORT AND ANNUAL ACCOUNTS

The annual report drawn up by the Board of Management includes the 2010 annual accounts audited by Deloitte Accountants B.V. The Supervisory Board is in agreement with this report and with the 2010 annual accounts and supports the proposal of the Board of Management recommending that the General Meeting of Shareholders adopt the 2010 annual accounts in the form as presented. The Supervisory Board also recommends that the Board of Management be granted discharge for the policies pursued in 2010 and that the Supervisory Board be granted discharge for the supervision conducted in 2010 on these policies.

DIVIDEND AND RESERVATION POLICY

The Supervisory Board, just like the year before, has had detailed discussions with the Board of Management about the existing dividend policy and the policy on reserves. Considerations included the extent to which equity could be strengthened by modifying this policy (for example, by reducing the pay-out ratio). The conclusion was that this would not lead to a significant reinforcement of equity and that modification of the dividend policy and reserves policy could damage the confidence of a number of shareholders who retain VastNed Retail shares specifically because of the attractive dividend yield. The Supervisory Board supports the proposal to continue the current policy, paying out the full amount of the direct investment result per share.

The fiscal result as a minimum must be paid out in cash in order to comply with the fiscal conditions for fiscal investment institutions. Part of the final dividend may be paid out to the shareholders as a stock dividend charged to the share premium reserve. An interim dividend will be paid in August based on 60% of the direct investment result per share for the first six months of the financial year. The final dividend will be paid in May of the following financial year, based on the total direct investment result per share of the previous financial year.

The Supervisory Board is able to agree with the proposal by the Board of Management that the following final payment per share should be made for the 2010 financial year:

- 5% in cash on the priority shares;
- a pay-out on the ordinary shares (after deduction of the interim dividend of € 1.10) of € 2.58 out of the freely distributable reserves, to the choice of the shareholder:
  - € 2.58 in cash minus 15% dividend tax, or
  - € 1.33 in cash minus 15% dividend tax, plus a percentage in shares yet to be determined, depending on the share price, charged to the share premium reserve, without deduction of dividend tax.

This takes the total dividend paid out over 2010 to € 3.68 per share.

RELATIONSHIP WITH THE SHAREHOLDERS

In one of the meetings of the Supervisory Board, the Board of Management explained the nature and frequency of contacts with shareholders. This is a subject that will be discussed at least once every year by the Supervisory Board.

CORPORATE SOCIAL RESPONSIBILITY

The 2011–2013 Business Plan, which was approved by the Supervisory Board, comprises a number of initiatives that will be implemented over the coming years by the Board of Management regarding making the property portfolio more sustainable. The Supervisory Board believes that the 2011–2013 Business Plan represents a suitable approach to this subject.

COMPOSITION OF THE BOARD OF MANAGEMENT

The Supervisory Board during the reporting year came to the conclusion that the Board of Management should be strengthened with a Chief Investment Officer and asked the nomination committee to initiate the selection process, which has since been completed and resulted in the appointment of Mr Taco T.J. de Groot MRE MRICS.

PROPOSED MERGER BETWEEN NIEUWE STEEN INVESTMENTS AND VASTNED OFFICES/INDUSTRIAL

The proposel made by Nieuwe Steen Investments to VastNed Offices/Industrial would have had repercussions for VastNed Retail. The relevant implications were discussed by the Supervisory Board. The Supervisory Board has among other things decided not to pursue a proposal for merger with, or some other type of takeover of VastNed Offices/Industrial, since this would affect the refined profile with its emphasis on high street shops.

TERMINATION OF COLLABORATION WITH VASTNED OFFICES/INDUSTRIAL

At the end of February 2011, the Supervisory Boards of both VastNed funds in consultation with the Board of Management have resolved, subject to shareholders' approval, to end the joint management agreement at 1 January 2011. After termination, VastNed Retail will have an independent Board of Management and management organisation. The future composition of the Board of Management will be determined as soon as possible. The costs of the termination – budgeted at € 2.7 million for VastNed Retail – will be charged to the 2011 financial year.

COMPOSITION OF THE SUPERVISORY BOARD

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

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

SUBCOMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has three active committees: the audit committee, the remuneration committee and the nomination committee. These committees prepare proposals that are discussed and approved by the full Supervisory Board.

AUDIT COMMITTEE

In 2010, the audit committee met on four occasions. The task of the audit committee is to advise the Supervisory Board in the area of finance. Topics addressed last year include financial reporting, budgeting, the role of the external auditor, tax issues/risks, compliance (inter alia with the Netherlands Authority for the Financial Markets (AFM)), IFRS, interest rate and financing risks, the impact of the credit crisis on both financing of property and property values, letting risks, catastrophes and liability risks, debtor risks, internal control, IT systems, legal risks and the follow-up of recommendations made by the external auditor as well as the audit findings presented by the external auditor. The latter did not result in any comments that are worthy of mention. The expansion of the range of available financing sources and the extension of the financing terms was explicitly discussed. This resulted in concluding a private placement in the amount of € 75 million. All audit committee reports were made available to all members of the Supervisory Board and were discussed at the following meeting of the Supervisory Board. Within the context of the audit committee meeting concerning the annual results, the audit committee held a brief meeting with the external auditor in the absence of the Board of Management. Mr Verboom is the chairman of the audit committee and Mr Hunfeld is a member.

REMUNERATION COMMITTEE

The remuneration committee is set up at the VastNed Management level, given that the board members work for both VastNed Retail and VastNed Offices/Industrial, and their remuneration reflects the combined activities for both funds. The remuneration committee comprises Messrs. Westdijk (chairman) and Kolff on behalf of VastNed Retail and Messrs. Steenstra Toussaint and Breukink on behalf of VastNed Offices/Industrial. The task of the remuneration committee is to advise the Supervisory Board concerning the remuneration policy to be adopted for the Board of Management. The committee met on 2 occasions in 2010. Specifically, the salaries for the members of the Board of Management for 2011 were discussed, along with the extent to which the pre-defined objectives for 2010 were achieved. The remuneration committee also prepared the 2010 remuneration report, which will be discussed by the General Meeting of Shareholders on 4 May 2011 and which is included in this annual report.

NOMINATION COMMITTEE

The nomination committee is set up at the VastNed Management level, in the same way as the remuneration committee. The nomination committee met twice to discuss selections and appointments. Specifically, this led to the appointment of Mr Taco T.J. de Groot MRE MRICS as Managing Director and Chief Investment Officer, effective 1 September 2010. The Supervisory Board attaches a great deal of importance to the appointment of Mr De Groot, due to the fact that filling the position of Chief Investment Officer is of essential importance to VastNed Retail's growth strategy. Mr De Groot's curriculum vitae is contained in the chapter on Corporate Governance of this annual report.

CHANGES TO THE SUPERVISORY BOARD

Mr Wouter J. Kolff was reappointed as chairman of the Supervisory Board by the General Meeting of Shareholders in 2010.

PROFILE OF THE SUPERVISORY BOARD

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

RETIREMENT SCHEDULE

The retirement roster for the coming years is as follows:
- Mr Jeroen B.J.M. Hunfeld, 2011 (eligible for re-election)
- Mr Pieter M. Verboom, 2012 (eligible for re-election)
- Mr N.J. (Klaas) Westdijk, 2012 (not eligible for re-election)
- Mr Wouter J. Kolff, 2014 (eligible for re-election)

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

GENERAL MEETING OF SHAREHOLDERS 2011

The agenda of the General Meeting of Shareholders on 4 May 2011 and the associated shareholder circular will be published in mid-March 2011. The General Meeting of Shareholders is taking place at a later date than previously. This is due to the legislated extension to the term for convening meetings.

PERSONNEL

The Supervisory Board would like to thank the Board of Management and the employees for their efforts and commitment to VastNed Retail during the year under review.

Rotterdam, 3 March 2011
On behalf of the Supervisory Board,
Wouter J. Kolff, chairman

REPORT OF THE BOARD OF MANAGEMENT

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

This report discusses economic trends in 2010, the markets in which VastNed Retail operates, specific developments in our property portfolio, personnel and organisation, sustainability, risk management, the financial state of affairs and the outlook for 2011.

ECONOMY AND MARKETS

ECONOMY

The economy in the euro zone recovered in 2010 led by Germany. The recovery was driven by export to emerging economies throughout the world and by the replenishment of stocks that were so drastically diminished after the 2008 crisis of confidence. 2010 was also the year of unrest in the peripheral economies of the euro zone. A massive crisis in Greece and Ireland put pressure on the euro. Although the euro countries have put in place a safety net for the countries within the euro zone that are not able to cope on their own, the danger of a new crisis in one or more of the euro countries has not yet abated. A new test of the resolve and solidarity of the euro countries is to be expected. Government budgets in almost all countries within the euro zone show major deficits and significant government budget cutbacks have been announced everywhere, with partial implementation already occurring in 2010. The lion's share of these budget cutbacks is expected to exert pressure on economic growth in the euro zone in 2011 and 2012. Now that inventories are back to their normal levels, it will become clear that the euro zone is heavily dependent on exports and therefore on economic growth in the emerging economies. These economies represent more than half of the world economy. This is also where the most important downside risk for the economic growth in the euro zone lies. Growth in the emerging economies is already high and that is creating signs of overheating here and there. Expectations for economic growth in the euro zone are therefore not high and are based on the scenario of moderate economic recovery. It will take until 2012 or 2013 before the size of the economy in the euro zone will once again attain 2008 levels. Freely interpreted, this represents four to five years of stagnation in the euro zone. The strength of this recovery is, however, expected to significantly vary from country to country. The strong, forceful position of Germany as an export country has made that country the leading economy in the euro zone in terms of economic growth. Of the European economies outside the euro zone, the Turkish economy is doing very well. Many of the problems experienced within the euro zone are absent from the Turkish economy.

There are clear risks in relation to the scenario of moderate economic recovery for the euro zone. A marked decline in economic growth in the emerging economies has a clear impact on exports from the euro zone to these parts of the world and therefore on economic growth in the euro zone. There is a chance of deflation due to the possibility that a still lower rate of economic growth for an extended period of time will put the brakes on consumer spending. This checks economic recovery and could potentially lead to a new crisis. On the other hand, there is a chance that inflation will sharply accelerate due to the very large-scale stimulation of the economy by the central banks, higher taxes and possibly significant price increases due to the significantly increased demand for raw materials. High inflation and stagnation of the economy could result.

RETAIL MARKET

The four to five year potential stagnation of the economy follows a long period of favourable conditions for the retail market. Prior to 2008, retail sales grew as consumers were able to take on more debt as a result of rising house prices and falling interest rates. The retail property investment market gained tremendously in popularity since the early 1990s, which caused net initial yields to fall structurally. The drop in the risk premium for retail investments was also caused in part by the sharp fall in interest rates over the same period. This created additional demand for retail property, since investors were able to attract large amounts of low-cost loan capital to finance investments in retail property. The great popularity of retail investments among investors also impacted positively on new retail property developments. Many new projects were initiated and realised, but because of the long lead times involved in these kinds of development projects, much of this retail property has only come onto the market in the last few years or even still remains in the pipeline.

After a bad year in 2009, retail sales somewhat recovered in 2010. The drop in house prices is having a detrimental impact on consumers' debt levels and is making them even more cautious. As a result, consumers are now concentrating first and foremost on reducing their debt levels. Experience has shown that it can take a number of years to reduce debts to a level with which the consumer is comfortable again.

Online retail sales have been growing strongly for many years, and continued to grow since the crisis of confidence in 2008. The internet sales' share of total consumer spending consequently sharply increased. All retail segments are now selling well on the internet. The growth of online retail trade has therefore made it a formidable competitor to the high street. The reason for this is twofold: firstly, the rapid proliferation of broadband has increased the popularity of the internet, and secondly, online shopping has become far more widely accepted. Success factors are price competition, in-depth product ranges and convenience. Online shops with a strong brand name are doing well due to the high consumer confidence in these brand names.

Due to the effective stagnation of the economy in the euro zone, which is expected to last four to five years, the increased supply of retail space and the shift of retail demand to the internet, the demand for and supply of retail locations is very likely to change. Retailers will be taking a critical look at their store numbers and will start closing shops that do not produce certain levels of returns. However, there are also retail chains that are going the expansion route and that are in fact identifying opportunities for renting in sought-after locations in these times. The number of vacant units in locations that are less popular with the consumer has risen in 2010 and the expectation is that this number will continue to rise in the coming years.

The success factors in the retail property market remain unchanged and these are the location of the retail property and the success of the retailer. Other key success factors are the economic growth in the service area and growth in consumers' income levels. The demographic of the service area is also becoming increasingly more important. Larger cities have a more favourably structured demographic, making the economy in those cities generally more dynamic, which has the effect of especially attracting younger people. The city centres of larger cities also constitute a favourable platform for retail niches, which increases the appeal of these city centres to the consumer.

Differences in success factors determine the strength of a retail location and thus the performance of this retail location during economic downturns. A good quality property portfolio is resilient. In acquiring new retail properties, VastNed Retail focuses on a strong competitive position of the retail property within the service area, in other words on strong shopping areas. There is a strong preference for retail properties in city centres of larger cities. The long-time policy of making ongoing quality improvements to retail properties will continue to be pursued.

Investors too have a strong preference for retail investments. In particular, there is a great deal of interest in retail property of good to very good quality, which in turn caused the value of these retail properties to further increase. The total volume of transactions in the retail property investment market showed a marked increase in 2010 in comparison to 2009. The strong demand on the part of investors also caused the value of the retail properties held in VastNed Retail's property portfolio to increase in 2010.

PROPERTY PORTFOLIO

INTRODUCTION

As stated in the chapter on Profile and Strategy, the property investor depends on the tenants', i.e. retailers' results in the long term. These same tenants are dependent on the specific location of the retail property, which often is still affected by shortages. Turnover and profit figures in the retail trade sector are still under pressure due to the weak economy and increasing internet sales. This is causing tenants to look more closely at the rent they are expected to pay and the quality of the retail location.

VastNed Retail's property portfolio is primarily located in jurisdictions with protective tenancy laws. In general, properties have not been let at the highest possible rent levels. Along with long-term leases, this offers protection against drastically falling rental incomes. In addition to rent levels and the term of existing leases, the strength of VastNed Retail's property portfolio primarily lies in its emphasis on investing in high street shops in attractive city centre locations. These locations have the advantage that they are unique and generally have been frequented by the shopping public for generations. The cost structure of such investments is favourable as well in view of the fact that the maintenance of the public space located in front of the shop is not for the account of the shop's owner, but instead generally is the responsibility of the municipality.

The downward revaluation trend started in 2008 has reversed itself and VastNed Retail can once again take satisfaction from seeing the value of its property investments increase.

As regards the reporting on property in this annual report, the best practice principles formulated by the IVBN and EPRA sector associations were adhered to. In September 2010, VastNed Retail was awarded the Gold Medal Award by EPRA, confirming the fact that the 2009 annual report met the highest possible international standards. It is our ambition to continue to play a leading role in this domain.

PROPERTIES

As indicated in the introduction, the property portfolio for the most part comprises high street shops. These are shops that are generally located in attractive city centre areas and that are largely uncovered and located adjacent to public spaces. At the end of 2010, 55% of the value of the total property portfolio consisted of such high street shops. Investments are also made in small and medium-sized, locally well-embedded shopping centres (30%) and retail warehouses (14%). The remainder of the property portfolio (1%) consists of other property investments, primarily apartments lain above the shops. At year-end 2010, the total property portfolio in operation comprised 572 properties (year-end 2009: 569) spread over six countries with a total lettable floor area of 693,176 sqm (year-end 2009: 673,074 sqm). The book value of these property investments at year-end 2010 was € 1,995.5 million (year-end 2009: € 1,861.4 million).

OCCUPANCY RATE

One of the most important parameters for determining whether the property portfolio is performing well is the occupancy rate. The occupancy rate indicates to what extent investments match the needs of existing and potential tenants. The occupancy rate of the total property portfolio in operation at year-end 2010 was 95.2% (year-end 2009: 95.5%). The average financial occupancy rate in 2010 was 95.2% (2009: 96.8%). The occupancy rate at year-end is calculated by dividing the year-end passing rent plus the contractual rental income from vacant units which are already let but not yet physically occupied by the theoretical rental income from the property portfolio as at year-end. The average occupancy rate is calculated by dividing the reported rental income by the average theoretical income. The occupancy rate by country is presented on page 30, including an explanation of the underlying trends. In addition, a summary is presented there that clarifies the movements in occupancy rates.

INDEXATION

Virtually all leases concluded by VastNed Retail contain inflation clauses. These clauses ensure there is a tight relationship between inflation and rental income. The inflation compensation clause provides for a fixed increase, generally based on the CPI, except for the French property portfolio which can either be indexed based on the cost-of-construction index or on a combination of the CPI, retail prices and the cost-of-construction index.

LEASING ACTIVITY

Active asset management is key to realising growth in rental income and translates into new leases and lease renewals. The total volume of leasing activity amounted to € 10.9 million in new or renewed leases. Expressed as a percentage of the theoretical gross rental income in the core countries, this amounted to 8.1% (2009: 8.1%). In 2010, 101 new leases (the letting of vacated retail space or soon to be vacated space to a new tenant) representing an annualised rental income of € 6.0 million were concluded and 115 tenants representing an annualised rental income of € 6.9 million departed. In addition, 66 lease renewals representing an annualised rental income of € 4.9 million were negotiated. Overall, these contracts were negotiated at an average of 3.3% below the previous rent level (2009: 5.6% above the previous rent level). If lease incentives are taken into account, which is relevant for future results, new rent concluded were on average 11.2% below the previous rent level (2009: 1.8% above the previous rent level).

LEASE INCENTIVES

Lease incentives such as rent-free periods, lease discounts and other payments or contributions benefiting the tenant increased to 2.3% of gross rental income (2009: 1.6%). This rise was primarily due to an increase in lease incentives in the Spanish property portfolio.

TENANTS

VastNed Retail leases its properties to a large number of tenants. The total number of tenants in terms of leases, excluding apartment tenants, for property investments in operation was 1,680 at year-end 2010. A list of the major tenants is provided in the table on page 31. None of the tenants is so dominant as to constitute an important risk to the volume of VastNed Retail's rental income. VastNed Retail attaches importance to letting to strong and trendsetting retail chains. The list on page 31 is based on retail concerns, some of which are represented in VastNed Retail's property portfolio in various formulas.

MARKET RENT

The market rent for every external appraisal is established by the appraiser. A comparison of these market rents with the theoretical rental income shows the theoretical income to be 100.1% of the market rents at the end of 2010. This theoretical rental income consists of the gross rental income at year-end 2010, including mall income (income from letting the spaces outside the retail units in shopping centres) and the estimated turnover rent, plus vacant properties at market rent levels. This slight overrent is the result of instances of overrent and underrent in various countries.

LEASE EXPIRY DATES

VastNed Retail is active in six countries with different lease types and terms in each country as a result of local legislation and customs. The graph on page 32 shows the expiry dates of the total property portfolio. The average term is 6.5 years (year-end 2009: 6.4 years). Upon expiry of a lease, there is often an option to adjust the rent in VastNed Retail's favour. Taking into account the time remaining until the tenant's next possible termination date, an option that is generally not exercised, the average lease term is 3.0 years (year-end 2009: 3.0 years). VastNed Retail has well-spread lease expiry dates.

ACQUISITIONS

A significant number of acquisitions took place in 2010. In 2010 the total value of newly acquired properties amounted to € 95.3 million. These acquisitions took place in the context of improving the risk-return profile. A summary of these acquisitions is provided below:

City, Address	Investment volume (x € 1 million)	Net initial yield (in %)
Property investments in operation:		
The Netherlands		
Rotterdam, Zuidplein Hoog 743, 747, 910 and 912	7.6	5.7
Spijkenisse, Nieuwstraat (17 shops)	13.1	5.8
Utrecht, Overvecht Shopping Centre (15 shops)	21.5	5.2
Spain		
Málaga, Plaza de la Constitución 9	5.2	5.7
Property investments in pipeline:		
Turkey		
Istanbul, Istiklal Caddesi 85	20.6	n/a
Istanbul, Istiklal Caddesi 161	27.3	n/a
Total	**95.3**	

COMPLETED INVESTMENT PROPERTIES UNDER RENOVATION

In 2010, a part of the Parque Vistahermosa retail park in Alicante, Spain valued at € 3.1 million was taken into operation.

COMPLETED INVESTMENT PROPERTIES IN PIPELINE

The cinema and the restaurant unit in the centre of the city of Houten in the Netherlands was completed in 2010. The total investment amounted to € 2.8 million.

DISPOSALS

In 2010, disposals totalled € 8.5 million and were effected in the Netherlands, France and Belgium. These disposals further improved VastNed Retail's risk-return profile and involved the following properties:

City, Address	Net proceeds (x € 1 million)
The Netherlands	
Helmond, Heuvel 32	2.9
Nijmegen, Plein 1944 no. 151 (partial disposal)	1.1
Sint Oedenrode, Heuvel 32	0.4
The Hague, Plaats 21-23 (apartments)	0.7
Winterswijk, Misterstraat 43-45/Tuinstraat 26-28	1.1
France	
Aulnoye-Aymeries, Allée des Grands Chênes 34	0.1
Lille, Avenue Kuhlmann 187	0.1
Lille, Place de la Gare 42 (hotel)	1.2
Lille, Rue de Paris 38 (apartment)	0.2
Lille, Rue des Fleurs 21	0.1
Lille, Rue Léon Thiriez 99	0.1
Thonon-les-Bains, Rue des Arts 16 (partial disposal)	0.1
Belgium	
Hasselt, Genkersteenweg 76 (apartments)	0.2
Vilvoorde, Leuvensestraat 43 (apartment)	0.2
Total	**8.5**

After deducting the cost of sales, a sales profit of € 0.7 million was realised on these disposals.

INVESTMENT PROPERTIES UNDER RENOVATION

VastNed Retail did not have any property investments under renovation as at year-end 2010.

INVESTMENT PROPERTIES IN PIPELINE

The investment properties in pipeline as at year-end 2010 comprised the following properties:

City, Address	Investment volume (x € 1 million)
The Netherlands	
Houten, Achterom 1-5 and Spoorhaag 130-134	2.5
Lelystad, De Promesse 3-5 and 111	2.4
France	
Arras, Rue Ernestale 35	0.7
Plaisir, Plaisir-Sablons shopping centre	14.5
Turkey	
Istanbul, Istiklal Caddesi 85	23.8
Istanbul, Istiklal Caddesi 161	8.2
Total	**72.1**

Furthermore, the pipeline comprises the newly developed 'Hoogambacht' shopping centre in Hendrik-Ido-Ambacht in the Netherlands. This shopping centre has not yet been handed over to VastNed Retail.

VALUE MOVEMENTS IN INVESTMENT PROPERTIES

VastNed Retail has its property portfolio appraised on a quarterly basis. This delivers valuable information on developments in the market and enables us to take the necessary action to protect our shareholders' interests. After a period of rising property values, 2008 saw a downward trend in values which lasted up to and including the fourth quarter of 2009. An upward trend in values was once again discernable in 2010. This reflects the strength of the investment market for retail property investments. The uncertainty related to future rent levels has decreased. As stated above, VastNed Retail's property portfolio is let at marginally above the market level on average, which makes it unlikely that there will be a material drop in rent levels across the board. In individual cases, when property is relet, the new rent may be agreed at below the old rent level, or the scope for improving the rent will remain limited.

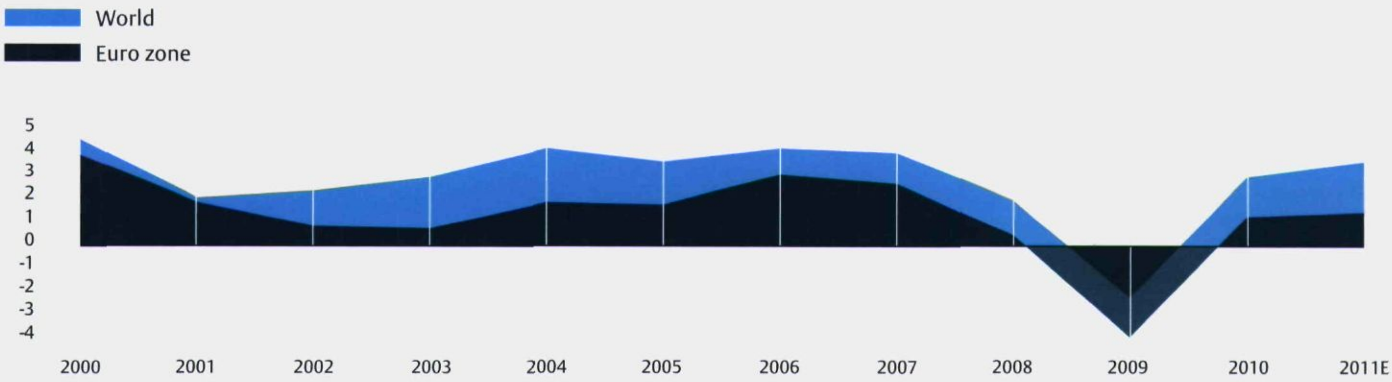
The value movements of the total property portfolio as a result of appraisals by independent appraisers showed a total value movement of € 35.5 million positive (2009: € 147.5 million negative). The theoretical net yield on the property portfolio (the theoretical net rental income, adjusted for the non-recoverable service charge expenses and bad debt provisions, divided by the appraisal value of the property portfolio) was 6.6% at year-end 2010 compared with 6.7% a year earlier. See also the summary of value movements in investment properties on page 31.

APPRAISAL METHODOLOGY

VastNed Retail's property portfolio is appraised four times a year. The larger properties with a value or anticipated value of at least € 2.5 million make up approximately 75% of the property portfolio and are appraised each quarter by external appraisers of international standing (see the overview of the 2010 Property Portfolio included elsewhere in this report). The smaller properties (< € 2.5 million) are appraised once a year by an external appraiser and are evenly spread across the quarters for this purpose. Following the external appraisal, these properties are internally appraised in the subsequent three quarters with due consideration to the discernable trends in the external appraisals. VastNed Retail ensures that all relevant information is made available to appraisers to enable them to issue well-considered opinions. The valuation methodology is based on international appraisal guidelines (RICS Appraisal and Valuation Standards).

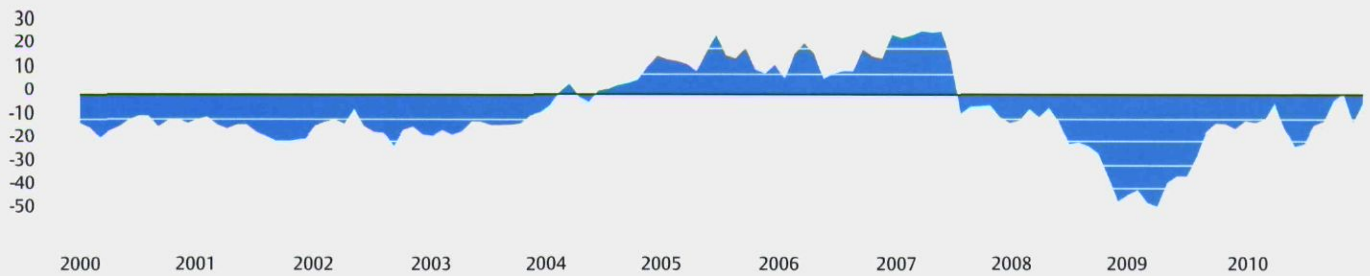
REAL GROWTH OF GDP in %

Source: Consensus Forecasts



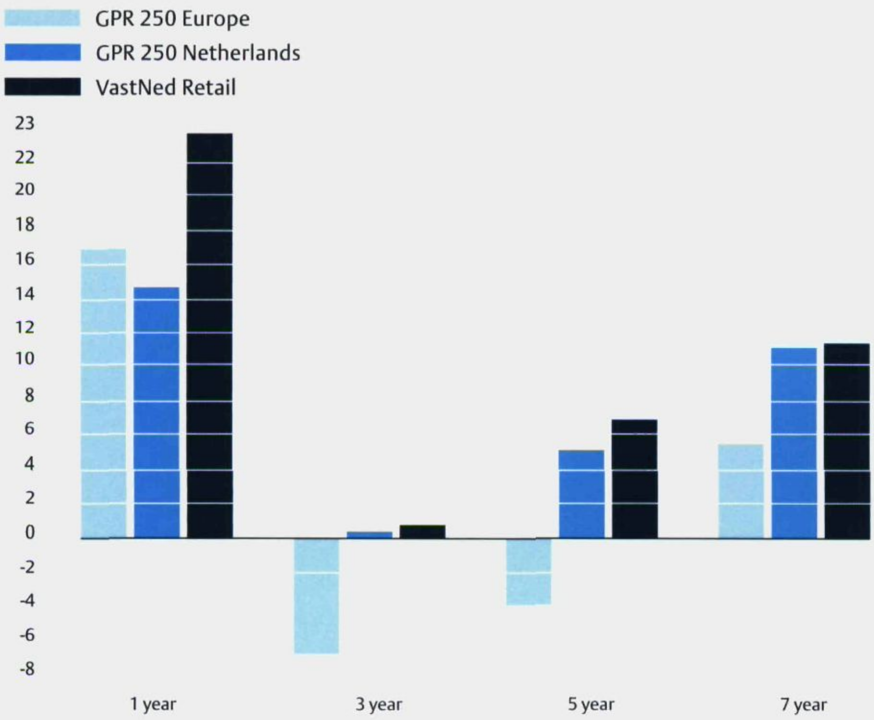
DUTCH PROPERTY FUNDS in %

Development premium (discount)



TOTAL ANNUAL RETURN in %

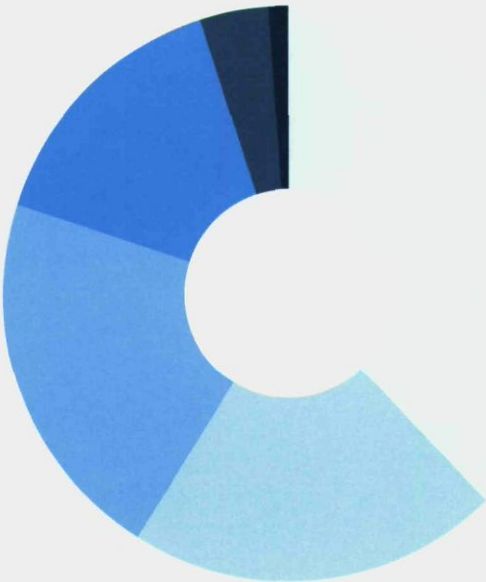
Source: Global Property Research (GPR), Bloomberg



GEOGRAPHICAL SPREAD

TOTAL PROPERTY PORTFOLIO (in %)

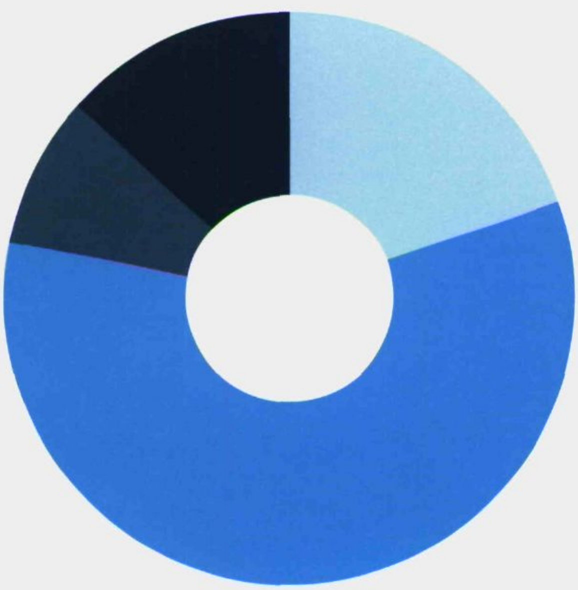
- Netherlands 38
- Spain 21
- France 21
- Belgium 15
- Turkey 4
- Portugal 1



INDUSTRY SPREAD

TOTAL PROPERTY PORTFOLIO (in %)

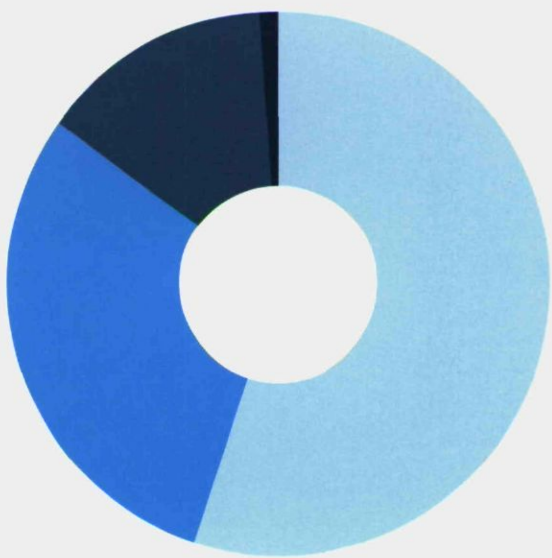
- Food 20
- Non-food 59
- Home and garden 8
- Other 13



SECTOR SPREAD

TOTAL PROPERTY PORTFOLIO (in %)

- High street shops 55
- Shopping centres 30
- Retail warehouses 14
- Other 1

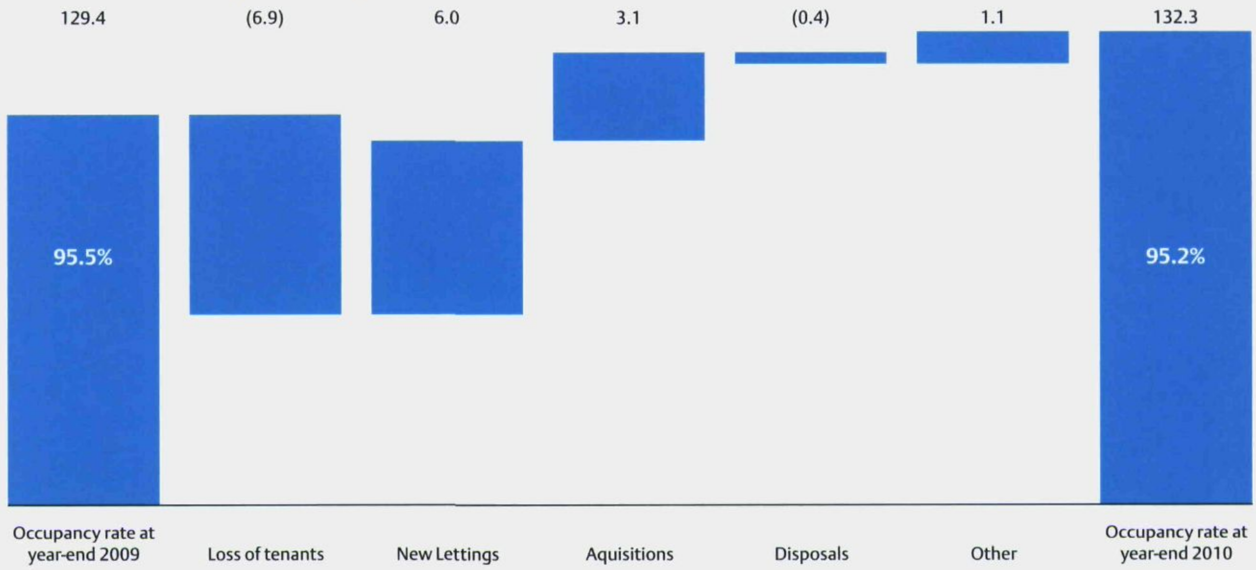


OCCUPANCY RATE in %

	Year-end 2010	Average 2010	Average 2009
Netherlands	96.6	97.6	98.1
Spain	91.9	91.7	93.9
France	93.4	92.9	96.9
Belgium	98.8	99.0	99.3
Turkey	95.8	83.3	80.3
Portugal	100.0	100.0	100.0
Total	**95.2**	**95.2**	**96.8**

MOVEMENT SPOT OCCUPANCY

GROSS RENTAL INCOME (x € 1 million)



TOTAL LEASING ACTIVITY in %

	New leases		Lease renewals		Leasing activity	
	Change in gross rental income	Volume	Change in gross rental income	Volume	Change in gross rental income	Volume
Netherlands	6.8	2.3	18.2	1.2	10.7	3.4
Spain	(10.6)	7.4	(10.1)	3.0	(10.7)	10.4
France	(3.0)	4.6	(15.6)	5.8	(9.3)	10.4
Belgium	(9.2)	2.0	(8.9)	6.6	(2.8)	8.6
Turkey	0.9	26.8	48.3	16.1	19.1	42.9
Portugal	–	–	–	–	–	–
Total	**(4.4)**	**4.4**	**(1.9)**	**3.6**	**(3.3)**	**8.1**

LEASE INCENTIVES in %

	2010 actual	2009 actual	2010 IFRS	2009 IFRS
Netherlands	(0.5)	(0.3)	(0.5)	(0.6)
Spain	(6.4)	(3.7)	(5.8)	(3.7)
France	(1.6)	(1.5)	(1.7)	(1.3)
Belgium	(1.5)	(1.3)	(1.9)	(1.2)
Turkey	–	–	–	–
Portugal	–	–	–	–
Total	**(2.4)**	(1.6)	**(2.3)**	(1.6)

VALUE MOVEMENTS INVESTMENT PROPERTIES

	Netherlands	Spain	France	Belgium	Turkey	Portugal	Total
Value movements (x € 1 million)							
1st quarter 2010	2.8	(1.7)	2.8	1.9	0.4	(0.1)	6.1
2nd quarter 2010	4.3	(0.5)	3.0	1.3	0.3	–	8.4
3rd quarter 2010	1.7	(1.0)	9.2	1.0	0.5	–	11.4
4th quarter 2010	2.6	(1.3)	7.1	0.3	1.0	(0.1)	9.6
Total 2010	11.4	(4.5)	22.1	4.5	2.2	(0.2)	35.5
Total 2009	(23.9)	(90.2)	(33.4)	0.5	0.4	(0.9)	(147.5)
Theoretical net yields (in %)							
Year-end 2010	6.2	7.8	6.1	6.6	5.8	8.8	6.6
Year-end 2009	6.2	7.8	6.6	6.5	5.8	9.3	6.7

TOP 10 TENANTS

As at 31 December 2010

	Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
1	H&M	7.7	5.9	14	23,370
2	Inditex	3.5	2.7	22	13,769
3	Auchan	3.5	2.7	11	24,730
4	Metro	2.7	2.1	4	18,490
5	Blokker	2.2	1.7	27	15,827
6	Maxeda	2.1	1.7	11	16,031
7	A.S. Watson	2.1	1.6	25	9,976
8	Ahold	2.1	1.6	9	13,201
9	Eroski	1.9	1.4	1	10,173
10	Armand Thiery	1.7	1.3	10	6,113

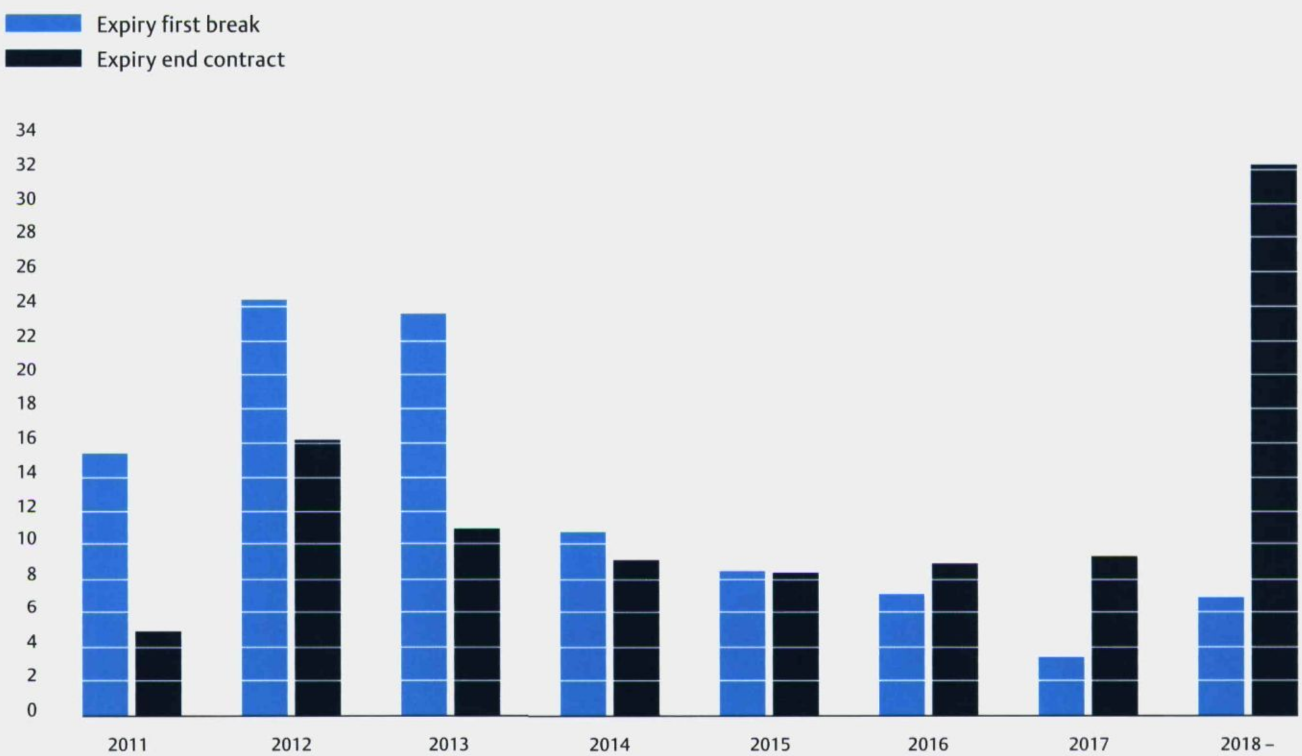
(OVER)/UNDER RENT € x 1 million

	Theoretical rental income	Market rent	(Over)/ under rent (in %)
Netherlands	52.1	53.4	2.2
Spain	34.9	32.5	(7.3)
France	27.0	28.0	3.5
Belgium	21.7	21.7	–
Turkey	2.1	2.4	12.9
Portugal	1.1	0.9	(27.8)
Total	**138.9**	**138.9**	**(0.1)**

EXPIRY DATES LEASE CONTRACTS

TOTAL PROPERTY PORTFOLIO (in %)

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is 3.0 years and based on end contract 6.5 years.



THE NETHERLANDS

ECONOMY

The Netherlands' strong focus on global trade once again is evident from the record figures realised by the Port of Rotterdam in 2010. The strong development of the German economy in 2010, as well as the solid performance of the Scandinavian economies in this respect significantly counteracted the inferior state of affairs elsewhere in Western Europe. The 3.9% contraction of the Dutch economy in 2009 was followed by a projected economic recovery of 1.7% in 2010 due to the recovery of stock levels and the strong recovery of world trade. Domestic demand barely contributes to economic growth. By far the most positive contribution to domestic demand originated from government. Consumer spending failed to contribute in 2010. Growth in the coming years will be strongly impacted by the sizeable cutbacks on the part of the government. It remains to be seen whether consumer spending can compensate for this. Economic growth will therefore primarily have to be driven by world trade. Only once the impact of these cutbacks has worked its way through the system, the Dutch can economy once again resume a higher growth pattern. The size of the economy in 2012 is expected to be back to 2008 levels.

The magnitude of private consumption barely changed in 2010. Projections for 2011 are somewhat better and call for modest growth. The housing market definitely exerts heavy pressure on consumer spending. This market remained stagnant in 2010 due to uncertainties concerning the abolition of mortgage interest relief. Now that the new government has put this issue aside for the time being, the housing market appears to be slowly picking up again. Mortgage debt in the Netherlands is approximately equal to 100% of GDP and as such is by far the highest of all VastNed Retail core countries. Consumer spending consequently is sensitive to the abolition of mortgage interest relief. It is expected that this will nevertheless happen over time, but not under the current government.

Projections for 2011 retail spending are slightly positive. This is based on relatively low levels of unemployment, a modest growth in employment and an increased consumer confidence in 2010. The projections are, however, moderate and vulnerable to new setbacks.

RETAIL MARKET

Due to strong competition in the supermarket sector, margins are fairly thin. Price competition persisted in 2010. Jumbo's ambitious plans to increase its market share and to become a serious competitor to Albert Heijn over time are feeding the expectation that price competition will persist in 2011 as well. The major chains, such as C&A, H&M, We, Zara and recent newcomers, such as Primark and Takko, are the dominant forces in the clothing sector. Due to a high turnover rate and low production costs, these vertically integrated companies (the so-called verticals) are able to establish themselves in good to very good locations. Opportunities in the higher price market segment are primarily accessible to independent entrepreneurs who are able to develop and introduce a strong concept and product range. They respond to the strong consumer demand for high service levels. Due to the economic recession and other factors, such as the continuous growth in internet sales and a change in consumer preferences, secondary locations are experiencing even greater difficulties, resulting in vacancy rates that can exceed 10%. At good to very good locations there is a good demand for shops in the retail trade and the occupancy rate consistently remains at a high level.

Due to high investment demand, the investment value of the Dutch retail properties rose in 2010. Various retail portfolios and high street shops changed hands in 2010. The net initial yields especially for the good to very good locations declined in 2010. The risk premium for secondary locations consequently experienced a relative increase.

THE DUTCH PROPERTY PORTFOLIO

Properties

With 38% of the investment properties (in operation and in pipeline), the largest share of VastNed Retail's total property portfolio is located in the Netherlands. The Dutch property portfolio in operation is characterised by a wide spread and a large number of properties (324) and tenants (732, excluding apartment tenants). The majority of these are high street shops (73%). The remaining investment properties consist of shopping centres (17%) and retail warehouses (10%).

Occupancy rate

The Dutch property portfolio was well let. The occupancy rate of this segment of the property portfolio in operation at year-end 2010 was 96.6% (year-end 2009: 98.1%). The average occupancy rate was 97.6% (2009: 98.1%). The higher vacancy rate at year-end 2010, which can still be deemed to be frictional vacancy, is primarily due to the bankruptcy of two tenants in the Roermond Retail Park. A key lease was signed with a new tenant in the fourth quarter of 2010 as a result of which the centre's occupancy rate improved.

Leasing activity

Active asset management is essential to achieving high occupancy rates and stable rental income. In this context, VastNed Retail has opted for a highly active approach in which, in some cases, sitting tenants are bought out and replaced by better performing retailers on more attractive rental terms. The volume of new leases and lease renewals was € 1.8 million (or 3.4% of the theoretical gross rental income), with contracts concluded at an average of 10.7% above the previous rent level.

Important new lettings in 2010 were: 750 sqm by fashion chain Sissy Boy at Koningstraat 12 and 13 in Arnhem, 372 sqm by ING Bank at Onderdoor 3 in Houten and 1,166 sqm by bed specialist Beter Bed in Retail Park Roermond. New lettings totalled € 1.2 million, or 2.3% of the theoretical gross rental income (2009: 3.3%). On average, these were 6.8% above the previous rent level (2009: 1.9%). The volume of lease renewals was € 0.6 million or 1.2% of the theoretical gross rental income (2009: 1.0%). On average, these were 18.2% above the previous rent level (2009: 16.0%). Examples of lease renewals are: 604 sqm by fashion chain Jack & Jones/Only at Oudegracht 153 in Utrecht, 71 sqm by the department store chain Hema at Kalverstraat 208 in Amsterdam and 1,414 sqm by supermarket Albert Heijn at Nachtegaalstraat 55 in Utrecht.

Lease incentives

Despite the developments in the letting market, the provision of lease incentives in the Dutch property portfolio remained limited to 0.5% (2009: 0.6%) of gross rental income. A relatively low level of lease incentives is customary in the Netherlands.

Tenants

The 10 largest tenants account for 22.3% of total rents in the Netherlands. This total is furthermore obtained from 88 retail units, which guarantees a good spread.

Market rent

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

Lease expiry dates

The lease expiry schedule provides a good balance between risk spreading and opportunity. An overview of the existing leases at year-end 2010 is shown in the graph on page 40. The average remaining contract term is 4.0 years (year-end 2009: 4.2 years), which is equal to the average time remaining until the next termination date.

COUNTRY MANAGER THE NETHERLANDS, JACQUELINE VAN DER MISPEL

In recent years we spent considerable effort improving the quality of the retail portfolio in the Netherlands. We sold approximately € 70 million worth of properties with a heightened vacancy and/or rent development risk profile. In addition to these sales, we expanded the property portfolio by approximately € 200 million. The properties that we have added to our portfolio in recent years include additions in Houten's city centre, Retail Park in Roermond and the 'Promesse' in the centre of Lelystad. All are high-quality newly built shops rented to nationally operating retailers. Our recent purchases in Utrecht Overvecht, Rotterdam Zuidplein and Spijkenisse also concern shops that are located in trendy city centres. These acquisitions make a clear contribution to the 'modernisation' and expansion of our property portfolio from which we expect a positive return trend.

Acquisitions
The acquisition of new property investments in 2010 amounted to a total of € 42.2 million. The following properties were acquired:

Rotterdam, Zuidplein Shopping Centre
VastNed Retail has expanded its position in the Zuidplein shopping centre in Rotterdam by acquiring four shops. With 155 shops spread over 55,000 sqm and 12 million visitors per year, Zuidplein shopping centre is one of the very largest shopping centres in the Netherlands. All major national and international retailers, such as Saturn, V&D, New Yorker and C&A are represented in this shopping centre. The four acquired retail units represent 1,150 sqm with an annual rent of approximately € 0.5 million. The tenants include the chemist's chain Etos (Ahold) and the baby specialty shop Prénatal. The total purchase price was € 7.6 million and the net initial yield approximately 5.7%.

Spijkenisse, Spijkenisse City Centre
The shops acquired in the Rotterdam region are located in the Spijkenisse city centre, a growth town of currently some 75,000 people. Spijkenisse's centre for shoppers is the Stadshart Spijkenisse comprising approximately 200 shops. Part of these shops is in covered shopping courtyards. Most of the 17 shops acquired by VastNed Retail are let to national retail chains such as Dolcis, Prénatal, Adam and Steps. The total lettable floor area of the 17 shops is approximately 2,850 sqm, and the annual rental income is approximately € 0.9 million. The total purchase price was € 13.1 million and the net initial yield approximately 5.8%.

Utrecht, Overvecht Shopping Centre
The Overvecht shopping centre serves an important regional function and accommodates approximately 110 shops spread over 27,000 sqm of retail space. All important national retail chains are represented in this centre which has three supermarkets, C&A, H&M, Vera Moda and Hema as its anchor tenants. The Overvecht shopping centre has ample parking space with 1,100 free parking spaces. The regional importance of this centre can be reinforced if the expansion plans, which call for the addition of approximately 8,000 sqm in additional retail space, are implemented. VastNed Retail has acquired 15 shops in the Overvecht shopping centre. This includes the electronics chain Dixons, the lingerie chain Hunkemöller, the candy shop Jamin and the shoe discount retailer Scapino. The total lettable floor space is approximately 5,300 sqm with an annual rent of approximately € 1.4 million. The total purchase price was € 21.5 million and the net initial yield approximately 5.2%.

Disposals
Five small properties were sold in 2010 for a total of € 6.2 million. The result from these sales in relation to the latest appraised value amounted to € 0.4 million.

Investment properties in pipeline taken into operation

In April 2010, a cinema with an adjacent restaurant unit at Onderdoor 4 in the centre of Houten was completed. The cinema has been let, while a tenant is still being sought for the restaurant unit. The investment amounted to € 2.8 million. The net initial yield was 7.5%.

Investment properties in pipeline

Houten, Achterom 1-5 and Spoorhaag 130-134

VastNed Retail owns an office complex in the city's centre with the potential of providing additional shops in the future. Its value at 31 December 2010 was € 2.5 million.

Hendrik-Ido-Ambacht, Hoogambacht shopping centre

The newly developed Hoogambacht shopping centre in Hendrik-Ido-Ambacht serves the new residential district De Volgerlanden and has a lettable floor area of 7,745 sqm and 61 private and 328 public parking spaces. The centre offers typical neighbourhood facilities, including two supermarkets. It is currently not clear when this shopping centre will be delivered. The annual rental income is expected to amount to approximately € 1.4 million. The estimated acquisition price, including acquisition costs is approximately € 24.2 million. As at 31 December 2010 the property was valued at € 21.0 million. A provision was made for the difference between the value and the estimated acquisition price.

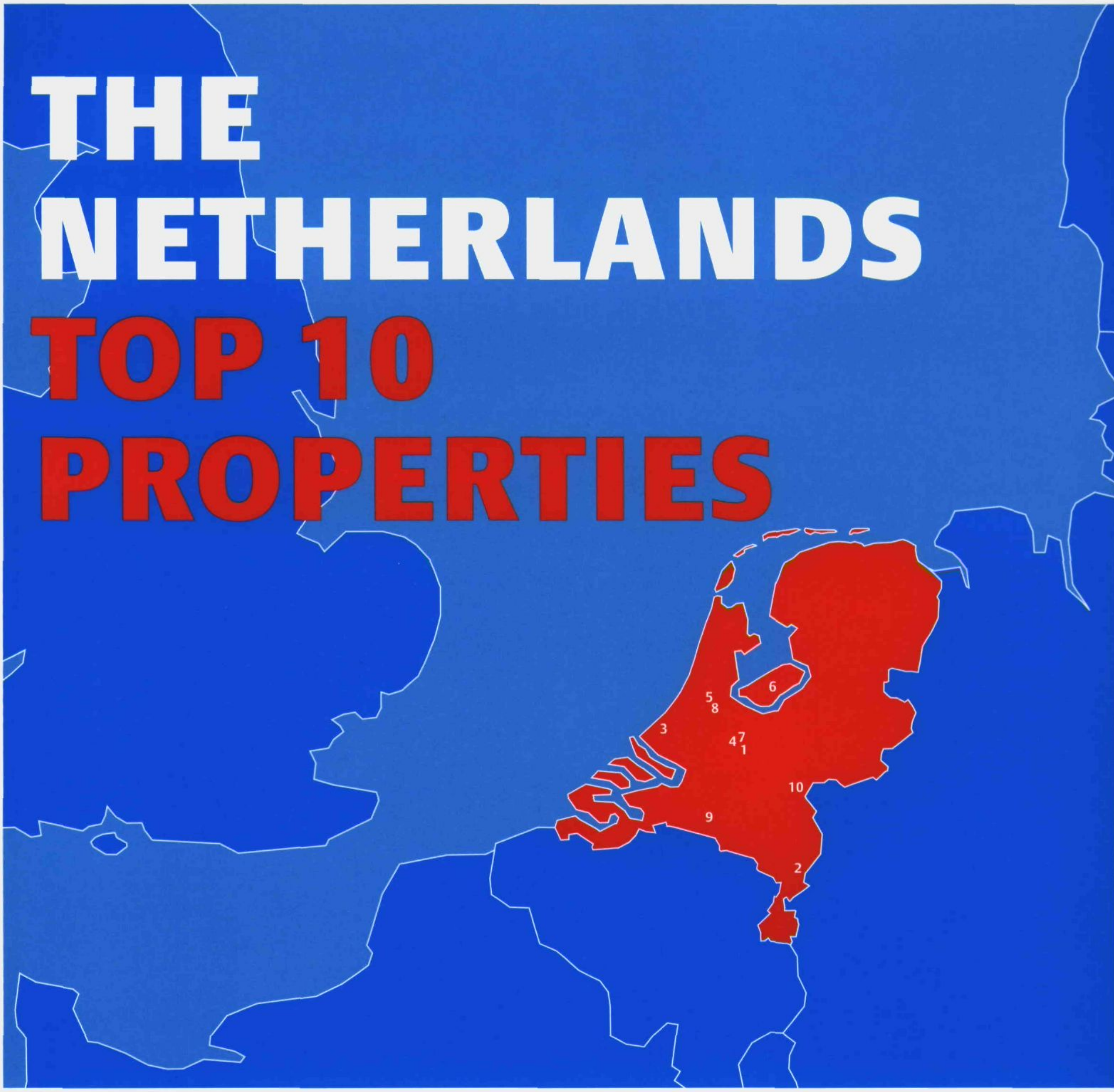
Lelystad, De Promesse

This concerns the units of the centre location De Promesse taken into operation last year that have not yet been let. The € 2.6 million total purchase price owed for these units remains outstanding and will be remitted as soon as the units are let. The value of these units as at 31 December 2010 was appraised at € 2.3 million by the external appraiser.

Value movements in investment properties

The value movements in the Dutch property portfolio amounted to € 11.4 million positive (2009: € 23.9 million negative). The net yield as at 31 December 2010 was 6.2% (year-end 2009: 6.2%).

THE NETHERLANDS TOP 10 PROPERTIES



	As at 31 December 2010 (x € 1 million)	Appraisal value	Theoretical gross rental income	Year-end occupancy (in %)	Number of tenants	GLA (in sqm)
1	Houten, city centre ('Het Rond')	101.8	7.1	96.0	117	32,355
2	Roermond, Schaarbroekerweg 14-58	52.2	3.9	82.6	16	34,098
3	The Hague, city centre	31.4	1.9	96.6	27	6,516
4	Utrecht, city centre	30.2	1.8	100.0	24	6,582
5	Amsterdam, city centre	25.2	1.3	100.0	13	2,843
6	Lelystad, city centre	22.0	1.4	97.2	10	9,450
7	Utrecht, shopping centre Overvecht	21.6	1.5	94.6	15	5,374
8	Amsterdam, Buikslotermeerplein	19.4	1.2	100.0	3	9,988
9	Breda, city centre	16.4	1.0	94.5	10	1,973
10	Nijmegen, city centre	12.8	0.9	100.0	12	4,240
	Total	**333.0**	**22.0**	**94.8**	**247**	**113,419**


5
hunkemöller
New arrivals


2


3
DESTINATIONS


4


6
Dixons


7
H&M


8


9
DKNY


10

THE NETHERLANDS

TOP 10 TENANTS

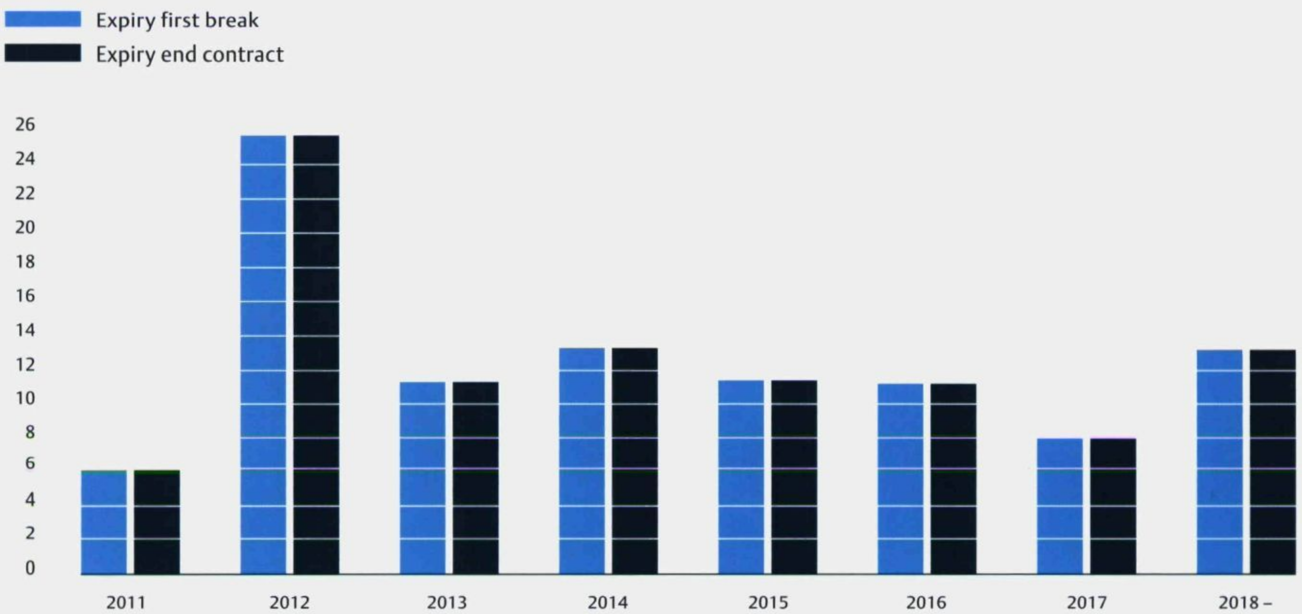
As at 31 december 2010

	Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
1	Ahold	2.1	4.2	9	13,201
2	Blokker	2.0	3.8	19	9,819
3	A.S. Watson	1.7	3.3	19	7,484
4	Maxeda	1.6	2.0	8	10,578
5	Jumbo	1.0	1.9	5	6,687
6	Macintosh	1.0	1.9	11	6,436
7	Sperwer	0.8	1.6	5	6,257
8	Etam	0.6	1.3	5	1,674
9	Schuitema	0.6	1.2	3	1,616
10	Charles Vögele	0.6	1.1	5	4,514

EXPIRY DATES LEASE CONTRACTS

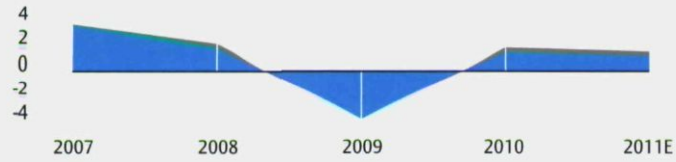
PROPERTY PORTFOLIO (in %)

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break as well as on end contract is 4.0 years.



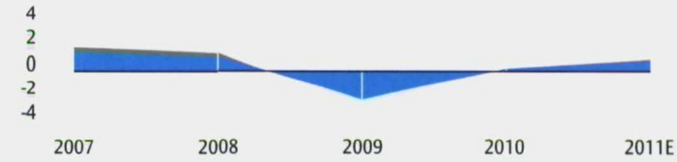
GDP GROWTH in %

Economic growth



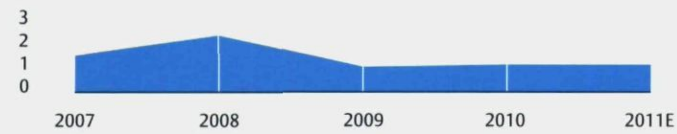
HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



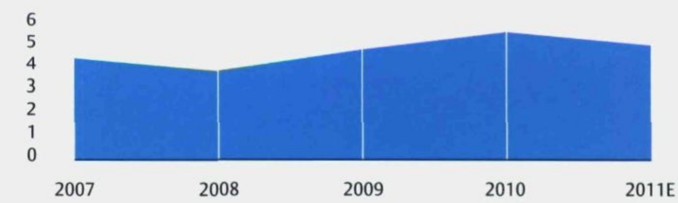
INFLATION CPI in %

Development consumer prices



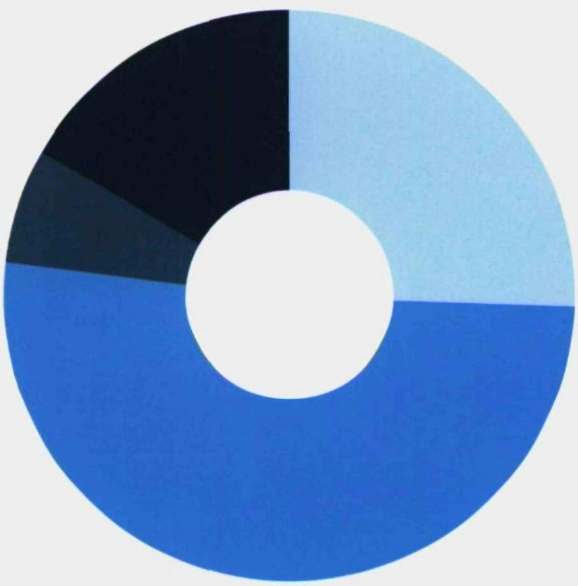
UNEMPLOYMENT

Unemployment as % of working population



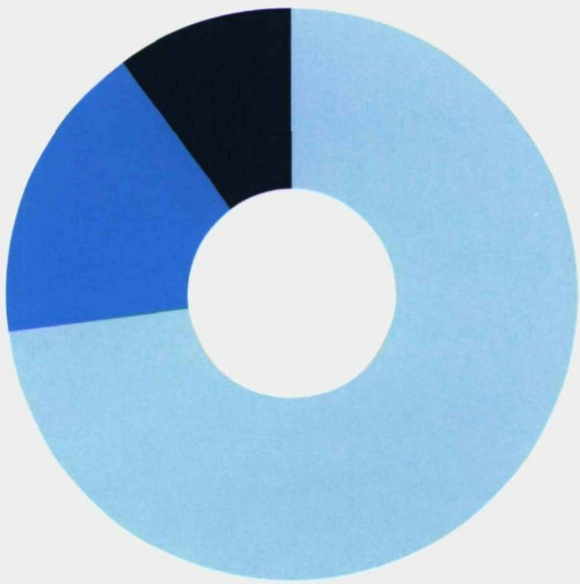
INDUSTRY SPREAD in %

- Food 26
- Non-food 52
- Home and garden 6
- Other 16



SECTOR SPREAD in %

- High street shops 73
- Shopping centres 17
- Retail warehouses 10



'The shop is a beautiful reflection of the things that Filippa K stands for, namely, style, simplicity and quality. The building's look and feel is entirely consistent with the shop's interior. Anyone entering the shop first sees the long table that provides a feel for the brand's own style. The light and the use of colour in the shop create an atmosphere of simplicity and calm, and the collection exudes quality. In terms of the location, I'll be brief, it's perfect. The 'Plaats' is a wonderfully sheltered plaza located in a beautiful part of The Hague's city centre. We are therefore more than happy with this spot.' Pascal Brekelmans, Manager Filippa K, Plaats 17, The Hague, the Netherlands


Filippa K
Sale
Sale


DESTINATIONS
WORLDWIDE
LUXURY STORES
LUXURY HOUSES

SPAIN
TOP 10 PROPERTIES

	As at 31 December 2010 (x € 1 million)	Appraisal value	Theoretical gross rental income	Year-end occupancy (in %)	Number of tenants	GLA (in sqm)
1	Madrid, Centro Comercial 'Madrid Sur'	71.1	5.7	97.0	69	23,405
2	Málaga, Centro Comercial 'La Rosaleda'	61.6	4.9	88.3	70	15,336
3	Madrid, Centro Comercial 'Las Rosas'	52.4	4.2	95.0	89	8,254
4	Badalona, Centro Comercial 'Montigalá'	40.3	3.4	83.5	52	11,396
5	Alicante, 'Parque Vistahermosa'	37.9	4.4	82.2	10	34,609
6	Madrid, city centre	37.5	3.7	90.9	49	20,328
7	Madrid, Centro Comercial 'Getafe III'	35.1	1.5	100.0	4	1,420
8	Murcia, Centro Comercial 'Las Atalayas'	31.8	3.2	97.1	41	10,342
9	Burgos, Centro Comercial 'El Mirador'	26.5	2.2	96.3	42	9,832
10	Castellón de la Plana, Calle Grecia 4	10.6	0.9	100.0	1	5,109
	Total	**404.7**	**34.1**	**91.6**	**427**	**140,031**


2


1


3


4


5


6


7


8


9


10
Media Markt

SPAIN

TOP 10 TENANTS

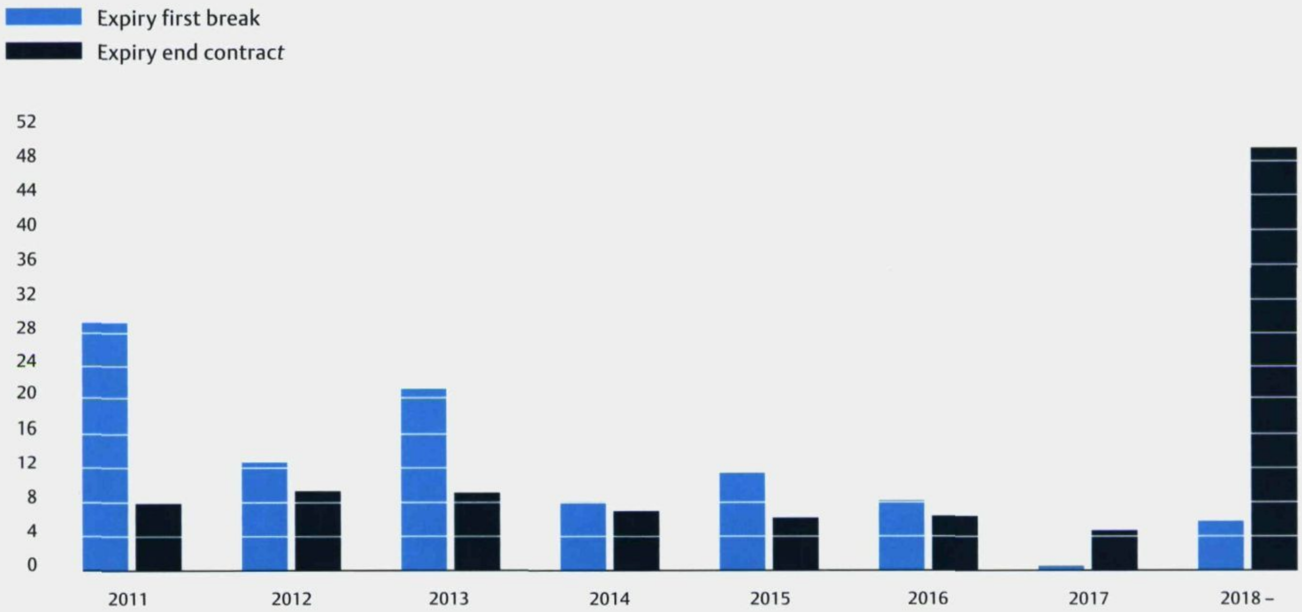
As at 31 December 2010

	Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
1	Auchan	2.2	7.3	6	13,351
2	Metro	2.2	7.2	3	14,080
3	Inditex	2.2	7.1	19	9,878
4	Eroski	1.9	6.1	1	10,173
5	Grupo Cortefiel	1.0	3.4	13	3,860
6	Mc Donalds	0.8	2.5	6	3,090
7	Salvatore Ferragamo	0.6	1.8	1	587
8	Decimas	0.6	1.8	8	1,754
9	Real Madrid	0.5	1.6	1	429
10	Metropolitan sport	0.5	1.5	1	2,796

EXPIRY DATES LEASE CONTRACTS

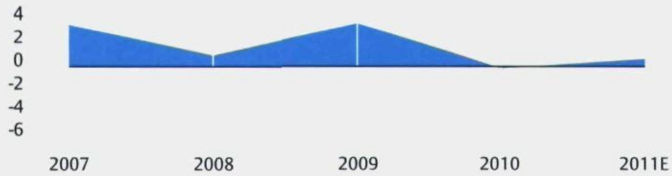
PROPERTY PORTFOLIO (in %)

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is 2.8 years and based on end contract 10.9 years.



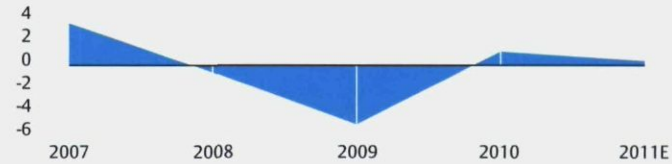
GDP GROWTH in %

Economic growth



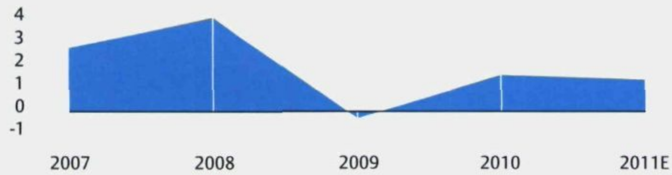
HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



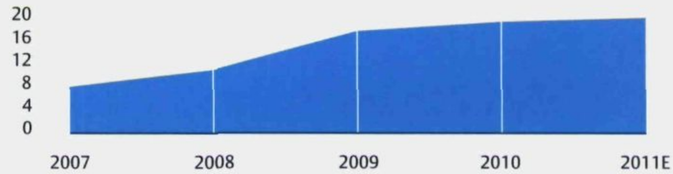
INFLATION CPI in %

Development consumer prices



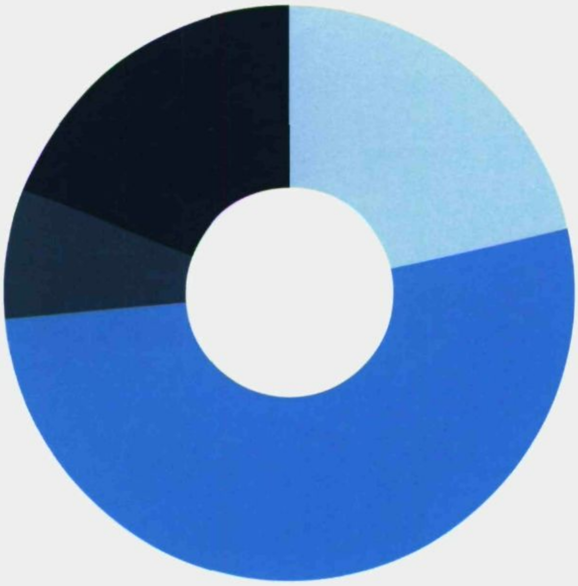
UNEMPLOYMENT

Unemployment as % of working population



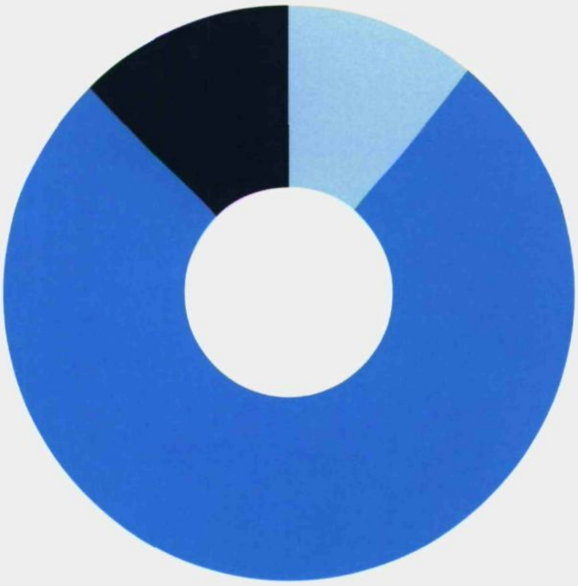
INDUSTRY SPREAD in %

- Food 22
- Non-food 52
- Home and garden 7
- Other 19



SECTOR SPREAD in %

- High street shops 11
- Shopping centres 77
- Retail warehouses 12



'Plaza de la Constitución, also known as the 'plaza with four streets', is located in the heart of Málaga and is an important meeting place for the population. The plaza has a long history and was the seat of many key institutions, such as the City Hall and the Palace of Justice. Today, it accommodates the branch of a bank.' Banesto, Plaza de la Constitución 9, Málaga, Spain


TORRES
MARTI
Banesto


Banesto

SPAIN

ECONOMY

In terms of its economy, Spain is considered a risk country within the euro zone by the capital markets, and after Greece, Ireland and Portugal is considered a candidate for debt relief. That risk seems limited, however, because the government already took drastic measures in 2010, designed to restore order to the government's finances. Public debt as a percentage of GDP is relatively low as well and the 2011 budget deficit is projected to be around 6%: the objective that the government has set for itself. Although Spain, in terms of its debt, is in a relatively good position in comparison to the crisis countries Greece and Ireland, the capital market is nevertheless viewing the large-scale Spanish public debt issues due in 2011 with some concern.

The 3.7% contraction of the Spanish economy in 2009 was followed by a projected slight decline of 0.2% in 2010. The decline in investments is primarily responsible for this, caused by the standstill of the building sector. Exports made a clear positive contribution, as did the recovery of consumer spending. The picture for 2011 is approximately the same, although the contraction in investments is expected to be less than it was in 2010, while the reduction in government spending will be greater. On balance, projections call for limited economic growth. The high level of unemployment and the housing market crisis are at the root of keeping economic growth projections for the coming years low. It is likely to take until 2014 before the size of Spain's economy will once again reach 2008 levels.

In terms of private consumption, a rise of 1.1% is expected in 2010, following a decline of 4.3% in 2009. Consumer spending growth trends are expected to continue to be low over the coming years. Retail spending suffered a major blow in Spain. The correction already began in 2008 due to the sharp increase in mortgage rates. Mortgages in Spain are normally based on short-term interest rates (Euribor plus a fixed margin). Retail spending is experiencing a cautious recovery. Projections are very moderate, because consumer confidence barely recovered in 2010, unemployment is high and the housing market is still in a state of crisis.

RETAIL MARKET

The difficult phase in which the Spanish economy currently finds itself, is the right environment for the growth in discount formulas. Dia is the market leader in the food discount sector, with Aldi and Lidl as its competitors. The market leader in the regular supermarket sector is Mercadona, which traditionally has a favourable price/quality ratio and a strong house brand. These food retailers are profiting from current market conditions and are expanding. The consumer benefits from lower price levels. In the fashion sector, the retail chains C&A, H&M, Kiabi and Primark are on an expansion track. Inditex is responding by establishing Lefties in the discount market, a type of factory outlet similar in format to Zara, Mango with Think UP and El Corte Ingles with Oportunidad. Decathlon is introducing the discount store Koodza. The shift in the Spanish retail trade is taking place and is forcing every retail formula to respond. Leasing activity therefore is primarily generated by the discount formulas.

According to research conducted by Jones Lang Lasalle, the weaker shopping centres in Spain currently have occupancy rates down to close to 50%, while the better shopping centres are exhibiting occupancy rates that are as high as 90% to 100%. Smaller retail units are more difficult to let than larger retail units, because especially the larger retail chains are on an expansion track. The investment market for shopping centres in 2010 experienced the necessary uncertainty related to the risk premium allocated to Spain. The valuation of shopping centres appeared to stabilise during the course of 2010. High street shops at good to very good locations in city centres rose in value due to the large popularity of this type of investment.

THE SPANISH PROPERTY PORTFOLIO

Properties

As at year-end 2010 the Spanish property portfolio made up 21% of VastNed Retail's total property portfolio and consists mainly of medium-sized shopping centres (77%), along with a number of large retail warehouses (12%) and high street shops (11%).

COUNTRY MANAGER SPAIN, LUIS VILA BARRÓN

The Spanish economy was under heavy duress in 2009 and 2010. This had a highly negative impact on unemployment, which rose to 20%. This resulted in a strong drop in consumer spending as a consequence of which retailers in shopping centres experienced a drastic decline in revenues. This led to reduced income, payment arrears, vacancies and the need for providing existing tenants with lease discounts. The final result was a 30% loss in value since the beginning of the crisis.

Nonetheless, valuations in 2010 remained stable. In addition, occupancy rates are once again beginning to climb, from below 90% at the low point to 92% now. This leads us to suspect that there is an improvement underway in terms of valuations, as well as occupancy rates. An upturn is already perceptible in the market: leases for 8,700 sqm were signed in 2010, of which 5,800 sqm were in the last 6 months alone. In addition, a lease will soon be signed for a 2,600 sqm unit in the Montigalá shopping centre, which would bring the newly leased surface area for the past financial year to more than 11,000 sqm.

The greater focus of our efforts is on managing the portfolio, rather than pursuing new acquisitions, with a clear objective of making our current properties more attractive to the public. We are working on improving the commercial mix within our shopping centres. For example, in the past financial year, two properties that previously housed cinemas were repurposed and permits were obtained to replace a third cinema by a retail unit. In addition, we are doing everything we can to ensure that our shopping centres remain pleasant shopping and meeting places. Over the past three years we renovated three shopping centres to give them a more modern appearance. The plan calls for all shopping centres to be renovated over the next two years.

In addition to the above, we should also make mention of the excellent, mostly urban location of our properties. 45% of our properties are concentrated in the Madrid region, the most affluent region in Spain.

Furthermore, we should not forget to mention that, in accordance with company policy, we carried out pilots in three shopping centres in the context of sustainability, with highly satisfactory results. An additional three pilots will take place in 2011.

Finally, I would like to focus attention on the tremendous work done by the people on our team during these difficult years. You can rest assured that in 2011 we will continue to put all of our energy and enthusiasm into our work in order to achieve significant improvements in our portfolio.

Occupancy rate

The occupancy rate of the Spanish property portfolio at year-end 2010 was 91.9% (year-end 2009: 92.3%). The average occupancy rate declined from 93.9% to 91.7%. The lower occupancy rate was mainly caused by the expiry or termination of 52 leases that accounted for € 3.3 million in gross rental income (€ 0.3 million was related to property investments under renovation). This was partly offset by the conclusion of 44 new leases that accounted for € 2.6 million in gross rental income. However, a positive trend was discernable in the second half of 2010 when one considers that as at 30 June 2010, the occupancy rate was below 90%, while the occupancy rate as at year-end 2010 was over 2 percentage points higher than that as at 30 June 2010.

Addressing vacancies has high priority for the Spanish property portfolio. This, for example, has resulted in an increase in the occupancy rate in the Montigalá shopping centre in Badalona (greater Barcelona) from approximately 75% (year-end 2009) to 92.7% (January 2011). Due to active management, two tenants were attracted for the cinema space converted to retail units and, after the balance sheet date, a lease was signed with the electronics chain Worten as a new anchor tenant for the shopping centre.

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

Leasing activity

As mentioned earlier, the economic climate in Spain can be described as difficult. Tenants are under pressure as a result of lower sales. The average rent/sales ratio in 2010 stabilised at a level of 11.3% (2009: 11.3%). This figure excludes supermarket and hypermarket sales. These turnover levels impact on the rents retailers can pay and consequently affect leasing activity. The volume of new lettings and lease renewals amounted to 10.4% of the theoretical gross rental income, representing a total of € 3.6 million. New rents were on average clearly below the previous rent level. The average decline was 10.7%, consisting of a decrease of 10.6% in lease renewals (2009: 1.2% increase) and a decrease of 11.1% (2009: 4.8% decrease) in new leases. After applying straight-lining, the lease discounts were 28.4% and 13.3% respectively (2009: on average 24.0% negative).

Key new leases in 2010 were: 1,243 sqm by the discount clothing retailer Kiabi in Centro Comercial Montigalá in Badalona, 2,796 sqm by Metropolitan Gym in Centro Comercial Las Atalayas in Murcia and 256 sqm by the leading jeans brand Pepe Jeans in the high street shop at Calle Fuencarral 23 in Madrid. The necessary lease renewals were also concluded. The volume of lease renewals was € 1.0 million or 3.0% of the theoretical gross rental income (2009: 3.5%). Examples of lease renewals are: 109 sqm and 58 sqm by the clothing chain Benneton and Bijou Brigitte, respectively, in Centro Comercial Montigalá in Badalona and 122 sqm by the shoe chain Marypaz in Centro Comercial La Rosaleda in Málaga.

Lease incentives

The lease incentives on leases concluded amounted to 5.8% of the gross rental income (2009: 3.7%). This increase is characteristic of the competitive environment in which the Spanish retail property market found itself in 2010.

Tenants

The 10 largest tenants account for 40.3% of the total theoretical rental income in Spain. This rental income is furthermore obtained from 59 retail units, which guarantees a good spread.

Market rent

On average, the Spanish property portfolio was let at 7.3% above the market level.

Lease expiry dates

In Spain, leases are generally concluded for a period of five years, although the occasional exception is made. For example, in the Spanish property portfolio the leases with the fashion conglomerate Inditex were concluded with an annual termination option. Inditex did not terminate any leases in 2010. The graph on page 46 shows the expiry dates of the lease contracts. The average term of the leases in the Spanish property portfolio, measured up to the end of the lease, is 10.9 years (year-end 2009: 10.6 years). Based on the first termination option, the average duration is 2.8 years (year-end 2009: 3.0 years).

Acquisitions

A high street shop at Plaza de la Constitución 9 located in the centre of Málaga was acquired in the second quarter of 2010 for € 5.2 million at a net initial yield of 5.7%. A long term lease for this unit was signed with the Spanish bank Banesto.

Disposals

There were no disposals in 2010.

Completion of investment properties under renovation

The leisure part of the Parque Vistahermosa retail park in Alicante, comprising a surface area of approximately 10,500 sqm, was converted into retail units to provide a more attractive location for chain stores. The transfer of property investments under renovation to property investments in operation took place in mid-2010.

Value movements in investment properties

The Spanish property portfolio is the only part of VastNed Retail's property portfolio in which the downward valuations experienced in 2009 persisted to a limited extent in 2010. The value movements in investment properties in 2010 totalled € 4.5 million negative (2009: € 90.2 million negative). This sharp decline in downward valuations was caused by a halt in the yield shift. The net yield at year-end 2010 was 7.8% (year-end 2009: 7.8%).

FRANCE

ECONOMY

The French economy is performing relatively well during this period of crisis, with a relatively limited contraction of 2.5% in 2009 and a projected growth of 1.6% in 2010. The growth is for the most part due to an increase in domestic demand. Indeed, while export is exhibiting strong growth, import is experiencing strong growth as well. In terms of domestic demand, the reason that the economy is performing well is due to the consumer and the government. A reduction in the government's contribution is expected over the next few years, but this is expected to be offset by business investments. Consumer spending is projected to continue to grow steadily. The size of the French economy is expected to be already back to 2008 levels by the beginning of 2012.

Reforms in France are always very difficult to implement. Nevertheless, government has succeeded in drastically reforming the pension system. This reform contributes to the country's long-term stability. Additional economic reforms are required to ensure the French economy's consistency with the world economy over the long term. The president's popularity is however very low and the expectation is that his attention will now primarily be focused on improving his popularity. It will therefore not be easy to introduce new controversial measures. Indeed, as long as the economy moves ahead at the current pace, no one will really insist on this for the time being.

Private consumption is doing well in France in comparison with other VastNed Retail core countries. In 2009 there was an increase of 0.6% that in 2010 is expected to reach 1.5%. At 35% of GDP, mortgage debt is relatively low and generally financed on the basis of long-term loans at fixed interest rates. The stable private consumption trend is in part due to this situation. Retail spending has suffered a great deal from the confidence crisis in 2008, but now also seems to exhibit more stable trends. It is somewhat alarming that consumer confidence in France is staying at a low level and is not recovering.

RETAIL MARKET

The hybrid supermarket is gaining in popularity in France. This type of supermarket combines online ordering by consumers with the pickup of goods from nearby, strategically located outlets on their way home from work. In relation to foods, a strong trend towards fresh food markets is also discernable. As in a number of other countries, the French population is also greying. In the building sector, there is an emerging Do-It-For-Me instead of Do-It-Yourself trend. Separate from these innovative trends, the crisis of confidence in 2008 also increased the focus on discount formulas in France. In terms of shopping centres, there was a halt in the development of new shopping centres for a long time as a result of which the current stock has aged. New shopping centres and the expansion of existing shopping centres are therefore finding favour with the French consumer.

The high indexation of rents by the construction cost index in recent years has in a number of instances resulted in sharply increased rental levels that consequently were higher than market rents at that point in time. This provided an incentive to some retailers to urge owners to negotiate a new lease with lower rents. In spite of this, the investment values of French retail properties once again rose in 2010. A number of very sizeable transactions for equally very sizeable shopping centres took place. The net initial yields declined. There is a great deal of interest in high street shops at good to very good locations in inner cities.

THE FRENCH PROPERTY PORTFOLIO

Properties

21% of the total property portfolio, is located in France and comprises 120 properties with 242 tenants. The property portfolio for the most part consists of high street shops (56%) and shopping centres (34%). The rest consists of retail warehouses (7%) and other, predominantly residential, property (3%). The latter category is considered to be non-core and will be sold in due course. The property portfolio is spread throughout the country, with 19% concentrated in the city centre of Paris, 14% in the city centre of Lille and 21% in the Val Thoiry shopping centre in Thoiry near Geneva.

COUNTRY MANAGER FRANCE, BENOÎT DANTEC

When I think of the French portfolio, the first thing that comes to mind is the words 'spread' and 'balance'. First, the balanced geographical spread; we operate from Dax to Dunkirk and from Brest to Nice, and of course in large cities, such as Paris, Lyon, Lille and Marseille. We offer a large range of opportunities to all kinds of retailers here.
Second, the balanced spread in terms of the types of properties, ranging from top locations with high value, high rental income and high certainty to more standard properties that nonetheless represent a great deal of potential.
In addition, there is a balanced spread within the property portfolio between shopping centres (34%), high street shops (56%) and large retail warehouses (7%). Finally, there is also a balanced spread between tenants, brands and dimensions. Our 242 tenants, depending on their business model, operate in areas ranging from 40 sqm to 8,000 sqm.

Our total portfolio offers all our partners, clients, suppliers and employees a stable and reliable environment.

This balanced growth in European property guarantees our shareholders a balanced risk-return profile.

Occupancy rate

The occupancy rate of the French property portfolio at year-end 2010 was 93.4% (year-end 2009: 92.4%). The average occupancy rate declined from 96.9% to 92.9%. The decline in the average occupancy rate was caused by the expiry of the rent guarantee for the Lille portfolio in mid-November 2009. The improvement in the occupancy rate at year-end 2010 is due to a steady leasing activity in 2010.
The loss in rental income in 2010 due to departing tenants amounted to € 1.2 million. This was amply compensated by approximately € 1.3 million in new lettings.

Leasing activity

The volume of leasing activity in 2010 was 10.4% of the theoretical gross rental income (2009: 13.1%). On balance, new contractual rental income was 9.3% below the previous rent level. On average, new lettings were concluded with 3.0% lower rents and lease renewals with 15.6% lower rents. A total of 15 new lettings and 8 lease renewals were concluded.

A number of these new lettings is worthy of mention, such as the letting of 2,973 sqm by the supermarket chain Leclerc in the Centre Marine shopping centre in Dunkirk, the letting of 103 sqm by the fashion shop Bash at Rue de la Monnaie 4 in Lille and the letting of 790 sqm by the Spanish fashion chain Desigual at Rue Saint-Jean 45-55 in Nancy. Examples of lease renewals are: 2,029 sqm by the Swedish fashion house H&M at Rue Saint Jean 45-55 in Nancy, 236 sqm by the luggage and handbag specialist Luis Vuitton at Rue de la Grande Chaussée 29 in Lille and 107 sqm by the French fashion chain IKKS in the Val Thoiry shopping centre in Thoiry.

Lease incentives

The provision of lease incentives in the French property portfolio remained limited to only 1.7% (2009: 1.3%) of the gross rental income.

Tenants

The 10 largest tenants account for 46.8% of the total theoretical rental income in France. This gross rental income is furthermore obtained from 46 retail units, which guarantees a good spread.

Market rent

On average, the French property portfolio was let at 3.5% below the market level.

Lease expiry dates

Leases in France are generally concluded based on the 3-6-9-system. This means that the duration of the contract is nine years and the tenant can give notice after three and six years. The overview of lease expiry dates in the French property portfolio on page 60 shows that a large number of leases will expire and tenants will be able to give notice in 2011. This is not considered a cause for concern, since the retail properties are in competitive locations, so it is unlikely that many tenants will give notice on their leases. The average duration of leases up to the tenants' first termination date is 1.5 years (year-end 2009: 1.4 years). Taking the total term of the lease agreements into account, this figure is 6.0 years (year-end 2009: 4.8 years).

Acquisitions

There were no acquisitions in 2010.

Investment properties in pipeline

Plaisir-Sablons shopping centre in Plaisir

This shopping centre is located 25 km to the south-west of Paris. Plans have been developed to redevelop and expand this shopping centre, resulting in a total lettable retail floor area of approximately 27,000 sqm. VastNed Retail has no legal obligation to redevelop this shopping centre and is specifically taking the possibility of divestment into consideration. The property was appraised at € 14.5 million as at 31 December 2010.

Rue Ernestale 35 in Arras

This concerns part of the property Rue Ernestale 35 in Arras, which can be developed in future. The value of this portion amounts to € 0.7 million.

Disposals

Seven small non-core investment properties, mostly located in Lille, were sold for € 1.9 million in 2010.

Value movements in investment properties

The value movements in the French property portfolio amounted to € 22.1 million positive (2009: € 33.3 million negative). This brings the net yield at year-end to 6.1% (year-end 2009: 6.6%).

FRANCE
TOP 10 PROPERTIES

	As at 31 December 2010 (x € 1 million)	Appraisal value	Theoretical gross rental income	Year-end occupancy (in %)	Number of tenants	GLA (in sqm)
1	Thoiry, Centre Commercial 'Val Thoiry'	91.2	5.8	98.9	63	23,415
2	Paris, city centre	81.1	4.6	96.5	12	5,309
3	Lille, city centre	61.1	3.7	79.5	42	8,641
4	Nancy, Rue Saint-Jean 44-45	28.3	1.7	90.8	7	4,794
5	Dunkirk, Centre Commercial 'Centre Marine' Place Emile Bollaert	22.8	2.0	86.7	19	10,263
6	Angers, Rue Lenepveu 25-29	17.9	1.0	100.0	5	4,664
7	Limoges, Centre Commercial 'Limoges Corgnac'	16.2	1.6	81.0	17	5,407
8	Nice, Route de Grenoble 604	7.9	0.6	100.0	1	2,067
9	Limoges, Centre Commercial 'Beaubreuil'	6.3	0.5	92.7	14	4,452
10	Cannes, Rue d'Antibes 40	6.2	0.3	100.0	1	948
	Total	**339.0**	**21.8**	**92.0**	**181**	**69,960**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LISSAC
McDonald's
H&M
LISSAC
ANDRE


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GO


3


4


5
votre magasin
E.LECLERC


6


7


8
DECATHLON


9


10

FRANCE

TOP 10 TENANTS

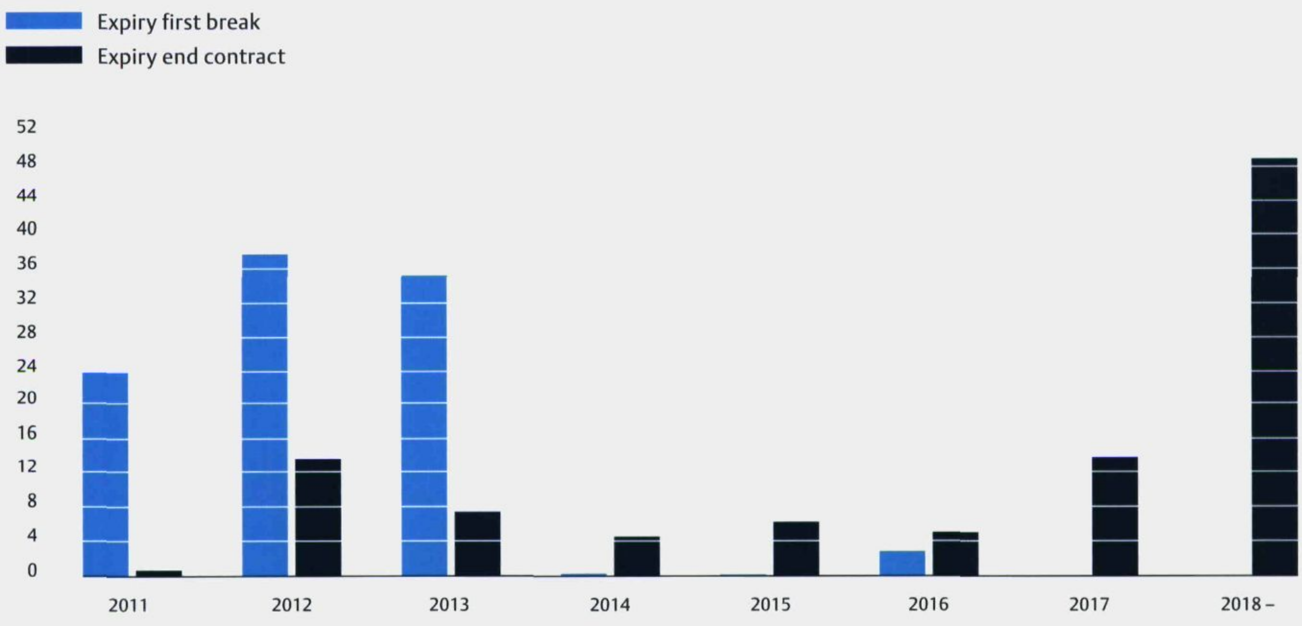
As at 31 December 2010

	Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
1	H&M	4.6	18.0	5	8,323
2	Armand Thiery	1.7	6.7	10	6,113
3	Auchan	1.3	5.2	5	11,379
4	Vivarte	0.8	3.2	5	5,238
5	PPR	0.8	3.1	3	4,065
6	Kesa	0.7	2.9	1	1,278
7	Nocibé	0.6	2.3	4	1,633
8	Louis Vuitton	0.5	2.1	5	2,160
9	Célio International	0.5	1.9	5	1,430
10	Camaieu	0.5	1.8	3	940

EXPIRY DATES LEASE CONTRACTS

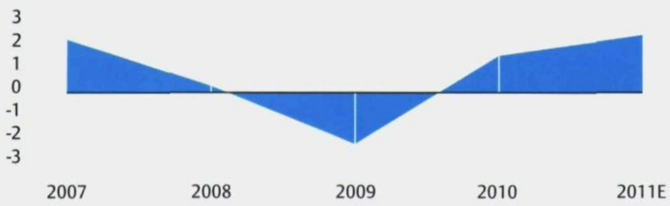
PROPERTY PORTFOLIO (in %)

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is 1.5 years and based on end contract 6.0 years.



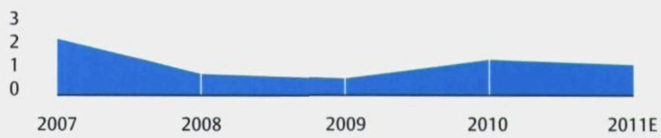
GDP GROWTH in %

Economic growth



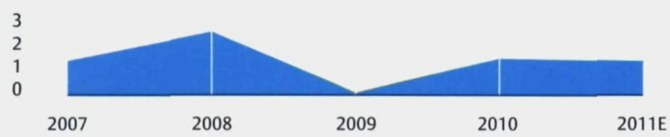
HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



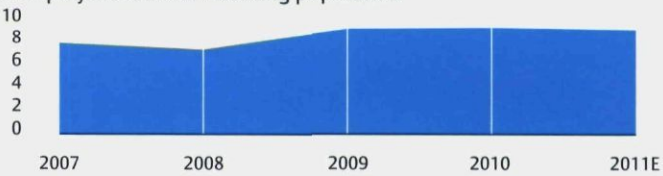
INFLATION CPI in %

Development consumer prices

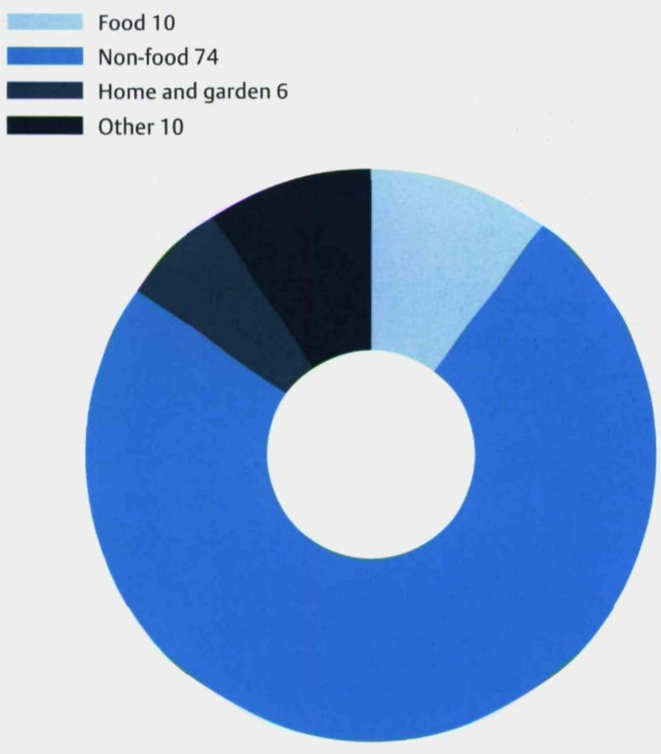


UNEMPLOYMENT

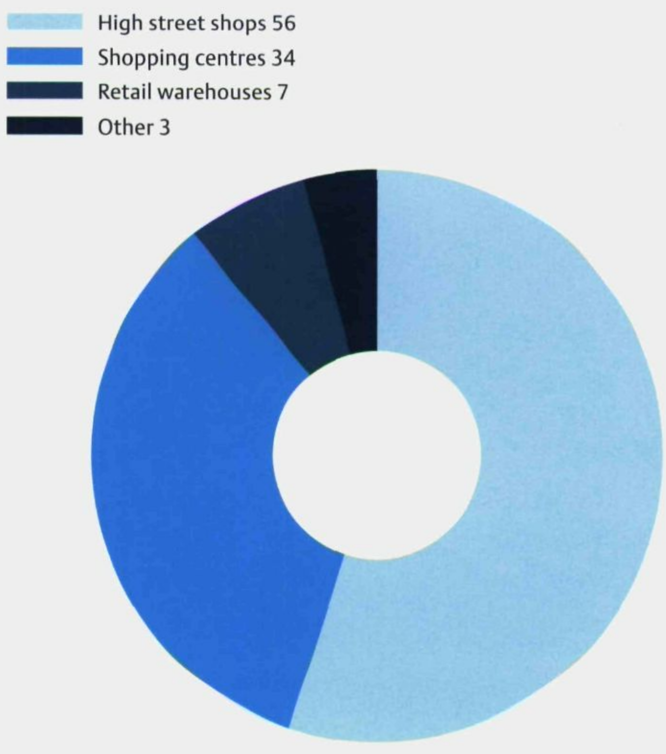
Unemployment as % of working population



INDUSTRY SPREAD in %



SECTOR SPREAD in %



'The first reason for us to choose the Centre Marine shopping centre was to gain market share in Dunkerque where we are under-represented. Secondly, studies showed that there was a real potential. Furthermore, the big hypermarkets in the suburbs are running out of steam. With Rosendael we are experimenting with a convenience store aimed at ageing patrons who are looking for contact, friendliness and speedy service. Free parking for the first two hours was another key factor. And finally we enjoy working in a climate of trust and understanding with VastNed.' Jérôme Contart, manager E.Leclerc, Centre Commercial 'Centre Marine', Place Emile Bollaert, Dunkirk, France


Votre magasin
E.LECLERC

BELGIUM
TOP 10 PROPERTIES

	As at 31 December 2010 (x € 1 million)	Appraisal value	Theoretical gross rental income	Year-end occupancy (in %)	Number of tenants	GLA (in sqm)
1	Brussels, city centre	38.1	2.5	100.0	12	8,297
2	Antwerp, city centre	35.4	2.1	100.0	12	5,101
3	Tielt-Winge, Retailpark 'Gouden Kruispunt', Aarschotsesteenweg 1-6	23.8	1.7	100.0	23	18,866
4	Vilvoorde	19.1	1.5	90.9	16	15,619
5	Bruges, Steenstraat 80	15.1	1.0	100.0	2	2,058
6	Mechelen, city centre	14.1	0.9	100.0	4	3,309
7	Tongres, city centre	13.9	1.1	91.9	23	8,890
8	Ghent, city centre	11.5	0.7	100.0	6	3,245
9	Leuven, Bondgenotenlaan 69-73	9.4	0.6	100.0	2	1,495
10	Wilrijk, Boomsesteenweg	9.4	0.7	100.0	7	6,347
	Total	**189.8**	**12.8**	**98.2**	**107**	**73,227**


8
FIT GUIDE
96

1

2

3
WELKOM BIJ
KREFEL
PLASMA - TELECOM - FOTO - COMPUTER

4
H&M

5

6

7

8

10
INFO

BELGIUM

TOP 10 TENANTS

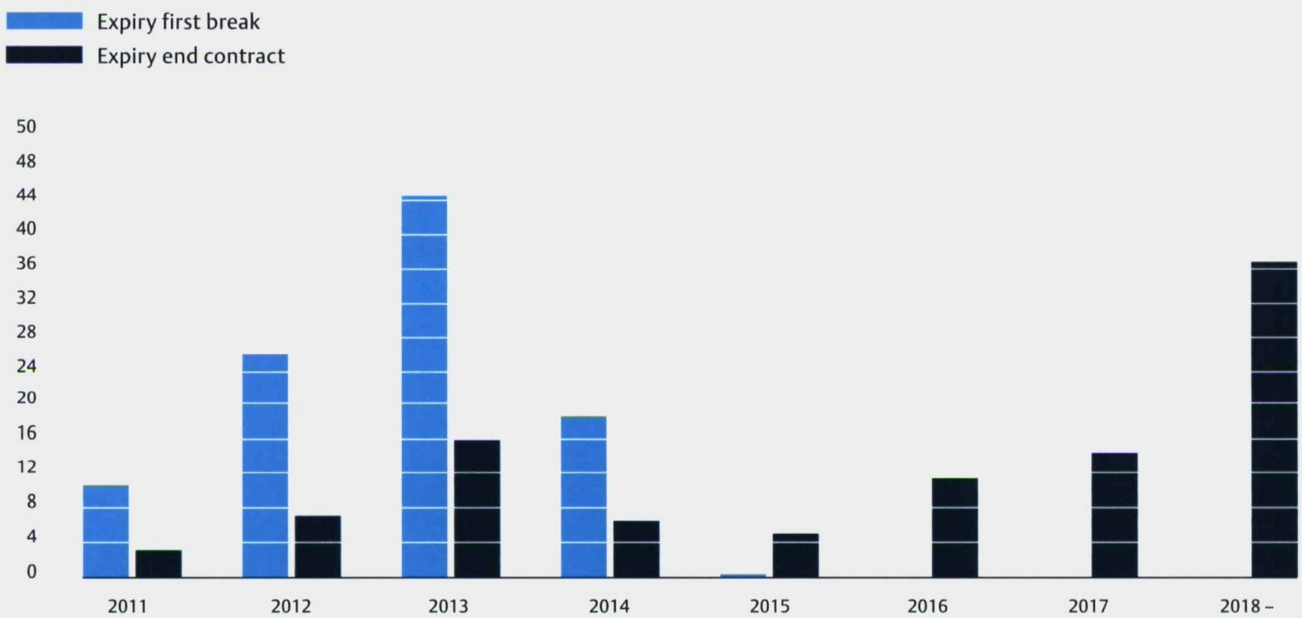
As at 31 December 2010

	Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
1	H&M	2.6	12.0	6	10,757
2	Inditex	1.1	5.4	2	3,007
3	Aldi	1.1	5.3	16	15,399
4	Décor Heytens	1.0	4.8	15	10,901
5	Euro Shoe Unie	0.9	4.3	10	7,545
6	Charles Vögele	0.7	3.2	5	4,350
7	Maxeda	0.6	2.6	3	5,453
8	Blokker	0.5	2.5	8	6,008
9	Macintosh	0.5	2.3	5	5,096
10	IC Companys	0.5	2.1	1	528

EXPIRY DATES LEASE CONTRACTS

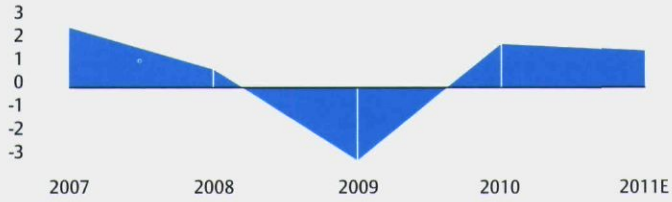
PROPERTY PORTFOLIO (in %)

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is 2.8 years and based on end contract 6.8 years.



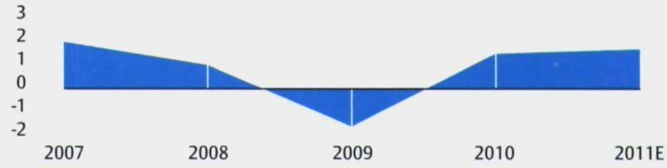
GDP GROWTH in %

Economic growth



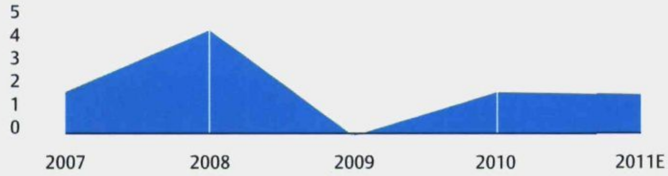
HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



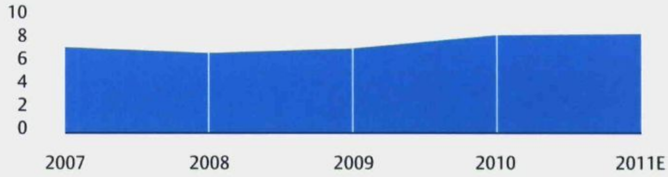
INFLATION CPI in %

Development consumer prices



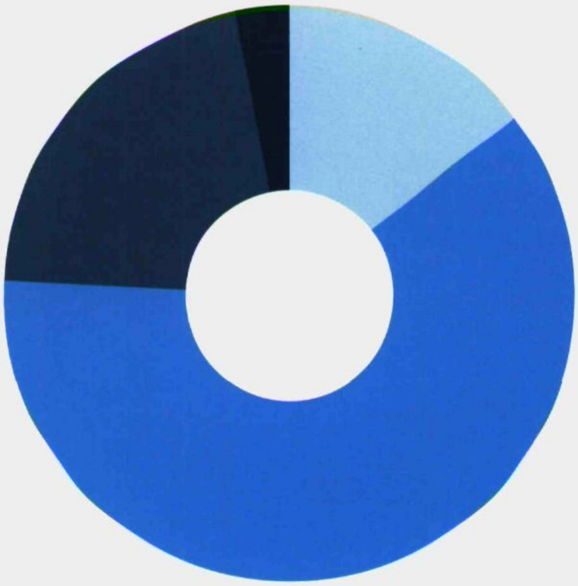
UNEMPLOYMENT

Unemployment as % of working population



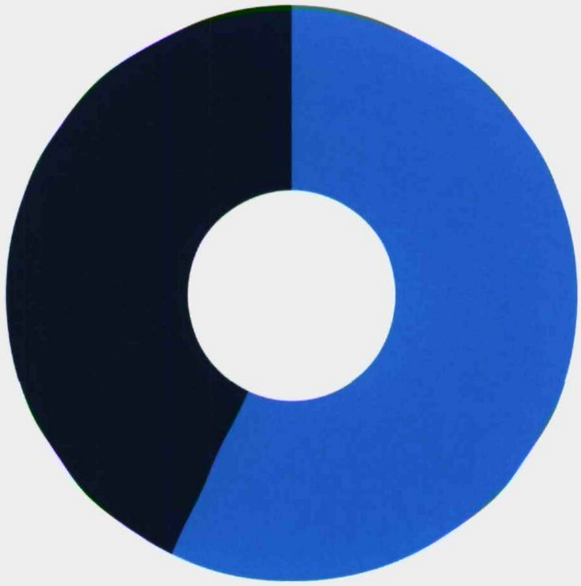
INDUSTRY SPREAD in %

Food 15
Non-food 61
Home and garden 21
Other 3



SECTOR SPREAD in %

High street shops 57
Retail warehouses 43



‘The building completely matches G-Star RAW’s personality and the shop has consequently been entirely fitted up according to G-Star RAW’s image. We opted for a simple, trendy and especially spacious layout. The product is the central theme within the shop and there must therefore be ample space for it, entirely in line with G-Star RAW’s philosophy “Just the Product”.’ Jurgen Covemaeker and Bart Lammerteyn, sales staff, G-Star RAW, Volderstraat 15, Ghent, Belgium


G-STAR RAW
RAW


G-STAR RAW

BELGIUM

ECONOMY

A central focus of attention is the political stalemate in Belgium. The formation of a new government is dominated by the linguistic conflict between French and Dutch language Belgians in that country. Holding new elections does not seem to offer a way out, because the expectation is that the results would only serve to further sharpen existing contrasts. The current government can only act in an observing capacity and is unable to implement structural reforms designed to improve government finances structurally. Until now this has not really negatively impacted Belgium, although there appears to be increasing pressures from Europe and the financial world. For the time being, the economy seems to be doing relatively well after the crisis of confidence in 2008.

The Belgian economy shrunk by 2.7% in 2009 and is projected to grow by 2.1% in 2010. Prospects for the coming years also appear to be relatively good. The size of the Belgian economy could well reach 2008 levels by the beginning of 2012. Exports are picking up and private consumption, as well as government spending, is growing. It is particularly in relation to this last point where, once a new government has been formed, there could very well be some changes. Government budget cutbacks could then reverse the government's positive contribution to economic growth into a negative contribution. Indeed, a debt crisis is looming in the background in Belgium as well, if it proves impossible to form a government. Standard and Poor's lowered Belgium's credit rating in mid-December 2010.

Private consumption remained stable in Belgium in 2009 and once again exhibited growth in 2010. Consumer confidence rose sharply in 2010, while unemployment remained more or less stable. The issue concerning the formation of a new government does not seem to be affecting the Belgian consumer. Retail spending clearly increased at the end of 2010, indicating increased optimism there as well.

RETAIL MARKET

The discount formulas are also benefiting from the current economic situation in Belgium. In the food sector, Carrefour is experiencing difficulties, while the discounter Colruyt is doing well, as are Lidl and Aldi. Of note therefore is the entry of the Dutch supermarket giant Albert Heijn into the Belgian retail market. Albert Heijn is not a discounter and is therefore expected to compete with Carrefour and Delhaize. Many parties will be tracking this entry with interest over the coming years, because if Albert Heijn turns out to be successful, this will be at the expense of other supermarket chains. In the fashion sector, many international chains are active in the Belgian retail market. Recent entries include Primark, New Look and River Island. Especially Primark is doing very well with its new shop in Liège. Primark's 'value for money' concept is very well received in Belgium as well, following earlier successful openings in other European countries.

The Belgian retail market held up well in 2010. Leasing activity is moderate, however, because limited retail space is available. While there is interest on the part of retail trade, the lack of new retail space plays an important role in this. Developers are cautious, while the international retail trade is looking for expansion. There is interest in the retail market on the part of private investors, because investment in retail properties is considered a safe investment. The size of the transaction market is not large, however. The net initial yields slightly declined in 2010 in comparison to 2009.

THE BELGIAN PROPERTY PORTFOLIO

Properties

The Belgian property portfolio (15% of the total property portfolio) is one of the most crisis-resistant components of VastNed Retail's property portfolio. This applies to both operating results and the development of the values in this property portfolio. This is due to a solid property portfolio mix and the Belgian government's restrictive spatial planning policy.

At year-end 2010 the Belgian property portfolio comprised 94 properties in the categories of high street shops (57%) and retail warehouses (43%).

COUNTRY MANAGER BELGIUM, JEAN PAUL SOLS

I think it is safe for me to say that the investments in retail property in Belgium are solid and stable investments that perfectly respond to the VastNed Group's adage 'Balanced Growth in European Property'.

Furthermore, the portfolio is a unique mix of city centre properties in extremely scarce top locations combined with a great portfolio of retail warehouses shops and retail parks at the best locations that Belgium has to offer. This means that we have developed a highly enviable position in this scarce market.

Even in the recent turbulent years, the value of the Belgian property portfolio proved itself to be very stable. Almost all contracts were able to count on renewals on expiry at higher rates.

This stable growth is sustained by a number of factors: first, Belgium often is a test market for international retailers, which results in a quasi-permanent high demand for good locations and, second, purchasing power in Belgium is relatively stable due to wages that are legally tied to the index and a high savings rate on the part of Belgians.

Occupancy rate

The occupancy rate at year-end 2010 was 98.8% (year-end 2009: 99.1%). The average occupancy rate in 2010 was 99.0% (2009: 99.3%). The 10 leases terminated in 2010 represented € 0.5 million in gross rental income, which was virtually compensated for by 8 new lettings concluded in 2010, representing a total of € 0.4 million in gross rental income.

Leasing activity

Leasing activity in 2010 can be described as respectable. A total of 26 leases representing a total value of € 1.7 million in gross rental income were concluded. New leases worth € 0.4 million and lease renewals worth € 1.3 million were concluded. These leases were on average concluded at 2.8% below the previous rent level. Examples of new leases are: 399 sqm on Maastrichterstraat in Tongres by the fashion chain Jack & Jones and 702 sqm at Hasseltweg 74 in Genk by the bed specialist Easy Sleep. Examples of lease renewals are: 1,368 sqm at Elsensesteenweg 41-43 in Brussels by the international fashion chain Mango, 207 sqm at Grand Rue 19 in Mons by the fashion chain Pimkie and 1,757 sqm by the international fashion chain H&M on Maastrichterstraat in Tongres. The rent levels realised are on average somewhat lower than the previous rent level. This is offset by the fact that those two lettings contribute to the revitalisation of the city centre property portfolio in Tongres.

Lease incentives

The lease incentives on leases concluded amounted to 1.9 % of the gross rental income (2009: 1.2%).

Tenants

The 10 largest tenants account for 44.5% of the total theoretical gross rental income in Belgium. This rental income is furthermore obtained from 71 retail units, which guarantees a good spread.

Market rent

On average, the Belgian property portfolio is let at market level.

Lease expiry dates

Leases in Belgium are generally concluded on the basis of the 3-6-9-system. This means that the tenant can give notice after three and six years. This seldom happens, however, since the tenant earns his living at and from the specific location of the shop. The overview of lease expiry dates as shown on page 66, differentiates between the expiry dates based on the termination date of the contract and a more conservative calculation based on the next possible termination date for the tenant. The scope for increasing the rent plays a key role in the first method. The second method was devised from the point of view of risk management. The average term is 6.8 years (year-end 2009: 7.5 years). Based on the tenant's first option of termination, the average duration is 2.8 years (year-end 2009: 2.5 years).

Acquisitions

There were no acquisitions in 2010.

Disposals

A number of apartments was sold in 2010 in Vilvoorde (Leuvensestraat 43) and in Hasselt (Genkersteenweg 76) for a total of € 0.4 million.

Value movements in investment properties

The value movements in investment properties in 2010 totalled € 4.5 million positive (2009: € 0.5 million positive). The net yield at year-end 2010 amounted to 6.6% (year-end 2009: 6.5%).

TURKEY

ECONOMY

Following a 4.7% contraction in 2009, the Turkish economy is making a strong comeback with a projected growth of 8.1% in 2010. The economy already exceeded 2008 levels in 2010. A strong domestic demand is responsible for this high economic growth. In addition to investments with a projected growth of 25%, consumer spending with a projected growth rate of 7% is to a large extent contributing to the 2010 economic growth. The investments are expecting to improve the country's export position. This position is currently lagging due to the country's strong focus on Europe and a strong currency. The country's exports are expected to grow in volume over the coming years. The government sector, in proportion, is barely growing and the banking system is not experiencing the problems that are primarily evident in western Europe. Within Europe, Turkey is the only major economy with a very young population, population growth and a relatively low GDP per capita. The country is part of the group of emerging economies in the world. Economists project a long-term economic growth of approximately 5% per year. Inflation trends in recent years have been much better controlled than in the past. Inflation is however still clearly higher than it is in the euro zone.

RETAIL MARKET

Turnover in the retail sector is benefiting from the economy's strong growth in 2010. Expectations are that the retail trade will continue to exhibit a favourable trend due to the still relatively low GDP per capita and population growth. A key element in the retail trade trend is that the mortgage market is in an entirely different phase than that of other VastNed Retail core countries. There is barely any mortgage debt, while private home ownership is high. The mortgage market is now beginning to grow. Experience shows that this is a positive condition for the development of retail trade in a country.

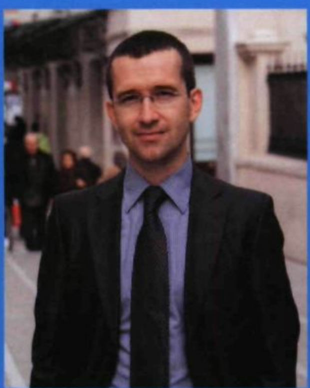
The retail market in Turkey is in the middle of a modernising process. Many new shopping centres are being opened and shopping streets have begun a process of internationalisation. International retailers, such as Zara, H&M, C&A, Mediamarkt and Best Buy are on an expansion track and are driving the demand for retail space. International retailers do not want to miss the opportunities inherent in a major emerging economy like this and are steadily further expanding their presence. New shopping centre building permits are easy to obtain and this is why VastNed Retail is focusing on the traditional, heavily visited shopping streets in Istanbul. Net initial yields on these investments declined in 2010, but still remain attractive in comparison to the net initial yields on the same type of retail investments elsewhere in Europe.

THE TURKISH PROPERTY PORTFOLIO

Properties

At year-end 2010, the Turkish property portfolio comprised eight properties (4% of the total property portfolio), consisting of seven high street shops in absolute A1 locations and a local shopping centre in Şişli in Istanbul. Of the seven high street shops, five are located on the Istiklal Caddesi and two on the Bahariye Caddesi. The total floor space is 16,007 sqm.

VastNed Retail's aim is to expand the Turkish property portfolio to approximately 10% of the total property portfolio. The focus is on acquiring high street shops at the very best A1 locations in Istanbul. A number of streets has preference in this regard as follows: Istiklal Caddesi, Abdi Apekçi Caddesi and Istasyon Caddesi in the European area and Bahariye Caddesi and Bagdat Caddesi in the Asiatic area of Istanbul. The appeal resides in the unparalleled footfall in the abovementioned streets and a retail market that is in the process of internationalising. VastNed Retail preference is to acquire these properties as vacant properties, adapt the retail space to the required modern standards and to search for a first class tenant via its international network. Up to now this strategy has proven highly successful.



COUNTRY MANAGER TURKEY, BORA KARLI

VastNed Retail is focused on the very best high street shops in Istanbul, the country's largest city. Shopping has been one of the most important attractions for centuries in this 8,500-year old metropolis, where the oldest organised shopping area in the world is located: the Great Bazaar. Nowadays, 15 million, mostly young, residents enjoy shopping in the unique shopping streets of this dynamic city.

The largest portion of the retail portfolio is located on the renowned authentic Istiklal Caddesi, which each day attracts 2 million people with a selection of brands. The street and its surroundings teem with activity day and night. The shops offer the latest fashion, while restaurants, cafes, bars and galleries offer a wide selection of entertainment.

Another part of our property is located along the Bahariye Caddesi in the Asiatic part of the city, where traditional shops in the old city coexist with modern retail formulas. Close to our shops is one of the largest transport junctions in Istanbul, with connections to busses, trains and ferries.

VastNed Retail's high street shops vary in size from 200 to 3,000 sqm, which enables us to provide for all of the needs of local and international retailers. Units larger than 1,000 sqm are exceptionally scarce; however, VastNed has such buildings at its disposal. Such properties are much sought after by leading international fashion retailers.

Istanbul, where Asia and Europe meet, absorbed many different peoples and cultures throughout its long history. This legacy is reflected in the unique structure of its shopping streets and the population's modern shopping habits. And in our high street shops it is easy for retailers to introduce new trends and brands to shoppers.

Occupancy rate
The relatively low average occupancy rate is due to the strategy mentioned above. The occupancy rate at year-end 2010 was 95.8% (year-end 2009: 84.8%) and is expected to continue to rise in 2011.

Leasing activity
A total of 5 leases representing a total value of € 0.9 million in gross rental income were concluded in 2010. This included new leases as well as lease renewals, which constitute 42.9% of the theoretical gross rental income. These leases were on average concluded at 19.1% above the old or expected rent level. Examples of new leases are: 195 sqm by lingerie specialist Penti at Bahariye Caddesi 66B in Istanbul and by the coffee chain Tchibo originating from Germany at Bahariye Caddesi 55 in Istanbul. Furthermore, the British fashion chain TopShop has extended its lease for 1,170 sqm on Istiklal Caddesi at an increase of 48.3% over the previous rent level.

Lease incentives
No lease incentives were granted in 2010.

Tenants
Most of the current tenants can be categorised as national or international retailers of high standing. The 5 largest tenants account for 75.6% of total gross rental income.

Market rent
For each external appraisal, the appraiser is asked to render an opinion on the market rent level. On average, the Turkish property portfolio was let at 12.9% below the market level.

Lease expiry dates
In Turkey, leases are usually concluded for a period of five years. Following the expiry of the leases there are ample opportunities for making adjustments designed to approach market level rent. The graph on page 80 shows the expiry dates of the Turkish property portfolio. The average term of the leases is 4.1 years. The average time remaining until the tenant's next termination date is 1.2 years.

Acquisitions
Two acquisitions for a total of € 47.9 million were made in 2010. This involved two properties on Istiklal Caddesi in Istanbul both of which will be renovated prior to being let.

Disposals
There were no disposals in 2010.

Value movements in investment properties
The value movements in investment properties in 2010 totalled € 2.2 million positive (2009: € 0.4 million positive). The net yield at year-end 2010 amounted to 5.8% (year-end 2009: 5.8%).

PORTUGAL

PROPERTIES

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

OCCUPANCY RATE AND LEASING

This property portfolio was fully let during 2010. No letting movements took place.

VALUE MOVEMENTS IN INVESTMENT PROPERTIES

External appraisals have resulted in a value movement of € 0.2 million negative (2009: € 0.9 million negative). The net yield at year-end 2010 amounted to 8.8% (year-end 2009: 9.3%).

TURKEY TOP 5 PROPERTIES

	As at 31 December 2010 (x € 1 million)	Appraisal value	Theoretical gross rental income	Year-end occupancy (in %)	Number of tenants	GLA (in sqm)
1	Istanbul, Istiklal Caddesi 161 1)	28.2	n/a	n/a	n/a	4,700
2	Istanbul, Istiklal Caddesi 85 1)	23.8	n/a	n/a	n/a	3,650
3	Istanbul, Istiklal Caddesi 34	10.8	0.5	100.0	1	1,170
4	Istanbul, Istiklal Caddesi 119	6.4	0.4	91.5	2	495
5	Istanbul, Istiklal Caddesi 98	4.9	0.3	100.0	1	530
	Total	**74.1**	**1.2**	**98.0**	**4**	**10,545**

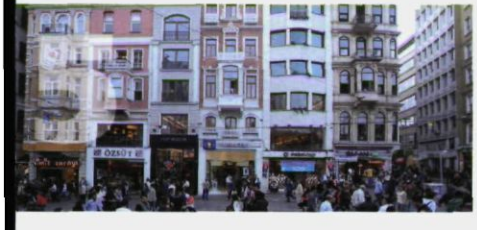
1 Investment properties in pipeline


1
TURKCELL
TURKCELL


2
Rodi


3


4


5

TURKEY

TOP 10 TENANTS

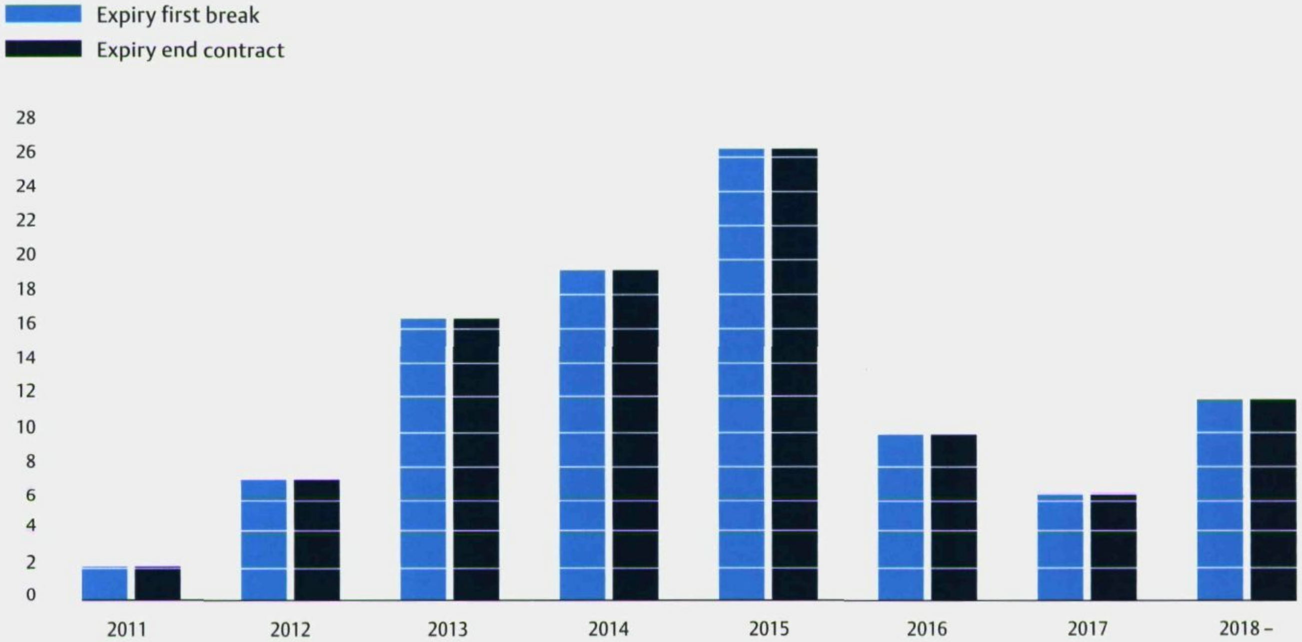
As at 31 December 2010

	Tenants	Theoretical gross rental income (x € 1 million)	Theoretical gross rental income (in %)	Number of units	GLA (in sqm)
1	TopShop	0.5	25.0	1	1,170
2	&Style	0.3	16.3	1	170
3	Turkcell	0.3	14.9	1	530
4	Tchibo	0.2	10.1	1	400
5	Koç	0.2	9.3	1	1,750
6	Penti	0.1	6.8	1	195
7	Park Yonetimi	0.1	6.2	1	2,250
8	Elysium Sport	0.1	6.0	2	1,580
9	Istanbul Universitesi	< 0.1	1.9	1	160
10	De Gaena	< 0.1	1.4	1	139

EXPIRY DATES LEASE CONTRACTS

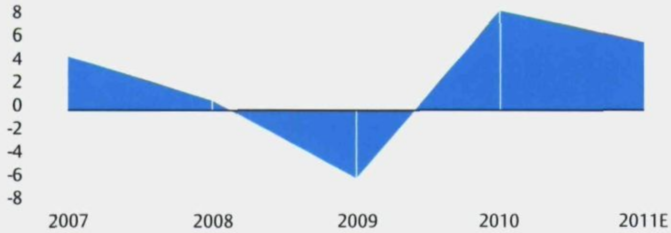
PROPERTY PORTFOLIO (in %)

Expiry dates and renewal dates of lease contracts (weighted for gross rental income). Average duration based on first break is 1.2 years and based on end contract 4.1 years.



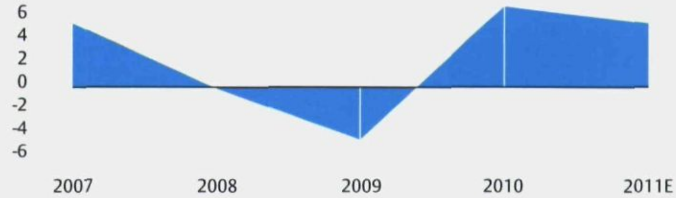
GDP GROWTH in %

Economic growth



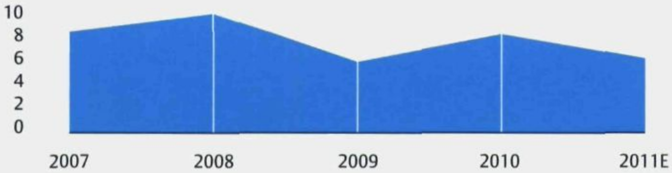
HOUSEHOLD CONSUMPTION GROWTH in %

Growth consumer spending



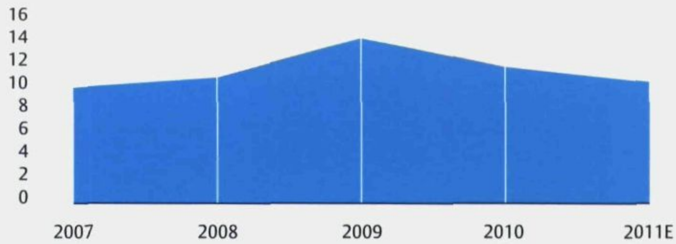
INFLATION CPI in %

Development consumer prices

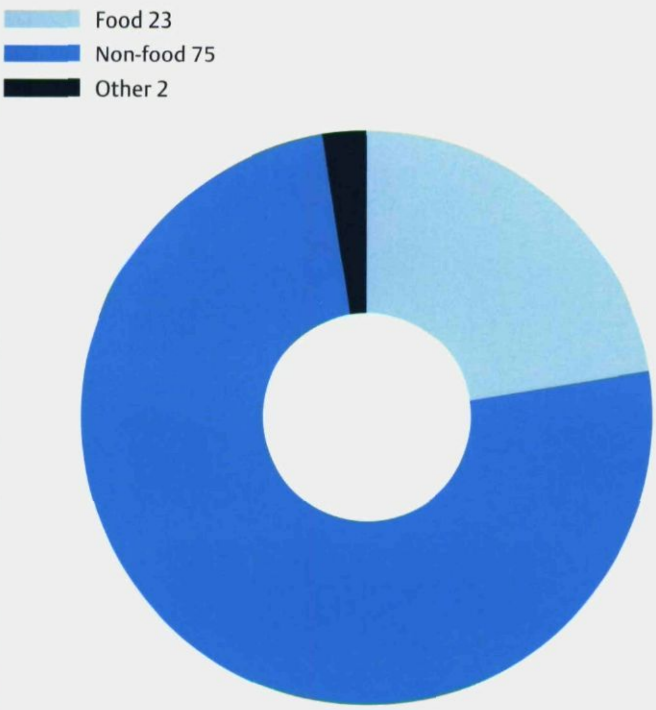


UNEMPLOYMENT

Unemployment as % of working population



INDUSTRY SPREAD in %



SECTOR SPREAD in %

PERSONNEL AND ORGANISATION

The aim of VastNed Retail in terms of personnel and organisation is to create a permanently challenging working climate where its staff can develop and grow further. The corporate culture at VastNed Retail can be described as open, transparent and informal. VastNed Retail has operations in five core countries: the Netherlands, Spain, France, Belgium and Turkey. Each core country has its own organisation, accommodated in a so-called country team. These teams have a considerable degree of independence, but operate within the framework of a clear 'VastNed Group vision'. There are regular meetings between the teams in the various countries about subjects that affect all the countries, for example developments in sustainability, changes to accounting principles, developments relating to property valuations and the rental and investment markets. This allows knowledge and experience to be exchanged and the Group's objectives and procedures to be made more specific.

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

Total number of employees during 2010 (in FTEs)

Geographical spread	2010	2009
Rotterdam, Netherlands		
Retail	17	17
Offices/Industrial	12	12
Board and staff	18	17
Antwerp, Belgium		
Intervest Retail	10	11
Intervest Offices	16	17
Madrid, Spain (Retail)	13	11
Paris, France (Retail)	19	18
Istanbul, Turkey (Retail)	3	2
Frankfurt, Germany (Offices/Industrial)	1	1
Total	**109**	**106**
Number of employees joining	10	6
Number of employees leaving	3	4
Male/female as at 31 December	56/53	56/49

The number of employees joining on balance is primarily related to France and Turkey. In France this is the result of taking on the management of a shopping centre in-house. The costs of these employees are charged on to the tenants. In Turkey, there was a limited expansion in the personnel complement due to the growth of the portfolio there.

SUSTAINABILITY

OBJECTIVES AND PRECONDITIONS

VastNed Retail intends to organise and carry out its activities in a sustainable way, in order to as much as possible mitigate the negative impact of its activities on the environment. A sustainable, increasingly farther-reaching, economically responsible method of work is being introduced on a phased basis, in which the basic premise is the satisfaction of the tenant.

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

The applicable preconditions are as follows:
- the satisfaction of the tenant and shareholder in terms of every sustainability initiative undertaken, and;
- the implementation of sustainability measures should at the very least have a neutral effect on the projected long-term total return on investment for the property investment.

The main areas of focus and actions during the reporting year consisted of developing communications with all stakeholders, reducing the impact of VastNed Retail's activities on the environment, implementing performance measurement systems, and developing and implementing the sustainability policy in 2011 and subsequent years. These areas are discussed below, and include the follow-up actions for 2011.

COMMUNICATION WITH STAKEHOLDERS

Communication with all VastNed Retail stakeholders, such as tenants, shareholders and employees took further shape during the reporting year on the basis of various publications. Communications focused on shareholders were primarily effected via press releases and VastNed's magazine 'Behind the Façade'. Coincidental with the appearance of this annual report, the information on VastNed Retail's website will be significantly expanded. The annual report will limit itself to covering the main policy areas and the results highlights concerning the reporting year, and the main areas of focus for the following year. The website will contain more detailed information concerning the sustainability organisation, policy, results achieved and the plans for the coming years. The latest developments and results will also be regularly covered by the website. The further development of communication to all stakeholders concerning the area of sustainability is also a key area for attention in 2011.

REDUCING THE ENVIRONMENTAL IMPACT: GREEN SOURCES OF ENERGY

VastNed Retail has started looking for renewable energy sources for supplying the electricity that it purchases for its tenants, by analysing the purchasing conditions of electricity suppliers on the one hand and by investigating opportunities for generating renewable energy at the site of the retail properties held in VastNed Retail's portfolio on the other.

In Belgium and the Netherlands, VastNed Retail has succeeded in concluding contracts at no additional cost for its tenants for supplying electricity generated using hydropower. In Belgium this contract was signed during 2009 and in the Netherlands at the beginning of January 2010. In both countries, the electricity purchased for tenants throughout 2010 was therefore derived from a renewable energy source. CO_2 emissions related to the consumption of electricity in the Netherlands and Belgium were consequently reduced to zero. This is not yet possible in other countries, because there is a price differential there to the detriment of renewable, green energy. As soon as there are opportunities for greening energy sources without additional costs to the tenant, VastNed Retail will sign contracts with suppliers for this purpose.

The feasibility of generating electricity at the site of our retail properties was investigated in Spain, France and Belgium. This was motivated by the tax incentives available in these countries for putting solar panels on buildings. The tax incentive was however abolished or phased out in 2010 by the various governments for budgetary reasons. There is a possibility that a project can nevertheless be completed in 2011 in Belgium. A further investigation will be conducted in 2011, to determine whether there are any non-subsidised opportunities for generating renewable energy at the site of retail properties in the property portfolio.

REDUCING THE ENVIRONMENTAL IMPACT: VASTNED MANAGEMENT'S SUSTAINABILITY POLICY

VastNed Management has implemented a number of sustainability initiatives for its own organisation. For example, by monitoring its own energy consumption, opportunities for achieving savings were identified and implemented. In addition, the number of electrical appliances was reduced by promoting more efficient use. On the procurement side, sustainable materials are being purchased. The most important example of this is the switch over to recycled printing paper without compromising on print quality. The purchase of energy efficient business cars is promoted and the purchase of cars that are not sustainable is being discouraged. The electricity used is derived from hydropower and all other CO_2-emissions produced, for example through air travel, commuting traffic and office heating, are offset via Nuon and the Climate Neutral Group. In this way VastNed Management activities were made CO_2-neutral in the reporting year.

PERFORMANCE MEASUREMENT: INTRODUCTION OF BENCHMARKING

Sustainability in the retail market is characterised by a number of complex interrelationships. The retail formula carried in a retail space significantly impacts energy consumption in that retail space, for example. Due to the fact that the retail formula is the exclusive domain of the retailer, the owner of the retail space has only a limited ability to influence sustainability here. In addition, the ownership of most shopping centres is not entirely in the hands of a single owner and there is an Owner's Association that controls the management of the shopping centre. That makes the shopping centre's manager primarily responsible for the sustainability aspect.

Objectification through the use of benchmarks facilitates discussion between owner and tenant, and in the case of shopping centres, between owners. Benchmarking for shopping centres or individual retail spaces is a good method for obtaining an objective picture of the performance of a shopping centre or individual retail space in terms of sustainability and helps in setting objectives for specific retail properties in this area. This is in part why VastNed Retail is a strong advocate of benchmarking and leading benchmarking initiatives were actively supported in 2010. In addition, and definitely as important, benchmarking provides greater insight into the performance of VastNed Retail's retail portfolio for all other stakeholders.

Benchmarking is still in its infancy and the first serious initiatives really only got off the ground in 2010. The VastNed Group is supporting two key initiatives in this area, namely the International Sustainability Alliance (ISA) and the sustainability certification of buildings based on the BREEAM-In-Use (BIU) International Certificate. Both initiatives are also supported by other large international parties who believe that benchmarking in the area of sustainability should be developed. By supporting these initiatives, VastNed Retail is jointly facilitating the development of benchmarking in the area of sustainability and VastNed Retail in this way also collects essential knowledge about its own portfolio as well.

INTERNATIONAL SUSTAINABILITY ALLIANCE

The ISA comprises 18 founding members and 11 associate founding members. This group represents more than 150 million sqm in commercial property and as such is the most important initiative in the area of benchmarking sustainability at the present time. The objective of the ISA is to collect quantitative building data in a database for the purpose of comparing the performance of the different buildings in the database. The founding members, which include VastNed Retail as well, jointly determine ISA's direction and regularly meet for this purpose. The organisation is administratively supported by the BRE Trust, a non-profit organisation in the area of sustainability vested in the United Kingdom. The first benchmark was published in October 2010 concerning a limited group of properties contained in this database. In October 2011, the first really comprehensive publication of the benchmark is expected to be released at the EXPO Real in Germany. The Key Performance Indicators related to sustainability are being maintained via the ISA. VastNed Retail assumes that starting in 2012 these Key Performance Indicators will have the potential of contributing to the implementation of VastNed Retail's sustainability policy. VastNed Retail will actively contribute to the further development of the ISA and the materialisation of the ISA benchmarking initiative.

BREEAM-IN-USE CERTIFICATES

The quantitative data from the ISA database can be supplemented with the qualitative assessment of a building's sustainability characteristics derived from a BIU International Certificate. This involves an independent assessment of many sustainability factors of a building. VastNed Retail conducted a pilot during the reporting year involving 13 retail properties in its property portfolio that sharply differ from each other. For 5 retail properties it was concluded that the methodology is not suitable for the time being, because the larger portion of the technical installations in these properties are part of the retail formula and not the retail property itself. For 8 retail properties, primarily shopping centres, a certificate was awarded. On average, these 8 retail properties scored over 51% of the maximum number of points, which VastNed Retail considers as better than average, because a very high score of between 85% and 100% of the maximum number of points for existing retail properties is considered exceptional.

The pilot was conducted jointly within the VastNed Group with the VastNed Offices/Industrial sister fund. The first BIU International Certificate was presented in June 2010 to this fund for a German office property. The VastNed Group was tracked during the reporting year by various other major international investors that also carried out a BIU International certification pilot. The experience gained with this form of certification is important to VastNed Retail for the further development of its sustainability policy and for the certification body for the further development of the BIU International Certificate (which is currently still mostly based on the original, older British BIU Certificate).

The certification was adopted throughout the organisation, which first of all resulted in a high level of commitment to sustainability and secondly taught the organisation a great deal in this area. The experience gained with the pilot is positive and justification for certifying additional retail properties using this method. At the beginning of 2011 a further evaluation of the certificates obtained to date will be carried out and used as a basis for developing a programme designed to improve sustainability performance where this is economically feasible. In 2011, over 10 retail properties will apply for a BIU International Certificate and in parallel with the certification, a programme will be developed here as well with the objective of improving sustainability performance.

VASTNED RETAIL SUSTAINABILITY WORKGROUP

The VastNed Retail workgroup meets once a quarter to discuss sustainability-related actions and their implementation. This workgroup consists of the responsible individual in the management team, the VastNed Group's Sustainability Manager, the Country Directors and the Technical Managers. In addition to the items reported above, during the reporting year attention was primarily focused on creating sustainability awareness within the VastNed Retail organisation. Another subject for discussion was the further development of the sustainability policy and the associated instruments. In 2011 this workgroup will meet with the same frequency in order to give further substance to the development and implementation of VastNed Retail's sustainability policy.

RESPONSIBILITY STATEMENT BOARD OF MANAGEMENT

In accordance with the EU Transparency Directive as implemented in Section 5.3 of the Act on Financial Supervision, the Board of Management hereby declares that, insofar as it is aware:

- the consolidated annual accounts 2010 give a true and fair view of the assets and liabilities, the financial position and the result of VastNed Retail and its consolidated subsidiaries;
- the additional management information set out in this annual report gives a true and fair view of the state of affairs as at the balance sheet date and the course of events during the financial year of VastNed Retail and its consolidated subsidiaries, and;
- the material risks to which VastNed Retail is exposed are set out in the annual report. These risks are described in detail in the Risk Management chapter.

RISK MANAGEMENT

DUTCH CORPORATE GOVERNANCE CODE

The Corporate Governance Code Monitoring Committee presented a new, comprehensive version of the Dutch Corporate Governance Code ('the Code') on 10 December 2008. The Code came into effect on 1 January 2009. The provisions of this new Code were already applied by VastNed Retail in its 2008 annual report. In December 2010, the Monitoring Committee published the findings of its (second) investigation into compliance with the Code. This investigation primarily focused on the role of shareholders, and the Supervisory Board and its composition. VastNed Retail read these findings with interest. The report did not provide any reason for making changes to its Corporate Governance policy.

One of the Code's components specifically deals with risk management. The Code stipulates that a company's annual report must include a description of the principal risks to which it is exposed in relation to the implementation of its strategy. The Board of Management must in that regard make a distinction between financial reporting risks and operational risks. Risk management is extensively dealt with below and elsewhere in this annual report.

DESCRIPTION OF THE RISK PROFILE

Risks related to the strategic targets

Choice of country

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

Currency policy

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

Finance policy

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

Interest-rate policy

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

DESCRIPTION OF THE INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

Principal risks and risk management measures and impact of these risks

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

Actions taken

Attention was again devoted to risk management in 2010 by the Supervisory Board and the Board of Management, as well as the organisations in each of the countries in which VastNed Retail operates.

A key point in the area of risk management was the financing of the property portfolio. Last year, given the consequences of the financial crisis, it was considered desirable to further expand access to financial sources. This was actioned by VastNed Retail in 2010 through a private placement of € 75.0 million.

Furthermore, the investment policy was subjected to in-depth review in the context of risk management. Given the economic developments, the associated impact on consumer spending, the desires of retailers and consumers and developments related to internet sales, it was decided to increase the focus of the investment policy on investments in (solitary) shops located in the best shopping streets in medium-sized and large cities.

In addition to these issues, a number of important risks were addressed by the Board of Management as well as in meetings of the audit committee and Supervisory Board in accordance with the annually adopted work plan. These meetings also addressed the design and operation of the associated risk management measures in place in relation to, among other things, strategic risks, emergency risks (insurances, solvency of the insurer), financial reporting risks, compliance risks (rules of the AFM and NYSE Euronext, as well as those associated with licences and safety regulations), financing and refinancing risks, interest rate risks, IT risks and tax and legal risks. No significant changes were deemed necessary with respect to the internal risk management and control systems in relation to these risks.

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

With respect to the financial reporting risk, the Board of Management is of the opinion that the risk management and control systems in place provide a reasonable degree of assurance that the financial reporting is free of material misstatements. The Board of Management also believes that these risk management and control systems functioned throughout the financial year in such a way that a reasonable degree of assurance exists that the financial reporting is free of material misstatements. There were no material changes to the administrative and organisational procedures during the financial year. No material shortcomings were identified in the risk management and control systems in place to manage financial reporting risks.

Sensitivity analysis

The following is an overview based on the balance sheet position as at the end of 2010 of the potential effects, all other things being equal, of changes in the risk factors listed below:

- An increase (a decrease) in the interest rate of 100 basis points will result in a decrease (an increase) in the direct investment result of € 0.10 per share;
- An increase in the net initial yields used in the appraised value of 50 basis points (approximately 7.1% of the value of the investment properties at year-end 2010) will result in a decrease in equity VastNed Retail shareholders of € 6.90 per share and an increase in the loan-to-value ratio of 276 basis points;
- A decrease in the net initial yields used in the appraised value of 50 basis points (approximately 8.3% of the value of the investment properties at year-end 2010) will result in an increase in equity VastNed Retail shareholders of € 8.07 per share and a decrease in the loan-to-value ratio of 319 basis points, and;
- An increase (a decrease) in the occupancy rate of 100 basis points will result in an increase (a decrease) in the direct investment result of € 0.07 per share.

FINANCIAL STATE OF AFFAIRS

2010 INVESTMENT RESULT ATTRIBUTABLE TO VASTNED RETAIL SHAREHOLDERS

While negative investment results were reported in 2008 and 2009 due to a decrease in value of the property portfolio, 2010 once again exhibited increased value trends resulting in a positive investment result of € 99.2 million in 2010 (2009: € 61.4 million negative).
The 2010 investment result comprises the direct investment result of € 67.8 million (2009: € 68.6 million) and the indirect investment result of € 31.4 million positive (2009: € 130.0 million negative).

Direct investment result

The direct investment result decreased from € 68.6 million in 2009 to € 67.8 million in 2010, a decrease of 1.2%. The decrease is primarily due to the negative like-for-like growth in the net rental income of approximately € 3.9 million primarily due to a lower occupancy rate in the Spanish and French property portfolios. There was a limited decrease due to disposals completed in 2009 within the Dutch property portfolio which was offset by the acquisitions made within the Dutch, Turkish and Spanish property portfolios. In addition, the interest expense decreased as a result of a share issue effected in the middle of September 2009 through which over € 75 million was raised, which amount was first used to pay off short-term loans. This amount was reinvested in 2010, albeit for a share in retail investments in Turkey that due to renovations will only fully contribute to the direct investment result during the course of 2011 and 2012. Furthermore, general expenses and income taxes declined in comparison to 2009 in the amount of € 0.5 million and € 1.0 million respectively. The decline in income taxes is due to the decline in the taxable investment result in Spain and one-time tax benefits in the amount of € 0.2 million.

Indirect investment result

Following the sharp drops in value reported in 2008 and 2009, the property portfolio in 2010 on balance exhibited an increase in value in the amount of € 35.5 million positive (approximately 1.9% of its initial value in 2010). The increase in value is primarily attributed to the increased demand in the investment market for retail property investments with high occupancy rates. This resulted in a slight downward pressure on yields, particularly in the Netherlands and France. The Spanish property portfolio continued to exhibit a decrease in value amounting to approximately 1.1% (€ 4.5 million) in relation to its initial value in 2010. The negative movement in the value of the Spanish portfolio was more due to market rent and occupancy rate developments than yield shifts. The yields for retail property investments in Spain appear to be stabilising and, in spite of the difficult economic climate there, once again tend to exhibit a limited decline.
As a result of these value developments, the indirect investment result, taking the allocation of deferred tax liabilities of mainly the Spanish property portfolio, the positive result from sales in the amount of

€ 0.6 million and the part attributable to non-controlling interests into account, amounted to positive € 31.4 million (2009: negative € 130.0 million).

Gross rental income

The total gross rental income decreased from € 130.6 million in 2009 to € 126.6 million in 2010. This decline is further specified for each country in the table on page 92.

- *Acquisitions (€ 2.5 million increase)*
  € 1.5 million of the increase is related to the additional rental income derived from the acquisitions made in the Netherlands in 2009 and 2010. The major portion (approximately € 1 million) relates to the additional rental income from the Lelystad city centre development located at the De Promesse completed in the fourth quarter of 2009. The acquisitions made in the third and fourth quarter of 2010, consisting of the retail units in the Zuidplein shopping centre in Rotterdam, shopping centre Overvecht in Utrecht and the Nieuwstraat in Spijkenisse, only made a limited contribution to growth in 2010. In addition, rental income in 2010 increased due to the acquisition of three high street shops in Turkey in 2009 (€ 0.5 million), the purchase of a high street shop in Málaga, Spain in 2010 (€ 0.2 million) and due to the expansion of the Val Thoiry shopping centre in France in 2009 with a do-it-yourself specialist Leroy Merlin (€ 0.4 million).

- *Disposals (€ 2.6 million decrease)*
  The decrease in gross rental income in 2010 was largely due to the sale of individual retail properties in the Netherlands in the second half of 2009 for a total in excess of € 60 million. Disposals in 2010 were limited in size (approximately € 8.5 million).

- *Like-for-like growth (€ 3.9 million decrease)*
  The largest decrease in rental growth was in the French property portfolio with a decrease of € 2.6 million (10% decline). On the one hand rental income declined as a result of the loss of the rental yield guarantee, effective November 2009, which had been negotiated as part of the purchase of Lille's retail portfolio in 2007 (€ 1.0 million decline). The loss of this guarantee must be further offset over the coming years by implementing significant rental increases in this property portfolio and the sale of vacant apartments. In addition, a relatively large number of leases was subject to negative indexation due to a negative movement of approximately 4% in the construction costs index (ICC) in 2010. Furthermore, the average occupancy rate declined from 96.9% in 2009 to 92.9% in 2010, which resulted in a decline of € 1.0 million in rental income. The lower occupancy rate is primarily related to the vacancy rate in the shopping centres in Limoges (occupancy rate at year-end 2010: 81%) and Dunkirk (following the leasing of the supermarket the year-end 2010 occupancy rate is 87%), as well as the vacancy rate of a number of offices located above shops, such as in Rue Saint-Jean, Nancy and Rue de Rivoli, Paris. The contractual rent of various units was reduced, in part due to the negative movement in the construction costs index mentioned above. On balance a negative rental growth of € 0.3 million was realised as a result. The contractual rents for these units in recent years had risen above market rents as a result of high indexation.

  Like-for-like rental growth in Spain was negative € 1.9 million. Due to the adverse economic climate, the average occupancy rate of the Spanish property portfolio declined from 93.9% in 2009 to 91.7% in 2010, which resulted in a decrease of € 0.8 million in gross rental income. This was primarily due to the Zara unit in the shopping centre in Badalona becoming vacant and the completion of the conversion of the cinema into a retail unit in the Alicante retail park. The Zara unit was let to the electronics retailer Worten at the beginning of 2011. In addition, € 1.2 million of the decline (4%) was due to the partially temporary rental decreases and lease discounts primarily as a result of the decline in retail revenues realised by tenants due to the difficult economic climate in Spain.

  A positive like-for-like growth was realised in the Netherlands and Belgium in the total amount of € 0.6 million. The increase due to lease renewals and indexation was somewhat curbed due to a limited decline in the occupancy rate. The average occupancy rate in the Netherlands and Belgium in 2010 amounted to 97.6% and 99.0% respectively.

Operating expenses (including ground rents paid and net service charge expenses)
Operating expenses, expressed as a percentage of gross rental income increased from 11.4% to 11.7%, and consequently amounted to € 14.8 million. The relative increase is primarily due to the lower occupancy rate, which among other things caused net service charge expenses to increase. Furthermore, local taxes in Spain increased, which was offset by a lower allocation to the provision for doubtful debts.

Value movements in investment properties
Following significant downward valuations in 2008 and 2009, particularly in the Spanish and French, and to a lesser extent in the Dutch, property portfolios, an increase in value could once again be recognised in 2010. This reversal was already perceptible in the second half of 2009 and increased the value of the property portfolio in 2010 by a total of € 35.5 million or almost 2% on an annualised basis (2009: negative € 147.5 million). The largest relative increases in value were observed for the properly portfolios in France (5.5%) and Turkey (2.7%, including investment properties in pipeline), followed by Belgium and the Netherlands (both approximately 1.5%). Spain and Portugal exhibited a relative decline in value of 1.1% and 1.8% respectively in 2010. Yields were inclined to decrease once again in 2010 due to effects of the high demand for retail property investments. Developments related to rental values and occupancy rates of course have a great of deal of influence on value development.

Net result on disposals of investment properties
In 2010, a limited number of small non-core retail properties was sold, mainly in the Netherlands, which had a total carrying amount at the time of sale of € 8.0 million. In addition, various apartments were sold in Belgium, as well as France (Lille). After deduction of sales costs, the net result of these sales was positive € 0.7 million.

EXPENDITURE

Net financing costs
Net financing costs, including movements in the value of financial derivatives, decreased from € 33.3 million in 2009 to € 30.9 million in 2010. The table below details the calculation of the net financing costs.

Calculation of net financing costs
(x € 1 million)

Net financing costs 2009	(33.3)
Decrease as a result of the issue of shares	1.1
Decrease as a result of net sales	0.2
Capitalised interest on investment properties under renovation and in pipeline	0.1
On-balance decrease as a result of lower short-term market rate of interest, higher credit spreads and changes in working capital	0.2
Movement in value derivatives	0.8
Net financing costs 2010	**(30.9)**

The average interest rate for the total interest-bearing loan capital remained approximately the same at 4.1%. The market value of interest-rate derivatives not classified as a full hedge under IFRS remained virtually unchanged, partly due to the average shorter term of the derivatives and partly due to the limited movement in the market rate of interest for the relevant remaining term, in relation to 2009.

General expenses

The general expenses decreased from € 7.1 million in 2009 to € 6.6 million in 2010. This decrease was largely the result of lower consulting and audit costs and miscellaneous general expenses. In France, a larger share of the costs could be passed on to tenants on the basis of a review of a number of leases.

Current income tax expense

Current income tax expense decreased in 2010 from € 1.2 million to € 0.2 million. The decline is due to the decline in the taxable investment result in Spain and one-time tax benefits in the amount of € 0.2 million.

Movement in deferred tax assets and liabilities

The movements in deferred tax assets and liabilities include an expense of € 1.7 million offset by proceeds (a release) of € 15.0 million in 2009. This is in part related to the limited drop in values in the Spanish property portfolio in 2010 and in part due to an increase in the value of the Turkish portfolio which resulted in an allocation of € 0.4 million. Finally, in relation to the limited duration of the tax losses present in a Dutch entity, a portion of the deferred tax assets was written down (€ 0.4 million). Value movements in the Dutch and Belgian portfolios and most of the French portfolio did not lead to movements in deferred tax assets and liabilities due to the application of tax-friendly regimes.

Investment result attributable to non-controlling interests

The investment result of € 9.5 million (2009: € 5.2 million) attributable to non-controlling shareholders comprises the direct investment result and the indirect investment result attributable to non-controlling interests of positive € 6.4 million (2009: € 6.3 million) and € 3.1 million (2009: negative € 1.1 million) respectively. The direct investment result attributable to non-controlling shareholders consisting on the one hand of the direct investment result of Intervest Retail, in which VastNed Retail has a 72.4% interest, and on the other hand of the direct investment result of the Het Rond limited partnership in Houten, in which VastNed Retail has a 50% interest, rose slightly in particular due to the somewhat higher investment result realised by Intervest Retail. The positive value movements (compared to the decreases in value in 2009) for the Het Rond in Houten, as well as Intervest Retail's property portfolio resulted in an increase in the indirect investment result attributable to non-controlling interests.

INVESTMENT RESULT PER SHARE

Based on the increased average number of VastNed Retail shares in issue of approximately 18.4 million shares (2009: 17.0 million shares) as a result of the issue of shares and the stock dividend, the investment result per share was positive € 5.39 (2009: negative € 3.61). This result comprises the direct investment result per share of € 3.68 (2009: € 4.03) and the indirect investment result per share of positive € 1.71 (2009: negative € 7.64).

The development of the direct investment result per share was as follows (x € 1):

Direct investment result 2009	4.03
Like-for-like growth in net rental income	(0.21)
Increase as a result of acquisitions after deduction of interest expenses	0.07
Decrease as a result of disposals after deduction of interest income	(0.06)
Capitalised interest on investment properties under renovation and in pipeline	0.01
Decrease in financing costs due to movement in short-term interest rate and change in working capital	0.01
Effect of the issue of shares	(0.24)
Decrease in general expenses	0.03
Decrease in current income tax expense	0.05
Increase in direct investment result attributable to non-controlling interests	(0.01)
Direct investment result 2010	**3.68**

DEVELOPMENT NET RENTAL INCOME x € 1 million

	Netherlands	Spain	France	Belgium	Turkey	Portugal	Total
Gross rental income 2009	49.1	31.4	27.0	20.8	1.2	1.1	130.6
Acquisitions	1.5	0.2	0.3	–	0.5	–	2.5
Disposals	(2.3)	–	(0.1)	(0.2)	–	–	(2.6)
Like-for-like rental growth	0.2	(1.9)	(2.6)	0.4	–	–	(3.9)
Gross rental income 2010	48.5	29.7	24.6	21.0	1.7	1.1	126.6
Operating expenses[1]	(6.1)	(4.1)	(2.5)	(1.8)	(0.3)	–	(14.8)
Net rental income 2010	42.4	25.6	22.1	19.2	1.4	1.1	111.8
Operating expenses in % of gross rental income:							
– in 2010	12.6	13.8	10.2	8.6	17.6	–	11.7
– in 2009	13.3	12.4	9.1	9.0	13.5	(2.7)	11.4

1 Including ground rents paid and net service charge expenses.

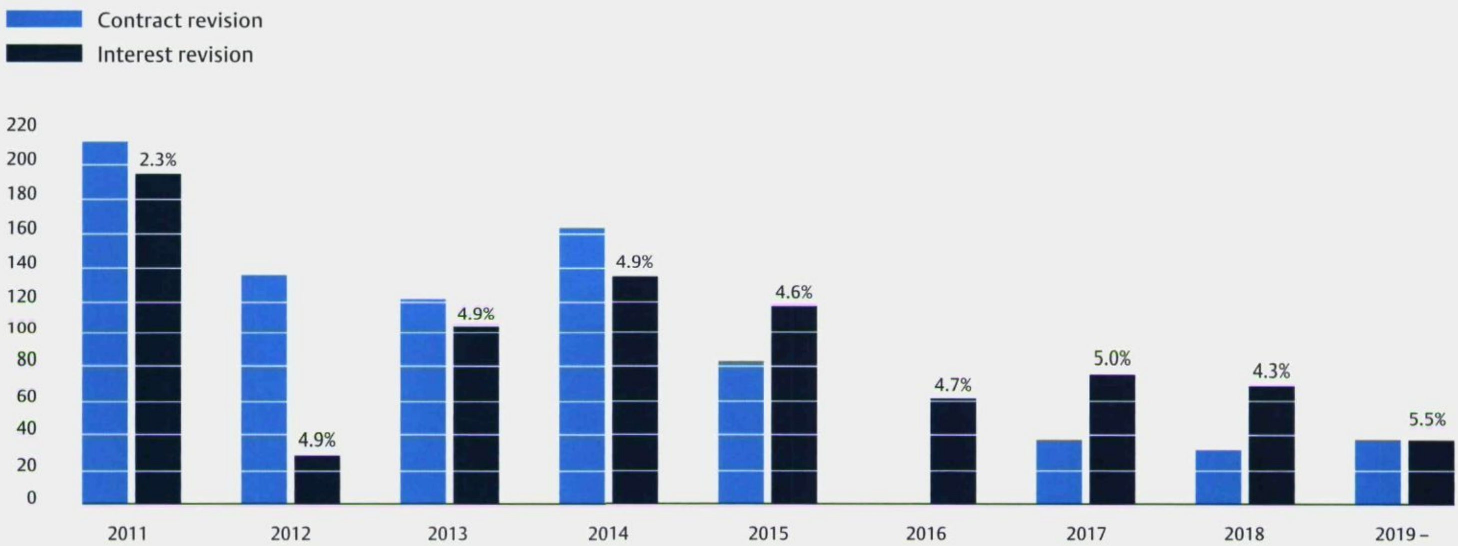
LOAN PORTFOLIO x € 1 million

AT YEAR-END 2010

	Fixed interest[1]	Floating interest	Total	% of total
Long-term debt	542.7	69.4	612.1	74.1
Short-term debt	88.3	125.2	213.5	25.9
Total	631.0	194.6	825.6	100.0
% of total	76.4	23.6	100.0	

CONTRACT AND INTEREST REVISION RISKS LOAN PORTFOLIO x € 1 million

INCLUDING AVERAGE INTEREST RATE



1 Interest-rate derivatives taken into account.

FINANCING STRUCTURE

In 2010, VastNed Retail invested the proceeds of the share issue effected in the second half of 2009 amounting to approximately € 75 million. In addition, VastNed Retail in the fourth quarter of 2010 successfully placed a long-term bond loan in the amount of € 75 million with an institutional investor in the United States (private placement bond). This was VastNed Retail's first transaction in the market for private placement bonds. With this transaction, VastNed Retail has expanded its financial sources and extended the term of its loans portfolio. The loan consists of two tranches of € 37.5 million each with a term of 7 and 10 years respectively. The tranches were placed at a fixed coupon rate of 4.79% and 5.46% respectively.

As at 31 December 2010, VastNed Retail's balance sheet showed a sound financing structure with a loan-to-value ratio of 41.4% (39.9% at year-end 2009) and a solvency ratio – calculated as group equity plus deferred tax liabilities divided by the balance sheet total – of 54.6% (55.9% at year-end 2009).

As at 31 December 2010, the loan structure was as follows:
- the total outstanding interest-bearing loan amount was € 825.6 million;
- 74.1% of the outstanding loans were long-term with a weighted average term based on contract expiry dates of 3.7 years;
- a good spread of the expiry dates of the long-term loans, of which only an amount of € 92.0 million will expire in 2011 (recognised under short-term liabilities);
- 76.4% of the outstanding loans had a fixed interest rate, mainly through the use of interest-rate swaps and the private placement bond placed in 2010;
- a good spread of interest-rate revision dates with a weighted average term of 4.7 years;
- The average fixed interest rate, taking into account the agreed interest-rate swaps and the negotiated private placement bond, was 4.6%;
- 23.6% of the outstanding loans have a floating interest rate and are benefiting from the currently relatively low short-term interest rate;
- due to the relatively low yield curve, the negative value of the interest rate swaps (excluding deferred tax assets and liabilities), slightly increased from € 37.1 million to on balance € 37.5 million, and;
- the unused credit facilities amounted to € 120.3 million.

With a solvency ratio of 54.6% and an interest coverage ratio of 3.4, VastNed Retail meets the requirements of all financing agreements with banks. In 2010, the solvency ratios for some financing agreements with banks were adjusted such that a solvency ratio of at least 45% applies to all financing agreements. Furthermore, an interest coverage ratio ranging from 2.0 to 2.5 is usually required. A negative pledge applies to most of the financing agreements, with a limited threshold for providing securities.

DIVIDEND PROPOSAL AND DIVIDEND DISTRIBUTION

At the General Meeting of Shareholders of 21 April 2010, the dividend for the 2009 financial year chargeable to the freely distributable reserves was set at € 4.03 per share. An interim dividend of € 1.25 per share had already been distributed in September 2009. The final dividend was therefore € 2.78 per share, of which the compulsory cash component was € 1.10 and the optional component was € 1.68 in cash or 1 new share for every 25 shares held. Within this framework, holders of over 30% (2009: 21%) of the shares in issue opted for stock dividend, as a result of which the number of shares increased by 230,007 shares.
On 30 August 2010, in accordance with the dividend policy, 60% of the direct investment result over the first half of 2010 was distributed as interim dividend at € 1.10 per share. In line with previous years, an optional dividend is proposed to shareholders with respect to the final dividend that, according to the respective choices of the individual shareholders, can be taken up entirely in cash or partly in cash and partly in the form of stock dividend chargeable to the share premium reserve. The profit for tax purposes as a minimum must be paid out in cash in order to comply with the fiscal conditions for fiscal investment institutions.
During the General Meeting of Shareholders to be held on 4 May 2011, a proposal will be submitted to declare the final dividend chargeable to the freely distributable reserves at € 2.58 per ordinary share, which is the 2010 direct investment result per share of € 3.68 less the interim dividend of € 1.10 per

share. Taking into account the fiscal distribution obligation referred to in the foregoing and the share price applicable at that time, it will be possible, in addition to take-up entirely in cash, to take up the final dividend as € 1.33 in cash and a percentage to be further determined in VastNed Retail shares chargeable to the share premium reserve that will constitute an approximate value of € 1.25 per share. The final dividend will be made payable on 16 May 2011.

TERMINATION OF COLLABORATION WITH VASTNED OFFICES/INDUSTRIAL

At the end of February 2011, the Supervisory Boards of VastNed Retail and VastNed Offices/Industrial N.V. in consultation with the Board of Management have resolved, subject to approval from the General Meetings of Shareholders, to end the collaboration at 1 January 2012. After termination, VastNed Retail will have an independent Board of Management and management organisation. The future composition of the Board of Management will be determined as soon as possible. The costs of the termination – budgeted at € 2.7 million for VastNed Retail – will be charged to the 2011 financial year.

OUTLOOK FOR 2011

The Asian and Latin American economies in 2010 exhibited a strong recovery, which the northern part of Europe in particular was able to profit from (with Germany as the driver for the Benelux and France). This resulted in a moderate optimism in these countries in terms of the development of employment and consumer spending. The southern part of Europe, including Spain, is still struggling under a heavy burden of public debt, persisting banking problems and high levels of unemployment. In this part of Europe, the situation is sooner one of stabilisation rather than cautious growth in employment and consumer spending. The Turkish economy exhibited strong growth in 2010. With a young and growing population, a solid competitive position and limited problems in its banking sector, the projections in terms of the Turkish economy are highly positive.

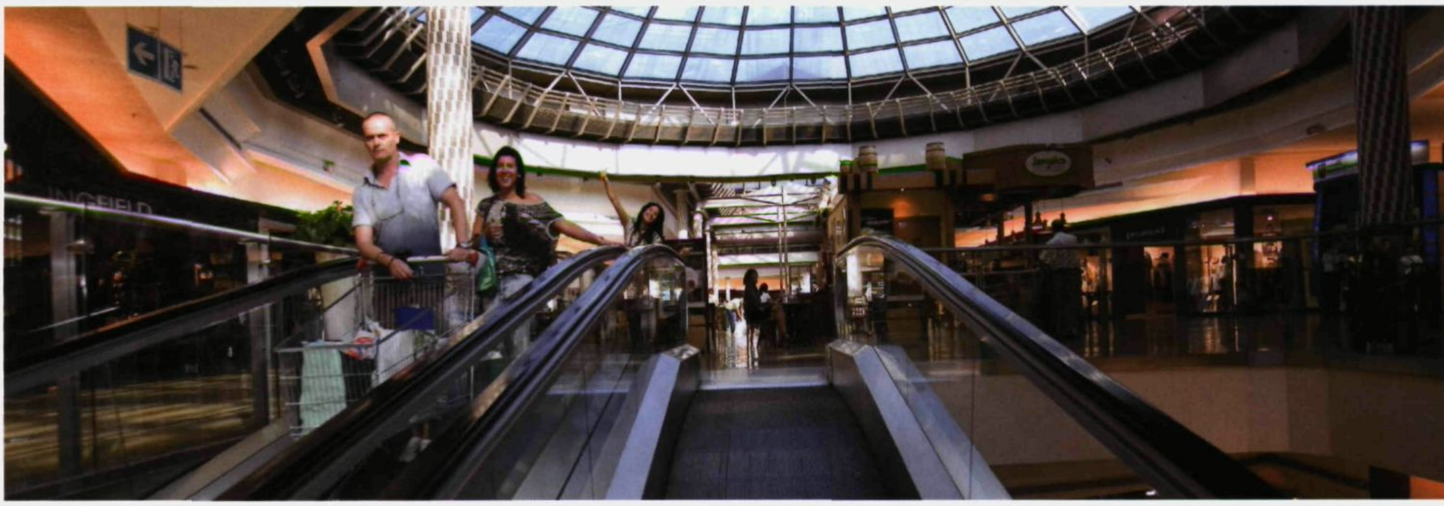
Based on the above economic developments and VastNed Retail's qualitatively sound portfolio with a solid spread, cautious rental growth is projected for VastNed Retail in 2011. Given the strong decline in the revenues realised during the economic crisis by an important segment of the tenants in the Spanish property portfolio, rent levels are expected to remain under pressure in 2011. This is expected to be partially offset by a projected limited improvement in the occupancy rate there.
The acquisitions completed in 2010 are expected to start to contribute to the direct investment result in 2011. Part of these acquisitions (approximately € 50 million), however, concerns two renovation projects on Istiklal Caddesi in Istanbul. The renovation and attracting retailers for these projects is proceeding according to plan, as a result of which these projects are expected to fully contribute to the direct investment result at the end of 2011 or beginning of 2012. With the current solid financial starting position and an active acquisition and disposal policy, it will be possible to on balance still add new attractive investment properties to the investment portfolio, that will make a positive contribution to the investment result in 2011.
In terms of interest rate development, it is expected that the European Central Bank will raise the short-term interest rate in 2011 somewhat. Given VastNed Retail's conservative interest rate policy, this is expected to result in a limited increase in interest expenses in 2011.

Based on the abovementioned developments and not taking into account the costs of terminating the collaboration agreement, the Board of Management is projecting a fractional growth in the direct investment result per share in 2011.

The outlook described in the foregoing is based on current expectations, estimates and forecasts and the information available to the Company at the present time. Furthermore, the outlook is subject to certain risks and uncertainties that are difficult to assess, such as general economic conditions, interest rates, exchange rates and changes in legislation and regulations. No guarantee can therefore be given that the outlook will become a reality.

Rotterdam, 3 March 2011
The Board of Management

THE SHARE AND THE STOCK EXCHANGE LISTING



LISTING ON NYSE EURONEXT

The VastNed Retail shares have been listed on NYSE Euronext Amsterdam since 9 November 1987 and have been included in the Amsterdam AMX index (Amsterdam Midkap Index) since 3 March 2008. The shares have also been listed on NYSE Euronext Paris since 20 December 2004. At the end of 2010, VastNed Retail decided to terminate its listing on NYSE Euronext Paris. The termination results in cost savings, while all tax benefits accruing under the French SIIC status remain protected. The last trading day in Paris was on 8 November 2010. The VastNed Retail shares continue to be marketable on NYSE Euronext Amsterdam. The average daily trading volume in 2010 was € 2.6 million, which represents an increase in comparison to 2009 (average daily trading volume of € 2.3 million). VastNed Retail uses a number of liquidity providers to ensure the shares remain continuously liquid. In 2010 Kempen & Co, the Royal Bank of Scotland and the Rabobank acted as liquidity providers for VastNed Retail. Kempen & Co acted as a paid liquidity provider, and the Royal Bank of Scotland and the Rabobank as unpaid liquidity providers.

INDICES

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

As at 31 December 2010, VastNed Retail had the following weighting in the GPR indices:

GPR 250 Global	0.18%
GPR 250 Global ex-North America	0.31%
GPR 250 Europe	1.12%
GPR 250 Europe ex-UK	1.64%
GPR 250 Eurozone	2.15%
GPR 250 Netherlands	12.14%

VastNed Retail is included in the following EPRA indices as at 31 December 2010:

EPRA/NAREIT Global	0.16%
EPRA/NAREIT Global ex-Asia	0.27%
EPRA/NAREIT Global ex-North America	0.29%
EPRA/NAREIT Europe	1.05%
EPRA/NAREIT Europe (UK Restricted)	1.23%
EPRA/NAREIT Europe ex-UK	1.63%
EPRA/NAREIT Liquid 40	1.21%
EPRA/NAREIT Liquid 40 ex-UK	1.84%
EPRA/NAREIT Eurozone	2.10%
EPRA/NAREIT Netherlands	9.77%

RETURN

VastNed Retail realised the following return in 2010, expressed in euros and as a percentage of the 2009 closing price of € 45.835.

		Return 2010	Return 2009
Closing price 2010	51.98		
Closing price 2009	45.835		
Movement in share price	6.145	13.4	27.3
Dividend on 17 May 2010	2.780	6.1	7.4
Interim dividend on 30 August 2010	1.100	2.4	3.5
Total return	**10.025**	**21.9**	**38.2**

Assuming immediate reinvestment of the dividends, the total return for 2010 was a positive percentage of 23.2% (2009: positive 41.6%).

SHARE PRICE

At year-end 2010, the shares were trading at a 1.5% discount in comparison to the net asset value per share. The net asset value per share held by VastNed Retail shareholders, including the 2010 investment result, rose from € 51.42 (at the start of 2010) to € 52.75 (year-end 2010).
The share price rose by € 6.145 in 2010. This led to a reduction in the discount. Other European property investment funds also saw their share prices rise in 2010.
VastNed Retail's total return per share exceeded the European average (GPR 250 Europe: positive 17.0%) and the Dutch average (GPR 250 Netherlands: positive 14.7%). Market capitalisation based on the share price at year-end 2010 was € 961.4 million, compared with € 837.2 million at year-end 2009. The lowest share price of € 37.05 was quoted on 8 June 2010 while the highest share price of € 52.00 was quoted on 29 December 2010.

DIVIDEND

In accordance with its current dividend policy (see the Profile and Strategy chapter), VastNed Retail paid out a final dividend for 2009 of € 2.78 on 17 May 2010. The stock dividend was 1 new share for every 25 shares held. Shareholders could choose between being paid € 2.78 in cash per share or € 1.10 in cash and 1/25th of a VastNed Retail share. For this purpose, a total of 230,007 shares was issued and charged to the share premium reserve.

NUMBER OF SHARES AND ISSUE OF NEW ORDINARY SHARES

The total number of shares in issue at year-end 2010 was 18,495,220 with a nominal value of € 5 each. The outstanding share capital also includes 10 priority shares with a nominal value of € 5 each. No new shares were issued in 2010, other than those issued as stock dividend, nor were there any share repurchase programmes.

MAJOR SHAREHOLDERS|CONTROLLING SHAREHOLDERS

VastNed Retail has information on the identity of its most important shareholders. However, it is difficult to find reliable information on the exact size of their holdings. Consequently, VastNed Retail only designates those shareholders with a stake of more than 5% according to the register of the Netherlands Authority for the Financial Markets (AFM) as controlling shareholders. This register does not provide precise numbers for the shareholdings as at year-end 2010; it merely gives an indication of the brackets that the holdings are in (e.g. 5-10% or 20-25%). The following may be designated as controlling shareholders (>5% according to the AFM register):

Nomura Asset Management Co. Ltd	5.93%
Commonwealth Bank of Australia	5.79%
Stichting Pensioenfonds ABP	5.06%

PROVIDING INFORMATION

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

INVESTOR RELATIONS

VastNed Retail attaches a great deal of importance to informing shareholders, stakeholders and other interested parties on an equivalent basis, simultaneously and on a timely basis, and in a clear and unambiguous way, and in keeping them informed of the company's state of affairs. The CEO, CFO, CIO and the Director Investor Relations are actively involved in this. Other VastNed Group employees are also involved in specific events such as property tours. A number of instruments are used to implement the investor relations policy, including investor roadshows, press releases, the annual report, the VastNed website and the newsletter *Behind the Façade.*

INVESTOR ROADSHOWS

The investor roadshows are of crucial value to Investor Relations. In 2010, meetings were held with a large number of institutional investors in the financial centres of Europe, Canada and the United States.

PRESS RELEASES AND PUBLICATION OF PERIODIC REPORTS

Financial and price-sensitive information is always disclosed to the general public through press releases as well as being reported to the financial authorities (AFM and NYSE Euronext) and placed on the website *www.vastned.nl*. Only information that has already been made public is commented upon in contacts with the press, individual investors and analysts. When VastNed Retail publishes its semi-annual and annual figures, it holds a meeting for analysts. When it publishes its first and nine months' results, there is a conference call to provide further information on these results to analysts. Both the analysts' meetings and the conference calls can be followed through an audio webcast on *www.vastned.nl*. There are no analysts' meetings, presentations to investors or direct meetings with investors in the period immediately preceding the publication of the financial reports. All dates are listed in the financial calendar at the front of the annual report.

SELL-SIDE ANALYSTS

Reports of sell-side analysts are neither evaluated nor corrected in advance other than for factual inaccuracies. VastNed Retail does not pay fees to any party for drawing up analysts' reports. VastNed Retail is currently being followed by thirteen sell-side analysts at reputable banks who regularly publish reports.
The following banks have sell-side analysts who follow VastNed Retail:
- ABN AMRO;
- Bank of America Merrill Lynch;
- Credit Suisse;
- Goldman Sachs;
- ING;
- JPMorgan;
- KBC;
- Kempen & Co;
- Keijser Capital;
- PeterCam;
- Rabobank;
- Royal Bank of Scotland, and;
- Theodoor Gilissen.

ANNUAL REPORT

VastNed Retail received a Gold Medal Award from the EPRA for its 2009 annual report. The jury based its high rating on a number of factors, including the way in which VastNed Retail clearly describes its property portfolio with detailed information for each core country. In addition, the elaborate explanatory notes concerning the risk analyses were well received. The EPRA conducts a survey of listed property investment companies each year. The 2010 annual report is published in both English and Dutch. Only the English version is available in printed form. The Dutch version is available in PDF format at *www.vastned.nl*.

WEBSITE

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

BEHIND THE FAÇADE

The *Behind the Façade* newsletter takes an informal look at issues affecting the entire VastNed Group. The newsletter is for all the Company's business relations and focuses on the typical local atmosphere in the countries and cities where the VastNed Group has operations. A new layout was chosen for the newsletter at the end of 2010. Each issue will have its own theme which will have a clear relationship with the VastNed Group.

CONTACT

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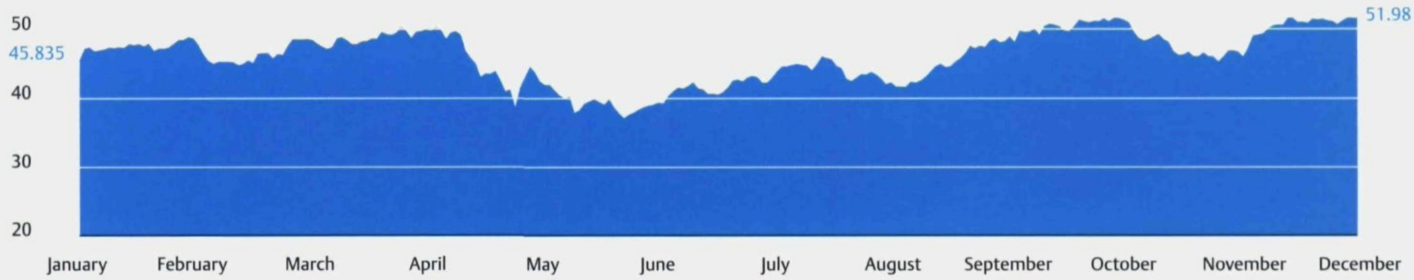
CLOSING PRICES VASTNED RETAIL SHARE IN 2010 in €



EPRA KEY PERFORMANCE MEASURES

DIRECT AND INDIRECT INVESTMENT RESULT

(x € 1,000)

	2010	2009
DIRECT INVESTMENT RESULT		
Gross rental income	126,638	130,562
Ground rents paid	(573)	(565)
Net service charge expenses	(1,900)	(1,777)
Operating expenses	(12,325)	(12,539)
Net rental income	111,840	115,681
Financial income	812	492
Financial expenses	(31,698)	(32,949)
Net financing costs	(30,886)	(32,457)
General expenses	(6,605)	(7,091)
Direct investment result before taxes	74,349	76,133
Current income tax expense	(181)	(1,206)
Direct investment result after taxes	74,168	74,927
Direct investment result attributable to non-controlling interests	(6,385)	(6,278)
Direct investment result attributable to VastNed Retail shareholders	**67,783**	**68,649**

	2010	2009
INDIRECT INVESTMENT RESULT		
Value movements investment properties in operation	37,930	(124,103)
Value movements investment properties under renovation	(725)	(14,731)
Value movements investment properties in pipeline	(1,729)	(8,645)
Total value movements investment properties	35,476	(147,479)
Net result on disposals of investment properties	682	2,220
Value movements financial derivatives	32	(822)
Indirect investment result before taxes	36,190	(146,081)
Movement deferred tax assets and liabilities	(1,671)	14,986
Indirect investment result after taxes	34,519	(131,095)
Indirect investment result attributable to non-controlling interests	(3,126)	1,063
Indirect investment result attributable to VastNed Retail shareholders	31,393	**(130,032)**
Direct investment result attributable to VastNed Retail shareholders	67,783	68,649
Indirect investment result attributable to VastNed Retail shareholders	31,393	(130,032)
Investment result attributable to VastNed Retail shareholders	99,176	**(61,383)**
PER SHARE (x € 1)		
Direct investment result attributable to VastNed Retail shareholders	3.68	4.03
Indirect investment result attributable to VastNed Retail shareholders	1.71	(7.64)
Investment result attributable to VastNed Offices/Industrial shareholders	5.39	**(3.61)**

The direct investments result attributable to VastNed Retail shareholders consist of net rental income less net financing costs (excluding value movements financial derivates), general expenses, current income tax expense and the part of this income and expenditure attributable to non-controlling interests.

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

DILUTED EPRA TRIPLE NET ASSET VALUE

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

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

	31-12-2010		31-12-2009	
		Per share		Per share
Equity VastNed Retail shareholders	975,570	52.75	939,133	51.42
Fair value of financial derivatives	36,154	1.95	31,083	1.70
Deferred taxes	31,770	1.72	31,184	1.71
Diluted EPRA net asset value	**1,043,494**	**56.42**	**1,001,400**	**54.83**
Fair value of financial derivatives	(36,154)	(1.95)	(31,083)	(1.70)
Fair value of the interest bearing loans[1]	10,764	0.58	(1,051)	(0.06)
Deferred taxes	(16,781)	(0.91)	(16,451)	(0.90)
Diluted EPRA triple net asset value	**1,001,323**	**54.14**	**952,815**	**52.17**

EPRA NET YIELD AND EPRA VACANCY RATE (in %)

The EPRA Net Yield is calculated by dividing the annualised rental income as at the balance sheet date, less non-recoverable property operation expenses, by the market value of the property, including purchasers' costs.

The EPRA Vacancy Rate is calculated by dividing the estimated rental value of vacant space by the estimated rental value of the whole portfolio.

	31-12-2010	
	EPRA Net Yield	EPRA Vacancy Rate
Netherlands	5.6	2.8
Spain	7.1	8.8
France	5.4	7.0
Belgium	5.7	1.2
Turkey	5.5	4.1
Portugal	7.3	-
Total	**5.9**	**4.8**

1 The calculation of the market value is based on the swap yield curve at year-end 2010 and the applicable credit spreads at year-end 2010.

ANNUAL ACCOUNTS 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(x € 1,000)

	Notes	2010	2009
NET INCOME FROM INVESTMENT PROPERTIES			
Gross rental income	4, 25	126,638	130,562
Ground rents paid	4	(573)	(565)
Net service charge expenses	4	(1,900)	(1,777)
Operating expenses	4	(12,325)	(12,539)
Net rental income		111,840	115,681
Value movements investment properties in operation	5	37,930	(124,103)
Value movements investment properties under renovation	5	(725)	(14,731)
Value movements investment properties in pipeline	5	(1,729)	(8,645)
Total value movements investment properties		35,476	(147,479)
Net result on disposals of investment properties	6	682	2,220
Total net income from investment properties		**147,998**	**(29,578)**
EXPENDITURE			
Financial income	7	812	492
Financial expenses	7	(31,698)	(32,949)
Value movements financial derivatives	7	32	(822)
Net financing costs		(30,854)	(33,279)
General expenses	8	(6,605)	(7,091)
Total expenditure		**(37,459)**	**(40,370)**
Investment result before taxes		**110,539**	**(69,948)**
Current income tax expense	9	(181)	(1,206)
Movement in deferred tax assets and liabilities	9	(1,671)	14,986
		(1,852)	13,780
Investment result after taxes		**108,687**	**(56,168)**
Investment result attributable to non-controlling interests		(9,511)	(5,215)
Investment result attributable to VastNed Retail shareholders		**99,176**	**(61,383)**
PER SHARE (x € 1)			
Investment result attributable to VastNed Retail shareholders	10	5.39	(3.61)
Diluted investment result attributable to VastNed Retail shareholders	10	5.39	(3.61)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(x € 1,000)

	2010	2009
Investment result	108,687	(56,168)
Value movements in financial derivatives recognised directly in equity	(233)	(15,501)
Translation differences on net investments	(677)	(179)
Taxes related to other comprehensive income	(229)	2,019
Other comprehensive income	(1,139)	(13,661)
Total result	**107,548**	**(69,829)**
Attributable to:		
VastNed Retail shareholders	97,933	(74,781)
Non-controlling interests	9,615	4,952
	107,548	**(69,829)**

PER SHARE (x € 1)

	2010	2009
Total result attributable to VastNed Retail shareholders	5.32	(4.40)

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

(x € 1,000)

	Notes	2010	2009
ASSETS			
Investment properties in operation	12	1,921,861	1,834,252
Investment properties under renovation	12	–	3,100
Accrued assets in respect of lease incentives	12	1,586	1,866
		1,923,447	1,839,218
Investment properties in pipeline	12	72,091	22,183
Total investment properties		1,995,538	1,861,401
Tangible fixed assets		1,080	997
Financial derivatives	23	978	–
Deferred tax assets	13	478	904
Total fixed assets		**1,998,074**	**1,863,302**
Debtors and other receivables	14,16	8,764	22,474
Income tax		411	2,479
Cash and cash equivalents	15,16	7,383	5,739
Total current assets		**16,558**	**30,692**
Total assets		**2,014,632**	**1,893,994**

	Notes	2010	2009
EQUITY AND LIABILITIES			
Capital paid-up and called	17	92,476	91,326
Share premium reserve		471,370	472,554
Hedging reserve in respect of financial derivatives		(31,649)	(31,083)
Translation reserve		(780)	(103)
Other reserves		344,977	467,822
Investment result attributable to VastNed Retail shareholders	10	99,176	(61,383)
Equity VastNed Retail shareholders		975,570	939,133
Non-controlling interests		99,335	95,960
Total equity		**1,074,905**	**1,035,093**
Deferred tax liabilities	13	25,329	23,989
Provisions in respect of employee benefits	18	1,023	1,236
Long-term interest-bearing loans	19, 23	612,059	597,616
Financial derivatives	23	37,290	37,066
Long-term tax liabilities	20	2,677	5,434
Guarantee deposits		8,564	8,281
Total long-term liabilities		**686,942**	**673,622**
Payable to banks	21	121,544	102,474
Redemption long-term interest-bearing loans	19	92,013	42,138
Financial derivatives	23	1,211	–
Income tax		3,211	3,813
Other liabilities and accruals	22	34,806	36,854
Total short-term liabilities		**252,785**	**185,279**
Total equity and liabilities		**2,014,632**	**1,893,994**

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

(x € 1,000)

	Capital paid-up and *called*	Share premium *reserve*	Hedging reserve in respect of financial *derivatives*	Translation *reserve*
Balance as at 1 January 2009	82,088	407,460	(17,864)	76
Investment result	–	–	–	–
Value movements financial derivatives	–	–	(13,219)	–
Translation differences on net investments	–	–	–	(179)
Total comprehensive income	–	–	*(13,219)*	*(179)*
Share issue	8,302	66,051	–	–
Stock dividend	936	(936)	–	–
Costs of stock dividend	–	(21)	–	–
Final dividend previous financial year in cash	–	–	–	–
Interim dividend 2009 in cash	–	–	–	–
Contribution from profit appropriation	–	–	–	–
Balance as at 31 December 2009	**91,326**	**472,554**	**(31,083)**	**(103)**
Investment result	–	–	–	–
Value movements in financial derivatives	–	–	(566)	–
Translation differences on net investments	–	–	–	(677)
Total comprehensive income	–	–	*(566)*	*(677)*
Stock dividend	1,150	(1,150)	–	–
Costs of stock dividend	–	(34)	–	–
Final dividend previous financial year in cash	–	–	–	–
Interim dividend 2010 in cash	–	–	–	–
Contribution from profit appropriation	–	–	–	–
Balance as at 31 December 2010	**92,476**	**471,370**	**(31,649)**	**(780)**

Other reserves	Investment result attributable to VastNed Retail shareholders	Equity VastNed Retail shareholders	Non-controlling interests	Total equity
577,464	(51,054)	998,170	96,230	1,094,400
–	(61,383)	(61,383)	5,215	(56,168)
–	–	(13,219)	(263)	(13,482)
–	–	(179)	–	(179)
–	*(61,383)*	*(74,781)*	*4,952*	*(69,829)*
–	–	74,353	–	74,353
–	–	–	–	–
–	–	(21)	–	(21)
–	(37,832)	(37,832)	(5,222)	(43,054)
(20,756)	–	(20,756)	–	(20,756)
(88,886)	88,886	–	–	–
467,822	**(61,383)**	**939,133**	**95,960**	**1,035,093**
–	99,176	99,176	9,511	108,687
–	–	(566)	104	(462)
–	–	(677)	–	(677)
–	*99,176*	*97,933*	*9,615*	*107,548*
–	–	–	–	–
–	–	(34)	–	(34)
–	(41,117)	(41,117)	(6,240)	(47,357)
(20,345)	–	(20,345)	–	(20,345)
(102,500)	102,500	–	–	–
344,977	**99,176**	**975,570**	**99,335**	**1,074,905**

CONSOLIDATED CASH FLOW STATEMENT

(x € 1,000)

	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES		
Investment result	108,687	(56,168)
Adjustments for:		
Value movements investment properties	(35,476)	147,479
Net result on disposals of investment properties	(682)	(2,220)
Net financing costs	30,854	33,279
Income tax	1,852	(13,780)
Cash flow from operating activities before changes in working capital and provisions	105,235	108,590
Movement current assets	4,197	1,522
Movement short-term liabilities	(285)	2,455
Movement provisions	(213)	-
	108,934	112,567
Interest paid (on balance)	(32,558)	(29,792)
Income tax paid	1,348	(1,510)
Cash flow from operating activities	**77,724**	**81,265**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of and capital expenditure on investment properties	(108,631)	(57,086)
Disposal of investment properties	17,373	56,952
Cash flow from property investments	(91,258)	(134)
Movement in tangible fixed assets	(82)	78
Cash flow from investment activities	**(91,340)**	**(56)**
CASH FLOW FROM FINANCING ACTIVITIES		
Share issue	-	74,353
Dividend paid	(61,462)	(58,609)
Dividend paid to non-controlling interests	(6,254)	(4,884)
Interest-bearing loans drawn down	133,630	37,350
Interest-bearing loans redeemed	(50,681)	(126,769)
Cash flow from financing activities	**15,233**	**(78,559)**
MOVEMENT IN CASH AND CASH EQUIVALENTS	**1,617**	**2,650**
Cash and cash equivalents as at 1 January	5,739	3,089
Exchange rate differences on cash and cash equivalents	27	-
Cash and cash equivalents as at 31 December	**7,383**	**5,739**

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

1 GENERAL INFORMATION

VastNed Retail N.V. ('the Company' or 'VastNed Retail'), with its registered office in Rotterdam, the Netherlands, is a (closed-end) property investment company with variable capital that makes long-term investments, primarily in individual retail properties, shopping centres and retail warehouses. At year-end 2010, the investments were concentrated in the five core countries: the Netherlands, Spain, France, Belgium and Turkey.

VastNed Retail is listed on the NYSE Euronext stock exchange of Amsterdam. The listing on the NYSE Euronext stock exchange of Paris was withdrawn effective 8 November 2010.
On 20 October, 2006, VastNed Management B.V. was granted the licence by the AFM as referred to in 2:65 sub 1 part a of the Act on Financial Supervision pursuant to which it can act as manager of the Company.

The consolidated annual accounts of the Company comprise the Company and its subsidiaries (jointly referred to as 'the Group') and the interests the Group has in associates and entities over which it exercises joint control. The company profit and loss account has been shown in abbreviated form pursuant to 2:402 of the Netherlands Civil Code.

2 SIGNIFICANT PRINCIPLES FOR FINANCIAL REPORTING

A STATEMENT OF COMPLIANCE

The consolidated annual accounts of the Company are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These standards comprise all new and revised Standards and Interpretations as published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), insofar as they apply to the Group's activities and are effective on the financial years starting on or after 1 January 2010.

New or amended Standards and Interpretations that became effective in 2010
A number of amended standards came into effect in 2010. A large proportion of these amendments concerned minor changes as part of the annual IFRS improvement process. The amended Standards and Interpretations that came into effect in 2010 and are relevant for the presentation, notes or financial results of the Group are listed below.

- *IFRS 3 Business Combinations (revised) and IAS 27 Consolidated and Separate Financial Statements (revised)*
  The changes among other things concern the treatment of acquisition-related costs, the realisation of a business combination in different stages, acquired deferred tax assets, the valuation of non-controlling interests, the valuation of contingent payments and transactions with non-controlling interests that do not result in a change of control. The changes in this standard will be applied prospectively and did not impact the equity and investment result of the Group.

The following amended Standards and Interpretations came into effect for the current financial year, but have no effect on the presentation, notes or financial results of the Group:
- IFRS 1 First time adoption of International Financial Reporting Standards (revised);
- IFRS 2 Share-based Payments;
- IAS 39 Financial Instruments: Recognition and Measurement;
- IFRIC 12 Service Concession Arrangements;
- IFRIC 15 Agreements for the Construction of Real Estate;
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation;
- IFRIC 17 Distributions of Non-cash Assets to Owners, and;
- IFRIC 18 Transfers of Assets from Customers.

New or amended Standards and Interpretations not yet effective

A number of new amendments on Standards and Interpretations had not yet taken effect in 2010, but could be applied in advance. The Group did not make use of this option. This concerns the following Standards and Interpretations:

- Amendments to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters;
- Amendment to IAS 32 Financial Instruments: Presentation: Classification of Right Issues;
- Revised IAS 24 Related Party Disclosures;
- Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement, and;
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The Group does not expect these amendments to affect equity and the investment result.

B PRINCIPLES APPLIED IN THE COMPILATION OF THE FINANCIAL REPORTING

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

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

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

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

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

The principal estimates and assumptions concerning the future and other important sources of estimate uncertainties at the balance sheet date that have a material impact on the annual accounts and that present a significant risk of material adjustments to book values in the following financial year are included in '29 Accounting Estimates and Judgements'.

C PRINCIPLES FOR CONSOLIDATION

Subsidiaries

Subsidiaries are entities over which the Company has control. Control of an entity entails that the Company has the authority, either directly or indirectly, to determine the financial and operational policies of the entity in order to obtain benefits from the operations of this entity. Potential voting rights that can be exercised or converted are taken into account in assessing whether there is control. The financial statements of the subsidiaries are included in the consolidated statements as from the date at which control is obtained until such time when control ceases. Once control is obtained, all subsequent changes in ownership interests that do not involve the loss of that control will be treated as transactions among shareholders. Goodwill is not recalculated or adjusted. Non-controlling interests are recognised separately in the balance sheet under equity. The share of non-controlling interests in the result of the Group are also recognised separately in the profit and loss account.

Transactions eliminated on consolidation

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

Goodwill

All acquisitions of subsidiaries are recognised using the purchase accounting method. The costs of an acquisition are valued at the fair value of the underlying assets, equity instruments issued and debts incurred or taken over at the time of transfer. Costs incurred in realising a business combination (such as consultancy, legal and accountancy fees) are recognised in the profit and loss account. Acquired identifiable assets and (contingent) liabilities are initially recognised at fair value on the acquisition date. Goodwill is the amount by which the cost of an acquired entity at first recognition exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities. Changes in the consideration after the acquisition date do not result in recalculation or adjustment of the goodwill. The value of the assets, liabilities and contingent liabilities of entities acquired before 1 January 2010 is based on the accounting principles applied previously.

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

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

D FOREIGN CURRENCIES

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

The consolidated annual accounts are presented in euros, the Group's reporting currency. In the preparation of the annual accounts of the separate entities, transactions in foreign currencies are recognised at the exchange rate effective on the transaction date. Foreign currency results arising from the settlement of these transactions are recognised in the profit and loss account.

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

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

E INVESTMENT PROPERTIES IN OPERATION AND UNDER RENOVATION

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

Acquisitions and disposals of property available for letting are included in the balance sheet as investment properties or designated as sold at the time when the obligation to buy or sell is entered into by means of a signed agreement, at which time the conditions of the transaction can be identified unequivocally and any contingent conditions included in the agreement can no longer be invoked, or the chance that they will be invoked is small. Upon first recognition, the investment properties are recognised at acquisition price plus costs attributable to the acquisition, including transfer tax, property agency fees, due diligence costs, and legal and civil-law notary costs.
Investment properties are classified as investment properties under renovation at such time when it is decided that for continued future use, an existing investment property must first be renovated and as a consequence is no longer available for letting during renovation.

Both investment properties in operation and under renovation are stated at fair value, with an adjustment for any balance sheet items in respect of lease incentives (see under 'Q Gross Rental Income'). The fair value is based on market value (costs borne by the buyer), i.e. the estimated value at which an investment property could be traded at the balance sheet date between well-informed and independent parties who are prepared to enter into a transaction, both parties operating prudently and without duress. Account is taken of differences between market rent and contractual rent, operating expenses, vacancy, state of repair and future developments.
All investment properties in operation and under renovation are appraised at least once a year by independent, certified appraisers.

The valuation methodology is based on international appraisal guidelines (RICS Appraisal and Valuation Standards). In order to present the fair value at the relevant balance sheet date in (interim) financial statements as accurately as possible, the following system is used:

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

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

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

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

F INVESTMENT PROPERTIES IN PIPELINE

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

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

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

G TANGIBLE FIXED ASSETS

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

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

H FINANCIAL DERIVATIVES

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

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

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

Hedging

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

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

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

I DEBTORS AND OTHER RECEIVABLES

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

J CASH AND CASH EQUIVALENTS

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

K CAPITAL PAID-UP AND CALLED, SHARE PREMIUM RESERVE AND OTHER RESERVES

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

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

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

L DEFERRED TAX ASSETS AND LIABILITIES

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

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

M PROVISIONS IN RESPECT OF EMPLOYEE BENEFITS

Defined benefit pension plans

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

When the pension rights in respect of a plan are improved, the part of the improved pension rights concerning past years of service of employees is recognised as an expense in the profit and loss account on a straight-line basis over the average period until the pension rights become vested. To the extent that the pension rights vest immediately, the expense is recognised in the profit and loss account immediately. All actuarial gains and losses as per 1 January 2004, the transition date to IFRS, have been recognised. Actuarial gains and losses arising after 1 January 2004 are recognised by the Group according to the so-called 'corridor' approach. According to this 'corridor' approach, any cumulative unrecognised actuarial gains or losses exceeding 10% of the greater of the present value of the gross liability of the defined (pension) benefits or the fair value of the plan assets, are recognised in the profit and loss account for the expected average remaining working lives of the employees who participate in the plan. Otherwise, the actuarial gain or actuarial loss is not recognised.

If the plan assets exceed the obligations, the recognition of the assets is limited to an amount not exceeding the net total of any unrecognised actuarial losses and pension costs of past service and the present value of any future refunds from the plan available at that time or lower future (pension) premiums.

Defined contribution pension plans

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

Long-term employee benefits

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

N OTHER PROVISIONS

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

O INTEREST-BEARING DEBTS

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

P OTHER LIABILITIES AND ACCRUALS

Other liabilities and accruals are stated at nominal value.

Q GROSS RENTAL INCOME

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

R NET SERVICE CHARGE EXPENSES

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

S OPERATING EXPENSES

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

T NET FINANCING COSTS

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

U GENERAL EXPENSES

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

V INCOME TAX

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

The taxes payable and recoverable for the reporting period are the taxes that are expected to be payable on taxable profit in the financial year, calculated on the basis of tax rates and tax legislation enacted or substantively enacted at the balance sheet date, and corrections to taxes payable on previous years.
Additional income tax in respect of dividend payments by subsidiaries is recognised at the same time as the obligation to pay out the dividend concerned.

W CASH FLOW STATEMENT

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

X SEGMENTED INFORMATION

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

3 SEGMENT INFORMATION

	Netherlands		Spain	
	2010	2009	2010	2009
Net rental income	42,387	42,526	25,646	27,478
Value movements investment properties in operation	11,859	(18,857)	(3,756)	(76,374)
Value movements investment properties under renovation	–	–	(725)	(13,851)
Value movements investment properties in pipeline	(457)	(5,006)	–	–
Net result on disposals of investment properties	409	1,854	–	–
Total net income from investment properties	**54,198**	**20,517**	**21,165**	**(62,747)**
Net financing costs				
General expenses				
Income tax				
Non-controlling interests				
Investment result attributable to VastNed Retail shareholders				

	Netherlands		Spain	
	2010	2009	2010	2009
Investment properties in operation				
Balance as at 1 January	696,897	747,843	409,291	479,638
– Acquisitions	42,164	–	5,162	–
– Capital expenditure	1,532	1,463	2,119	2,437
– Taken into operation	2,210	14,700	3,100	3,590
– Transferred to investment properties under renovation	–	–	–	–
– Disposals	(5,792)	(48,252)	–	–
	737,011	715,754	419,672	485,665
– Value movements	11,859	(18,857)	(3,756)	(76,374)
– Exchange rate differences	–	–	–	–
Balance as at 31 December	748,870	696,897	415,916	409,291
– Accrued assets in respect of lease incentives	505	518	710	870
Appraisal value as at 31 December	749,375	697,415	416,626	410,161
Investment properties under renovation	–	–	–	3.100
Investment properties in pipeline	4,880	7,193	–	–
Investment properties	754,255	704,608	416,626	413,261
Other assets	1,855	7,287	1,570	1,542
Not allocated to segments				
Total assets				
Liabilities	16,976	17,559	34,897	30,485
Not allocated to segments				
Total liabilities [1]				

1 The financing for the property portfolios in the different countries, except for the financing of the Belgian portfolio, is arranged at holding level. For this reason segmenting this information by country is not relevant.

France		Belgium		Turkey		Portugal		Total	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
22,096	24,502	19,227	18,965	1,403	1,049	1,081	1,161	111,840	115,681
23,886	(29,702)	4,458	1,381	1,708	397	(225)	(948)	37,930	(124,103)
–	–	–	(880)	–	–	–	–	(725)	(14,731)
(1,826)	(3,639)	–	–	554	–	–	–	(1,729)	(8,645)
92	154	181	212	–	–	–	–	682	2,220
44,248	**(8,685)**	**23,866**	**19,678**	**3,665**	**1,446**	**856**	**213**	**147,998**	**(29,578)**
								(30,854)	(33,279)
								(6,605)	(7,091)
								(1,852)	13,780
								(9,511)	(5,215)
								99,176	**(61,383)**

France		Belgium		Turkey		Portugal		Total	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
386,597	409,262	298,619	294,796	30,315	20,236	12,533	13,481	1,834,252	1,965,256
–	372	–	–	–	9,574	–	–	47,326	9,946
613	1,232	334	4,853	17	126	–	–	4,615	10,111
–	5,925	–	–	–	–	–	–	5,310	24,215
–	–	–	(568)	–	–	–	–	–	(568)
(1,847)	(492)	(314)	(1,843)	–	–	–	–	(7,953)	(50,587)
385,363	416,299	298,639	297,238	30,332	29,936	12,533	13,481	1,883,550	1,958,373
23,886	(29,702)	4,458	1,381	1,708	397	(225)	(948)	37,930	(124,103)
–	–	–	–	381	(18)	–	–	381	(18)
409,249	386,597	303,097	298,619	32,421	30,315	12,308	12,533	1,921,861	1,834,252
181	215	190	263	–	–	–	–	1,586	1,866
409,430	386,812	303,287	298,882	32,421	30,315	12,308	12,533	1,923,447	1,836,118
–	–	–	–	–	–	–	–	–	3,100
15,180	14,990	–	–	52,031	–	–	–	72,091	22,183
424,610	401,802	303,287	298,882	84,452	30,315	12,308	12,533	1,995,538	1,861,401
2,213	3,133	702	8,905	1,163	643	416	316	7,919	21,826
								11,175	10,767
								2,014,632	1,893,994
15,800	17,791	123,550	128,766	774	1,084	1,291	1,214	193,288	196,899
								746,439	662,002
								939,727	**858,901**

4 NET RENTAL INCOME

	Gross rental income		Ground rents paid		Net service charge expenses		Operating expenses		Net rental income	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Netherlands	48,467	49,074	(54)	(52)	(128)	(409)	(5,898)	(6,087)	42,387	42,526
Spain	29,706	31,355	(437)	(433)	(1,217)	(1,161)	(2,406)	(2,283)	25,646	27,478
France	24,612	26,942	(63)	(61)	(388)	(122)	(2,065)	(2,257)	22,096	24,502
Belgium	21,037	20,848	(19)	(19)	(98)	(47)	(1,693)	(1,817)	19,227	18,965
Turkey	1,686	1,213	–	–	(69)	(38)	(214)	(126)	1,403	1,049
Portugal	1,130	1,130	–	–	–	–	(49)	31	1,081	1,161
	126,638	**130,562**	**(573)**	**(565)**	**(1,900)**	**(1,777)**	**(12,325)**	**(12,539)**	**111,840**	**115,681**

GROUND RENTS PAID	2010	2009
Attributable to leased properties	549	501
Attributable to vacant properties	24	64
	573	**565**

NET SERVICE CHARGE EXPENSES	2010	2009
Attributable to leased properties	210	425
Attributable to vacant properties	1,690	1,352
	1,900	**1,777**

OPERATING EXPENSES	2010	2009
Attributable to leased properties	11,782	12,174
Attributable to vacant properties	543	365
	12,325	**12,539**

OPERATING EXPENSES	2010	2009
Maintenance	2,375	2,373
Administrative and commercial management[1)]	5,066	5,222
Insurance	443	513
Local taxes	2,183	1,730
Letting costs	474	323
Allocation to the provision for doubtful debtors (on balance)	966	1,138
Other operating expenses	818	1,240
	12,325	**12,539**

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

VALUE MOVEMENTS INVESTMENT PROPERTIES

	2010			2009		
	Positive	Negative	Total	Positive	Negative	Total
Investment properties in operation	61,239	(23,309)	37,930	20,714	(144,817)	(124,103)
Investment properties under renovation	–	(725)	(725)	–	(14,731)	(14,731)
Investment properties in pipeline	554	(2,283)	(1,729)	–	(8,645)	(8,645)
	61,793	**(26,317)**	**35,476**	**20,714**	**(168,193)**	**(147,479)**

NET RESULT ON DISPOSALS OF INVESTMENT PROPERTIES

	2010	2009
Sales price	8,581	60,884
Book value at time of disposal	(7,953)	(57,191)
	628	3,693
Sales costs	(56)	(741)
	572	2,952
Other	110	(732)
	682	**2,220**

NET FINANCING COSTS

INTEREST INCOME

	2010	2009
Bank accounts and short-term deposits	(56)	(14)
Other interest receivable	(149)	(201)
Capitalised financing costs	(737)	(67)
	(942)	**(282)**

INTEREST EXPENSE

	2010	2009
Long-term interest-bearing loans	29,222	29,239
Short-term credits and cash loans	2,129	3,348
Other interest payable	347	362
	31,698	32,949
Total interest expense	30,756	32,667
Value movements financial derivatives	(32)	822
Exchange rate differences	130	(210)
	30,854	**33,279**

8 GENERAL EXPENSES

	2010	2009
Personnel costs	7,232	7,160
Remuneration of Supervisory Board	107	107
Consultancy and audit costs	970	1,265
Appraisal costs	918	931
Accommodation and office costs	1,635	1,595
Other expenses	250	653
	11,112	**11,711**
Attributed to operating expenses	(4,507)	(4,620)
	6,605	**7,091**

Personnel costs

During 2010 an average of 109 (2009: 106) employees (fulltime equivalents) were employed by VastNed Retail and VastNed Offices/Industrial N.V. jointly, of whom 47 in the Netherlands and 62 abroad.
Personnel costs of the employees working in the Netherlands are attributed to VastNed Retail based on the actual work done. Individually, VastNed Retail has no employees.
In the year under review, VastNed Retail accounted for € 7.0 million in wages and salaries (2009: € 6.9 million), € 1.1 million in social security charges (2009: € 1.0 million) and € 0.6 million in pension premiums (2009: € 0.6 million). After the allocation to VastNed Offices/Industrial N.V., the following amounts remain: € 5.0 million in wages and salaries (2009: € 5.0 million), € 0.9 million in social security charges (2009: € 0.9 million) and € 0.3 million in pension premiums (2009: € 0.3 million).

Audit costs

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

	2010	2009
Audit of the financial statements	298	292
Other audit assignments	4	11
Other services	–	10
	302	**313**

The audit costs include a sum of € 0.1 million (2009: € 0.1 million) for Deloitte Accountants B.V.

Other expenses

Other expenses include publicity costs and IT costs.

9 INCOME TAX

CURRENT INCOME TAX EXPENSE

	2010	2009
Current financial year	420	1,414
Adjustment to previous financial years	(239)	(208)
	181	**1,206**

MOVEMENTS IN DEFERRED TAX ASSETS AND LIABILITIES

	2010	2009
In respect of:		
Value movements in investment properties	1,212	(15,565)
Change in tax rates	–	225
Tax effect of expiry of offsettable losses	459	354
	1,671	**(14,986)**
Total income tax	**1,852**	**(13,780)**

RECONCILIATION OF EFFECTIVE TAX RATE

		2010		2009
Investment result before taxes		110,539		(69,948)
Income tax at Dutch tax rate	0.0%	–	0.0%	–
Effect of tax rates of subsidiaries operating in other jurisdictions	(1.5%)	1,632	19.9%	(13,926)
Tax effect of expiry of offsettable losses	(0.4%)	459	(0.5%)	354
Adjustment to previous financial years	0.2%	(239)	0.3%	(208)
	(1.7%)	**1,852**	**19.7%**	**(13,780)**

VastNed Retail qualifies as a fiscal investment institution as meant in Section 28 of the 1969 Netherlands Corporate Income Tax Act. This means that the company is exempted from the obligation to pay corporate income tax on profits made in the Netherlands provided that it meets specific conditions. These conditions mainly concern the investment requirement, the fiscal financing ratios, the composition of the shareholders' base and the timely cash dividend distribution of the fiscal result.

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

Virtually all of VastNed Retail's property portfolio in France is subject to the SIIC regime. Under this regime, VastNed Retail is not liable for taxation on its French net rental income nor on the capital gains realised in France. The requirements of the SIIC regime are comparable to those for the Dutch fiscal investment institution. Only a very small portion (less than 1%) of the French property investments is held by companies that are subject to the usual tax rules. The nominal tax rate is 34.43%. Depreciation, interest and other expenses are deducted from the taxable net income.

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

The calculations of deferred tax assets and liabilities are based on the nominal tax rates as effective on 1 January 2011.

10 INVESTMENT RESULT PER SHARE

	2010		2009	
	Basic	Diluted	Basic	Diluted
Investment result	**99,176**	**99,176**	**61,383**	**61,383**

AVERAGE NUMBER OF ORDINARY SHARES IN ISSUE	2010		2009	
	Basic	Diluted	Basic	Diluted
Balance as at 1 January	18,265,213	18,265,213	16,417,526	16,417,526
Effect of share issue	–	–	486,769	486,769
Effect of stock dividend	144,306	144,306	124,125	124,125
Average number of ordinary shares in issue	**18,409,519**	**18,409,519**	**17,028,420**	**17,028,420**

PER SHARE (x € 1)	2010		2009	
	Basic	Diluted	Basic	Diluted
Investment result	**5.39**	**5.39**	**(3.61)**	**(3.61)**

11 DIVIDEND

VastNed Retail's dividend policy is aimed at distributing the direct investment[1)] result to shareholders in full. The profit for tax as a minimum must be paid out in cash in order to comply with the fiscal conditions for fiscal investment institutions.

On 17 May 2010, the final dividend for the 2009 financial year was made payable. It consisted of 5% in cash on the priority shares and an optional dividend on the ordinary shares of € 2.78 in cash or € 1.10 in cash and 4.00% in shares charged to the share premium reserve. This dividend payment totalled € 41.1 million.

On 30 August 2010, the interim dividend for the 2010 financial year was made payable. The interim dividend amounted to € 1.10 per share in cash (total payout: € 20.3 million).

The Board of Management proposes the following final dividend for the 2010 financial year:

- 5% in cash on the priority shares;
- an optional dividend on the ordinary shares of:
  - € 1.33 in cash plus a percentage of shares yet to be determined, depending on the share price, charged to the share premium reserve, or
  - € 2.58 in cash.

If the General Meeting of Shareholders approves the dividend proposal, the dividend will be made payable to shareholders on 16 May 2011. The dividend to be distributed has not been entered in the balance sheet as a liability.

1 The direct investment result consists of net rental income less net financing costs (excluding value movements financial derivatives), general expenses, current income tax expense and the part of this income and expenditure attributable to non-controlling interests.

12 INVESTMENT PROPERTIES

INVESTMENT PROPERTIES IN OPERATION AND UNDER RENOVATION

	2010			2009		
	In operation	Under renovation	Total	In operation	Under renovation	Total
Balance as at 1 January	1,834,252	3,100	1,837,352	1,965,256	26,043	1,991,299
Acquisitions	47,326	–	47,326	9,946	–	9,946
Capital expenditure	4,615	725	5,340	10,111	1,414	11,525
Taken into operation	5,310	(3,100)	2,210	24,215	(3,590)	20,625
Transferred to investment properties under renovation	–	–	–	(568)	568	–
Disposals	(7,953)	–	(7,953)	(50,587)	(6,604)	(57,191)
	1,883,550	725	1,884,275	1,958,373	17,831	1,976,204
Value movements	37,930	(725)	37,205	(124,103)	(14,731)	(138,834)
Exchange rate differences	381	–	381	(18)	–	(18)
Balance as at 31 December	1,921,861	–	1,921,861	1,834,252	3,100	1,837,352
Accrued assets in respect of lease incentives	1,586	–	1,586	1,866	–	1,866
Appraisal value as at 31 December	**1,923,447**	**–**	**1,923,447**	**1,836,118**	**3,100**	**1,839,218**

86% of the investment properties in operation and under renovation were appraised by independent certified appraisers as per 31 December 2010. The remaining properties were appraised earlier in the year under review by independent certified appraisers. The fair value of these investment properties on 31 December 2010 was determined internally.

Properties to a value of € 437.1 million (2009: € 437.1 million) serve as security for loans contracted (also see '19 Long-term interest-bearing loans').

For further details on the investment properties in operation and under renovation, please refer to the '2010 property portfolio' overview included elsewhere in this annual report.

INVESTMENT PROPERTIES IN PIPELINE

	2010	2009
Balance as at 1 January	22,183	21,514
Acquisitions and development expenditure	53,757	29,059
Taken into operation	(2,210)	(20,625)
	73,730	29,948
Value movements[1]	(1,639)	(7,765)
Balance as at 31 December	**72,091**	**22,183**

Most of the investment properties in pipeline were appraised by independent certified appraisers as per 31 December 2010. The value of one investment property in pipeline on 31 December 2010 was determined internally.

For further details on the investment properties in pipeline, please refer to the '2010 Property Portfolio' overview included elsewhere in this annual report.

Please refer to '24 Rights and obligations not recorded in the balance sheet' for further details on the committed investment properties in pipeline.

1 The item 'Value movements in investment properties in pipeline' in the consolidated profit and loss account includes a negative value movement of € 0.1 million (2009: 2.5 million negative). It refers to the effect of the valuation of the commitment with respect to the future acquisition of the 'Hoogambacht' shopping centre in Hendrik-Ido-Ambacht, the Netherlands. The resulting provision is included in 'Investment creditors' under 'Other liabilities and accruals'.

13 DEFERRED TAX ASSETS AND LIABILITIES

	2010		2009	
	Assets	Liabilities	Assets	Liabilities
Investment properties	–	31,950	–	31,211
Financial derivatives	–	(3,511)	–	(3,616)
Offsettable losses	478	(3,291)	904	(3,548)
Other	–	181	–	(58)
	478	**25,329**	**904**	**23,989**

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

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

	2010		2009	
	Assets	Liabilities	Assets	Liabilities
Balance as at 1 January	904	23,989	1,218	40,460
Net credit/charge to the profit and loss account	–	409	40	(14,755)
Net credit/charge to equity	–	229	–	(2,019)
Transferred from long-term tax liabilities	–	–	–	299
Offsettable losses used	–	678	–	–
Tax effect of expiry of offsettable losses	(426)	–	(354)	–
Exchange rate differences	–	24	–	4
Balance as at 31 December	**478**	**25,329**	**904**	**23,989**

The deferred tax assets and liabilities as per 31 December 2010 concern the Netherlands, Spain, France, Belgium, Turkey and Portugal.

The deferred tax assets concern offsettable losses that must be set off before 2019. The deferred tax liabilities are largely related to the difference between the market value and the fiscal book value of the investment properties.

As at the balance sheet date, unused tax losses totalled € 9.4 million. In view of the expectation that, given the present structure, it will not be possible to set off these unused tax losses against taxable profits in the near future, no deferred tax asset has been recognised.

14 DEBTORS AND OTHER RECEIVABLES

	2010	2009
Debtors	6,504	6,192
Provision for doubtful debtors	(4,198)	(3,876)
	2,306	2,316
Taxes	1,679	4,878
Receivable from disposals	–	8,817
Interest	30	46
Service charges	565	732
Prepayments	1,421	1,517
Other receivables	2,763	4,168
	8,764	**22,474**

The receivables include items with a term in excess of one year with a total value of € 0.3 million (2009: € 1.0 million).

15 CASH AND CASH EQUIVALENTS

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

16 CREDIT RISK

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

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

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

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

	2010		2009	
	Gross amounts	Provision	Gross amounts	Provision
Overdue by less than 30 days	992	114	1,111	103
Overdue by between 31 and 90 days	737	184	798	206
Overdue by between 91 days and one year	2,131	1,569	1,989	1,485
Overdue by more than one year	2,644	2,331	2,294	2,082
	6,504	**4,198**	**6,192**	**3,876**

Movements in the provision for doubtful debtors were as follows:

	2010	2009
Balance as at 1 January	3,876	2,822
Allocation to the provision	1,838	2,042
Write-off for bad debts	(645)	(84)
Release	(872)	(904)
Exchange rate differences	1	-
Balance as at 31 December	**4,198**	**3,876**

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

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

17 EQUITY

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

The equity VastNed Retail shareholders was € 52.75 per share as at 31 December 2010 (31 December 2009: € 51.42 per share).

NUMBER OF SHARES IN ISSUE		2009		2008
	Ordinary shares	Priority shares	Ordinary shares	Priority shares
Balance as at 1 January	18,265,213	10	16,417,526	10
Share issue	–	–	1,660,473	–
Stock dividend	230,007	–	187,214	–
Balance as at 31 December	**18,495,220**	**10**	**18,265,213**	**10**

The holders of ordinary shares are entitled to receive the dividend declared by the Company and are entitled to cast one vote per share at the shareholders' meetings. In the event of a share buyback by VastNed Retail where the shares are not cancelled, these rights are suspended until such time as the shares are reissued.

The company's articles of association confer special controlling rights on the priority shares. The priority shares have been placed at par value with the Stichting Prioriteit VastNed Retail. The objective of this foundation is to acquire ownership of the priority shares in the Company and to exercise all rights vested in such shares, including the voting right, the receipt of dividend and other distributions and all that which is related thereto in the broadest sense. The Board of Management of the Stichting Prioriteit VastNed Retail consists of the members of the Board of Management and of the Supervisory Board of VastNed Retail. They are the A directors and B directors respectively of the Stichting Prioriteit VastNed Retail. A directors are not entitled by the articles of association to cast more votes than B directors.

18 PROVISIONS IN RESPECT OF EMPLOYEE BENEFITS

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

The external actuary has made the following assumptions for the actuarial calculations involving the defined benefit pension plans:

	31-12-2010	31-12-2009
Discount rate	5.25%	6.00%
Expected return on plan assets	5.25%	6.00%
Expected rate of salary increases (dependent on age and including inflation correction)	2.00% – 6.00%	2.00% – 6.00%
Future pension increases	0.325% – 2.00%	0.325% – 2.00%

	2010	2009	2008	2007	2006
Present value of defined benefit pension obligations	13,028	10,178	9,977	10,337	10,845
Fair value of plan assets	(11,073)	(8,753)	(8,083)	(8,874)	(9,546)
	1,955	1,425	1,894	1,463	1,299
Unrecognised actuarial gains and losses	(1,080)	(329)	(779)	330	180
Obligations in respect of pension plans	875	1,096	1,115	1,793	1,479
Long-term employee benefits	148	140	121	122	96
	1,023	**1,236**	**1,236**	**1,915**	**1,575**

Movements in the provisions were as follows:

	2010	2009
Balance as at 1 January	1,236	1,236
Contribution charged to the profit and loss account	524	553
Contributions paid (on balance)	(745)	(572)
Movement in provision of long-term employee benefits	8	19
Balance as at 31 December	**1,023**	**1,236**

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

	2010	2009
Employer service costs	470	455
Interest	599	561
Expected return on plan assets	(529)	(467)
Actuarial losses recognised in the year	(16)	4
	524	**553**

The VastNed Group expects to contribute a total of € 0.7 million to its defined benefit pension plans in 2011.

An amount of less than € 0.1 million was recognised in the profit and loss account in 2010 in respect of the defined contribution plans (2009: less than € 0.1 million).

19 LONG-TERM INTEREST-BEARING LOANS

	2010				2009			
	Remaining term				Remaining term			
	1-5 years	More than 5 years	Total	Average interest rate at year-end	1-5 years	More than 5 years	Total	Average interest rate at year-end
Secured loans:								
fixed interest[1]	99,052	24,469	123,521	4.43	166,742	19,331	186,073	4.30
floating interest	-	-	-	-	-	-	-	-
	99,052	**24,469**	**123,521**	4.43	**166,742**	**19,331**	**186,073**	4.30
Unsecured loans:								
fixed interest[1]	381,610	37,500	419,110	4.89	348,729	42,500	391,229	4.69
floating interest	31,928	37,500	69,428	2.83	20,314	-	20,314	2.32
	413,538	**75,000**	**488,538**	4.60	**369,043**	**42,500**	**411,543**	4.57
Total:								
fixed interest[1]	480,662	61,969	542,631	4.79	515,471	61,831	577,302	4.56
floating interest	31,928	37,500	69,428	2.83	20,314	-	20,314	2.32
	512,590	**99,469**	**612,059**	4.56	**535,785**	**61,831**	**597,616**	4.49

The partial right of mortgage on property with a value of € 437.1 million (2009: € 437.1 million) has been granted as security for the secured loans.
A positive/negative mortgage covenant was issued for the unsecured loans. In addition, a number of lenders have set conditions regarding the solvency and interest coverage, as well as changes in the control of the Company and/or its subsidiaries. VastNed Retail met these conditions on 31 December 2010. Please refer to '23 Financial instruments' for more details on the conditions set by the lenders.

The part of the long-term interest-bearing loans due within one year of € 92.0 million (2009: € 42.1 million) is recognised under short-term liabilities.

As at 31 December 2010, the total credit facility of the long-term interest-bearing loans, including the part due within one year, was € 725.3 million (2009: € 652.4 million).
The unused credit facility of the long-term interest-bearing loans as at 31 December 2010 was € 21.3 million (2009: € 12.7 million).

The average term of the long-term interest-bearing loans was 3.7 years (2009: 3.6 years).

The market value of the long-term interest-bearing loans is calculated as the present value of the cash flows based on the swap yield curve and applicable credit spreads at year-end 2010.

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

As at 31 December, the market value of the long-term interest-bearing loans, including the part due within one year, was as follows:

	2010		2009	
	Market value	Carrying amount	Market value	Carrying amount
	693,283	**704,072**	**640,822**	**639,754**

The average interest rate in 2010 was 4.51% (2009: 4.47%).

20 LONG-TERM TAX LIABILITIES

	2010	2009
Balance as at 1 January	5,434	8,435
Short-term portion as at 1 January	2,978	2,934
	8,412	11,369
Allocation	–	165
Payments	(2,978)	(2,823)
Transferred to deferred tax liabilities	–	(299)
	5,434	8,412
Short-term portion as at 31 December	(2,757)	(2,978)
Balance as at 31 December	**2,677**	**5,434**

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

21 PAYABLE TO BANKS

	2010	2009
Credit facility	220,544	235,545
Of which undrawn	(99,000)	(133,071)
Drawn as at 31 December	**121,544**	**102,474**

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

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

The average interest rate in 2010 was 1.92% (2009: 2.37%).

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

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

22 OTHER LIABILITIES AND ACCRUALS

	2010	2009
Accounts payable	2,321	3,035
Investment creditors	7,077	7,059
Dividend	425	405
Taxes	1,865	943
Prepaid rent	10,279	10,485
Interest	6,010	6,955
Operating expenses	2,628	2,714
Payable in respect of acquisitions	–	75
Other liabilities and accruals	4,201	5,183
	34,806	**36,854**

23 FINANCIAL INSTRUMENTS

A FINANCIAL RISK MANAGEMENT

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

Financing and refinancing risks

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

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

The solvency ratio is calculated by taking equity plus the provision for deferred tax liabilities and dividing it by the balance sheet total. At year-end 2010 the solvency ratio was 54.6%, which is in compliance with the solvency ratios agreed with the banks.

The interest coverage ratio is calculated by taking net rental income less general expenses and dividing it by net financing costs. The interest coverage ratio for 2010 was 3.4, which was well above the ratios agreed with the banks.

At year-end 2010, the weighted average term of the long-term interest-bearing loans was 3.7 years.

Liquidity risk

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

At year-end 2010, VastNed Retail had € 220.5 million in short-term credit facilities available, of which it had drawn down € 121.5 million.
The unused credit facility of the long-term interest-bearing loans as at 31 December 2010 was € 21.3 million.

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

	Balance sheet value	Contractual cash flows	Less than 1 year	1–5 years	More than 5 years
Long-term interest-bearing loans[2]	612,059	745,982	30,490	595,110	120,382
Long-term tax liabilities	2,677	2,677	–	2,677	–
Guarantee deposits	8,564	8,564	–	8,564	–
Payable to banks[3]	121,544	121,658	121,658	–	–
Redemption of long-term interest-bearing loans	92,013	93,228	93,228	–	–
Income tax	3,211	3,211	3,211	–	–
Other liabilities and accruals	34,806	34,806	34,806	–	–
	874,874	**1,010,126**	**283,393**	**606,351**	**120,382**

Interest-rate risk

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

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

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

Regarding the materially effective cash flow hedges, the interest-rate risk on loans with a nominal value of € 531.9 million at year-end 2010 was hedged by entering into interest-rate swaps. To this end, contracts have been concluded with fixed interest rates ranging from 2.69% to 5.10% (excluding margins) and expiry dates ranging from 2011 through to 2018. In addition to this, forward interest-rate swaps were concluded for loans with a nominal value of € 112.5 million with fixed interest rates ranging from 2.62% to 3.39% (excluding margins) and expiry dates ranging from 2016 through to 2018.
The cash flow hedges that are not effective are interest-rate swaps where the interest on an amount totalling € 60.0 million has been fixed, with fixed interest rates varying from 3.02% to 4.43% and expiry dates varying from 2013 to 2014. These hedges were for the most part ineffective during certain periods in 2010 and consequently the value movements in these interest rate swaps are (partially) directly recognised in the profit and loss account.

In October 2010, VastNed Retail placed a fixed rate bond loan in the amount of € 75.0 million with an institutional investor. In order to continue to comply with the financing policy laid down in the treasury regulations, an interest rate swap was concluded at the end of 2010 for loans with a nominal value of € 20.0 million, swapping the fixed interest rate for a variable interest rate. Because hedge accounting is not applied to this swap, the value movements in this interest rate swap are recognised directly in the profit and loss account. Subsequent to this, an interest rate swap was concluded in January 2011 for loans with a nominal value of € 17.5 million, swapping the fixed interest rate for a variable interest rate.

1 The interest rate for the long-term interest-bearing loans with a floating interest rate is based on the market rates of Euribor and Libor in effect on 1 January 2011.
2 Including interest-rate swaps.
3 Including interest up to the next expiry date or interest review date.

With due consideration to the abovementioned interest rate swaps, at year-end 2010, of the total long-term interest-bearing loans in the amount of € 612.1 million, € 542.6 million was at a fixed interest rate (see '23 B Summary of expiry dates and fixed interest rates on long-term interest-bearing loans').

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

The average term of the long-term interest-bearing loans calculated in fixed interest periods was 4.7 years (2009: 4.6 years).

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

Interest-rate sensitivity

As at 31 December 2010 the impact on the investment result of a hypothetical 100 basis points increase in interest rates – all other factors remaining equal – would be a fall of € 1.8 million. Should interest rates decrease by 100 basis points as at this date, the impact on the investment result would be an increase of € 1.8 million. The calculations take account of the financial derivatives entered into.

Currency risk

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

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

			2010			2009
	Contract renewal	Interest review	Average interest rate [1])	Contract renewal	Interest review	Average interest rate [1])
2010	–	–	–	–	9,765	4.78
2011	–	–	–	98,350	21,500	4.54
2012	135,972	28,595	4.91	136,331	88,068	4.43
2013	122,000	78,061	4.68	122,000	104,340	4.80
2014	163,551	135,000	4.90	163,458	134,845	4.73
2015	82,500	117,500	4.62	77,477	102,412	4.40
2016 onwards	108,036	183,475	4.45	–	116,372	4.38
Total long-term interest-bearing loans with a fixed interest rate	612,059	542,631	4.79	597,616	577,302	4.56
Long-term interest-bearing loans with a floating interest rate	–	69,428	2.83	–	20,314	2.32
Total long-term interest-bearing loans	**612,059**	**612,059**	4.56	**597,616**	**597,616**	**4.49**

1 Including interest rate swaps and including credit spreads in effect at year-end 2010.

C SUMMARY OF MARKET VALUE OF INTEREST-RATE DERIVATIVES

	2010		2009	
	Asset	Liability	Asset	Liability
Interest-rate swaps	158	37,406	–	37,066
Forward interest rate swaps	820	1,095	–	–
	978	**38,501**	–	**37,066**

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

	2010		2009	
	Market value of interest-rate derivatives	Nominal value of loans	Market value of interest-rate derivatives	Nominal value of loans
Interest-rate swaps < 1 year	(1,211)	52,500	(208)	25,000
Interest-rate swaps 1-2 years	(4,369)	88,375	(2,657)	52,500
Interest-rate swaps 2-5 years	(25,184)	336,870	(21,962)	328,391
Interest-rate swaps > 5 years	(6,485)	94,202	(12,239)	202,000
	(37,249)	**571,947**	**(37,066)**	**607,891**
Forward interest rate swaps > 5 years	(274)	112,500	–	–
	(37,523)	**684,447**	**(37,066)**	**607,891**

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

24 RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

There is a long-term partnership agreement between VastNed Retail, VastNed Offices/Industrial N.V. and VastNed Management B.V., as well as a long-term agreement for the allocation of costs, in which mutual rights and obligations are laid down. These agreements at the earliest terminate on 31 December 2015 with a 2-year term of notice prior to this date. In case of notice on the part of VastNed Retail or VastNed Offices/Industrial N.V. the party terminating the agreement will owe an amount equal to two times the applicable share of the costs incurred related to the common account during the second year of the period of notice.
A further agreement contains specific change-of-control clauses, including the stipulation that if a public offer for VastNed Offices/Industrial N.V. is honoured, VastNed Retail will be compensated for the consequences of the early termination of these contracts, and vice versa. At the end of 2007, certain points in this agreement were clarified by VastNed Retail, VastNed Offices/Industrial N.V. and VastNed Management B.V. As part of this, the compensation to be paid by VastNed Offices/Industrial N.V. or VastNed Retail was estimated at between € 10 million and € 25 million.

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

In 2007 a turnkey agreement was concluded for the acquisition of the 'Hoogambacht' shopping centre in Hendrik-Ido-Ambacht, the Netherlands, an investment totalling approximately € 24.2 million. The market value of this property at 31 December 2010 was internally appraised at € 21.0 million. The reduction in value is € 3.2 million in total: € 0.4 million was recognised under 'Value movements in investment properties in pipeline' in 2010 and € 2.8 million in 2008 and 2009. Partly as a result of discussions with the selling project developer and the consequent lawsuits, the project has not yet been delivered.

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

RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET AS AT 31 DECEMBER 2009 AND SETTLED IN 2010

The cinema and the restaurant in the extension to the 'Het Rond' shopping centre in Houten, the Netherlands was delivered in April 2010. The total investment required for this ultimately amounted to € 2.8 million. A lease for the cinema was signed with a cinema company; a tenant for the restaurant is still being sought. As at 31 December 2010 the market value was determined at € 2.4 million by the external appraiser. The reduction in value was already recognised in 2008 and 2009.

25 OPERATING LEASES

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

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

	2010	2009
Within one year	121,957	115,920
One to five years	223,420	217,105
More than five years	35,377	37,445
	380,754	**370,470**

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

26 EVENTS AFTER THE BALANCE SHEET DATE

At the end of February 2011, the Supervisory Boards of VastNed Retail and VastNed Offices/Industrial N.V. have resolved in consultation with the Board of Management to end the collaboration at 1 January 2012, subject to approval from the General Meetings of Shareholders.
After termination, VastNed Retail will have an independent Board of Management and management organisation. The costs of the termination, budgeted at € 2.7 million for VastNed Retail, will be charged to the 2011 financial year.

An agreement was signed in February 2011 concerning the acquisitions of 33 retail properties in the Walburg shopping centre in Zwijndrecht, the Netherlands. The legal transfer has taken place on 2 March 2011 and the retail properties are contributing to the net rental income as of that date. The acquisition price, including acquisition costs, is approximately € 40.5 million.

27 RELATED PARTIES TRANSACTIONS

The following are designated related parties: controlling shareholders, subsidiaries, Supervisory Board members and members of the Board of Management.

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

INTERESTS OF MAJOR INVESTORS

As at year-end 2010, the AFM had received the following reports of shareholders with an interest in the Company exceeding five per cent:

Nomura Asset Management Co. Ltd.	5.93%
Commonwealth Bank of Australia	5.79%
Stichting Pensioenfonds ABP[1)]	5.06%

SUBSIDIARIES

Please refer to '28 Subsidiaries' and the chapter 'Management and Corporate Governance' included elsewhere in this annual report for an overview of the major subsidiaries.

Transactions as well as internal balances and income and expenditure between the Company and its subsidiaries are eliminated in the consolidation and are not commented upon.

The subsidiary VastNed Management B.V. has a cost allocation agreement with VastNed Retail and VastNed Offices/Industrial N.V. Costs relating directly to the Company or the investment properties of the Company or its subsidiaries are recognised directly there. Other costs that cannot be allocated directly are borne by VastNed Management B.V. and charged on to VastNed Retail and VastNed Offices/Industrial N.V. in line with the actual work done without any mark-up for profit.

SUPERVISORY BOARD MEMBERS AND MEMBERS OF THE BOARD OF MANAGEMENT

During the 2010 financial year none of the members of the Supervisory Board and the Board of Management of VastNed Retail had a personal interest in the investments of the Company.

1 Stichting Pensioenfonds ABP reduced its interest to less than 5% effective 24 January 2011.

REMUNERATION OF THE SUPERVISORY BOARD AND SHAREHOLDING

	Remuneration 2010	Shares held at year-end 2010
W.J. Kolff	30	–
N.J. Westdijk	27	–
J.B.J.M. Hunfeld	25	–
P.M. Verboom	25	–
	107	–

REMUNERATION OF THE BOARD OF MANAGEMENT AND SHAREHOLDING

	Salaries (including social security charges)	Bonus for 2009 paid in 2010	Pension premiums	Total	Shares held at year-end 2010
R.A. van Gerrevink	470	25	62	557	2,405
T.M. de Witte	262	13	32	307	1,467
T.T.J. de Groot (as of 1 September 2010)	102	–	14	116	1,000
	834	38	108	980	4,872
of which allocated to VastNed Offices/Industrial N.V.	(384)	–	(50)	(434)	
	450	38	58	546	

In previous years, Mr Van Gerrevink acquired 271 VastNed Retail shares at his own expense. The remainder concerns shares granted in respect of the bonuses related to the direct investment results for 2006 and 2007 (definitive) and 2009 (conditional). Mr De Witte acquired 400 VastNed Retail shares in 2009 at his own expense. He acquired the remaining shares in respect of the bonuses related to the direct investment results for 2006 and 2007 (definitive) and 2009 (conditional). Mr De Groot acquired 1,000 VastNed Retail shares in 2010 at his own expense. VastNed Retail has not provided any guarantees with regard to these shares.

The direct investment result per share for 2010 was lower than the direct investment result per share for 2009; as a result of which the conditions for the direct investment result-related bonus in 2009 were not met. The VastNed Retail shares conditionally awarded in 2009 will not be awarded. This comprises 1,596 shares for Mr Van Gerrevink and 798 shares for Mr De Witte.

No option rights have been granted to the members of the Board of Management nor to the Supervisory Board members. Moreover, no loans or advances have been made to them or guarantees have been provided on their behalf.

For further details of the remuneration, please refer to the chapter 'VastNed Management Remuneration Report 2010' included elsewhere in this annual report.

28 SUBSIDIARIES

The most important subsidiaries are:

	Established in	Interest and voting rights in %
VastNed Retail Nederland B.V.	Netherlands	100
– C.V. Winkelcentrum Het Rond	Netherlands	50
– Het Rond Houten B.V.	Netherlands	50
VastNed Retail Monumenten B.V.	Netherlands	100
VastNed Management B.V.	Netherlands	67
VastNed Retail International Holdings B.V.	Netherlands	100
– Hispania Retail Properties S.L.	Spain	100
– – VastNed Management España S.L.	Spain	100
– – VastNed Emlak Yatirim ve İnşaat Ticaret A.Ş.	Turkey	100
– VastNed Lusitania Investimentos Imobiliarios S.A.	Portugal	100
VastNed France Holding S.A.R.L.	France	100
– S.C.I. Centre Marine Dunkerque	France	100
– Icopro S.A.R.L.	France	100
– Jeancy S.A.R.L.	France	100
– Lenepveu S.A.R.L.	France	100
– S.C.I. Limoges Corgnac	France	100
– Palocaux S.A.R.L.	France	100
– – S.A.R.L. AB Rénovation	France	100
– – S.A.R.L. Foncière Atlas	France	100
– Parivolis S.A.R.L.	France	100
– Plaisimmo S.A.R.L.	France	100
– Val Thoiry S.A.R.L.	France	100
VastNed Management France S.A.R.L.	France	100
Intervest Retail NV	Belgium	72
– – EuroInvest Retail Properties NV	Belgium	72

29 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

KEY SOURCES OF ESTIMATION UNCERTAINTY

Assumptions concerning pending legal proceedings

The most important pending legal proceedings are set out under '24 Rights and obligations not recorded in the balance sheet'. If the outcome of these legal proceedings should differ from what is presented there, this might have a negative impact on the investment result.

CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

Assumptions concerning investment properties in operation

As described in '2 Significant principles for financial reporting', all investment property in operation are valued at least once a year by independent certified appraisers. These appraisals are based on assumptions including the estimated rental value of the investment property, net rental income, future capital expenditure and the net market yield of the investment property. Furthermore, appraisers are focusing on other instruments, such as discounted cash flow parameters, in their appraisal of investment properties. The appraisers also make reference to market data on transaction prices for comparable investment properties. In 2010, there was a significant increase in transaction volume in the investment market. This provided appraisers with additional information on which to base the supporting rationale for their appraisals.

Assumptions concerning investment properties in pipeline

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

Assumptions concerning pensions

The Board of Management has made a number of assumptions concerning the calculation of the provision for pension obligations. These assumptions involve inter alia assumptions about the future return to be realised on investments and about future salary rises. If the realisation should prove to deviate materially, an actuarial result might ensue involving the risk that this actuarial result might fall outside the 'corridor' and would have to be included in the investment result for 2011.

Deferred tax liabilities

If it is possible to realise the disposal of a property through the disposal of shares in a company (subject to the usual tax rules) which has ownership of the investment properties in question, no income tax is payable on the disposal. The transfer of the deferred tax liability to the purchaser will in that case normally take place through a reduction in the sale price of the shares, whereby (generally) a deferred tax liability of 50% of the nominal tax rate is taken into account. The Board of Management of VastNed Retail is of the opinion that in these cases the deferred tax liabilities should be valued at 50% of the nominal tax rate. The Board of Management of VastNed Retail has applied this valuation method to the deferred tax assets and liabilities in respect of the Turkish and Portuguese investment properties. If these deferred tax assets and liabilities were valued at 100% of the nominal tax rate, the effect on equity as at 31 December, 2009 would be a negative amount of € 1.8 million.

Deferred tax liabilities in Spain

The nominal tax rate in Spain is 30%. However, if a capital gain realised from a disposal is reinvested in Spain within three years, income tax paid is refunded to the value of 12% of the capital gain realised from the sale. The effective tax rate then amounts to 18%. The Board of Management of VastNed Retail is of the opinion that this effective tax rate should be applied when determining the deferred tax liability. If these deferred tax liabilities were valued at the nominal 30% tax rate, there would be a negative effect on equity of € 19.5 million as per 31 December 2010.

30 TOTAL EXPENSE RATIO

The total expense ratio for 2010 was 2.15% (2009: 2.34%).

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

31 APPROVAL OF THE CONSOLIDATED ANNUAL ACCOUNTS

The consolidated annual accounts were drawn up by the Board of Management and authorised for publication by the Supervisory Board on 3 March 2011.

COMPANY BALANCE SHEET AS AT 31 DECEMBER

(x € 1,000)

	2010	2009
ASSETS		
Investment properties in operation	13,831	13,520
Accrued assets in respect of lease incentives	20	20
Total investment properties	13,851	13,540
Participations in group companies	1,224,295	1,137,262
Financial derivatives	639	-
Total fixed assets	**1,238,785**	**1,150,802**
Group companies	170,705	102,517
Debtors and other receivables	425	157
Cash and cash equivalents	184	473
Total current assets	**171,314**	**103,147**
Total assets	**1,410,099**	**1,253,949**
EQUITY AND LIABILITIES		
Capital paid-up and called	92,476	91,326
Share premium reserve	471,370	472,554
Hedging reserve in respect of financial derivatives	(31,649)	(31,083)
Translation reserve	(780)	(103)
Revaluation reserve	494,131	481,265
Other reserves	(149,154)	(13,443)
Investment result attributable to VastNed Retail shareholders	99,176	(61,383)
Equity VastNed Retail shareholders	**975,570**	**939,133**
Long-term interest-bearing loans	238,674	139,912
Financial derivatives	9,551	8,144
Guarantee deposits	198	200
Total long-term liabilities	**248,423**	**148,256**
Payable to banks	182,880	148,203
Redemption of long-term interest-bearing loans	-	15,000
Income tax	77	83
Other liabilities and accruals	3,149	3,274
Total short-term liabilities	**186,106**	**166,560**
Total equity and liabilities	**1,410,099**	**1,253,949**

COMPANY PROFIT AND LOSS ACCOUNT

(x € 1,000)

	2010	2009
Company result	2,878	(2,397)
Result from participations in group companies	96,298	(58,986)
Investment result	**99,176**	**(61,383)**

NOTES TO THE COMPANY ANNUAL ACCOUNTS

GENERAL

The company profit and loss account has been shown in abbreviated form pursuant to 2:402 of the Netherlands Civil Code.
The company annual accounts are part of the 2010 annual accounts, which also include the consolidated annual accounts.
The Company has availed itself of the provisions of 2:379 sub 5 of the Netherlands Civil Code. The list as referred to in this Article has been filed with the offices of the Commercial Register in Rotterdam.
The Company has issued certificates of guarantee for a number of group companies in accordance with 2:403 of the Netherlands Civil Code.

PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES AND THE DETERMINATION OF THE RESULT

The company annual accounts have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code.
In the preparation of the company annual accounts, the provisions of 2:362 sub 8 of the Netherlands Civil Code have been used.
The valuation principles for assets and liabilities and the method of determining the result are identical to those used in the consolidated annual accounts. Reference is therefore made to the notes to those accounts.
The participations in group companies have been stated at net asset value.

RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

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

INVESTMENT PROPERTIES IN OPERATION

	2010	2009
Balance as at 1 January	13,520	14,474
Value movements	311	(954)
Balance as at 31 December	13,831	13,520
Accrued assets in respect of lease incentives	20	20
Appraisal value as at 31 December	**13,851**	**13,540**

PARTICIPATIONS IN GROUP COMPANIES

	2010	2009
Balance as at 1 January	1,137,262	1,214,315
Share in investment result	96,298	(58,986)
Share in other comprehensive income	(505)	(10,048)
Payments received	(8,773)	(7,694)
Other movements	13	(325)
Balance as at 31 December	**1,224,295**	**1,137,262**

As at 31 December 2010 VastNed Retail together with its subsidiaries held 3,675,960 Intervest Retail NV shares (31 December 2009: 3,675,960 shares). The net asset value per share on 31 December 2010 was € 35.32 (31 December 2009: € 34.29 per share).
The share price of Intervest Retail NV shares on 31 December 2010 was € 43.00 per share (31 December 2009: € 37.60 per share).

EQUITY

	Capital paid-up and called	Share premium reserve	Hedging reserve in respect of financial derivatives	Translation reserve	Revaluation reserve	Other reserves	Investment result attributable to VastNed Retail shareholders	Equity VastNed Retail shareholders
Balance as at 1 January 2009	82,088	407,460	(17,864)	76	575,507	1,957	(51,054)	998,170
Investment result	–	–	–	–	–	–	(61,383)	(61,383)
Value movements in financial derivatives	–	–	(13,219)	–	–	–	–	(13,219)
Translation differences on net investments	–	–	–	(179)	–	–	–	(179)
Share issue	8,302	67,249	–	–	–	–	–	75,551
Costs of share issue	–	(1,198)	–	–	–	–	–	(1,198)
Stock dividend	936	(936)	–	–	–	–	–	–
Costs of stock dividend	–	(21)	–	–	–	–	–	(21)
Final dividend for previous financial year in cash	–	–	–	–	–	–	(37,832)	(37,832)
Interim dividend 2009 in cash	–	–	–	–	–	(20,756)	–	(20,756)
Contribution from profit appropriation	–	–	–	–	–	(88,886)	88,886	–
Allocation to revaluation reserve	–	–	–	–	(94,242)	94,242	–	–
Balance as at 31 December 2009	91,326	472,554	(31,083)	(103)	481,265	(13,443)	(61,383)	939,133
Investment result	–	–	–	–	–	–	99,176	99,176
Value movements in financial derivatives	–	–	(566)	–	–	–	–	(566)
Translation differences on net investments	–	–	–	(677)	–	–	–	(677)
Stock dividend	1,150	(1,150)	–	–	–	–	–	–
Costs of stock dividend	–	(34)	–	–	–	–	–	(34)
Final dividend for previous financial year in cash	–	–	–	–	–	–	(41,117)	(41,117)
Interim dividend 2010 in cash	–	–	–	–	–	(20,345)	–	(20,345)
Contribution from profit appropriation	–	–	–	–	–	(102,500)	102,500	–
Allocation to revaluation reserve	–	–	–	–	12,866	(12,866)	–	–
Balance as at 31 December 2010	**92,476**	**471,370**	**(31,649)**	**(780)**	**494,131**	**(149,154)**	**99,176**	**975,570**

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

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

APPROVAL OF THE COMPANY ANNUAL ACCOUNTS

The company annual accounts were drawn up by the Board of Management and authorised for publication by the Supervisory Board on 3 March 2011.

OTHER INFORMATION

SPECIAL CONTROLLING RIGHTS

The company's articles of association confer special controlling rights on the priority shares. The priority shares have been placed at par value with the Stichting Prioriteit VastNed Retail. The objective of this foundation is to acquire ownership of the priority shares in the Company and to exercise all rights vested in such shares, including the voting right, the receipt of dividend and other distributions and all that which is related thereto in the broadest sense.
The Board of Management of the Stichting Prioriteit VastNed Retail consists of the members of the Board of Management and of the Supervisory Board of VastNed Retail. They are the A directors and B directors respectively of the Stichting Prioriteit VastNed Retail. A directors are not entitled by the articles of association to cast more votes than B directors.

PROFIT DISTRIBUTION

The Company's articles of association stipulate that a dividend is paid out on the priority shares of 5% of the nominal amount. The remaining profit is then placed at the disposal of the General Meeting of Shareholders. The Company may only make distributions to shareholders insofar as VastNed Retail shareholders' equity exceeds the sum of the paid-up and called capital augmented by the reserves required by law to be maintained.
In order to retain its fiscal status as an investment institution, the Company must distribute the taxable profit, after making permitted reservations, within eight months after the end of the year under review.

PROFIT APPROPRIATION

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

Investment result attributable to VastNed Retail shareholders	99,176
To be added to the reserves	(31,393)
Available for dividend payment	67,783
Distributed earlier as interim dividend	(20,345)
Available for final dividend payment	**47,438**

The Board of Management proposes to distribute the final dividend as follows:

- 5% in cash on the priority shares;
- an optional dividend on the ordinary shares of:
  - € 1.33 in cash plus a percentage in of shares yet to be determined, depending on the share price, charged to the share premium reserve, or
  - € 2.58 in cash;

and to add the remainder of the distributable profit to the other reserves. Shareholders opting for distribution in cash plus shares must ensure that this is effected prior to 14 May 2011. As from this date, they can only claim the cash dividend within the parameters as laid down in the articles of association.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of VastNed Retail N.V.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2010 of VastNed Retail N.V., Rotterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2010, the consolidated statements of comprehensive income, the consolidated movements in equity and the consolidated cashflow statement for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2010 the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Report of the Board of Management in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position of VastNed Retail N.V. as at 31 December 2010 and of its result and its cashflows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

OPINION WITH RESPECT TO THE COMPANY FINANCIAL STATEMENTS

In our opinion, the company financial statements give a true and fair view of the financial position of VastNed Retail N.V. as at 31 December 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Board of Management, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the Report of the Board of Management, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 21 March 2011
Deloitte Accountants B.V.

H.H.H. Wieleman

MANAGEMENT AND CORPORATE GOVERNANCE

INTRODUCTION

Sustained revenues can only be generated through balanced decisions taken by competent management and clear rules on how the Company should be governed. Good corporate governance consequently forms the basis of trust between the Company and its shareholders. With a view to the transparency that is an essential part of corporate governance, VastNed Retail is continuing its practice of reporting extensively on how its corporate governance operates and the extent to which the company complies with the Code. This chapter also provides information about the organisation, the legal structure of VastNed Retail and its subsidiaries, and the people responsible for the Company. VastNed Retail's corporate governance structure is also described in detail.

VASTNED GROUP'S ORGANISATIONAL STRUCTURE

VastNed Retail N.V. is a public limited liability company founded under Dutch law, vested in the Netherlands and is listed on the NYSE Euronext Amsterdam. VastNed Retail is part of the VastNed Group. The VastNed Group, which is not itself a legal entity, consists of VastNed Retail, VastNed Offices/Industrial and their respective subsidiaries. The Board of Management is in the hands of VastNed Management B.V. ('VastNed Management'). The shares in VastNed Management are held by VastNed Retail and VastNed Offices/Industrial. This joint management realises cost benefits as well as synergy due to the exchange of knowledge.

LEGAL STRUCTURE

VastNed Retail has the status of an investment company with variable capital pursuant to 2:76 sub a of the Netherlands Civil Code. An investment company with variable capital is a public limited company founded under Dutch law:

- the only aim of which is to invest its capital in such a way that the risks are spread, in order to let its shareholders share in the profits;
- the Board of Management of which has the authority under the articles of association to issue, acquire and dispose of shares in its capital (share issues and share repurchase programmes);
- for which a manager has been granted a license as referred to in the Act on Financial Supervision for the placement of its shares, and;
- the articles of association of which stipulate that the company is an investment company with variable capital.

VASTNED RETAIL AND ITS SUBSIDIARIES

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

VastNed Retail

VastNed Retail is a listed company that with the exception of five French high street shops, acts as a national and international holding company and finance company. VastNed Retail has the status of a fiscal investment institution in the Netherlands and is subject to the SIIC regime in France.

VastNed Management

VastNed Management is the sole statutory Director of VastNed Retail. VastNed Management has three statutory directors and a Supervisory Board consisting of the chairmen and vice-chairmen of the Supervisory Boards of VastNed Retail and VastNed Offices/Industrial. One of the key tasks of this Supervisory Board is to create the management structure for the selection, appointment and dismissal of members of the Board of Management and the remuneration of these members. VastNed Management does not have a profit objective on its own behalf. Consequently, it has entered into a partnership agreement with VastNed Retail and VastNed Offices/Industrial as well as an agreement with them regarding the allocation of its costs (cost allocation agreement). VastNed Management carries out asset management activities for the entire property portfolio and all property management for the Dutch property portfolio.

Costs relating directly to VastNed Retail or VastNed Offices/Industrial or to the property of these Companies or its subsidiaries are recognised directly by the Company in question. Other costs that cannot be allocated directly are borne by VastNed Management and charged on to VastNed Retail and VastNed Offices/Industrial in line with the actual work done. This is assessed on an annual basis; the ratio in 2010 was 54% to 46%. Two thirds of the shares in VastNed Management are held by VastNed Retail and one-third by VastNed Offices/Industrial. This ratio has its origins in the size of the property portfolios at the time of the conclusion of the cost allocation agreement in January 1996; it does not affect the results or the equity position of the two shareholders. The agreement has a term of 10 years and is renewed each time for periods of five years with due observance of a notice period of two years; the next expiry date is 31 December 2015. A further agreement (to the partnership agreement and the cost allocation agreement) includes specific change of control clauses that stipulate that, among other things, in the event of a public bid on VastNed Offices/Industrial a severance payment is established that offsets the negative effects of the loss of the partnership and vice versa.
VastNed Management has a licence within the meaning of 2:65 sub 1 part a of the Act on Financial Supervision. This licence authorises VastNed Management to carry out the management of VastNed Retail and VastNed Offices/Industrial.

VastNed Retail Nederland

VastNed Retail Nederland is a company holding 322 of the 324 properties in the Netherlands and a share in the limited partnership Winkelcentrum Het Rond. VastNed Retail Nederland also has the status of a fiscal investment institution and is part of the VastNed Retail fiscal unity.

Winkelcentrum Het Rond

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

Het Rond Houten

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

VastNed Retail Monumenten

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

VastNed Retail International Holdings

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

Hispania Retail Properties

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

VastNed Management España

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

VastNed Emlak Yatirim ve İnşaat Ticaret

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

VastNed Lusitania Investimentos Imobiliarios

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

Permanent French establishment

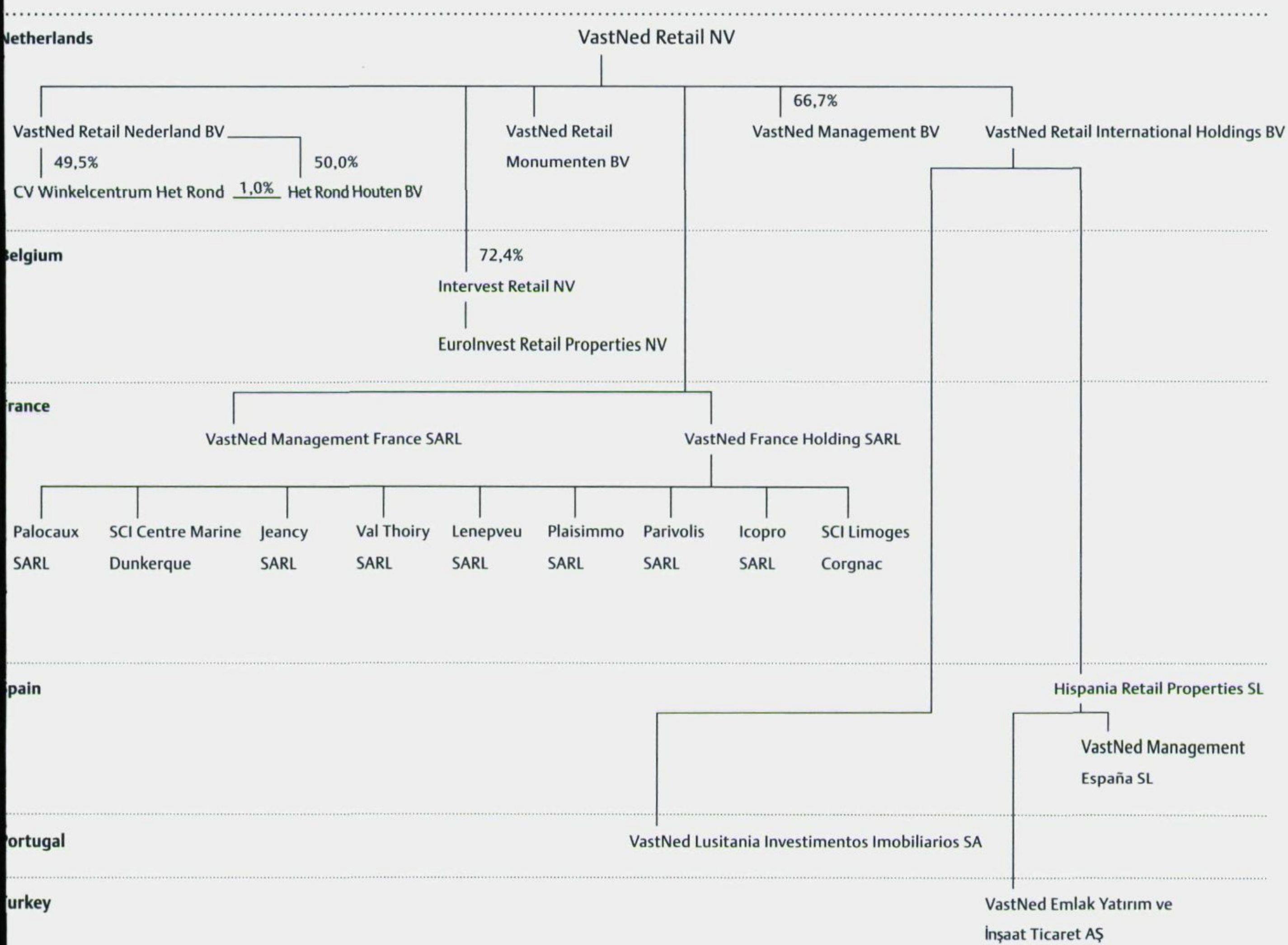
The French property investments are held directly or indirectly by VastNed Retail's permanent French establishment. The major part of the property investments is held by a number of local French subsidiaries. VastNed Retail and the subsidiaries holding the French property investments are, with the exception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

VastNed France Holding

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

VastNed Management France

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



Palocaux

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

Icopro

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

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

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

Intervest Retail

As at 31 December 2010, VastNed Retail had a 72.4% interest in the Bevak Intervest Retail, which is listed on NYSE Euronext Brussels. A Belgian Bevak (investment company with fixed capital) essentially has a tax-exempt status and as such is comparable to a Dutch fiscal investment institution. VastNed Retail consolidates this subsidiary fully and recognises the non-controlling interest under equity. Intervest Retail carries out its own asset and property management. All employees have employment contracts with Intervest Retail without there being a shared management company acting as intermediary. Some directors and members of the Board of Management of Intervest Retail carry out their work through the intermediary of their own company.

THE PEOPLE BEHIND THE COMPANY

DIRECTORS UNDER THE ARTICLES OF ASSOCIATION ('BOARD OF MANAGEMENT') AND OTHER MANAGEMENT TEAM MEMBERS

VastNed Management is the sole statutory Director of VastNed Retail. VastNed Management is represented by its Board of Management, appointed in accordance with the articles of association, and is in charge of day-to-day management. Its responsibilities include the realisation of the Company's targets, the strategy and associated risk profile, developments in the results and aspects of corporate social responsibility relevant to the Company. The Board of Management carries out its tasks within a framework set together with the Supervisory Board and submits the operational and financial targets, the strategy and the boundary conditions to be observed to the Supervisory Board for approval. VastNed Retail's articles of association stipulate that the number of directors should be fixed by the Supervisory Board. The Board of Management is responsible for having full and correct information at its disposal. The Board of Management and two Directors of VastNed Management not mandated under the articles of association together make up the management team. This team generally meets every fortnight.

VastNed Retail's Board of Management is appointed by the General Meeting of Shareholders. If one or more Directors are to be appointed, the holder of the priority shares (the Priority Shareholder) will make a binding nomination. However, the General Meeting of Shareholders can remove the binding nature of the nomination if a resolution to that effect is passed by an absolute majority of the votes cast representing at least one third of the issued capital. If that is not the case but there has been a vote with an absolute majority voting in favour of the resolution to remove the binding nature of the nomination and these votes represent less than one third of the issued capital, a new meeting is called in which the resolution can be adopted irrespective of the proportion of capital represented at this meeting.

The Director(s) can be suspended or dismissed at any time by a resolution adopted by the General Meeting of Shareholders by an absolute majority of the votes if the proposal for the suspension or dismissal was made by the Priority Shareholder. Without such a proposal by the Priority Shareholder, Directors can be suspended or dismissed at any time by the General Meeting of Shareholders by a resolution passed by an absolute majority of the votes provided that majority represents at least one third of the issued capital. A Director can also be suspended by a resolution of the Supervisory Board.

CURRICULA VITAE BOARD OF MANAGEMENT AND OTHER MANAGEMENT TEAM MEMBERS

Reinier A. van Gerrevink (3 March 1950)

Nationality: Dutch
Position: Managing Director, CEO
Joined the company: 1 July 2002
Appointment to present position: 1 September 2002
Previous positions: various management positions with:
- Robeco (Weiss Peck & Greer);
- Rodamco, and;
- ABN AMRO.

Other positions: Member of the Supervisory Board of the Stadsherstel Rotterdam Foundation.
Education: Dutch law, Utrecht University, the Netherlands.

Tom M. de Witte (7 September 1966)

Nationality: Dutch
Position: Managing Director, CFO
Joined the company: 16 June 2003
Appointment to present position: 16 June 2003
Previous positions: Accountant with Deloitte
Education: Business economics, Dutch law and accountancy (RA), Erasmus University Rotterdam, the Netherlands.

Taco T.J. de Groot MRE MRICS (20 February 1963)

Nationality: Dutch
Position: Managing Director, CIO
Joined the company: 1 September 2010
Appointment to present position: 1 September 2010
Previous positions:
- Letting and Investment Property Agent with DTZ Zadelhoff;
- CEO Cortona Holdings;
- Founder and CIO of GPT Halverton, and;
- Partner Fund Manager MSeven Real Estate.

Other positions: Member of the Supervisory Board of seniors' housing specialist Hobion, Houten.
Education: Dutch law, Utrecht University, and real estate economics, University of Amsterdam, the Netherlands.

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

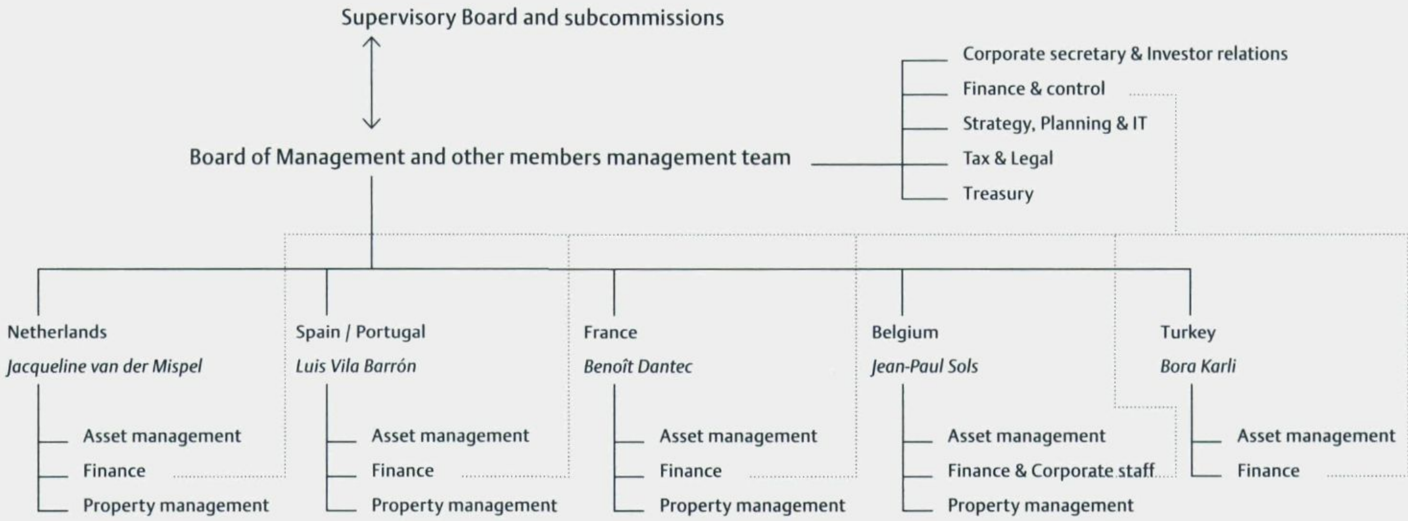
Nationality: Dutch
Position: General Counsel/Director Investor Relations
Joined the company: 1 January 2000
Previous positions:
- tax consultant with BDO, and;
- tax consultant with PricewaterhouseCoopers.

Education: Tax law, Erasmus University Rotterdam, the Netherlands.

Wim Fieggen (3 November 1957)

Nationality: Dutch
Position: Director
Joined the company: 15 February 2003
Previous positions:
- various positions with Robeco, Rodamco, Roproperty and Altera Vastgoed, and;
- worked as an independent consultant.

Education: Economics, Erasmus University Rotterdam, the Netherlands.



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

REMUNERATION OF MEMBERS BOARD OF MANAGEMENT

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

SHARE OWNERSHIP OF THE MEMBERS OF THE BOARD OF MANAGEMENT

Share ownership of the members of the Board of Management

	R.A. van Gerrevink	T.M. de Witte	T.T.J. de Groot
Number of shares as at 1 January 2010	2,405	1,467	–
Movements	–	–	1,000
Number of shares as at 31 December 2010	**2,405**	**1,467**	1,000

In 2010, 1,596 and 798 shares have been granted conditionally to Mr Van Gerrevink and Mr De Witte respectively as direct investment result-related bonus. VastNed Retail has not provided any guarantees with regard to the shares held by the Board of Management. The above share ownership was reported to the AFM at the time of acquisition and can be viewed at *www.afm.nl*. VastNed Retail has drawn up regulations as referred to in 5:65 of the Act on Financial Supervision. These regulations determine the periods during which members of the Supervisory Board, members of the Board of Management and employees of VastNed Retail and its subsidiaries, including VastNed Management, may trade in VastNed Retail shares (the open periods). The periods preceding the publication of financial reports are closed periods, during which trading is not permitted. The full text can be consulted on *www.vastned.nl*.

COUNTRY TEAMS

Netherlands

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

Spain and Portugal

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

France

The French organisation, VastNed Management France, which is located in Paris, is headed by Mr Benoît Dantec. VastNed Management France has 22 employees in total. They are responsible for asset and property management of the property portfolio, and administration. Only a limited part of the property management is outsourced to third parties.

Belgium

The Belgian activities are handled by Intervest Retail in Antwerp. The day-to-day management is in the hands of the executive committee, consisting of Mr Jean-Paul Sols (CEO), Ms Inge Tas (CFO) and Mr Rudi Taelemans (COO). Mr Reinier van Gerrevink sits on the executive committee as Managing Director. The Belgian team of property specialists consists of 4 employees. There are two members of the Board of Management of VastNed Management representing VastNed Retail on the Board of Management of Intervest Retail. On 31 December 2010 this board consisted of Mr Reinier van Gerrevink and Mr Tom de Witte, representing VastNed Retail, Mr Hubert Roovers, a former employee of VastNed Management, and a number of independent members, namely Mr Paul Christiaens, Mr Gérard Philippson, Mr Nick van Ommen and Mr Chris Peeters.

Turkey

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

SUPERVISORY BOARD

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

COMPOSITION OF THE SUPERVISORY BOARD

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

CURRICULA VITAE SUPERVISORY BOARD MEMBERS

Wouter J. Kolff (23 July 1945)

Nationality: Dutch
Position: retired
Appointment: 4 April 2006 (also as chairman)
Previous positions:

- Various management and board positions with ABN AMRO (1971–1990), most recently as chairman of the executive committee of ABN Belgium, and;

- Various management and board positions with Rabobank, most recently as vice-chairman of the board of Rabobank International (1990–2006).

Other positions:

- Member of the Supervisory Board of Fetim B.V., Amsterdam, the Netherlands;
- Executive partner of SAC Private Equity Group, New York, USA;
- Member of the Board of Directors of Cosmos Bank, Taipei, Taiwan, and;
- Member of the Board of Directors of Yes Bank, India.

Education: General economics, Erasmus University Rotterdam.

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

Nationality: Dutch

Position: retired

Appointment: 19 April 2000; vice-chairman since 6 April 2004

Previous positions:

- President of the Board of Management Koninklijke Pakhoed, and;
- President of the Board of Management Connexxion Holding.

Other positions:

- Chairman of the Supervisory Board of Eneco Energie, Rotterdam, the Netherlands;
- Member of the Supervisory Board of FD Mediagroep, Amsterdam, the Netherlands, and;
- Member of the Supervisory Board of Oad Beheer, Holten, the Netherlands.

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

Dr Pieter M. Verboom (20 April 1950)

Nationality: Dutch

Position: Executive Vice-president & CFO Schiphol Group

Appointment: 6 April 2004

Previous positions:

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

Other positions:

- Member of the Supervisory Board of Aéroports de Paris, France;
- Member of the Board of Directors of the Brisbane Airport Corporation Holdings, Brisbane; Australia;
- Member of the Advisory Board NIBC Merchant Bank, The Hague, the Netherlands, and;
- Chairman of Board of Governors of the Post-Graduate Master's Register Controller degree, Erasmus University Rotterdam, the Netherlands.

Education: Econometrics (doctoral), Erasmus University Rotterdam; PhD from VU University Amsterdam.

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

Nationality: Dutch

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

Appointment: 3 April 2007

Previous positions:

- Chief Operating Officer, Koninklijke Vendex KBB (2000–2004);
- Chairman of the Board of Management FHV/BBDO (1992–2000), and;
- Various management and board positions with Koninklijke Ahold (1976–1992), most recently as chairman of the Board of Management of Albert Heijn.

Other positions:

- Member of the Supervisory Board of Hermans Holding, Hoorn;
- Member of the Supervisory Board of Vroegop en Ruhe, Amsterdam;
- Chairman of the Supervisory Board of Accounting Plaza, Wormerveer
- Chairman of the Supervisory Board of Jamin Winkelbedrijven, Oosterhout;
- Member of the Advisory Board of BORN05, Utrecht;
- Member of the Advisory Board of Tomorrow, Amsterdam;
- Member of the Advisory Board of Italo Suisse, Comines, Belgium, and;
- Member of the Advisory Board of Verenigde Bedrijven Nimco, Berg en Dal.

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

RETIREMENT SCHEDULE

Mr Jeroen B.J.M. Hunfeld, 2011 (eligible for re-election)
Mr Pieter M. Verboom, 2012 (eligible for re-election)
Mr N.J. (Klaas) Westdijk MBA, 2012 (not eligible for re-election)
Mr Wouter J. Kolff, 2014 (eligible for re-election)

TASKS OF THE SUPERVISORY BOARD

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

- supervision of, and monitoring and advising the Board of Management regarding:
  - the achievement of the Company's targets;
  - the strategy and the risks associated with the business operations;
  - the setup and operation of the internal risk management and control systems;
  - the financial reporting process and compliance with legislation and regulations;
  - disclosure of, compliance with and enforcement of the Company's corporate governance structure;
  - the relationship with shareholders, and;
  - aspects of corporate social responsibility, where relevant for the Company;
- approving the financial statements as well as approving the annual budget and major acquisitions and divestments by the Company;
- selecting and proposing the Company's external auditor;
- selecting the members of the Board of Management, including the members of the Board of Management of VastNed Management, proposing the remuneration policy governing the members of the Board of Management for adoption by the General Meeting of Shareholders, and determining the remuneration (with due observance of the aforementioned remuneration policy) and the contractual employment conditions of the members of the Board of Management;
- selecting the members of the Supervisory Board and proposing the remuneration of its members for adoption by the General Meeting of Shareholders;
- evaluating and appraising the performance of the Board of Management and the Supervisory Board as well as their individual members (including an assessment of the job profile for the Supervisory Board and the induction, education and training programme);
- dealing with and making decisions about reported potential conflicts of interest between VastNed Retail on the one hand and members of the Board of Management, the external auditor and the controlling shareholder(s) on the other hand, and;
- dealing with and making decisions about reports of alleged irregularities in the performance of members of the Board of Management.

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

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

CHAIRMAN OF THE SUPERVISORY BOARD

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

PROFILE OF THE SUPERVISORY BOARD

The profile of the Supervisory Board is included in the regulations of the Supervisory Board and may be consulted on *www.vastned.nl*.

AUDIT COMMITTEE

Tasks

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

Procedural tasks

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

Composition

The audit committee consists of two independent members. Mr Verboom is chairman; Mr Hunfeld is a member. Mr Verboom is a financial expert.

REMUNERATION COMMITTEE

Tasks

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

Procedural tasks

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

Composition

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

NOMINATION COMMITTEE

Tasks

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

Composition

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

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

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

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

The above referenced remuneration for members of the Supervisory Board applies to going concern situations. This assumes eight annual meetings (four meetings related to financial reporting, one meeting for (and participation in) the General Meeting of Shareholders, one budget and strategy meeting and two additional meetings). On the presumption that the activities of the Supervisory Board and its members in exceptional circumstances can be significantly more time consuming than in the going concern situation, the General Meeting of Shareholders on 8 April 2008 adopted the resolution that in situations that are beyond the going concern situation, additional remuneration in the amount of € 2,000 per day would be paid to the relevant members of the Supervisory Board. Apart from the aforementioned payments, the members do not receive any further compensation other than reimbursements of actually incurred expenses.

STATEMENT OF SHARE OWNERSHIP (PRINCIPLE)

Members of the Supervisory Board shall only hold shares in VastNed Retail as a long-term investment and shall purchase these shares at their own cost. When purchasing and selling shares, they act in accordance with the regulations adopted by the Company as referred to in 5:65 of the Act on Financial Supervision. Transactions are also reported to the AFM (*www.afm.nl)* in accordance with the relevant rules. As at 31 December 2010, none of the members of the Supervisory Board held any shares in VastNed Retail.

COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

Introduction

VastNed Retail acknowledges the importance of proper corporate governance as the basis of trust between the Company and its shareholders. With a view to the transparency that is an essential part of corporate governance, VastNed Retail is continuing its practice of reporting extensively in this annual report on how its corporate governance operates and the extent to which the Company complies with the Code.

Statement of compliance and deviations from the Code

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

- The appointment of members of the Board of Management for a period of four years:
  Members of the Board of Management are appointed for a period of four years, in conformance with the Code (such as the recent appointment of Mr De Groot). An exception to this is the employment contracts of Mr Van Gerrevink and Mr De Witte, since they joined the Company prior to the publication of the Code.
- Limitation of any severance payment to a maximum of one year's salary:
  In conformance with the Code, the severance payment of the members of the Board of Management is limited to a maximum of one year's salary. This is in line with the Code. An exception to this is the employment contracts of Mr Van Gerrevink and Mr De Witte, since they joined the Company prior to the publication of the Code. When their contracts were concluded, severance arrangements were agreed that also took account of the years of service with previous employers. These arrangements may result in compensation of more than one year's salary.

- The objective of striving for diversity in the composition of the Supervisory Board linked to concrete targets: The Supervisory Board supports the importance of diversity in the composition of the Supervisory Board, but considers it undesirable to formulate concrete goals in this area. The candidate's competence must always remain the overriding factor in appointments to the Supervisory Board.

Availability of corporate governance documents

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

Independence

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

SPECIFIC CORPORATE GOVERNANCE REQUIREMENTS FOR THE BOARD OF MANAGEMENT

Transactions with members of the Board of Management

VastNed Retail has not entered into any transactions with any of the members of the Board of Management other than those arising from their employment contracts.

Conflicts of interest involving members of the Board of Management

None of the members of the Board of Management is in competition with VastNed Retail in any way. No payments have been made by VastNed Retail to the members of the Board of Management or members of their families, no member of the Board of Management has granted any third parties an unjustified advantage or arranged for himself or his family to gain from commercial opportunities provided by VastNed Retail. In view of the corporate governance pursued by VastNed Retail, the members of the Board of Management declare that they will comply with the Code in all of the above-mentioned cases. In the event of a conflict of interest, the member of the Board of Management involved will report that conflict of interest to the chairman of the Supervisory Board. The member in question will not participate in any discussions and decision making where he has a conflict of interest.
In addition, the usual industry sector conditions will apply to transactions where there is a conflict of interest.

Loans to members of the Board of Management

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

SPECIFIC CORPORATE GOVERNANCE REQUIREMENTS FOR THE SUPERVISORY BOARD

Principle

None of the members of the Supervisory Board of VastNed Retail is also on the Supervisory Board of VastNed Offices/Industrial. The chairman and the vice-chairman are also members of the Supervisory Board of VastNed Management. This system means the members of the Supervisory Board have a considerable degree of independence. The Supervisory Board has four members.

Conflicts of interest involving members of the Supervisory Board

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

Loans to members of the Supervisory Board

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

OTHER INFORMATION

GENERAL MEETING OF SHAREHOLDERS AND VOTING RIGHTS

The regular General Meeting of Shareholders must be held within six months of the close of the financial year. The General Meeting of Shareholders is called in the manner laid down in the legislation and regulations applicable to VastNed Retail. One or more shareholders that together represent at least 10% of the share capital in issue can ask the Board of Management to call a General Meeting of Shareholders. One or more shareholders that together represent at least 1% of the share capital in issue, or alternatively hold shares worth at least € 50 million, can ask for items to be placed on the agenda of the General Meeting of Shareholders, provided they do so at least 60 days before the meeting.

In the General Meeting of Shareholders of VastNed Retail an explanation is given of the strategy and course of business, among other things. Furthermore, the General Meeting of Shareholders is asked to give its approval on matters as defined by law and the articles of association.

Subjects for discussion

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

The General Meeting of Shareholders is asked to vote on the following subjects: the adoption of the financial statements for the most recent financial year, the determination of the dividend/final dividend for the most recent financial year, major changes to the strategy and material changes to the corporate governance structure, discharging the members of the Board of Management for their management during the most recent financial year, discharging the Supervisory Board members for their supervision of the Board of Management during the most recent financial year and the appointment or reappointment of members of the Company's Supervisory Board or Board of Management.

Every share gives the right to one vote in the General Meeting of Shareholders. No vote can be cast for shares held by VastNed Retail itself or by or on behalf of a subsidiary unless those shares are encumbered by usufruct or pledge.

Special controlling rights

The requirement for most resolutions by the General Meeting of Shareholders is an absolute majority (half of the votes cast plus 1). There are a number of specific resolutions where the Priority Shareholder usually submits a proposal.

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

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

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

CAPITAL STRUCTURE

VastNed Retail's authorised share capital amounts to € 375,000,000. It is made up of 10 priority shares and 74,999,990 ordinary shares, all with a nominal value of € 5. As at 31 December 2010, a total of 18,495,220 ordinary shares and 10 priority shares were in issue.

Issuing and repurchasing shares

VastNed Retail is a public limited liability company with the status of an investment company with variable capital pursuant to 2:76 sub a of the Netherlands Civil Code. The decision to issue shares is taken by the Board of Management, taking into account the limits and conditions set by the Supervisory Board.
The Board of Management can also acquire shares in its own capital at times and under conditions determined by the Board of Management, taking into account the limits and conditions set by the Supervisory Board, provided that the Company's capital minus the shares it holds itself amounts to at least 10% of the authorised capital.

STICHTING PRIORITEIT VASTNED RETAIL AND ANTI-TAKEOVER MEASURES

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

FINANCIAL REPORTING AND THE EXTERNAL AUDITOR

Financial reports are drawn up in accordance with internal procedures. The Board of Management is responsible for ensuring that the financial reports are accurate, complete and produced on time. The external auditor is also involved in the content and publication of the semi-annual figures, the financial statements and the associated press releases. The external auditor attends the General Meeting of Shareholders and may be asked to comment on his opinion concerning the fairness of the financial statements. The external auditor attends at the very least the meetings of the Supervisory Board and/or the audit committee in which the financial statements are discussed.

CODE OF CONDUCT AND WHISTLEBLOWER'S CODE

VastNed Retail has drawn up a code of conduct that applies to all employees, including the Board of Management. A whistleblower's code also applies that allows employees and members of the Board of Management to report abuses within the Company without endangering their own employment relationship. The texts of these codes have been published on *www.vastned.nl*.

ARTICLE 10 OF THE EU TAKEOVER DIRECTIVE

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

The information provided under Article 10 of the Takeover Directive is included in this section and elsewhere in this annual report.

VASTNED MANAGEMENT REMUNERATION REPORT 2010

INTRODUCTION

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

MAIN POINTS OF THE REMUNERATION POLICY

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

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

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

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

BONUS SYSTEM

INTRODUCTION

The bonus to be awarded is divided into two parts: the direct investment result-related bonus (75%) and the personal bonus (25%). The direct investment investment result-related bonus creates alignment between Managing Directors and shareholders both in the short term and in the long term, since an increase in the direct investment result per share benefits both the Directors and the shareholders. The conditional nature of the direct investment result-related bonus safeguards the long-term interests and the risk profile (best practice provision II.2.12). The personal bonus promotes the realisation of key targets that do not necessarily lead to an increase in the direct investment result per share in the short term. The bonuses are not part of the pensionable income. Various scenarios are assessed prior to the formulation of the remuneration policy. This means that no bonus is paid if none of the targets are achieved, whereas, if all of the targets for both funds are achieved, a maximum of € 200,000 is paid to the CEO and € 100,000 is paid to every other member of the Board of Management. This maximum is less than 50% of the fixed salary for all members of the Board of Management.

DIRECT INVESTMENT RESULT-RELATED BONUS

Basic principles

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

System

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

Payment in shares

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

Lock-up

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

Dividend entitlement

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

PERSONAL BONUS

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

PENSIONS

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

EXPENSE ALLOWANCES

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

DURATION AND TERMINATION CONDITIONS IN EMPLOYMENT CONTRACTS

Basic principles

The employment contracts with the members of the Board of Management are concluded for a determinate period of time and the maximum severance payment is limited to no more than one year's fixed salary. However, the employment contracts with two of the three current members of the Board of Management (Mr Van Gerrevink and Mr De Witte) were concluded before the Code came into effect. These employment contracts were concluded for an indefinite period of time and contain a severance payment arrangement with a minimum compensation amount in the case of termination by VastNed Management that exceeds the compensation of one year's fixed salary as referred to in the Code. These agreed upon termination arrangements were necessary at the time to persuade the members of the Board of Management to give up their positions elsewhere and take up employment with VastNed Management. These current arrangements will be honoured. The employment contract concluded by VastNed Management with Mr De Groot in 2010 is fully in line with the Code. VastNed Management intends to apply the provisions of the Code in this respect to any employment contracts concluded in the future as well. If termination of the employment contract is the consequence of a takeover or merger, or happens within a certain period of a takeover or merger taking place, a higher minimum severance payment may apply in certain cases.

Mr R.A. van Gerrevink

Mr Van Gerrevink is entitled to compensation of at least € 600,000 in the event of dismissal by the General Meeting of Shareholders of VastNed Management.

If the work for one of the funds is terminated due to a merger or takeover of one of the funds, compensation of at least € 400,000 per fund will be paid. If a share price is realised for shareholders that exceeds 105% of the net asset value, an additional bonus is awarded of 2% of the excess per share, multiplied by the number of shares in issue. This additional bonus has a maximum of € 750,000 per fund. These arrangements were negotiated when the employment contract was concluded. The arrangements in the event of a merger or take over are no longer applicable, as agreed with Mr Van Gerrevink.

Mr T.M. de Witte

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

Mr T.T.J. De Groot

The term of the employment contract concluded with Mr De Groot is four years. If the employment contract is terminated as a result of a merger or take-over of one of the funds on the initiative of VastNed Management, compensation is paid of at most 12 months salary. The employment contract concluded with Mr De Groot complies with the Code.

Terms of notice

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

	Employer	Employee
Mr R.A. van Gerrevink	6 months	3 months
Mr T.M. de Witte	6 months	3 months
Mr T.T.J. de Groot	6 months	3 months

REMUNERATION OF THE BOARD OF MANAGEMENT IN 2010

FIXED SALARY AND PERSONAL BONUS

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

	Years of service	Fixed salary (excl. social security contributions)	Pensionable part	Personal bonus
Mr R.A. van Gerrevink	9	465,000	348,000	8,750
Mr T.M. de Witte	8	255,000	215,000	8,125
Mr T.T.J. de Groot[2)]	< 1	100,000	83,333	n/a
Total		**820,000**	**646,333**	**16,875**[1)]

1 VastNed Retail share € 3,750
VastNed Offices/Industrial share € 13,125
2 Mr De Groot commenced employment on 1 September 2010. The amounts specified consequently relate to a period of four months.

In 2010, VastNed Management paid the following pension contributions on behalf of its Directors: Mr Van Gerrevink € 62,050, Mr De Witte € 32,449 and Mr De Groot € 14,167.

DIRECT INVESTMENT RESULT-RELATED BONUS FOR 2010

VastNed Retail will not be paying the direct investment result-related bonus for the financial year 2010, since the direct investment result per share was € 3.68 in 2010. This represents a decrease of 8.7% compared with 2009, which is 10.2 percent points below the average weighted inflation of 1.6% in 2010 in the countries where VastNed Retail has operations.

DIRECT INVESTMENT RESULT-RELATED BONUSES AWARDED IN 2009 WILL BECOME UNCONDITIONAL

No conditionally awarded shares were awarded as a direct investment result-related bonus in 2009. Consequently, no shares will become unconditional in 2011 or will be taken back.

In 2010, 1,596 and 798 shares have been granted conditionally to Mr Van Gerrevink and Mr De Witte respectively as direct investment result-related bonus. In 2012, these will be granted unconditionally provided that the direct investment result in 2011 amounts to at least € 4.03 per share.

PERSONAL BONUS FOR 2010

The personal bonus for 2010 to be paid to Mr Van Gerrevink and Mr De Witte amounts to nil and € 3,750 respectively as the predefined targets for VastNed Retail concerning occupancy rates, acquisitions, the term of loans and sustainability were partially achieved.

REMUNERATION OF THE BOARD OF MANAGEMENT IN 2011

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

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

Mr De Witte's fixed salary will be raised to € 265,000. The pensionable component will be raised to € 225,000.

Mr De Groot's fixed salary will be raised to € 310,000. The pensionable component will remain unchanged at € 250,000.

SHARE OWNERSHIP OF THE BOARD OF MANAGEMENT

An overview is given below of the share ownership of the statutory Board of Management as at 31 December 2010.

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

	R.A. van Gerrevink	T.M. de Witte	T.T.J. de Groot
Number of shares as at 1 January 2010	2,405	1,467	–
Movements	–	–	1,000
Number of shares as at 31 December 2010	2,405	1,467	1,000

RISK MANAGEMENT

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

DESCRIPTION OF RISK CATEGORY	POTENTIAL IMPACT	CONTROL MEASURES
STRATEGIC RISKS Impact of external factors as a consequence of investment and financial policy choices.	– The choice of investment country, investment type, relative size and timing of investments can have a major impact on the extent to which the expected rental trends and the demand for retail locations are dependent on inflation, currency fluctuations, consumer expenditure, rent legislation and permit policies and consequently the investment value trends; – The degree of leverage and the interest rate policy have a significant effect on borrowing costs and the refinancing risk, as well as on the volatility of these two aspects.	A strategic choice has been made for: – investing primarily in countries in the euro zone, where the political and economic climate is relatively stable, namely the Netherlands, Spain, France, Belgium and Portugal. For further details about the rental regulations in these countries, please refer to page 199; – a considerable spread across a range of different types of retail property, tenants and locations (please refer to the chapter on 'Profile and strategy' and the key figures for the property portfolio). The gross rental income from the largest property and largest tenant were 5.0% and 5.9% respectively of the total gross rental income at the end of 2010; – a critical mass for each country/region to guarantee sufficient local expertise and proper research. Properly equipped teams are present in all countries. The Istanbul team will receive reinforcements as the size of its property portfolio increases; – the size of the portfolio in Turkey not to exceed 10% of the total investment portfolio, with a focus on Istanbul, which is orientated towards the West, and; – a conservative financing policy (for more detail, please refer to 'Financing Risks'). Decisions on strategy and changes in strategy are first approved by the Supervisory Board before being implemented.

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

DESCRIPTION OF RISK CATEGORY	POTENTIAL IMPACT	CONTROL MEASURES
Leasing and debtor risks The risk that a property cannot be let at the anticipated rent (resulting in a vacant property) or the rent cannot be collected, due to its nature and location and/or the quality of the tenant.	- Drop in rental income and rise in service charge expenses that cannot be passed on due to vacant properties; - Decrease in property values due to vacant properties; - Write-off of overdue receivables, and; - Lower (than expected) direct and indirect investment results.	Internal procedures aimed at: - very frequent evaluation of local factors and the investment property itself by portfolio and technical managers, plus research; - extensive annual forward-looking yield analysis, including ten-year forecast; - aiming for an even spread of expiry dates of lease contracts, in accordance with current rental legislation and regulations; - aiming for an optimum tenant mix and setting a maximum exposure to any individual tenant (the overall gross rental income from our largest tenant is 5.9% of the total gross rental income); - regular reports on the occupancy rate and rent arrears in the property portfolio, listing the resulting actions; - screening tenants when concluding leases; - interim evaluations of the financial positions and payment behaviour of tenants by holding regular meetings with them and by consulting external sources on this subject, and; - securing bank guarantees and/or payment of guarantee deposits from tenants.
Cost control risks The risk of unexpected increases in operating expenses and general expenses, and of having to make unanticipated further investments.	- Incorrect estimation of the risk-return profile, and; - Lower direct and indirect investment results.	- Budgeting procedures and maintenance forecasts; - authorisation procedures for entering into maintenance and investment commitments; - Regular reporting (on realisation-vs.-budget analyses), and; - Benchmarking costs against those of other funds.
Pipeline risks Risks associated with acquired investment properties in pipeline.	- Delays in delivery; - Deviations from agreed (technical) specifications or lease conditions; - Not able to rent out fully or only at lower than previously estimated rental levels, and; - Lower direct and indirect investment results.	- The pipeline risk is for a large part generally transferred to contracted reputable and reliable project developers and building contractors. Early involvement in the design of the property and the composition of the tenant mix enables leasing risks to be kept down; - Regular progress reporting (on realisation-vs.-budget analyses), and; - Continuous involvement of in-house commercial and technical experts to monitor progress. The committed investment properties in pipeline amounted to € 85.6 million at year-end 2010;

DESCRIPTION OF RISK CATEGORY	POTENTIAL IMPACT	CONTROL MEASURES
Legal and tax risks Risks associated with amendments to tax law and corporate law, and risks arising from the incorrect assessment of contractual stipulations or tax exposure.	- Legal and tax claims resulting in fines, loss of income or additional costs; - Loss of present tax status; - Reputation damage, and; - Lower direct and indirect investment results.	Internal procedures, comprising: - mandatory evaluation of contractual commitments by internal and (where necessary) external lawyers and tax experts; - ensuring that the employees receive relevant professional training; - continuous monitoring of the conditions imposed on the application of the tax regime (including financing ratios, mandatory dividend payments and the composition of the shareholder base) by internal and external tax experts, and; - careful analysis of the tax risks involved in acquisitions and disposals (value added tax, transfer tax, deferred tax liabilities and similar).
IT-related risks Risks associated with malfunctions or security issues related to the internal IT infrastructure.	- Being unable to issue internal or external reports correctly or on time; - Loss of relevant information; - Unauthorised access to information by third parties, and; - Reputation damage.	Internal procedures aimed at: - access security; - backup and recovery procedures. Backups are collected daily by an external company; - regular checks by external experts; - digitisation of key documents, and; - hiring in external know-how and experience to keep up to date on IT developments. The IT network between the different countries is centralised in Rotterdam, with the individual countries connected to the company Wide Area Network over fixed lines hired from professional network providers.
FINANCIAL RISKS *Financing and Refinancing risks* The risk that insufficient equity and (long-term) loan capital can be raised, or only on unfavourable terms, or of agreed bank covenants not being met.	- Insufficient financing facilities for investments; - Enforced sale of investment properties, investments; - Higher financing costs; - Lower direct and indirect investment results, and; - Reputation damage.	- Regular contact with existing and potential shareholders and with loan capital providers through road shows, transparent financial reporting and analysts' meetings; - limiting loan capital financing to a maximum of 50% of the market value of the property. At year-end 2010, this value was 41.4%; - Limiting the proportion of short-term loans to a maximum of 25% of the loan portfolio. At year-end 2010, this value was 25.9%; - Efforts are made to achieve an even spread in the refinancing dates (see table on page 93); - Efforts are made to achieve a weighted average term of at least five years for the long-term loan portfolio. At year-end 2010, this term was 3.7 years; - Internal monitoring based on periodic financial reports detailing sensitivity analyses, financing ratios, changes in bank covenants and financing facilities, and; - Regular board meetings on the subject and discussion of these reports with the audit committee and the Supervisory Board.

DESCRIPTION OF RISK CATEGORY	POTENTIAL IMPACT	CONTROL MEASURES
Liquidity risk The risk that insufficient resources will be available for day-to-day payment obligations.	- Reputation damage; - Extra financing costs, and; - Lower direct investment result	- Procedures aimed at reducing operational risks that may result in loss of cash flow (see above); - Attracting sufficient credit facilities, aimed at ensuring sufficient borrowing capacity. At year-end 2010, unused capacity was €120.3 million; - Drawing up daily cash-flow prognoses, and; - Internal monitoring of the credit facilities and conditions, based on periodic internal financial reports.
Interest rate risk Risks resulting from interest rate fluctuations.	- Rising financing costs, and; - Lower direct investment results.	- In principle, no more than one third of the loan portfolio has variable interest rates; - Rate fixing by taking out interest rate derivatives contracts with national and international banks; - Efforts are made to obtain an even spread of interest rate review dates; - Efforts are made to achieve a typical interest-rate term of at least 3.0 years for the long-term loan portfolio. At year-end 2010, this term was 4.7 years; - Internal monitoring of interest-rate risks based on regular internal financial reports, and; - Regular board meetings on the subject and discussion of these reports with the audit committee and the Supervisory Board.
Exchange-rate risk Risks resulting from exchange-rate fluctuations.	- Falling income, and; - Lower direct and indirect investment results.	- Investing primarily in the euro zone; - No more than 10% of the total invested capital is invested in Turkey. The amount invested was € 84.5 million at year-end 2010, and; - Concluding lease contracts in euros or US dollars and financing part or all of the property in the same currency.
COMPLIANCE RISKS Risks associated with non-compliance or inadequate compliance with legislation and regulations, or risks associated with not acting with integrity.	- Reputation damage; - Claims and legal procedures, and; - Lower direct investment results.	- Internal procedures and training aimed at keeping knowledge of legislation and regulations up to date; - Internal code of conduct and whistleblower code; - Compliance with the code of conduct is discussed with employees at least once a year; - Procedures aimed at hiring staff who will act with integrity (including references, etc.), and; - Having the country managers sign an internal Letter of Representation at least once a year.

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

PROPERTY PORTFOLIO 2010

INVESTMENT PROPERTIES IN OPERATION

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
THE NETHERLANDS								
ALKMAAR								
Laat 165-167	Shop	1990	1906	345	1	–	–	93
Payglop 6	Shop	1988	1900	45	1	–	–	22
Payglop 14	Shop	1994	1930	143	1	–	–	42
ALMELO								
Grotestraat 32 / Hof van Gülick 10	Shop	1993	1920	210	1	1	–	44
Grotestraat 35a-37	Shop	1994	1900	150	1	1	–	51
Grotestraat 36	Shop	1996	1920	430	1	–	–	82
Grotestraat 83-85	Shop	1994	1850	255	1	–	–	129
Grotestraat 97a / Koornmarkt 3-5 and 9-11 / Werfstraat 1	Shop	1993	1920	1,132	5	–	–	201
AMERSFOORT								
Langestraat 8	Shop	1990	1900	409	1	–	–	94
Utrechtsestraat 13 / Hellestraat 3	Shop	2008	1900	97	1	1	–	67
AMSTERDAM								
Buikslotermeerplein 88-90 1)	Shopping centre	1990	1968	388	1	–	–	117
Buikslotermeerplein 123 1)	Shopping centre	1993	1968	9,293	1	–	–	1,007
Buikslotermeerplein 255 1)	Shopping centre	2007	1972	307	1	–	–	108
Ferdinand Bolstraat 65	Shop	1989	1883	113	1	3	–	53
Ferdinand Bolstraat 79	Shop	1987	1905	85	1	3	–	57
Ferdinand Bolstraat 81	Shop	1989	1884	82	1	3	–	56
Ferdinand Bolstraat 88	Shop	1987	1883	85	1	3	–	63
Ferdinand Bolstraat 92 / G, Flinckstraat 118	Shop	1987	1882	81	1	6	–	69
Ferdinand Bolstraat 95-97 / 1e Jan v.d. Heydenstraat 88a-90	Shop	1987	1892	194	1	9	–	117
Ferdinand Bolstraat 101	Shop	1989	1892	118	1	3	–	45
Ferdinand Bolstraat 109	Shop	1989	1882	76	1	3	–	51
Ferdinand Bolstraat 120 / 1e Jan v.d. Heydenstraat 88	Shop	1993	1893	130	1	6	–	68
Ferdinand Bolstraat 122	Shop	1987	1893	95	1	3	–	61
Ferdinand Bolstraat 124	Shop	1987	1893	75	1	3	–	57
Ferdinand Bolstraat 126	Shop	1989	1893	80	1	3	–	54
Heiligeweg 47	Shop	1989	1899	60	1	–	–	96
Jan Evertsenstraat 100	Shop	1988	1925	144	1	3	–	43
Jan Evertsenstraat 106	Shop	1987	1925	107	1	3	–	44
Jan Evertsenstraat 108	Shop	1987	1940	95	1	3	–	51
Kalverstraat 9	Shop	1990	1900	253	1	–	–	114
Kalverstraat 162-164	Shop	1988	1800	328	1	–	–	293
Kalverstraat 182	Shop	1987	1900	95	1	–	–	122
Kalverstraat 208	Shop	1991	1850	160	2	–	–	116
Kinkerstraat 115 1)	Shop	1994	1988	97	1	–	–	36
Leidsestraat 5	Shop	1990	1905	380	1	–	–	95
Leidsestraat 64-66 / Kerkstraat 44	Shop	1986	1912	790	3	–	–	224
Paleisstraat 21	Shop	1990	1876	310	1	–	–	51
Reguliersbreestraat 9 / Amstel 8	Shop	1987	1905	277	2	3	–	117

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
Rembrandtplein 7 1)	Shop	2007	1897	285	1	3	–	211
Van Baerlestraat 86	Shop	1994	1800	90	1	2	–	72
Van Baerlestraat 108-110	Shop	1990	1800	265	2	3	–	123
APELDOORN								
Deventerstraat 5	Shop	1990	1900	363	2	2	–	114
Deventerstraat 6	Shop	1990	1930	70	1	–	–	31
Deventerstraat 14 and 14b	Shop	1994	1900	295	2	3	–	96
ARNHEM								
Bakkerstraat 3a and 4 / Wielakkerstraat 8	Shop	1990	1600	188	2	1	–	114
Bakkerstraat 6	Shop	1994	1950	574	1	–	–	146
Koningstraat 12-13 / Beekstraat 105-107 and 108	Shop	1988	1890	1,052	4	3	–	289
Rijnstraat 23 / Varkensstraat 34	Shop	1990	1900	447	2	4	–	114
Vijzelstraat 24	Shop	1994	1800	161	1	–	–	93
ASSEN								
Gedempte Singel 11-13 / Mulderstraat 8	Shop	1995	1952	894	3	–	–	98
BEMMEL								
Dorpsstraat 31, 31a-e / Kloosterplaats 1 / Dr. Poellstraat 1	Shop	1998	1992	1,815	5	2	–	245
BERGEN OP ZOOM								
Wouwsestraat 48	Shop	1994	1900	80	1	–	–	48
BEVERWIJK								
Nieuwstraat 9 -11 / Breestraat 65	Shop	1989	1910	2,630	4	–	–	339
BILTHOVEN								
Julianalaan 53	Shop	1997	1930	367	1	–	–	37
BORCULO								
Lichtenhorst 7-9	Shop	2007	2007	2,350	2	–	–	281
BOXMEER								
Hoogkoorpassage 14-18 and 22	Shop	1990	1989	566	5	–	–	78
Steenstraat 110 / D'n entrepot	Shop	1997	1992	135	1	–	–	47
BOXTEL								
Rechterstraat 42-44	Shop	1997	1940	877	1	–	–	105
Stationstraat 18-20	Shop	1997	1920	750	1	–	–	83
BREDA								
Eindstraat 14-16	Shop	1988	1924	260	1	–	–	208
Ginnekenstraat 3	Shop	1994	1985	88	1	–	–	82
Ginnekenstraat 19	Shop	1993	1980	150	1	–	–	120
Ginnekenstraat 80-80a	Shop	1998	1905	165	1	5	–	109
Grote Markt 29 / Korte Brugstraat 2	Shop	1991	1953	102	1	–	–	88
Karrestraat 25	Shop	1994	1920	268	1	2	–	134
Ridderstraat 19	Shop	1994	1800	225	1	–	–	60
Torenstraat 2 / Korte Brugstraat 14	Shop	1992	1953	90	1	–	–	85
Veemarktstraat 30	Shop	1991	1920	555	1	–	–	79
Veemarktstraat 32	Shop	1992	1800	70	1	2	–	40
BRIELLE								
De Reede 36-50 1)	Shopping centre	1993	1977	1,610	7	–	–	252
BRUNSSUM								
Kerkstraat 45 / Schiffelerstraat 1	Shop	1997	1970	620	2	–	–	94
BUSSUM								
Kerkstraat 1 / Brinklaan	Shop	1994	1974	1,007	2	–	–	127
Nassaulaan 12 / Nassaustraat 1a and 1g	Shop	1994	1920	295	1	2	–	84
Nassaustraat 12-16	Shop	1994	1900	181	2	1	–	84
Veerstraat 11 and 11d	Shop	1990	1900	360	2	–	–	108

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
CAPELLE A/D IJSSEL								
Lylantse Baan 7	Retail warehouse	1990	1985	13,336	3	–	150	925
De Wingerd 247-267	Shopping centre	1993	1969	2,043	5	1	–	264
COEVORDEN								
Friesestraat 14 / Weeshuisstraat 9	Shop	1997	1950	203	1	3	–	55
CULEMBORG								
Everwijnstraat 6-14 / Markt 53	Shop	1999	1989	493	6	–	–	104
DALFSEN								
Van Bloemendalstraat 6-8 / Wilhelminastraat 5	Shop	1997	1991	434	3	1	–	63
DEDEMSVAART								
Julianastraat 13-19	Shop	1997	1922	1,190	4	–	–	146
DELFT								
Hippolytusbuurt 1 / Nieuwstraat	Shop	1997	1700	750	1	–	–	109
Markt 23	Shop	1990	1906	54	1	3	–	49
Oude Langendijk 2	Shop	1996	1906	120	1	–	–	38
Oude Langendijk 11	Shop	1987	1906	150	1	–	–	55
Wijnhaven 9 / Oude Delft 92	Shop	1986	1700	184	1	–	–	39
DEVENTER								
Brink 95 / Spijkerboorsteeg 33 and 37	Shop	1995	1850	127	2	2	–	56
Lange Bisschopstraat 11-15	Shop	1993	1800	310	2	1	–	82
Lange Bisschopstraat 34	Shop	1991	1900	278	1	–	–	48
Lange Bisschopstraat 50	Shop	1993	1800	210	1	1	–	109
DIDAM								
Hoofdstraat 5-7	Shop	1997	1960	520	1	1	–	52
Oranjestraat 6-10	Shop	1997	1978	520	1	1	–	50
DOETINCHEM								
Dr. Huber Noodstraat 2	Shop	1997	1968	1,840	4	–	–	297
Korte Heezenstraat 6 / Heezenpoort 13-15 and 21	Shop	1994	1985	310	4	–	–	88
Nieuwstad 57-59	Shop	1988	1988	1,686	2	–	–	149
DOORWERTH								
Mozartlaan 52-66 / van der Molenallee 107-125	Shopping centre	1997	2007	3,395	12	–	–	464
DORDRECHT								
Voorstraat 262	Shop	1996	1800	175	1	4	–	119
DRACHTEN								
Zuidkade 2	Shop	1995	1900	150	1	1	–	50
EERBEEK								
Stuyvenburchstraat 44	Shop	1997	1965	350	2	2	–	78
Stuyvenburchstraat 141	Shop	1998	1950	420	1	2	–	56
EINDHOVEN								
Orionstraat 137-159	Shopping centre	1993	1973	3,102	11	–	–	480
Rechtestraat 25	Shop	1992	1930	100	1	–	–	120
Rechtestraat 44-48	Shop	1988	1966	3,273	2	–	–	582
Shopping centre 'Woensel' 113	Shopping centre	1994	1970	115	1	–	–	79
Woenselse Markt 19-21	Shop	1994	1979	810	1	4	–	144
ELST								
Kleine Molenstraat 6	Shop	1997	1951	572	2	–	–	83
EMMELOORD								
Lange Nering 65	Shop	1993	1960	275	1	1	–	64
ENSCHEDE								
Kalanderstraat 6	Shop	1993	1950	124	1	–	–	94
Langestraat 9-17a / Achter het Hofje 2	Shop	1987	1930	2,703	9	1	–	378
Raadhuisstraat 9	Shop	1990	1954	289	1	–	–	59

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
GOES								
Lange Kerkstraat 9	Shop	1994	1920	65	1	–	–	34
GOOR								
Grotestraat 57-59 and 63	Shop	1994	1910	859	2	1	–	63
GOUDA								
Hoogstraat 5	Shop	1988	1900	190	1	–	–	45
Kleiweg 77-95	Shop	1994	1900	1,200	4	5	–	465
Kleiweg 103 / Regentesseplantsoen	Shop	1990	1988	862	3	–	–	178
Markt 52	Shop	1990	1900	284	1	–	–	45
GROESBEEK								
Spoorlaan 1	Shop	1988	1989	1,100	1	–	–	147
GRONINGEN								
Brugstraat 2-6 / Schuitemakersstraat 1	Shop	1995	1905	840	2	–	–	152
Dierenriemstraat 198/2	Shop	1993	1992	914	1	–	–	148
Herestraat 41	Shop	1994	1991	243	1	–	–	143
Stoeldraaierstraat 17	Shop	1990	1953	266	1	10	–	64
Vismarkt 31-31a-c	Shop	1993	1880	275	1	5	–	128
HAAKSBERGEN								
Spoorstraat 45	Shop	1997	1986	800	1	1	–	85
HAARLEM								
Gen. Cronjéstraat 56-58 / Kloosterstraat 10	Shop	1996	1920	200	1	2	–	73
Grote Houtstraat 90	Shop	1988	1850	96	1	–	–	61
HARDENBERG								
Fortuinstraat 21	Shop	1997	1985	300	1	–	–	41
Voorstraat 10	Shop	1997	1930	1,173	1	–	–	133
HARDERWIJK								
Markt 14	Shop	1991	1875	470	1	–	–	83
Shopping centre 'Vuldersbrink'	Shopping centre	1998	1978	4,735	12	–	–	743
HARLINGEN								
Kleine Bredeplaats 8a-10a / Grote Bredeplaats 26-26b	Shop	1997	1990	658	2	3	–	99
Voorstraat 71	Shop	1997	1900	294	1	1	–	57
HEEMSTEDE								
Binnenweg 135-137	Shop	1989	1924	65	1	1	–	34
HEERDE								
Dorpsstraat 57-61	Shop	1998	1994	1,270	1	2	–	182
HEERLEN								
In de Cramer 140	Retail warehouse	2007	2007	6,000	1	–	120	478
Saroleastraat 38	Shop	1994	1930	225	1	1	–	110
HELDEN PANNINGEN								
Kepringelehof 3-5 and 9-11	Shop	1998	1991	2,990	4	–	147	350
HELMOND								
Veestraat 1	Shop	1994	1950	240	1	–	–	91
Veestraat 39	Shop	1994	1960	136	1	–	–	39
HENGELO								
De Telgen 9	Shop	1993	1920	105	1	1	–	66
Molenstraat 4	Shop	1991	1991	120	1	1	–	37
Wegtersweg 4	Retail warehouse	2006	2006	4,622	1	–	100	359
HILLEGOM								
Hoofdstraat 66	Shop	1997	1930	145	1	1	–	49

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
HILVERSUM								
Kerkstraat 55	Shop	1994	1950	130	1	–	–	70
Kerkstraat 87	Shop	1988	1905	100	1	–	–	60
Kerkstraat 91	Shop	1994	1850	250	2	–	–	60
Kerkstraat 98	Shop	1990	1927	77	1	1	–	58
Schoutenstraat 6	Shop	1987	1923	65	1	–	–	36
Schoutenstraat 8	Shop	1986	1923	122	1	–	–	50
'S-HERTOGENBOSCH								
Hinthamerstraat 48	Shop	1988	1900	130	1	2	–	75
Hooge Steenweg 19-23	Shop	1994	1800	555	1	8	–	214
Schapenmarkt 17-21	Shop	1988	1890	476	1	–	–	141
HOOGEVEEN								
Hoofdstraat 157	Shop	1993	1960	75	1	–	–	37
HOOGEZAND								
Gorecht Oost 133-135	Shop	1993	1970	160	2	–	–	53
HOORN								
Grote Noord 114	Shop	1996	1912	85	1	–	–	30
Grote Noord 118	Shop	1994	1900	80	1	1	–	51
Nieuwsteeg 24	Shop	1994	1920	134	1	1	–	67
HOUTEN								
Het Rond 2)	Shop	90/08	84/08	28,063	111	–	505	6,552
Onderdoor 3-13	Other	2006	1984	2,187	5	–	14	334
Onderdoor 4, 4a	Other	2010	2010	2,105	1	–	–	239
IJSSELSTEIN								
Utrechtsestraat 45	Shop	2007	2007	595	1	–	–	97
Utrechtsestraat 75	Shop	1990	1911	300	1	–	–	73
JOURE								
Midstraat 153-163	Shop	1998	2006	2,519	6	5	–	383
LEEK								
Tolberterstraat 3-5	Shop	1997	1996	575	2	1	–	77
LEEUWARDEN								
Ruiterskwartier 127	Shop	1995	1929	291	1	–	–	39
Ruiterskwartier 135	Shop	1995	1930	70	1	–	–	36
Wirdumerdijk 7 / Weaze 16	Shop	1994	1920	520	2	1	–	193
LEIDEN								
Botermarkt 4-5	Shop	1988	1928	732	2	–	–	101
Haarlemmerstraat 53	Shop	1996	1928	85	1	–	–	58
Haarlemmerstraat 202 / v.d. Werfstraat 39	Shop	1994	1928	110	1	5	–	53
Haarlemmerstraat 208 / Duizenddraadsteeg 2	Shop	1993	1928	72	1	1	–	39
Haarlemmerstraat 213	Shop	1990	1928	546	1	–	–	88
Maarsmansteeg 2	Shop	1989	1928	121	1	–	–	23
Vismarkt 2-3	Shop	1993	1900	135	1	3	–	50
LELYSTAD								
De Promesse 113, 115, 121, 123, 129 and 135/ Stationsweg 22 en 23	Shop	2009	2009	7.349	8	–	–	1.043
Stadhuisstraat 2 1)	Shop	1995	1975	470	1	–	–	115
Stadhuisplein 75 1)	Shop	1996	1985	1,632	1	–	–	242
LEUSDEN								
Grutterij 6	Shopping centre	1996	1980	150	1	–	–	44
MAASTRICHT								
Muntstraat 16-18	Shop	1989	1897	135	1	–	–	99
Muntstraat 20	Shop	1987	1891	110	1	–	–	105

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
Wolfstraat 8 / Minckelersstraat 1	Shop	1992	1883	789	2	–	–	302
MEPPEL								
Hoofdstraat 50	Shop	1990	1980	143	1	–	–	38
MIDDELBURG								
Korte Delft 1	Shop	1991	1950	75	2	–	–	32
Lange Delft 59	Shop	1991	1850	198	1	–	–	51
MIDDELHARNIS								
Westdijk 22-24	Shop	1997	1990	325	1	–	–	64
MIJDRECHT								
Prinses Margrietlaan 24-52	Shopping centre	1993	1965	2,225	10	–	–	376
NIJKERK								
Oosterstraat 2-2a and 4-4a	Shop	1997	1969	420	2	2	–	49
NIJMEGEN								
Broerstraat 26 / Scheidemakershof 37	Shop	1993	1960	161	1	3	–	101
Broerstraat 70 / Plein 1944 no. 151	Shop	1989	1951	1,033	2	–	–	317
Houtstraat 35 / T. Brandsmastraat 1-3	Shop	1989	1951	204	1	7	–	70
Molenstraat 130-134 / Piersonstraat 75-77	Shop	1988	1900	1,231	3	–	–	156
Molenstraat 136	Shop	1988	1925	60	1	–	–	26
Molenstraat 140 / 1e Walstraat 2	Shop	1989	1918	400	1	3	–	117
Plein 1944 no. 2	Shop	1988	1957	164	1	7	–	57
OOSTERHOUT								
Arendshof 48-52	Shopping centre	2000	1963	349	1	–	–	110
Arendstraat 9-11	Shop	1994	1982	889	3	–	–	176
Arendstraat 13	Shop	1994	1989	440	2	1	–	173
OSS								
Heschepad 49-51 / Molenstraat 21-25	Shop	1986	1983	2,803	3	–	–	326
PURMEREND								
Hoogstraat 19 / Zuidersteeg 16	Shop	1993	1978	999	2	1	–	169
Kaasmarkt 7 / Westersteeg 1	Shop	1994	1920	135	1	1	–	53
Padjedijk 4 / Barak 1	Shop	1989	1900	82	1	1	–	26
Padjedijk 6-8	Shop	1989	1800	257	2	–	–	55
RENKUM								
Dorpsstraat 21-23	Shop	1997	1907	520	1	–	–	52
RIDDERKERK								
St. Jorisplein 30	Shop	1994	1970	478	3	–	–	103
RODEN								
Heerestraat 94	Shop	1997	1967	260	2	–	–	54
ROERMOND								
Hamstraat 34-38 / Veldstraat 19	Shop	1998	1996	1,763	2	–	6	149
Schaarbroekerweg 14-58	Retail warehouse	2008	2007	34,098	16	–	1,250	3,866
Schoenmakersstraat 2	Shop	1994	1900	140	1	–	–	77
Steenweg 1 / Schoenmakersstraat 6-18	Shop	1986	1980	2,283	7	–	–	339
ROOSENDAAL								
Nieuwe Markt 51	Shop	1994	1960	200	1	–	–	51
ROTTERDAM								
Keizerswaard 73	Shopping centre	1996	1992	280	1	–	–	47
Korte Hoogstraat 22-26 / Soetensteeg 1	Shop	1993	1952	819	3	–	–	124
Lijnbaan 35-43	Shop	1987	1955	880	4	–	–	229
Zuidplein Hoog 587	Shopping centre	1995	1972	160	1	–	–	70
Zuidplein Hoog 611	Shopping centre	1994	1972	37	1	–	–	28
Zuidplein Hoog 731	Shopping centre	1995	1972	50	1	–	–	53

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
Zuidplein Hoog 743 and 747	Shopping centre	2010	1972	410	2	–	–	302
Zuidplein Hoog 910 and 912	Shopping centre	2010	1972	658	2	–	–	179
Zwart Janstraat 4	Shop	1988	1892	96	1	3	–	47
Zwart Janstraat 8	Shop	1988	1892	120	1	2	–	42
Zwart Janstraat 24	Shop	1988	1892	83	1	2	–	38
Zwart Janstraat 34	Shop	1991	1887	92	1	1	–	31
Zwart Janstraat 36-38	Shop	1994	1887	200	1	4	–	84
Zwart Janstraat 55-59	Shop	1987	1950	272	2	4	–	101
Zwart Janstraat 58-60	Shop	1992	1888	160	1	2	–	60
Zwart Janstraat 63	Shop	1990	1893	70	1	1	–	23
Zwart Janstraat 71-73	Shop	1994	1900	178	2	2	–	56
Zwart Janstraat 72	Shop	1991	1888	95	1	2	–	36
Zwart Janstraat 84	Shop	1994	1920	92	1	2	–	34
SCHIEDAM								
Hof van Spaland 35 1)	Shopping centre	1997	1970	217	1	–	–	46
Hof van Spaland 36 1)	Shopping centre	1996	1978	205	1	–	–	41
Hof van Spaland 40 1)	Shopping centre	1996	1978	130	1	–	–	38
SCHOONHOVEN								
Lopikerstraat 27-29	Shop	1998	1977	320	1	2	–	70
SITTARD								
De Kemperkoul	Shopping centre	1993	1987	1,771	8	–	–	330
SNEEK								
Oosterdijk 58	Shop	1996	1940	75	1	–	–	38
Schaapmarktplein 4	Shop	1994	1852	275	1	–	–	42
SPIJKENISSE								
Nieuwstraat 118-232	Shopping centre	2010	1981	2,832	18	–	–	883
STADSKANAAL								
Europaplein 3	Shop	1994	1970	160	1	–	–	41
Europaplein 20	Shop	1993	1970	150	1	–	–	27
Europaplein 60 and 73	Shop	1997	1983	246	2	–	–	64
Navolaan 12	Shop	1993	1968	2,080	5	–	–	131
STEENWIJK								
Oosterstraat 22-26	Shop	1994	1900	285	1	1	–	58
THE HAGUE								
Frederik Hendriklaan 101-103	Shop	1989	1995	90	1	3	–	65
Frederik Hendriklaan 128 / v. Beuningenstraat 48	Shop	1987	1990	125	1	2	–	57
Gravenstraat 1	Shop	1993	1916	374	1	–	–	69
Grote Markt 4	Shop	1990	1900	964	1	–	–	204
Hoogstraat 24-26	Shop	1988	1923	319	1	–	–	69
Hoogstraat 27-27a	Shop	1986	1916	530	1	–	–	111
Korte Poten 10	Shop	1989	1916	56	1	–	–	29
Korte Poten 13	Shop	1990	1916	120	1	–	–	67
Korte Poten 42	Shop	1987	1900	55	1	2	–	49
Korte Poten 46 / Bleyenburg 35-37	Shop	1990	1920	131	2	1	–	38
Lange Poten 7	Shop	1989	1937	112	1	–	–	33
Lange Poten 21	Shop	1989	1916	204	2	2	–	116
Noordeinde 9 / Hartogstraat 1	Shop	1988	1916	100	1	–	–	80
Noordeinde 16-18	Shop	1989	1888	530	4	1	–	118
Noordeinde 48	Shop	1988	1921	80	1	–	–	58
Noordeinde 54 / Molenstraat 1	Shop	1989	1919	90	1	1	–	73
Plaats 17 and 21	Shop	1990	1916	415	2	–	–	129

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
Plaats 25	Shop	1987	1920	517	1	–	–	68
Plein 10	Shop	1988	1920	507	1	–	–	115
Plein 11	Shop	1987	1917	276	1	–	–	74
Spuistraat 13	Shop	1988	1930	858	1	–	–	307
Venestraat 43	Shop	1989	1916	115	1	–	–	40
Vlamingstraat 43	Shop	1995	1916	163	1	–	–	87
TIEL								
Waterstraat 29 / Kerkstraat 2b	Shop	1994	1850	70	1	1	–	46
Waterstraat 51a	Shop	1994	1920	65	1	–	–	44
TILBURG								
Heuvel 29-31 / J. v. Stolbergstraat 2-6	Shop	1994	1920	298	3	3	–	139
Westermarkt 16-17	Shopping centre	2008	1963	1,919	1	–	–	299
Westermarkt 28-29 and 35-37	Shopping centre	1993	1963	2,274	6	–	–	324
Westermarkt 33	Shopping centre	2008	1963	223	1	–	–	30
Westermarkt 38	Shopping centre	1993	1962	2,696	2	–	–	339
Westermarkt 139-141	Shopping centre	1994	1961	502	1	–	–	134
UDEN								
Marktstraat 32	Shop	1994	1958	420	1	1	–	119
UTRECHT								
Achter Clarenburg 19	Shop	1987	1975	91	1	–	–	47
Choorstraat 13	Shop	1987	1900	139	1	1	–	61
Lange Elisabethstraat 6	Shop	1987	1850	113	1	–	–	86
Lange Elisabethstraat 36	Shop	1993	1850	188	1	–	–	99
Nachtegaalstraat 55	Shop	1994	1904	2,116	2	2	–	289
Oudegracht 126-128	Shop	1990	1930	209	2	1	–	66
Oudegracht 134-136 / Vinkenburgstraat 8 and 12-14	Shop	1987	1900	2,482	9	5	–	560
Oudegracht 153	Shop	1997	1904	819	3	–	–	210
Oudegracht 161	Shop	1997	1900	1,963	4	–	–	548
Roelantdreef 1-3	Shopping centre	2010	1970	1,823	3	–	–	397
Roelantdreef 18,245-263 1)	Shopping centre	2010	1970	1,030	7	–	–	526
Roelantdreef 249 1)	Shopping centre	1994	1970	170	1	–	–	87
Seinedreef 2-8 1)	Shopping centre	2010	1970	2,271	3	–	–	422
Steenweg 9 / Choorstraat 9-9bis	Shop	1990	1900	578	2	3	–	153
Zamenhofdreef 43 1)	Shopping centre	2010	1970	80	1	–	–	38
VAASSEN								
Dorpsstraat 22	Shop	1990	1981	550	–	–	–	55
VEENENDAAL								
Hoofdstraat 25	Shop	1990	1930	260	1	–	–	54
Hoofdstraat 40-42 / Tuinstraat 95-97	Shop	1988	1967	1,413	3	–	–	154
VEGHEL								
Kalverstraat 8-16	Shop	1993	1988	446	3	3	–	102
VELP								
Hoofdstraat 77-79	Shop	1997	1937	440	1	–	–	61
VENLO								
Lomstraat 30-32	Shop	1993	1960	465	1	–	–	154
Lomstraat 33	Shop	1994	1970	50	–	–	–	32
VENRAY								
Grotestraat 2-4 / Grote Markt 2a-4	Shop	1986	1946	1,166	4	–	–	159
VRIEZENVEEN								
Westeinde 19-29	Shop	1993	1938	2,781	8	–	80	311

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
WASSENAAR								
Langstraat 188-190	Shop	1990	1981	290	1	–	–	69
WINSCHOTEN								
Langestraat 22 / Venne 109	Shop	1994	1900	70	1	–	–	28
Langestraat 24	Shop	1991	1960	430	1	–	–	61
WINTERSWIJK								
Dingstraat 1-3	Shop	1998	1900	2,335	1	–	65	265
Misterstraat 8-10 / Torenstraat 5a and 5c	Shop	1996	1900	441	1	2	2	144
Misterstraat 12 / Torenstraat 5b	Shop	1991	1939	135	1	1	–	52
Misterstraat 14	Shop	1991	1989	377	2	–	–	98
Misterstraat 33	Shop	1999	1900	550	1	–	–	77
Weurden 2-4	Shop	1998	1977	278	2	3	–	64
Wooldstraat 26	Shop	1999	1900	603	2	–	–	85
ZAANDAM								
Gedempte Gracht 37 / Rozengracht 90	Shop	1993	1888	235	2	–	–	74
Gedempte Gracht 80 / Vinkenstraat 41	Shop	1993	1920	55	1	1	–	31
ZEEWOLDE								
Flevoplein 1-6	Shopping centre	1994	1991	2,033	5	–	–	304
Kerkplein 23 / Torenstraat 3	Shop	1997	1991	328	3	5	–	96
Kerkstraat 6-18	Shop	1997	1996	689	3	2	–	144
ZEIST								
Slotlaan 194 / Huydecoperweg 9a	Shop	1999	1981	90	1	1	–	46
ZOETERMEER								
Lijnbaan 285-297	Shopping centre	1994	1988	2,476	8	–	–	434
ZUNDERT								
Markt 16a and 17-18	Shop	1998	1965	1,062	3	–	–	136
ZUTPHEN								
Beukerstraat 28	Shop	1989	1800	296	1	–	–	50
Beukerstraat 40	Shop	1989	1838	335	1	–	–	42
ZWOLLE								
Broerenstraat 7	Shop	1994	1930	66	1	–	–	15
Diezerstraat 62	Shop	1996	1910	95	1	–	–	83
Diezerstraat 78	Shop	1990	1832	140	1	–	–	66
Kleine A 11-13 / Broerenkerkplein 2-6	Shop	1989	1989	1,050	1	3	–	200
Luttekestraat 26 / Ossenmarkt 1a	Shop	1990	1930	78	1	1	–	32
Roggenstraat 3	Shop	1994	1800	104	1	–	–	32
Roggenstraat 6	Shop	1987	1900	106	1	–	–	44
Total investment properties in operation the Netherlands				**279,688**	**732**	**296**	**2,439**	**52,129**
SPAIN								
ALICANTE								
'Parque Vistahermosa' Avenida Antonio Ramos Carratalá 56-60	Retail warehouse	1999	2002	34,609	10	–	2,100	4,381
BADALONA								
'Centro Comercial Montigalá' Passeig Olof Palme 28-36	Shopping centre	1998	1991	11,396	52	–	2,618	3,435
BARCELONA								
Ronda de la Universitat 35	Shop	2000	< 1950	645	1	–	–	184

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
BURGOS								
'Centro Comercial El Mirador'								
Carretera de Santener	Shopping centre	99/01	1997	9,832	42	–	1,500	2,244
CASTELLÓN DE LA PLANA								
Calle Grecia 4	Retail warehouse	2001	2003	5,109	1	–	–	885
LEON								
Avenida Ordoño II 18	Shop	2001	< 1950	591	1	–	–	228
MADRID								
Calle de Fuencarral 23	Shop	2006	< 1950	256	1	–	–	324
Calle de Fuencarral 25	Shop	2006	< 1950	120	1	–	–	144
Calle Serrano 36	Shop	1999	< 1950	615	1	–	–	556
Calle Tetuân 19 / Calle Carmen 3	Shop	2002	< 1950	429	1	–	–	501
'Centro Comercial Getafe III'								
Avenida Juan Carlos I, 1 1)	Shopping centre	2006	2006	20,328	49	–	1,446	3,677
'Centro Comercial Las Rosas'								
Avenida Guadalajara s/No	Shopping centre	99/01	1998	8,254	89	–	1,800	4,195
'Centro Comercial Madrid Sur'								
Avenida Pablo Neruda 91-97	Shopping centre	2003	1998	23,405	69	–	2,500	5,650
MÁLAGA								
'Centro Comercial La Rosaleda'								
Avenida Simon Bolivar	Shopping centre	1998	1993	15,336	70	–	3,200	4,946
Plaza de la Constitución 9	Shop	2010	<1950	279	1	–	–	300
MURCIA								
'Centro Comercial Las Atalayas'								
C/Molina de Segura s/no	Shopping centre	99/01	1993	10,342	41	–	2,222	3,207
Total investment properties in operation Spain				**141,546**	**430**	–	**17,386**	**34,857**

FRANCE

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
AGEN								
Boulevard de la République 36	Shop	2001	1950	700	1	–	–	94
ALENÇON								
Rue de la Cave aux Boeufs 1-7 / Rue de Cygne 12	Shop	2001	1950	2,368	2	–	–	237
AMIENS								
Rue des Trois Cailloux 7-9	Shop	2000	1950	560	1	–	–	296
ANGERS								
Rue d'Alsace 9	Shop	2001	1950	67	1	–	–	52
Rue Lenepveu 25-29	Shop	1998	1990	4,664	5	–	–	967
ANNECY								
Rue de Vaugelas 22	Shop	2001	1950	60	1	–	–	17
ARMENTIÈRES								
Place du Général de Gaulle 31	Shop	2007	1945	180	1	–	–	26
ARRAS								
Rue Ernestale 31-35	Shop	2006	1920	947	3	–	–	394
AUGNY								
Rue du Bois d'Orly 23	Retail warehouse	2008	2005	1,570	2	–	–	181
Rue du Bois d'Orly 32	Retail warehouse	2007	1990	2,116	1	–	–	157
AULNOYE-AYMERIES								
Anatole France 45	Shop	2007	1945	137	1	–	–	13
Rue Ampère 9	Other	2007	1950	–	–	1	–	3

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
BESANÇON								
Grande Rue 22 / Place Pasteur 3	Shop	2001	1950	104	2	–	–	76
BOULOGNE SUR MER								
Rue Adolphe Thiers 29	Shop	2001	1950	246	1	–	–	39
BOURGES								
Rue de Mirebeau 14	Shop	2001	1950	50	1	–	–	24
Rue de Mirebeau 16	Shop	2001	1950	71	1	–	–	34
BREST								
Rue de Siam 70	Shop	2000	1950	818	1	–	–	98
CANNES								
Rue d'Antibes 40	Shop	2000	1950	948	1	–	–	343
CARCASSONNE								
Place Carnot 16	Shop	2001	1950	90	1	–	–	21
CHAMBÉRY								
Place Saint-Léger 228	Shop	2001	1950	40	1	–	–	53
CHARLEVILLE-MÉZIÈRES								
Rue de la République 35-37	Shop	2001	1950	105	1	–	–	50
CHAUMONT								
Rue de la Victoire de la Marne 28-42	Shop	2001	1950	1,370	3	–	–	174
DAX								
Rue des Carmes 7-9	Shop	2001	1950	248	1	–	–	56
DIEPPE								
Grande Rue 84-86	Shop	2001	1950	100	1	–	–	54
DIJON								
Rue du Bourg 39bis / Rue Jules Mercier 20bis	Shop	2001	1950	40	1	–	–	35
DOUAI								
Avenue Georges Clemenceau 21	Shop	2007	1900	318	1	–	–	10
DUNKIRK								
Centre Commercial 'Centre Marine' Place Emile Bollaert[1)]	Shopping centre	2005	2000	10,263	19	–	–	2,021
FERRIÈRE-LA-GRANDE								
Avenue Georges Clemenceau 1	Other	2007	1970	–	–	20	–	77
FROUARD								
Rue du Bois 12	Retail warehouse	2007	1996	1,155	1	–	–	116
GRENOBLE								
Grande Rue 11	Shop	2001	1950	73	1	–	–	22
Rue des Clercs 18	Shop	2001	1950	75	1	–	–	24
LA GARDE								
ZAC Quatre Chemins de la Pauline	Retail warehouse	2007	2005	1,967	4	–	89	403
LAVAL								
Rue du Général de Gaulle 41 / Rue de Rennes 14	Shop	2001	1950	450	1	–	–	55
LE TOUQUET-PARIS-PLAGE								
Rue de Metz 73	Shop	2007	1950	260	1	–	–	9
LILLE								
Avenue Foch 21	Other	2007	1970	260	–	–	–	36
Avenue Lelièvre 364	Other	2007	1890	–	–	1	–	2
Boulevard de la Liberté 62	Shop	2007	1945	79	1	–	–	19
Parc Notre Dame 6	Other	2007	1890	–	–	1	–	6
Place de Béthune 13	Shop	2007	1950	155	1	–	–	117
Place de la Gare 8	Shop	2007	1945	314	1	–	–	20
Place de la Gare 42	Shop	2007	1945	196	1	–	–	58

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
Place de la République 4bis	Shop	2007	1945	162	1	–	–	25
Place des Patiniers 1bis	Shop	2007	1900	112	1	–	–	48
Place des Patiniers 2	Shop	2007	1945	132	1	–	–	73
Place des Reignaux 16	Shop	2007	1950	290	1	–	–	29
Place du Lion d'Or 9	Shop	2007	1870	150	1	–	–	15
Place Louise de Bettignies 15-17	Shop	2007	1870	352	1	–	–	190
Rue Basse 8	Shop	2007	1930	293	2	–	–	54
Rue de la Barre 8	Shop	2007	1987	47	1	–	–	19
Rue de la Clef 43	Other	2007	1950	–	–	–	1	1
Rue de la Grande Chaussée 25	Shop	2007	1870	200	–	–	–	130
Rue de la Grande Chaussée 29	Shop	2007	1870	236	1	1	–	83
Rue de la Grande Chaussée 33-35	Shop	2007	1870	429	1	–	–	171
Rue de la Monnaie 2 / Place Louise de Bettignies 11-13	Shop	2007	1870	240	1	4	–	288
Rue de la Monnaie 4	Shop	2007	1870	103	1	–	–	85
Rue de la Monnaie 6	Shop	2007	1870	126	1	–	–	65
Rue de la Monnaie 6bis	Shop	2007	1870	83	1	–	–	48
Rue de la Monnaie 12	Shop	2007	1870	168	1	–	–	43
Rue de la Monnaie 13	Shop	2007	1870	85	1	–	–	78
Rue de la Monnaie 83	Shop	2007	1870	68	1	2	–	62
Rue de Paris 20	Shop	2007	1870	336	–	–	–	82
Rue de Paris 38	Shop	2007	1870	100	1	–	–	60
Rue de Paris 42	Shop	2007	1870	200	1	–	–	98
Rue des Chats Bossus 13	Shop	2007	1870	418	1	–	–	150
Rue des Chats Bossus 21	Shop	2007	1870	168	1	–	–	161
Rue des Ponts de Comines 19bis/ Rue Faidherbe 32-34	Shop	2007	1945	676	1	4	–	230
Rue des Ponts de Comines 30	Shop	2007	1945	197	1	–	–	65
Rue des Ponts de Comines 31	Shop	2007	1945	179	1	–	–	11
Rue des Ponts de Comines 32	Shop	2007	1945	267	1	–	–	171
Rue Destailleurs 56	Other	2007	1890	–	–	1	–	1
Rue du Curé Saint-Etienne 6	Shop	2007	1950	153	1	–	–	26
Rue du Curé Saint-Etienne 17	Shop	2007	1870	172	1	–	–	79
Rue du Faisan 6	Shop	2007	1950	105	1	–	–	20
Rue du Général de Wett 1	Other	2007	1960	–	–	2	–	13
Rue du Sec Arembault 24	Shop	2007	1945	78	1	–	–	70
Rue Faidherbe 28-30	Shop	2007	1945	102	1	–	–	77
Rue Faidherbe 38	Shop	2007	1945	59	–	–	–	37
Rue Faidherbe 42	Shop	2007	1945	86	1	–	–	5
Rue Faidherbe 44	Shop	2007	1945	142	–	–	–	61
Rue Faidherbe 48	Shop	2007	1945	135	1	–	–	84
Rue Faidherbe 50	Shop	2007	1945	308	1	–	–	90
Rue Faidherbe 54	Shop	2007	1945	176	1	–	–	74
Rue Gay-Lussac 17-19	Other	2007	1900	–	–	20	–	170
Rue Jacquemars Giélée 106	Other	2007	1945	–	–	6	–	32
Rue Léon Gambetta 32	Shop	2007	1945	88	–	–	–	19
Rue Léon Gambetta 163	Shop	2007	1945	101	1	–	–	22
Rue Léon Gambetta 236	Shop	2007	1950	115	1	–	–	36
Rue Léon Thiriez 98	Other	2007	1890	–	–	1	–	4
Square Dutilleul	Other	2007	2008	–	–	–	2	4

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LIMOGES								
Centre Commercial 'Beaubreuil'	Shopping centre	2001	1980	4,452	14	–	–	530
Centre Commercial 'Limoges Corgnac'	Shopping centre	2007	2007	5,407	17	–	–	1,585
LYON								
Rue Victor Hugo 5	Shop	2001	1950	90	1	–	–	68
MÂCON								
Rue Carnot 111 / Rue Rameau 39	Shop	2001	1950	160	1	–	–	81
Rue Philibert Laguiche 11-13 / Place aux Herbes 53-56	Shop	2001	1950	1,148	1	–	–	79
MARSEILLE								
Rue Saint Ferréol 29	Shop	2007	1980	249	1	–	–	201
NANCY								
Rue Saint-Jean 44-45	Shop	1998	1990	4,794	7	–	–	1,714
NICE								
Avenue Jean Médecin 8bis / Rue Gustave Deloye 5	Shop	2001	1950	362	1	–	–	189
Route de Grenoble 604	Retail warehouse	1999	1990	2,067	1	–	–	561
PARIS								
Boulevard Saint-Germain 104	Shop	1998	1950	1,278	1	–	–	747
Rue d'Alésia 123	Shop	2006	1956	420	1	–	1	301
Rue de Rivoli 118-120	Shop	1998	1997	3,341	9	8	5	3,337
Rue Montmartre 17	Shop	2007	2003	270	1	–	–	167
ROANNE								
Rue Bourgneuf 18 / Passage Bourgneuf 7 / Rue Charles de Gaulle 51-53	Shop	2001	1950	1,642	3	3	–	164
RONCQ								
Avenue de l'Europe 20	Retail warehouse	2007	2000	2,700	1	–	–	160
ROUBAIX								
Grande Rue 21	Shop	2007	1900	1,059	1	–	–	112
Grande Rue 56ter	Shop	2007	1900	40	–	–	–	7
Place de la Liberté 2	Shop	2007	1900	52	1	–	–	3
SAINT-ÉTIENNE								
Rue Saint-Jean 27	Shop	2001	1950	60	1	–	–	11
SECLIN								
Rue de l'Industrie 32	Retail warehouse	2007	2000	2,277	1	–	–	237
SOISSONS								
Rue Saint-Martin 57	Shop	2001	1950	400	1	–	–	59
THOIRY								
Centre Commercial 'Val Thoiry'	Shopping centre	1998	2000	14,825	61	–	–	5,435
Centre Commercial 'Val Thoiry 2'	Retail warehouse	2009	2009	8,590	1	–	–	395
THONON-LES-BAINS								
Rue des Arts 16	Shop	2001	1950	220	1	–	–	88
TOULON								
Rue Jean Jaurès 82 / Rue Racine 11	Shop	2000	1950	1,609	2	–	–	162
TOURCOING								
Place de Charles et Albert Roussel 32-33	Shop	2007	1950	126	1	9	–	62
TROYES								
Rue Emile Zola 113	Shop	2007	2006	359	1	–	–	184
Rue Emile Zola 117	Shop	2001	1950	360	1	–	–	172

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
VALENCE								
Avenue Victor Hugo 25 / Rue Pasteur 1-3	Shop	2001	1950	200	1	–	–	60
VICHY								
Rue Georges Clemenceau 12 / Rue Ravy-Breton 2	Shop	2001	1950	1,437	2	–	–	181
Total investment properties in operation France				**100,795**	**241**	**84**	**98**	**27,000**

BELGIUM 3)

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
AALST								
Albrechtlaan 56 1)	Retail warehouse	2000	> 1980	1,000	1	–	–	72
Brusselsesteenweg 41	Retail warehouse	2007	> 1980	770	1	–	–	72
Nieuwstraat 10	Shop	1998	< 1950	151	1	–	–	71
AARTSELAAR								
Antwerpsesteenweg 13 / 4	Retail warehouse	2000	> 1980	1,334	1	–	–	113
ANDENNE								
Avenue Roi Albert 137-139	Retail warehouse	1999	> 1980	5,809	7	–	–	481
ANS								
Rue de Français 393	Retail warehouse	1999	> 1980	3,980	11	–	–	384
ANTWERP								
Abdijstraat 29	Shop	1995	< 1950	198	1	–	–	36
Abdijstraat 82-84	Shop	1995	< 1950	167	1	–	–	52
Carnotstraat 18-20	Shop	2000	< 1950	1,299	1	–	–	108
De Keyserlei 47	Shop	2000	< 1950	62	1	–	–	49
De Keyserlei 49	Shop	2000	< 1950	102	1	–	–	62
Frankrijklei 27	Shop	1993	< 1950	654	1	1	–	85
Groendalstraat 11	Shop	2000	< 1950	48	1	–	–	27
Huidevettersstraat 12	Shop	1994	< 1950	721	1	–	–	288
Korte Gasthuisstraat 27	Shop	2000	< 1950	145	1	–	–	121
Leysstraat 17	Shop	2000	< 1950	325	1	2	–	177
Leysstraat 28-30	Shop	1997	< 1950	1,705	2	5	–	828
Meir 99	Shop	1996	< 1950	583	1	–	–	450
Schuttershofstraat 24 / Kelderstraat 7	Shop	2000	< 1950	106	1	–	–	95
Schuttershofstraat 30	Shop	2000	< 1950	66	1	–	–	75
Schuttershofstraat 32/Arme Duivelstraat 2	Shop	2000	< 1950	54	1	–	–	62
BALEN								
Molsesteenweg 56	Retail warehouse	1999	> 1980	1,871	3	–	–	149
BEAUMONT								
Rue G. Michiels 40	Retail warehouse	1998	> 1980	1,113	1	–	–	107
BOECHOUT								
Hovesesteenweg 123-127	Retail warehouse	2002	> 1980	1,230	1	–	–	100
BORGLOON								
Sittardstraat 10	Retail warehouse	1999	> 1980	996	2	–	–	59
BREE								
Toleikstraat 30	Retail warehouse	1999	> 1980	855	1	–	–	59
BRUGES								
Maalsesteenweg 142	Retail warehouse	2007	> 1980	600	1	–	–	65
Steenstraat 80	Shop	1998	< 1950	2,058	2	–	–	906
BRUSSELS								
Elsensesteenweg 16	Shop	1996	< 1950	1,325	3	–	–	251
Elsensesteenweg 41-43	Shop	1998	< 1950	6,577	7	–	–	1,645

Country / City / Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
Louizalaan 7	Shop	2000	< 1950	245	1	–	–	375
Nieuwstraat 98	Shop	2001	< 1950	150	1	–	–	214
CHÊNÉE								
Rue de la Station 23	Retail warehouse	2002	50/80	2,881	2	–	–	242
DIEST								
Hasseltsestraat 15	Shop	1998	< 1950	198	1	–	–	46
DILSEN								
Rijksweg 17 no. 770	Retail warehouse	1999	> 1980	992	1	–	–	79
DROGENBOS								
Nieuwe Stallestraat 217	Retail warehouse	2007	> 1980	530	1	–	–	74
FLÉMALLE								
Rue de la Fabrique 6	Retail warehouse	2002	> 1980	2,887	5	–	–	228
FROYENNES								
Rue des Roselières 6	Retail warehouse	2000	> 1980	950	1	–	–	103
GENK								
Guillaume Lambertlaan 115	Retail warehouse	1999	> 1980	3,109	6	–	–	222
Hasseltweg 74	Retail warehouse	2002	> 1980	2,331	4	–	–	225
GHENT								
Veldstraat 81 / Zonnestraat 6-10	Shop	1998	< 1950	2,966	5	–	–	565
Volderstraat 15	Shop	1993	< 1950	279	1	–	–	155
GRIVEGNÉE								
Boulevard de Froidmont 29	Retail warehouse	2007	> 1980	1,100	2	–	–	106
Rue Servais Malaise	Retail warehouse	2002	> 1980	2,000	1	–	–	130
HASSELT								
Genkersteenweg 76	Retail warehouse	1999	> 1980	996	2	–	–	91
Genkersteenweg 215-219	Retail warehouse	2007	> 1980	1,745	2	–	–	174
Genkersteenweg 282	Retail warehouse	2000	> 1980	2,240	2	–	–	112
HEUSDEN-ZOLDER								
Inakker	Retail warehouse	2002	> 1980	1,019	2	–	–	70
HOBOKEN								
Zeelandstraat 6-8	Retail warehouse	2002	> 1980	2,490	2	–	–	202
HUY								
Rue Joseph Wauters 3[1)]	Retail warehouse	2007	> 1980	1,000	2	–	–	87
JEMAPPES								
Avenue Wilson 510	Retail warehouse	2007	> 1980	900	2	–	–	79
KAMPENHOUT								
Mechelsesteenweg 38-42	Retail warehouse	1999	> 1980	3,322	3	–	–	214
KORBEEK-LO								
Tiensesteenweg 378[1)]	Retail warehouse	2007	> 1980	990	1	–	–	106
KUURNE								
Ringlaan 12	Retail warehouse	2007	> 1980	1,336	2	–	–	68
LA LOUVIÈRE								
Avenue de la Wallonie 1	Retail warehouse	2007	> 1980	1,620	2	–	–	144
Rue Albert 1er 84-86	Shop	2000	< 1950	198	1	–	–	70
LEOPOLDSBURG								
Lidostraat 7	Retail warehouse	1999	> 1980	1,850	1	–	–	119
LEUVEN								
Bondgenotenlaan 69-73	Shop	2001	< 1950	1,495	2	–	–	628
LIÈGE								
Rue Pont d'Ile 35	Shop	1998	< 1950	80	1	–	–	77
Rue Pont d'Ile 45	Shop	1998	< 1950	55	1	–	–	69
Rue Pont d'Ile 49	Shop	1998	< 1950	375	1	–	–	99

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
MALMÉDY								
Avenue des Alliés 14b	Retail warehouse	1999	> 1980	813	1	–	–	58
MECHELEN								
Bruul 39-41	Shop	2000	< 1950	361	2	–	–	193
Bruul 42-44	Shop	2001	< 1950	2,948	2	–	–	672
MERKSEM								
Bredabaan 474-476	Shop	1998	50/80	467	1	–	–	77
MOESKROEN								
Petite Rue 18	Shop	1998	< 1950	235	1	–	–	46
MONS								
Chaussée de Binche 101	Retail warehouse	2000	> 1980	1,000	1	–	–	87
Grand Rue 19	Shop	2000	< 1950	185	1	–	–	80
Rue de la Chaussée 31-33	Shop	1998	< 1950	447	2	1	–	147
MONTIGNIES-SUR-SAMBRE								
Rue de la Persévérance 14	Retail warehouse	2007	> 1980	750	1	–	–	62
MORTSEL								
Statielei 71-73	Shop	1998	50/80	430	2	–	–	141
OVERPELT								
Burgemeester Misottenstraat 3	Retail warehouse	2002	> 1980	877	2	–	–	86
PHILIPPEVILLE								
Rue de France	Retail warehouse	1999	> 1980	3,705	6	–	–	334
SCHAARBEEK								
Leuvensesteenweg 610-640	Retail warehouse	1999	> 1980	2,964	4	–	–	352
SCHELLE								
Provinciale Steenweg 453-455	Retail warehouse	99/02	> 1980	2,962	8	–	–	224
SCHERPENHEUVEL								
Mannenberg 26	Retail warehouse	1999	> 1980	600	1	–	–	78
SINT-JOB-IN-'T-GOOR								
Handelslei 10	Retail warehouse	2002	> 1980	600	1	–	–	68
SINT-NIKLAAS								
Kapelstraat 101	Retail warehouse	2007	> 1980	740	1	–	–	25
SINT-PIETERS-LEEUW								
Bergensesteenweg 458	Retail warehouse	2007	> 1980	750	1	–	–	75
TIELT-WINGE								
'Retailpark Gouden Kruispunt', Aarschotsesteenweg 1-6	Retail warehouse	99/02	> 1980	18,866	23	–	–	1,706
TIENEN								
Slachthuisstraat 36	Retail warehouse	2002	> 1980	4,871	7	–	–	478
TONGRES								
Maastrichterstraat	Shop	2008	2008	8,890	23	–	–	1,120
TURNHOUT								
Gasthuisstraat 5-7	Shop	2001	< 1950	1,045	1	–	–	372
Gasthuisstraat 32	Shop	1996	< 1950	1,743	1	–	–	287
VILVOORDE								
Leuvensestraat 43	Shop	1998	2008	1,338	1	–	–	197
Luchthavenlaan 5	Retail warehouse	1999	> 1980	6,345	3	–	–	545
Mechelsesteenweg 48	Retail warehouse	1999	> 1980	7,936	12	1	–	722
WATERLOO								
Chaussée de Bruxelles 284	Retail warehouse	1993	50/80	1,198	1	–	–	122
WAVER								
Boulevard de l'Europe 41	Retail warehouse	2007	> 1980	860	1	–	–	131

Country City Location	Type of property	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of tenants	Number of apartments	Number of parking spaces	Theoretical rental income (x € 1,000)
Rue du Commerce 26	Shop	1998	< 1950	242	1	–	–	56
Rue du Pont du Christ 46 / Rue Barbier 15	Shop	1998	< 1950	319	2	–	–	122
WESTERLO								
Hotelstraat 2 a-b	Retail warehouse	2007	> 1980	1,000	2	–	–	87
WILRIJK								
Boomsesteenweg 643-645	Retail warehouse	2000	50/80	1,463	3	–	–	175
Boomsesteenweg 666-672	Retail warehouse	2000	> 1980	4,884	4	–	–	509
Total investment properties in operation Belgium				**160,067**	**243**	**10**	**–**	**21,656**
TURKEY								
ISTANBUL								
Bahariye Caddesi 58	Shop	2009	1985	400	1	–	–	201
Bahariye Caddesi 66/b	Shop	2009	2005	195	1	–	–	135
'Bomonti Park', Kazim Orbay Caddesi 3	Shopping centre	2007	2006	4,867	12	–	200	569
Istiklal Caddesi 34	Shop	2007	1980	1,170	1	–	–	497
Istiklal Caddesi 98	Shop	2008	2008	530	1	–	–	297
Istiklal Caddesi 119	Shop	2009	2009	495	2	–	–	396
Total investment properties in operation Turkey				**7,657**	**18**	**–**	**200**	**2,095**
PORTUGAL								
BARCELOS								
Rua Porta Nova 41	Shop	2002	< 1950	128	1	–	–	29
BRAGA								
Avenida Central 78-80	Shop	2002	< 1950	471	1	–	–	122
LISBON								
Rua Damião de Góis 41-44d	Shop	2002	< 1950	150	1	–	–	86
Rua do Carmo 100-102 / Rua do Ouro 287 and 291-295	Shop	2002	< 1950	1,139	5	–	–	389
Rua Morais Soares 93	Shop	2002	< 1950	257	1	–	–	82
PORTO								
Praça Marquês Pombal 152	Shop	2002	< 1950	437	1	–	–	78
Praça Mouzinho de Alburquerque 119-124	Shop	2002	< 1950	148	1	–	–	80
Rua de Brito Capelo 160	Shop	2002	< 1950	164	1	–	–	65
Rua Santa Caterina 325-329	Shop	2002	< 1950	529	1	–	–	200
Total investment properties in operation Portugal				**3,423**	**13**	**–**	**–**	**1,131**
Total investment properties in operation				**693,176**	**1,677**	**390**	**20,123**	**138,868**

1 Land on long lease.
2 VastNed Retail holds a 50% interest.
3 All Belgian properties are held directly by Intervest Retail, in which VastNed Ratail has a 72.4% interest at year-end 2010.

NOTES TO THE PROPERTY PORTFOLIO IN OPERATION

The theoretical rental income as at 31 December 2010, including turnover rents, mall income and other income, concerns rent in the case of full occupancy.

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

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

Appraisers

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

OTHER INVESTMENT PROPERTIES

Country City Location	Type of property	Year of acquisition	Lettable floor space (sqm)	Investment (x € 1 million)	Net initial yield
INVESTMENT PROPERTIES IN PIPELINE					
THE NETHERLANDS					
HENDRIK-IDO-AMBACHT					
Shopping centre 'Hoogambacht'	Shopping centre	2011	7,745	24.2	5.6%
HOUTEN					
Spoorhaag 130-134 / Achterom 1-5 1)	Shop	2007	2,575	4.1	-
LELYSTAD					
De Promesse 3-5 and 111	Shop	2009	1,313	2.6	5.3%
FRANCE					
ARRAS					
Rue Ernestale 35 / Rue de Collège 1)	Other	-	-	0.7	-
PLAISIR					
Centre Commercial 'Plaisir-Sablons' 1)	Shopping centre	1999	27,000	70.0	6.5%
TURKEY					
ISTANBUL					
Istiklal Caddesi 85	Shop	2010	3,650	24.9	7.3%
Istiklal Caddesi 161	Shop	2010	4,700	33.9	7.3%

1 Uncommitted

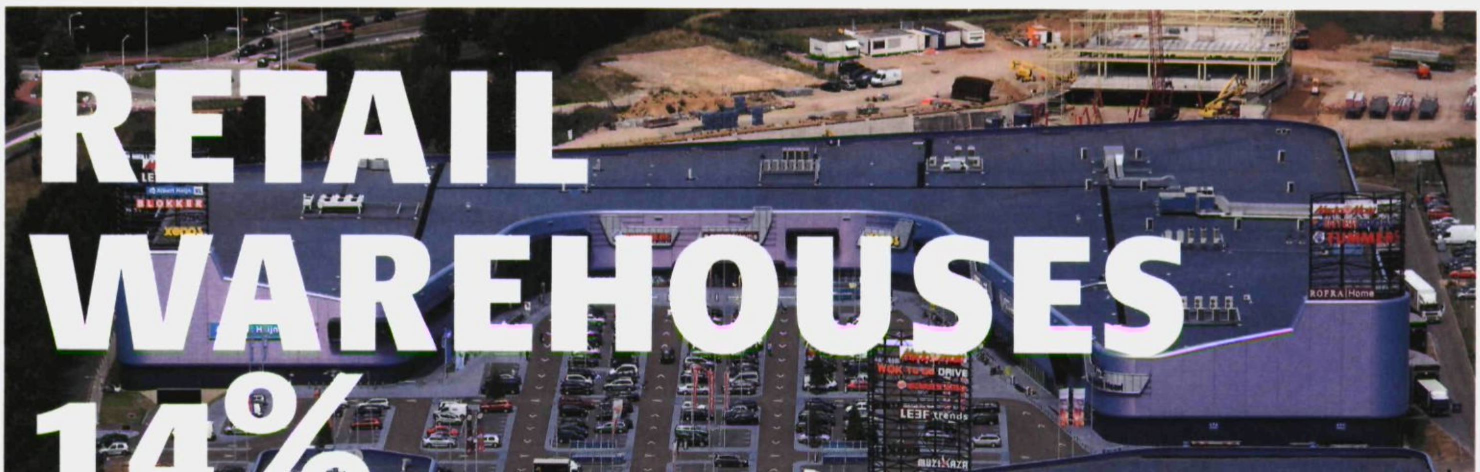
KEY FIGURES PROPERTY PORTFOLIO

	Netherlands	Spain	France	Belgium	Turkey	Portugal	Total
Number of tenants [1]	732	430	242	243	18	13	1,678
Theoretical annual rental income (x € 1 million) [2]	52.1	34.9	27.0	21.7	2.1	1.1	138.9
Market rent (x € 1 million) [2]	53.4	32.5	28.0	21.7	2.4	0.9	138.9
Over/underrent (in %)	2.3	(7.3)	3.5	–	12.9	(27.8)	(0.1)
Average occupancy rate (in %)	97.6	91.7	92.9	99.0	83.3	100.0	95.2
Occupancy rate at year-end (in %)	96.6	91.9	93.4	98.8	95.8	100.0	95.2
Number of properties (including pipeline)	324	17	120	94	8	9	572
Investments property including pipeline (x € 1 million)	754	425	417	303	84	12	1,995
Investments property including pipeline (in %)	38	21	21	15	4	1	100
Average size per property including pipeline (x € 1 million)	2.3	24.9	3.5	3.2	10.6	1.4	3,5
Lettable floor area including pipeline (x 1,000 sqm)	291	142	128	160	16	3	740
Gross yield (in %)	7.0	8.4	6.6	7.1	6.5	9.2	7.2
Net yield (in %)	6.2	7.8	6.1	6.6	5.8	8.8	6.6
Sector spread per country including pipeline (in %)							
High street shops	73	11	56	57	94	100	55
Shopping centres	17	77	34	–	6	–	30
Retail warehouses	10	12	7	43	–	–	14
Other	–	–	3	–	–	–	1
Average rent per sqm (x € 1)							
High street shops	221	762	335	273	547	330	259
Shopping centres	175	277	274	–	117	–	245
Retail warehouses	97	133	98	88	–	–	98
Other	–	–	113	–	–	–	124
Regional spread per country (in %)							
Super cities	11	64	40	13	100	47	31
Large cities	23	35	15	33	–	30	25
Medium-sized cities	31	–	18	15	–	5	18
Small cities	35	1	27	39	–	18	26
Average occupancy rate at year-end (in %)							
High street shops	97.9	100.0	95.1	99.2	97.8	100.0	97.6
Shopping centres	97.8	92.6	93.0	–	90.4	–	93.6
Retail warehouses	88.0	85.2	100.0	98.3	–	–	93.1
Other	67.4	–	46.5	–	–	–	53.2

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

HIGH STREET SHOPS 55%

SECTOR SPREAD TOTAL PROPERTY PORT




CLINICA
MARTI
TORRES
Banesto