

Interim statement by the Board of Directors as at 30 September for the third quarter of financial year 2017

- Strategic focus on core city assets continues to be primary theme in activities.
- Acquisition of 3 adjoining core city assets in the centre of Antwerp, located at Steenhouwersvest 44 - 46 - 48 for an investment value of about € 6 million.
- As at 30 September 2017, 59% of the real estate portfolio consisted of core city assets and 41% of mixed retail locations (inner-city shops outside of the premium cities, high-end retail parks and retail warehouses).
- Occupancy rate as at 30 September 2017: 99% (98% as at 31 December 2016).
- Increase in the fair value of the existing real estate portfolio by € 18 million¹ in the first nine months of 2017, mainly as a result of the stronger yields of the core city assets.
- Decrease of the EPRA result² in the first nine months of 2017 to € 1,78 per share (€ 1,85 for the first nine months of 2016), mainly attributable to one-off finance expenses as part of the refinancing.
- Extension of the average term of the credit lines and a drop in average interest rate as a result of the refinancing of the entire loan portfolio.
- Limited debt ratio of 28% as at 30 September 2017.
- Expected gross dividend for 2017 between € 2,42 and € 2,47 per share.

¹ With unchanged composition of the real estate portfolio compared with 31 December 2016.

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

1. Operational activities in the third quarter of 2017

Acquisition of 3 adjoining core city assets in the city centre of Antwerp

The acquisition of three properties, located at Steenhouwersvest 44-46-48 in the historic city centre of Antwerp, is entirely in line with Vastned Retail Belgium's strategy to invest in core city assets. These three properties were recently completely renovated and converted into three commercial units and five apartments.

The retail property located at number 44 measures 60 square metres and is leased to Diane Von Furstenberg. The store located at number 46 measures 66 square metres on the ground floor and 180 square metres on the first floor and is leased to Damoy. The store located at number 48 measures 65 square metres and is leased to Le Pain Quotidien.

The properties have been acquired for a total amount of approximately € 6 million via the acquisition of the shares of the company RR Developments NV. This acquisition, at a yield in line with market conditions, is being financed from the available credit lines and by the takeovers of the credit lines of RR Developments. The purchase value is in line with the valuation by the company's independent property expert.

This acquisition will generate a rental income flow for the regulated real estate company of approximately € 0,3 million annually and immediately contribute to the consolidated EPRA earnings.



Antwerp - Steenhouwersvest 44 - 46 - 48



Antwerp - Steenhouwersvest 44 - 46 - 48

Composition and evolution of the real estate portfolio as at 30 September 2017

As at 30 September 2017, 59% of the real estate portfolio of Vastned Retail Belgium consisted of core city assets, i.e. prime retail properties located on the best shopping streets of the major cities Antwerp, Brussels, Ghent and Bruges

(59% as at 31 December 2016). 41% of the portfolio consists of mixed retail locations, i.e. inner-city shops outside the premium cities, retail parks and retail warehouses (41% as at 31 December 2016).

Investment properties

REAL ESTATE PORTFOLIO	30.09.2017	31.12.2016	30.09.2016
Fair value of investment properties (€ 000)	374.923	350.719	348.965
Investment value of investment properties (€ 000)	384.296	359.487	357.690
Total leasable space (m ²)	89.594	90.255	90.111

As at 30 September 2017, the fair value of the investment properties amounted to € 375 million (€ 351 million as at 31 December 2016). The € 24 million increase in the first nine months of 2017 stems mainly, on the one hand, from the acquisition of three core city assets in Antwerp for a total fair

value of € 6 million and, on the other hand, from the € 18 million increase in fair value of the existing real estate portfolio, amongst others as a result of stronger yields of the core city assets.



Brussels - Nieuwstraat - Proximus

Redevelopment of a core city asset on Zonnestraat in Ghent

The second phase, dealing with the prominent redevelopment and thorough restoration of a core city asset in the historic city centre of Ghent, has been launched at the end of March 2017. In the meantime the existing retail property at Zonnestraat 10 in Ghent has already been demolished and

work begun on the new-build. The retail property will be rebuilt as an up-to-date building with both retail and residential functionalities. Delivery of the commercial units to the new lessee, YAYA, is planned for some time in mid-January 2018.

Occupancy rate³

OCCUPANCY RATE (EXCLUDING BUILDINGS UNDERGOING RENOVATION)	30.09.2017	31.12.2016
Occupancy rate core city assets	100%	99%
Occupancy rate mixed retail locations	98%	97%
Occupancy rate of the real estate portfolio	99%	98%

The occupancy rate for the real estate portfolio amounted to 99% as at 30 September 2017, which is an increase of 1% compared to 31 December 2016. The occupancy rate for the core city assets increased to 100% compared to 99% as at

year-end 2016. The occupancy rate of the mixed retail locations (98%) increased also with 1% compared to 31 December 2016.

2. Financial results for the first three quarters of 2017⁴

The rental income of Vastned Retail Belgium in the first nine months of 2017 amounted to € 14,2 million (€ 13,8 million). The € 0,4 million increase is mainly attributable to the acquisition of three core city assets in the centre of Antwerp, to new lettings contracted in the course of 2016, lease renewals carried out and the indexation of existing lease agreements. Furthermore, one-off indemnity payments were received from tenants who left their premises before the contractual break.

The real estate costs amounted to € 1,4 million (€ 1,3 million) and increased by € 0,1 million due to an increase of the commercial expenses, among others including those related to commissions, lawyers' fees and other consultancy fees. The general expenses amounted to € 0,8 million (€ 0,9 million) and decreased by € 0,1 million compared to the first nine months of 2016 as a result of a more limited staffing in finance and administration.

The changes in the fair value of the investment properties are positive in the first nine months and amount to € 17,8 million (€ 5,3 million). The increase in the fair value of the investment properties is mainly attributable to the stronger yields for the core city assets in the larger cities Antwerp and Brussels.

The financial result (excl. changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39)) amounted to € -2,7 million for the first nine months of 2017 (€ -2,2 million), which constitutes a € 0,5 million increase compared to the same period in 2016, primarily due to a combination of:

- the decreased use of credit lines as a result of the stable portfolio
- the investment in three core city assets in Antwerp
- the early termination fee (€ 0,1 million) to convert the existing loan during the third quarter of 2017 into a new loan at current market conditions, which results in a lower financing cost.
- the cost of settlement of two Interest Rate Swap (IRS) contracts for € 0,6 million in order to conclude a new swap at current market conditions which will result in a lower financing cost in the future.

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

⁴ The figures between brackets are the comparable figures as at 30 September 2016.

The average interest rate for financing amounts to 3,8%, including bank margins for the first nine months of 2017 (3,0%). The average interest rate, excluding the one-off early termination fee and the cost of unwinding of the interest rate swaps as part of the refinancing of the loan portfolio, amounts to 2,7% in the first nine months of 2017.

The changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39) in the first nine months of 2017 include the decrease of the negative market value of the interest rate swaps which, in line with IAS 39 - Financial instruments: Recognition and Measurement, cannot be classified as cash flow hedging instruments, in the amount of € 1,4 million (€ 0,2 million).

The net result of Vastned Retail Belgium for the first nine months of 2017 amounts to € 28,0 million (€ 15,0 million) and can be divided into:

- the EPRA result of € 9,1 million (€ 9,4 million) or a decrease of € 0,3 million which is mainly attributable to the increase in interest expenses as a result of the one-off indemnities paid as part of the refinancing, partly compensated by the increase in rental income;
- the result on portfolio of € 17,5 million (€ 5,4 million);
- changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements for an amount of € 1,4 million (€ 0,2 million).

The EPRA result per share therefore amounts to € 1,78 for the first nine months of 2017, or a decrease of 7 eurocent compared to the same period last year (€ 1,85 per share).

KEY FIGURES PER SHARE	30.09.2017	31.12.2016	30.09.2016
Number of shares entitled to dividend	5.078.525	5.078.525	5.078.525
Net result (9 months/1 year/9 months) (€)	5,51	4,04	2,95
EPRA result (9 months/1 year/9 months) (€)	1,78	2,45	1,85
Net value (fair value) (€)	52,74	49,68	48,58
Net value (investment value) (€)	54,52	51,36	50,26
Net asset value EPRA (€)	53,15	50,33	49,36
Share price on closing date (€)	44,99	53,85	56,96
Premium (+)/Discount (-) with regard to net value (fair value) (%)	-15%	8%	17%

As at 30 September 2017, the net value (fair value) of the share was € 52,74 (€ 49,68 as at 31 December 2016). As the share price of Vastned Retail Belgium was € 44,99 on 30 September 2017, the share was quoted on 30 September 2017 at a discount of 15% compared to the net value (fair value).

The debt ratio of the company amounted to 28% as at 30 September 2017 and has thus increased by 1% in the first nine months of 2017 (27% as at 31 December 2016).

During the third quarter of 2017, Vastned Retail Belgium has carried out a refinancing of its complete loan portfolio. The result of this refinancing is an extension of the term of the credit lines, a good spread of maturity dates (between 2022 and 2024) and a drop in average interest rates.

As at 30 September 2017, 92% of the credit lines were long-term financing, with an average remaining term of 5,6 years. 8% of the credit lines are short-term financing, 100% of which consists of financing with an unlimited duration.

As at 30 September 2017, 64% of the withdrawn credit facilities have a fixed interest rate, or the rate was fixed by means of interest rate swaps. The interest rates on the credit facilities of the company are fixed for a remaining duration of 5,8 years. As at 30 September 2017 Vastned Retail Belgium has € 22,1 million of available non-withdrawn credit lines at its financial institutions to cover the fluctuations of cash needs and for financing future investments.

3. Outlook for 2017

Vastned Retail Belgium intends to pursue its strategy further in 2017 by focusing explicitly on premium quality locations and properties. The company will continue to work towards a clear predominance of core city assets, i.e. the very best retail properties in the most popular shopping streets in the major cities Antwerp, Brussels, Ghent and Bruges, since it wants to invest 75% in this type of real estate in the long term.

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

Except for unexpected changes, such as large-scale bankruptcies of tenants or unforeseen increases in interest rates, Vastned Retail Belgium estimates that it will be able to offer its shareholders a gross dividend per share between € 2,42 and € 2,47 for the financial year 2017 (compared to € 2,45 for the financial year 2016). This represents a gross dividend yield of approximately 5,4%, based on the closing share price as at 30 September 2017 (€ 44,99).

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

For more information, please contact:

VASTNED RETAIL BELGIUM NV, a public regulated real estate company under Belgian law,
Taco de Groot, Rudi Taelmans or Reinier Walta, tel. + 32 3 361 05 90, www.vastned.be

Disclaimer

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

Financial statements

Consolidated income statement (9 months)

IN THOUSANDS €	30.09.2017	30.09.2016
Rental income	14.223	13.789
Rental-related expenses	-100	-66
NET RENTAL INCOME	14.123	13.723
Other rental-related income and expenses	45	38
PROPERTY RESULT	14.168	13.761
Technical costs	-316	-314
Commercial costs	-225	-137
Charges and taxes on unlet properties	-22	-60
Property management costs	-773	-768
Other property charges	-18	-8
PROPERTY CHARGES	-1.356	-1.287
OPERATING PROPERTY RESULT	12.812	12.474
General expenses	-792	-891
Other operating income and expenses	18	33
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	12.038	11.616
Result on disposal of investment properties	-21	8
Changes in fair value of investment properties	17.852	5.353
Other result on portfolio	-312	32
OPERATING RESULT	29.558	17.009
Financial income	6	6
Net interest charges	-2.744	-2.211
Other financial charges	-3	-3
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	1.408	197
FINANCIAL RESULT	-1.334	-2.011
RESULT BEFORE TAXES	28.224	14.998
TAXES	-235	-33
NET RESULT	27.989	14.965
Note:		
EPRA result	9.059	9.408
Result on portfolio	17.520	5.394
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	1.410	163
Attributable to:		
Shareholders of the parent company	27.989	14.965
Non-controlling interests	0	0

Result per share

RESULT PER SHARE	30.09.2017	30.09.2016
Number of share entitled to dividend	5.078.525	5.078.525
Net result (€)	5,51	2,95
Diluted net result (€)	5,51	2,95
EPRA result (€)	1,78	1,85

Consolidated statement of comprehensive income (9 months)

IN THOUSANDS €	30.09.2017	30.09.2016
NET RESULT	27.989	14.965
Other components of comprehensive income (recyclable through income statement)		
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	27.989	14.965
Attributable to:		
Shareholders of the parent company	27.989	14.965
Non-controlling interests	0	0

Consolidated balance sheet

ASSETS IN THOUSANDS €	30.09.2017	31.12.2016
Non-current assets	375.520	351.329
Intangible assets	8	1
Investment properties	374.923	350.719
Other tangible assets	586	606
Trade receivables and other non-current assets	3	3
Current assets	2.026	1.583
Trade receivables	447	381
Tax receivables and other current assets	151	110
Cash and cash equivalents	360	320
Deferred charges and accrued income	1.068	772
TOTAL ASSETS	377.546	352.912
SHAREHOLDERS' EQUITY AND LIABILITIES IN THOUSANDS €	30.09.2017	31.12.2016
Shareholders' equity	267.828	252.281
Shareholders' equity attributable to the shareholders of the parent company	267.828	252.281
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	138.442	130.352
Net result of the financial year	27.989	20.533
Non-controlling interests	0	0
Liabilities	109.718	100.631
Non-current liabilities	94.350	63.304
Non-current financial debts	92.125	60.000
<i>Credit institutions</i>	92.125	60.000
Other non-current financial liabilities	1.949	3.154
Other non-current liabilities	147	109
Deferred tax - liabilities	130	41
Current liabilities	15.368	37.327
Provisions	269	269
Current financial debts	10.747	32.900
<i>Credit institutions</i>	10.747	32.900
Other current financial liabilities	0	106
Trade debts and other current debts	2.997	2.725
Other current liabilities	617	628
Deferred income and accrued charges	738	699
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	377.546	352.912



VASTNED RETAIL BELGIUM

Generaal Lemanstraat 74
2600 Berchem - Antwerp

T +32 3 361 05 90
info@vastned.be

WWW.VASTNED.BE