

# 2015



HALF-YEARLY  
FINANCIAL  
REPORT

**vastned**   
Retail Belgium

## Half-yearly financial report from the Board of Directors for the period 01.01.2015 to 30.06.2015

- Strategic focus on premium city high street shops continues to be primary theme in activities.
- Acquisition of a premium city high street shop on Schuttershofstraat in Antwerp for an investment amount of € 4 million.
- Start of prominent redevelopment and thorough restoration of a premium city high street shop of 3.000 m<sup>2</sup> on Zonnestraat in Ghent.
- Divestment of three non-strategic retail properties in Bruges, Dilsen and Vilvoorde.
- As at 30 June 2015, 51% of the real estate portfolio consists of premium city high street shops, 18% of high street shops and 31% of non-high street shops (retail parks and retail warehouses).
- Realisation of 14 rental transactions representing approximately 10% of the total annual rental income, resulting in an average increase in rent of 26%.
- Occupancy rate as at 30 June 2015: 96% (98% as at 31 December 2014).
- Increase by € 4 million or approximately 1%<sup>1</sup> in the fair value of the existing real estate portfolio in the first semester of 2015, mainly as a result of the stronger yields of the premium city high street shops in the larger cities.
- Refinancing for the 2015 financial year fully completed, which resulted in a better spread of the expiry dates.
- Decrease in the operating distributable result to € 1,21 per share in the first semester of 2015 (€ 1,34 for first semester of 2014), primarily due to lower rental income as a result of the divestment of approximately 12% of the real estate portfolio in 2014.
- Limited debt ratio of 33% as at 30 June 2015.
- Expected gross dividend for 2015 between € 2,35 and € 2,45 per share.

1 With unchanged composition of the real estate portfolio compared with 31 December 2014.

## Table of Contents

<b>1.</b>	<b>Interim management report for the first semester of 2015</b>	<b>4</b>
1.1	Operating result	4
1.2	Rental activities	5
1.3	Investments, redevelopments and divestments	7
1.4	Composition and evolution of the real estate portfolio as at 30 June 2015	8
1.5	Market situation of Belgian retail real estate in 2015	10
1.6	Analysis of the results	12
1.7	Financial structure as at 30 June 2015	14
1.8	Risks for the remaining months of 2015	15
1.9	Outlook for 2015	16
<b>2.</b>	<b>Condensed consolidated half-yearly figures</b>	<b>17</b>
2.1	Condensed consolidated income statement	17
2.2	Condensed consolidated statement of comprehensive income	18
2.3	Condensed consolidated balance sheet	19
2.4	Condensed consolidated cash flow statement	20
2.5	Condensed statement of changes in consolidated equity	21
2.6	Note on the consolidated condensed half-yearly figures	22
2.7	Statutory auditor's report	27
2.8	Financial calendar	28
<b>3.</b>	<b>Statement for the half-yearly financial report</b>	<b>28</b>

## 1. Interim management report for the first semester of 2015

In the first semester of 2015 Vastned Retail Belgium remained true to its investment strategy of focusing on premium city high street shops. These are the prime retail properties located on the best shopping streets of the major cities of Antwerp, Brussels, Ghent and Bruges. The real estate portfolio also consists of high street shops, i.e. the inner-city shops outside the premium cities and the non-high street shops, which include retail parks and retail warehouses.

Within this context, a building was acquired on Schuttershofstraat in Antwerp and a prominent redevelopment and restoration is planned on Zonnestraat

in Ghent. The divestment of three non-strategic retail properties in Bruges, Dilsen and Vilvoorde is in keeping with the same principle. As at 30 June 2015, 51% of the real estate portfolio consisted of premium city high street shops.

The result of the strategic focus on premium city high street shops is that the buildings attract high-quality tenants and that the average rent increases when lease contracts are renewed. The success of the strategic focus is also apparent from the 98% occupancy rate in this segment and the increase in the fair value of the real estate portfolio.

### 1.1 Operating result

The structural rebalancing of the portfolio with a shift towards more quality buildings has a less favourable impact on rental income in the short term and, therefore, on the company's operating distributable result. However, it results in a higher quality portfolio in the long term.

The **operating distributable result** of Vastned Retail Belgium consequently decreased in the first half of 2015 and amounted to € 6,1 million, compared to € 6,8 million in the first half of 2014. This € 0,7 million decrease is mainly due to lower rental income (€ 1,0

million) as a result of the divestment of approximately 12% of the real estate portfolio in 2014, which was partly compensated for by the acquisition of a premium high street shop in Ghent in the third quarter of 2014 and by lower property charges (€ 0,3 million) and a decrease in financing costs (€ 0,2 million).

This amounts to an operating distributable result of € 1,21 per share, compared to € 1,34 in the first semester of the previous financial year.

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

## 1.2 Rental activities

In the first semester of 2015 Vastned Retail Belgium realised **14 rental transactions** representing approximately 10% of the total annual rental income, resulting in average rental growth of 26%. Rental activities clearly indicate that locations in the premium cities are in high

demand among prominent retailers in the upper segment. Premises in the heart of the major Belgian commercial cities continue to be an important element for strong retailers. They wish to maintain or expand their market share and interest at these locations.

### New leases

In the first semester of 2015, 6 rental transactions were concluded with **new tenants** for a total annual rental volume of € 0,8 million. The new rent for these lease agreements is on average 30% higher than the rent for the previous lease agreements. These 6 lease agreements represent roughly 4% of the company's total rental income.

The **premium cities** remain steadfast and prominent retailers are paying higher prices for the best locations in these cities. Vastned Retail Belgium is able to achieve a nice increase in rent on Schuttershofstraat in Antwerp with newcomer Manila Grace, an Italian high-end ladies' fashion brand. This lease agreement enters into force during the second semester of 2015, after the departure of the current tenant, Pain de Sucre.

**The redevelopment** and thorough restoration of a premium city high street shop on **Zonnestraat in Ghent** will allow Vastned Retail Belgium to realise a rent increase of over 50%. AS Adventure will become the new tenant of this building at the end of 2016.

In the **non-high street shops** segment, Décor Heytens moved out of 4 of its retail warehouse locations on 1 January 2015: Huy, Kurne, La Louvière and Montignies. In the meantime, the shops in Huy and La Louvière have been leased again with an average rent increase of 10%. These transactions indicate that retailers planning to expand believe in the quality and good locations of the Vastned Retail Belgium buildings.

Ghent, Zonnestraat after redevelopment





Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

## Lease extensions and renegotiations with existing tenants

Vastned Retail Belgium renewed 8 lease agreements in the first semester of 2015 for a total annual rental volume of approximately € 1,1 million. On average, the new rent for these lease agreements is 23% higher than the rent being charged in the current lease agreements. These 8 lease agreements represent roughly 6% of the company's total rental income.

The largest increase in rent was achieved in a **premium city high street shop** in Brussels, where the rent rose by approximately 57%. This renewal once again proves that it

pays to invest in the very best shopping streets of the most beautiful cities in Belgium.

The other 7 lease extensions were for **non-high street shops** (retail parks and retail warehouses). Increases in rent of over 20% were also achieved in primary locations (Tielt-Winge, Kampenhout and Jemappes). The rent level could be maintained in secondary locations, which may indicate that the market is stabilising after a period of downward price adjustments.

## Occupancy rate

The **occupancy rate**<sup>2</sup> of the real estate portfolio as at 30 June 2015 was 96%, compared to 98% as at 31 December 2014. The occupancy rate of the real estate portfolio excluding buildings undergoing renovation as at 30 June 2015 was 97%, compared to 98% on 31 December 2014. The decrease in the occupancy rate of the premium

city high street shops in the first semester of 2015 is the result of the acquisition of Schuttershofstraat 22 in Antwerp. Here, the creation of a large retail surface area has been started to attract a luxury retailer, with whom negotiations are currently ongoing.

OCCUPANCY RATE	30.06.2015	31.12.2014	30.06.2014
Premium city high street shops	98%	100%	99%
High street shops	92%	94%	90%
Non-high street shops (retail parks and retail warehouses)	96%	98%	97%
Occupancy rate of the real estate portfolio	96%	98%	96%
Occupancy rate of the real estate portfolio, excluding buildings undergoing renovation	97%	98 %	97%

Antwerp, Schuttershofstraat 22



<sup>2</sup> 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.

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

### 1.3 Investments, redevelopments and divestments

In the first semester of 2015 Vastned Retail Belgium acquired a premium city high street shop in the historic centre of Antwerp, located at **Schuttershofstraat 22**, for an amount of € 4 million. The combination of this building and the one at number 24, which is already part of the portfolio, makes for a surface area of 220 m<sup>2</sup> on the ground floor and 310 m<sup>2</sup> on the first floor. The company will use this to create a beautiful large retail surface area in a prime location on a luxury shopping street, whereby it can respond to the increasing demand for larger commercial spaces from luxury retailers.

Vastned Retail Belgium also announced its plans to carry out a prominent **redevelopment** and thorough restoration of a premium city high street shop on **Zonnestraat in Ghent** that was originally occupied by fabric shop Franchomme & Cie and built by architect Maurice Fétu in 1922. It is the company's express intention to give back to the retail property in this prime location its original character and appeal. The vacant space on the first floor will be opened up so that it once again offers a view of the beautiful art deco stained glass domes. The façade will also be given a thorough overhaul and restored to its original state as much as possible. Vastned Retail Belgium commissioned Karuur Architecten from Antwerp for this project. The planned redevelopment and restoration amounting to approximately € 2 million is entirely in keeping with the real estate company's strategy to invest in premium city high street shops. AS Adventure will become the new tenant of this building at the end of 2016.

Vastned Retail Belgium sold three **non-strategic retail properties located in Bruges, Dilsen and Vilvoorde** for a total amount of € 4,5 million in the first semester of 2015. The total retail surface area amounts to 6.275 m<sup>2</sup>. The net sales price is approximately 6% above the carrying amount on 31 December 2014, which was € 4,2 million (fair value as determined by the company's independent property expert). The buildings represent 1% of the total fair value of the real estate portfolio of the company.

Furthermore, Vastned Retail nv<sup>3</sup>, the Dutch majority shareholder of Vastned Retail Belgium, has also acquired a premium city high street shop located at **Korte Gasthuisstraat 17**, which is leased long-term at rates in line with market conditions to one of the new brands of H&M, namely "&- Other Stories". This premium city high street shop has a commercial space of nearly 1.100 m<sup>2</sup> over two floors (700 m<sup>2</sup> on the ground floor and 400 m<sup>2</sup> on the first floor). Korte Gasthuisstraat is one of Antwerp's popular shopping streets with retailers such as Superdry, COS, Scotch & Soda and SuperTrash. Korte Gasthuisstraat 17 is in the middle of this well-known shopping street. Besides Korte Gasthuisstraat 17, Vastned Retail Belgium owns Korte Gasthuisstraat 27, leased to Belgian high-end fashion retailer Terre Bleue.

Antwerp, Korte Gasthuisstraat 17



3 Korte Gasthuisstraat 17 was acquired by Vastned Retail nv instead of Vastned Retail Belgium to prevent the share of H&M in the portfolio from exceeding 20% of rental income, which is not allowed pursuant to article 30 § 1 of the Act of 12 May 2014 on regulated real estate companies.

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

### 1.4 Composition and evolution of the real estate portfolio as at 30 June 2015

As at 30 June 2015, 51% of the real estate portfolio of Vastned Retail Belgium consisted of premium city high street shops, i.e. prime retail properties located on the best shopping streets of the major cities of Antwerp, Brussels, Ghent and Bruges (49% as at 31 December 2014). Some 18% of the portfolio consists of high street shops (19% as at 31 December 2014), i.e. inner-city shops outside the premium cities, while the other retail real estate, i.e. retail parks and retail warehouses, makes up 31% of the real estate portfolio (32% as at 31 December 2014).

As at 30 June 2015, the **fair value of the investment properties** amounted to € 361 million (€ 357 million as at 31 December 2014). The € 4 million increase in the first semester of 2015 stems mainly, on the one hand, from the acquisition of a premium city high street shop at Schuttershofstraat 22 in Antwerp for € 4 million and the € 4 million increase in the fair value of the existing real estate portfolio, and is on the other hand compensated by the sale of three non-strategic retail properties with a total fair value of € 4 million.

REAL ESTATE PORTFOLIO	30.06.2015	31.12.2014	30.06.2014
Fair value of investment properties (€ 000)	361.074	356.536	358.710
Investment value of investment properties (€ 000)	370.101	365.450	367.678
Total leasable space (m <sup>2</sup> )	109.218	111.594	143.805



Antwerp, Korte Gasthuisstraat 17

The **fair value of the investment properties** of Vastned Retail Belgium increased by € 4 million or by 1% in the first semester of 2015 (based on an unchanged composition of the real estate portfolio compared to 31 December 2014). The fair value of the premium city high street shops rose by approximately 3%, whereas that of the high street shops and non-high street shops dropped by approximately 1%.

Market rents and yields<sup>4</sup> improved during the first semester of 2015, primarily for premium city high street shops. The average yield in the real estate company's portfolio dropped slightly by 10 base points.

As at 30 June 2015, the average yield in the Vastned Retail Belgium portfolio was 4,6% for premium city high street shops (4,8% as at 31 December 2014), 6,1% for high street shops (6,1% as at 31 December 2014) and 5,6% for non-high street shops (5,7% as at 31 December 2014).

<sup>4</sup> Yield is calculated as the ratio between current rents (increased by the estimated rental value of unoccupied rental premises) and the investment value of investment properties.



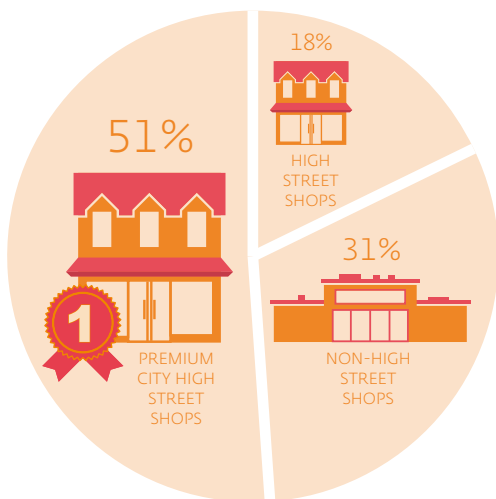
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Half-yearly financial report from the Board of Directors for the period 01.01.2015 to 30.06.2015

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

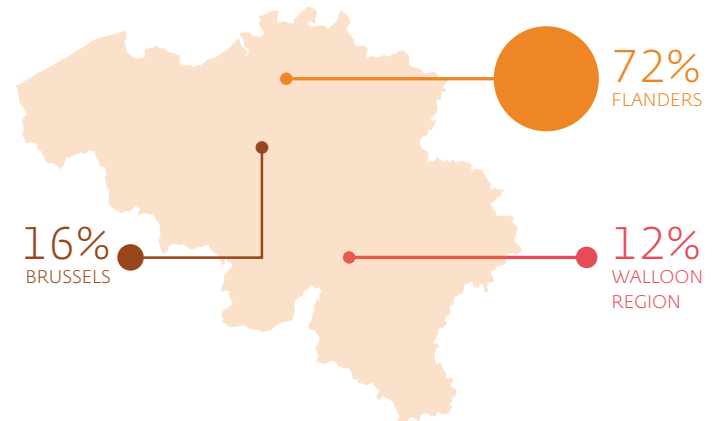
As at 30 June 2015 this risk spread was as follows:

### Type of retail property

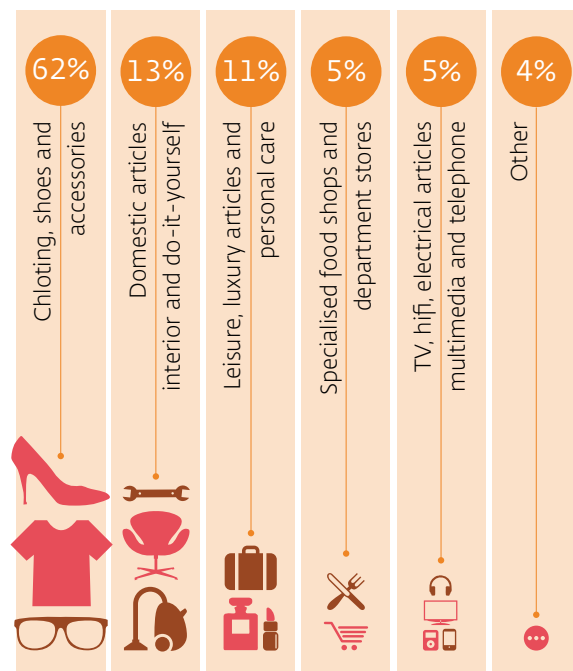


Vastned Retail Belgium wishes in the long term to have 75% of its investments in high street shops in Belgium, with the share of prime retail properties in the most popular high streets in the major cities amounting to over 50% of the overall real estate portfolio. Vastned Retail Belgium believes that these top locations guarantee the most authentic and unique experience and also provide the most certainty as an investment object on the long run.

### Geographic spread



### Sector of tenants



Valuation of the portfolio by independent property experts as at 30 June 2015:

PROPERTY EXPERT	Fair value of investment properties (€ 000)
Cushman & Wakefield	159.491
CB Richard Ellis	201.583
<b>Total</b>	<b>361.074</b>

## 1.5 Market situation of Belgian retail real estate in 2015<sup>5</sup>

### Living, working and shopping

Experience is key, both in city centres and in shopping centres. Shopping is not independent of other social functions: living, working and leisure. Complementary functions are especially relevant in city centres.

Daily life without digital tools has become inconceivable and mobility is playing an increasingly important role in living, working and shopping. Belgium has recently entered the top 10 of growing e-commerce countries. This recent e-commerce evolution in Belgium affects consumers' shopping behaviour and also has an immediate impact on the retail property landscape.

Consumers have different shopping needs. They can find convenience online, shop quickly and efficiently at a retail park with ample parking space and experience a little additional culture and tourism in the city centre.

However, the impact of e-commerce must not be exaggerated. In fact, e-commerce can even play a reinforcing role in premium city high street shops. After all, retailers are increasingly investing in flagship stores at prime locations and combining this with online services.

An ever-increasing number of established retail chains are moving towards the periphery. There they can rent larger surface areas at lower prices, which enables them to improve the experience and the atmosphere created by their shop fittings. This translates into increased spending per customer, since customers spend more time in the shop.

Online operations continue to increase the importance of prime locations, along with that of city centres and the periphery. This leads to retailers falling back on the better parts of the best trading centres. However, the situation is becoming more difficult for smaller cities, where vacancy rates are higher and rents are being adjusted.

### Rental market

The focus on prime locations translates into attractive rents and limited vacancy rates. The market is experiencing upward pressure on rents for premium city high street shops and a downward pressure on rents in secondary locations.

In general, take-up volume is increasing compared to 2014. Take-up is greatest in Flanders, followed by Wallonia and then by Brussels. Retail warehousing was the largest segment in Flanders and Wallonia, whereas the high streets are attracting the greatest volume in Brussels.

Transaction volumes are large mainly for the high streets and retail warehousing, whereas shopping centres are seeing a decrease. Transactions for premium city high street shops confirm retailers' great demand for prime locations, while demand for secondary and tertiary

locations is decreasing. Almost  $\frac{3}{4}$  of the transaction volume was recorded in the so-called big six (Brussels, Antwerp, Ghent, Liège, Bruges and Hasselt). Among these, Antwerp and Brussels take the lead.

Although the number of rental transactions is on the increase, this is still lower than the 5-year average. The average value of rental transactions also remained under the 5-year average. The largest transactions were for retail parks.

Yields remained unchanged for premium shopping centres, albeit with slight downward pressure, even for premium units. Retail park yields remained stable but may see a downward trend in the coming semester.

5 Sources The Belgian Retail Market, Pulse Spring 2015, JLL Marketbeat, Retail Snapshot, Q1 2015, Cushman & Wakefield Retail Update newsletter, various editions January-June 2015 Trends, dossier on investing in real estate, 11/06/2015.

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

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## Investment market

Retail real estate is still a Belgian affair and Belgians accounted for approximately two-thirds of the investment volume in retail real estate in the first 5 months of 2015. The sales process is taking longer than before. Investors primarily focus on prime products and prime locations with a very limited vacancy risk.

There is good demand from local and foreign investors on the investment market, albeit for smaller high street shops. Several shopping centres and portfolio deals are expected to be concluded in the remaining months of 2015, which will increase market activity.

High investor activity is leading to solid prices and yields are under pressure.

Antwerp, Schuttershofstraat 22 continuing to Kelderstraat



## 1.6 Analysis of the results<sup>6</sup>

**Rental income** of Vastned Retail Belgium amounted to € 9,9 million in the first semester of 2015 (€ 10,9 million). The € 1,0 million decrease is mainly attributable to the divestment in 2014 of 19 non-strategic retail properties (i.e. retail warehouses and high street shops at secondary locations), which account for approximately 12% of the real estate portfolio, on the one hand, compensated by the acquisition of a premium city high street shop in the centre of Ghent in July 2014, the indexation of existing lease agreements, and lease renewals carried out, on the other hand.

**Property charges** amount to € 1,0 million for the first semester of 2015 (€ 1,3 million) and decreased in terms of maintenance costs, commercial costs, vacancy costs and costs for the owner as a result of the divestment of 19 non-strategic shops in 2014.

**General costs** remained at the same level as the first semester of the previous financial year.

The **result on disposals of investment properties** amounted to € 0,2 million (€ 0,2 million) and comprises the capital gain realised on the sale of three retail properties in Bruges, Dilsen and Vilvoorde with a total fair value of € 4,2 million (as at 31 December 2014).

The fair value of the real estate portfolio increased in the first semester of 2015. The **changes in the fair value of investment properties** amounted to € 4,3 million (€ 0,7 million).

The **financial result (excl. changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39))** amounted to - € 1,9 million for the first half of 2015 (- € 2,1 million), which constitutes a € 0,2 million decrease compared to the first half of 2014, primarily due to the combination of:

- the decreased use of credit as a result of the divestment of 19 non-strategic retail properties in 2014
- the investment in premium city high street shops in Ghent and Antwerp
- the early termination fee to convert a fixed-rate loan to a variable-rate loan (€ 0,3 million) in the first semester of 2015, which will result in lower interest costs in the future.

The average interest rate for financing amounts to 3,5%, including bank margins for the first semester of 2015 (3,5%). The average interest rate excluding the early termination fee for the refinancing was 3,0% in the first semester 2015.

**Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** in the first semester of 2015 include the increase of the negative market value of interest rate swaps that, in line with IAS 39, cannot be classified as cash flow hedging instruments, for an amount of € 0,4 million (- € 1,0 million).

The **net result** of Vastned Retail Belgium amounts to € 10,9 million (€ 6,7 million) for the first semester of 2015 and can be split up into:

- the **operating distributable result** of € 6,1 million (€ 6,8 million) or a decrease of € 0,7 million or approximately 10%, primarily due to the divestment of 19 non-strategic retail properties at the end of 2014, resulting in a drop in rental income, partly compensated by lower property charges and financing costs
- the **result on portfolio** of € 4,4 million (€ 0,8 million)
- **changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements** for an amount of € 0,4 million (- € 1,0 million).

This represents an operating distributable result of € 1,21 (€ 1,34) **per share** or a decrease of 10% for the first half of 2015.

6 The figures between brackets are the comparable figures as at 30 June 2014.

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

KEY FIGURES PER SHARE	30.06.2015	31.12.2014	30.06.2014
Number of shares entitled to dividend	5.078.525	5.078.525	5.078.525
Net result (6 months/1 year/6 months) (€)	2,15	4,03	1,31
Operating distributable result (6 months/1 year/6 months) (€)	1,21	2,72	1,34
Net value (fair value) (€)	47,28	47,81	45,06
Net value (investment value) (€)	49,03	49,59	46,84
Share price on closing date (€)	54,99	57,97	54,11
Premium with regard to fair net value (%)	16%	21%	20%

As at 30 June 2015, the **net value (fair value)** of the share was € 47,28 (€ 47,81 as at 31 December 2014). Given that the share price as at 30 June 2015 was € 54,99, the share of Vastned Retail Belgium (VASTB) is quoted with a premium of 16% compared to this net value (fair value).

The **debt ratio** of the RREC amounted to 33% as at 30 June 2015 (31% as at 31 December 2014). The increase comes from the dividend payment for financial year 2014 in May 2015 for an amount of € 13,8 million.

EPRA - KEY FIGURES <sup>7</sup>	30.06.2015	31.12.2014	30.06.2014
EPRA Earnings per share (€)	1,21	2,72	1,35
EPRA NAV per share (€)	48,06	48,71	45,94
EPRA NNNAV per share (€)	47,28	47,74	44,98
EPRA Net Initial Yield (NIY) (%)	4,7%	4,9%	5,2%
EPRA Topped-up NIY (%)	4,9%	5,1%	5,4%
EPRA Vacancy rate <sup>8</sup> (%)	3,3%	1,5%	3,4%
EPRA Cost Ratio (including direct vacancy costs)	16,7%	17,3%	17,9%
EPRA Cost Ratio (excluding direct vacancy costs)	16,0%	16,3%	16,9%

7 The auditor has verified if the "EPRA Earnings", "EPRA NAV" and "EPRA NNNAV" ratios were calculated according to the EPRA BPR definitions of December 2014, and if the financial data used for the calculation of these ratios correspond to the accounting data of the consolidated financial statement.

8 Taking into account real estate properties under renovation.



Half-yearly financial report from the Board of Directors for the period 01.01.2015 to 30.06.2015

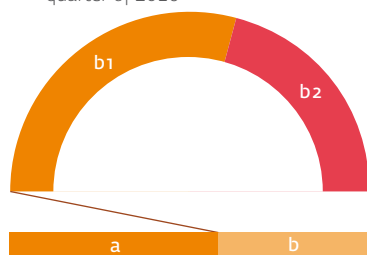
## 1.7 Financial structure as at 30 June 2015

Vastned Retail Belgium had fully completed its refinancing for the 2015 financial year as at 30 June 2015, which resulted in a better spread of the expiry dates. The company has a conservative financial structure allowing it to continue to carry out its activities in 2015. The most important characteristics of the financial structure as at 30 June 2015 are:

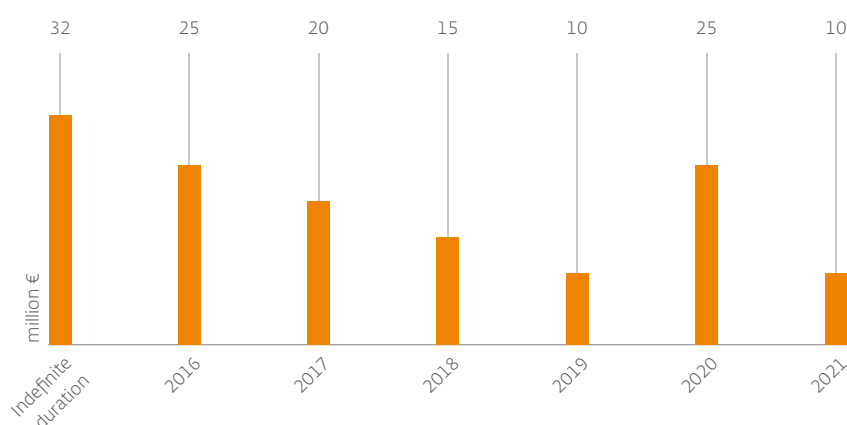
- Amount of withdrawn financial debts: € 112 million (excluding the market value of financial derivatives).
- 58% of credit lines are long-term financing with an average remaining duration of 3,7 years. 42% of the credit lines are short-term financing of which 24% are credit facilities with an unlimited duration (€ 32 million) and 18% a credit facility expiring in the first half of 2016 (€ 25 million). As a consequence, Vastned Retail Belgium does not need to carry out any more refinancing of its credit facilities in financial year 2015.
- Well-spread expiry dates of credit facilities between 2016 and 2021
- Spread of credit facilities over 5 European financial institutions.
- € 25 million of available non-withdrawn credit lines to cover the fluctuations of liquidity needs and for financing future investments.
- 66% of the credit facilities have a fixed rate or are fixed by means of interest rate swaps, 34% have a variable rate. As at 30 June 2015, 80% of the utilised credit lines had a fixed rate, 20% had a variable rate.
- Fixed interest rates are fixed for a remaining period of 3,8 years in average
- Average interest rate for the first semester of 2015: 3,5% including bank margins (3,5% for the first semester 2014). The average interest rate excluding the early termination fee for the refinancing was 3,0% in the first semester 2015.
- Value of financial derivatives: € 4,0 million negative.
- Limited debt ratio of 33% (31% as at 31 December 2014) (legal maximum: 65%).
- In the first semester of 2015 there were no changes made to the existing covenants contracted, and the RREC fulfilled these covenants as at 30 June 2015.

### Balance between long-term and short-term financings

a	Long-term credit facilities	58%
b	Short-term credit facilities	42%
b1	Credit facilities with indefinite duration	24%
b2	Credit facility expiring in the first quarter of 2016	18%



### Expiry calendar credit lines



## 1.8 Risks for the remaining months of 2015

Vastned Retail Belgium estimates the main risk factors and uncertainties for the remaining months of the 2015 financial year as follows.

- **Rental risks**

Given the nature of the buildings which are mainly let to national and international retailers, the real estate portfolio is to a certain degree sensitive to the economic situation. However in the short term no direct risks are recognised that can fundamentally influence the results of financial year 2015. Furthermore, there are clear and efficient internal control procedures within the company to limit this risk of default.

- **Evolution of the value of the portfolio**

To a certain degree, the value of the investment properties of Vastned Retail Belgium is sensitive to the economic situation. There is an increased risk of vacancy outside the absolute prime locations in the current economic situation. This increased risk could lead to a decrease in the value of the real estate portfolio in the second half of 2015.

- **Evolution of interest rates**

Due to financing with borrowed capital, the yield of the company depends on changes in interest rates. To limit this risk, an appropriate ratio between borrowed capital with a variable interest rate and borrowed capital with a fixed interest rate is pursued when composing the credit facilities portfolio. As at 30 June 2015, 80% of the utilised credit facilities portfolio had a fixed interest rate, or the rate was fixed by means of interest rate swaps. 20% of the credit facilities portfolio has a variable interest rate which is subject to (un)foreseen rises of the currently low interest rates.

## 1.9 Outlook for 2015

A constant demand is expected on the premium markets, both for leases and investments, for the rest of 2015. The lack of premium investment properties is expected to result in downward pressure on premium high street and shopping centre yields.

Prime rents are expected to generally remain stable, with a few marginal drops in rents on some high streets.

The pipeline of development projects was improved on the supply side, but restrictive legislation continues to have an adverse impact. Demand remains stable among both tenants and investors.

Vastned Retail Belgium intends to pursue its strategy further in 2015 by focusing explicitly on premium quality retail locations and properties. Vastned Retail Belgium intensified its **investment strategy** at the start of 2015 and intends, in due course, to achieve a 75% investment ratio in high street shops in Belgium. In this context, the share of premium city high street shops, i.e. the prime retail properties on the most popular high streets in the major cities of Antwerp, Brussels, Ghent and Bruges, must amount to over 50% of the overall real estate portfolio.

**Divestments** will, for the most part, be made in an opportunistic way, and are only being considered for non-strategic high-street shops in smaller cities and non-strategic retail warehouses or retail parks. Absolute premium retail warehouse projects, such as the Gouden Kruispunt in Tielt-Winge, will remain in the portfolio. By means of active asset management, Vastned Retail Belgium is seeking to better exploit the commercial potential of its best retail warehouse projects through an optimisation of the tenant mix.

During the past 3 years, the quality of the real estate portfolio has been increased by divesting non-high street shops (i.e. retail warehouse properties and high street shops at secondary locations), which results in a lower risk profile. The short-term consequence of this is that the 2015 **operating distributable result** is expected to be significantly lower than in 2014.

Based on the half-yearly results and the forecasts as at 30 June 2015, Vastned Retail Belgium estimates to be able to propose its shareholders a **gross dividend** per share between € 2,35 and € 2,45 for the 2015 financial year (compared to € 2,72 for the 2014 financial year). This represents a gross dividend yield between 4,3% and 4,5% based on the closing share price as at 30 June 2015 (€ 54,99).

## 2. Condensed consolidated half-yearly figures

### 2.1 Condensed consolidated income statement

in thousands €	30.06.2015	30.06.2014
Rental income	9.856	10.901
Rental-related expenses	-67	-77
<b>NET RENTAL INCOME</b>	<b>9.789</b>	<b>10.824</b>
Recovery of rental charges and taxes normally payable by tenants on let properties	1.428	1.483 <sup>9</sup>
Rental charges and taxes normally payable by tenants on let properties	-1.428	-1.483 <sup>9</sup>
Other rental-related income and expenses	20	20
<b>PROPERTY RESULT</b>	<b>9.809</b>	<b>10.844</b>
Technical costs	-264	-319
Commercial costs	-85	-197
Charges and taxes on unlet properties	-73	-112
Property management costs	-632	-629
Other property charges	14	-89
<b>Property charges</b>	<b>-1.040</b>	<b>-1.346</b>
<b>OPERATING PROPERTY RESULT</b>	<b>8.769</b>	<b>9.498</b>
General costs	-585	-557
Other operating income and costs	62	34
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>8.246</b>	<b>8.975</b>
Result on disposals of investment properties	150	179
Changes in fair value of investment properties	4.324	695
Other result on portfolio	-108	-101
<b>OPERATING RESULT</b>	<b>12.612</b>	<b>9.748</b>
Financial income	3	0
Net interest charges	-1.928	-2.098
Other financial charges	-5	-6
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	369	-978
<b>Financial result</b>	<b>-1.561</b>	<b>-3.082</b>
<b>RESULT BEFORE TAXES</b>	<b>11.051</b>	<b>6.666</b>
<b>Taxes</b>	<b>-145</b>	<b>-15</b>
<b>NET RESULT</b>	<b>10.906</b>	<b>6.651</b>

9 The comparable figures have been adjusted to IFRIC 21, which applies to the annual accounts of 2015 (see "Principles for preparation of half-yearly figures" in note 2.6 of this half-yearly financial report).

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

in thousands €	30.06.2015	30.06.2014
<b>Note:</b>		
Operating distributable result	6.144	6.818
Result on portfolio	4.366	773
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	396	-940
<b>Attributable to:</b>		
Shareholders of the parent company	10.903	6.651
Minority interests	3	0

RESULT PER SHARE	30.06.2015	30.06.2014
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	2,15	1,31
Diluted net result (€)	2,15	1,31
Operating distributable result (€)	1,21	1,34

## 2.2 Condensed consolidated statement of comprehensive income

in thousands €	30.06.2015	30.06.2014
<b>NET RESULT</b>	<b>10.906</b>	<b>6.651</b>
<b>Other components of comprehensive income (recyclable through income statement)</b>		
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	207	156
<b>COMPREHENSIVE INCOME</b>	<b>11.113</b>	<b>6.807</b>
<b>Attributable to:</b>		
Shareholders of the parent company	11.110	6.807
Minority interests	3	0



Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

### 2.3 Condensed consolidated balance sheet

ASSETS in thousands €	30.06.2015	31.12.2014
<b>NON-CURRENT ASSETS</b>	<b>361.584</b>	<b>357.023</b>
Intangible fixed assets	2	3
Investment properties	361.074	356.536
Other tangible assets	501	477
Trade receivables and other non-current assets	7	7
<b>CURRENT ASSETS</b>	<b>4.193</b>	<b>5.391</b>
Assets held for sale	390	4.156
Trade receivables	272	163
Tax receivables and other current assets	707	213
Cash and cash equivalents	319	339
Deferred charges and accrued income	2.505	520
<b>TOTAL ASSETS</b>	<b>365.777</b>	<b>362.414</b>

EQUITY AND LIABILITIES in thousands €	30.06.2015	31.12.2014
<b>SHAREHOLDERS' EQUITY</b>	<b>240.266</b>	<b>242.967</b>
<b>Shareholders' equity attributable to shareholders of the parent company</b>	<b>240.096</b>	<b>242.800</b>
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	127.797	120.910
Net result of the financial year	10.903	20.494
<b>Minority interests</b>	<b>170</b>	<b>167</b>
<b>LIABILITIES</b>	<b>125.511</b>	<b>119.447</b>
<b>Non-current liabilities</b>	<b>84.129</b>	<b>91.632</b>
Non-current financial debts	80.004	86.906
<i>Credit institutions</i>	80.000	86.900
<i>Financial leases</i>	4	6
Other non-current financial liabilities	3.977	4.552
Other non-current liabilities	130	174
Deferred tax - liabilities	18	0
<b>Current liabilities</b>	<b>41.382</b>	<b>27.815</b>
Provisions	109	205
Current financial debts	32.105	19.256
<i>Credit institutions</i>	32.100	2.250
<i>Financial leases</i>	5	6
<i>Other current financial debts</i>	0	17.000
Trade debts and other current debts	6.284	7.209
Other current liabilities	591	136
Deferred charges and accrued income	2.293	1.009
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>365.777</b>	<b>362.414</b>

## 2.4 Condensed consolidated cash flow statement

in thousands €	30.06.2015	30.06.2014
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>339</b>	<b>1.860</b>
<b>1. Cash flow from operating activities</b>	<b>4.893</b>	<b>6.625</b>
Operating result	12.612	9.748
Interest paid	-1.585	-2.027
<b>Other non-operating elements</b>	<b>-148</b>	<b>-1.043</b>
<b>Adjustment of result for non-cash flow transactions</b>	<b>-4.777</b>	<b>152</b>
• Depreciations on intangible and other tangible fixed assets	32	37
• Result on disposals of investment properties	-150	-179
• Spread of rental discounts and benefits granted to tenants	-74	-91
• Changes in fair value of investment properties	-4.324	-695
• Other result on portfolio	108	101
• Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-369	979
• Other non-cash flow transactions	0	0
<b>Changes in working capital</b>	<b>-1.209</b>	<b>-205</b>
• Movement of assets	-801	-227
• Movement of liabilities	-408	22
<b>2. Cash flow from investment activities</b>	<b>2.997</b>	<b>3.842</b>
Acquisitions of intangible and other tangible assets	-55	0
Acquisitions of investment properties	-4.339	0
Investments in existing investment properties	-90	-46
Proceeds of disposals of investment properties	8.227	3.897
Prepaid investment invoices	-746	-9
<b>3. Cash flow from financing activities</b>	<b>-7.910</b>	<b>-10.737</b>
Repayment of loans	-20.650	0
Drawdown of loans	26.600	2.700
Repayment of financial lease liabilities	-2	-3
Receipts from non-current liabilities as guarantee	-44	24
Dividend paid	-13.814	-13.458
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER</b>	<b>319</b>	<b>1.590</b>

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

**2.5 Condensed statement of changes in consolidated equity**

in thousands €	Share capital	Share premium	Reserves	Net result of the financial year	Minority interests	Total shareholders' equity
<b>Balance sheet as at 31 December 2013</b>	<b>97.213</b>	<b>4.183</b>	<b>121.877</b>	<b>12.194</b>	<b>0</b>	<b>235.467</b>
Comprehensive income of first semester 2014			156	6.651		6.807
Transfers through result allocation 2013:						
Transfer from result on portfolio to reserves			-2.911	2.911		0
Transfer of changes in fair value of financial assets and liabilities			1.586	-1.586		0
Other changes			61	-61		0
Dividends financial year 2013				-13.458		-13.458
<b>Balance sheet as at 30 June 2014</b>	<b>97.213</b>	<b>4.183</b>	<b>120.769</b>	<b>6.651</b>	<b>0</b>	<b>228.816</b>
<b>Balance sheet as at 31 December 2014</b>	<b>97.213</b>	<b>4.183</b>	<b>120.910</b>	<b>20.494</b>	<b>167</b>	<b>242.967</b>
Comprehensive income of first semester 2015			207	10.903	3	11.113
Transfers through result allocation 2014:						
Transfer from result on portfolio to reserves			7.935	-7.935		0
Transfer of changes in fair value of financial assets and liabilities			-1.240	1.240		0
Other changes			-15	15		0
Dividends financial year 2014				-13.814		-13.814
<b>Balance sheet as at 30 June 2015</b>	<b>97.213</b>	<b>4.183</b>	<b>127.797</b>	<b>10.903</b>	<b>170</b>	<b>240.266</b>

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

## 2.6 Note to the consolidated condensed half-yearly figures

### Condensed consolidated income statement by segment<sup>10</sup>

BUSINESS SEGMENT in thousands €	Premium city high street shops		High street shops		Non-high street shops		Corporate		TOTAL	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Rental income	4.157	3.624	1.865	2.218	3.834	5.059			9.856	10.901
Rental-related expenses	0	-13	-4	-9	-63	-55			-67	-77
Property management costs and income	0	0	-1	0	21	20			20	20
<b>PROPERTY RESULT</b>	<b>4.157</b>	<b>3.611</b>	<b>1.860</b>	<b>2.209</b>	<b>3.792</b>	<b>5.024</b>			<b>9.809</b>	<b>10.844</b>
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>3.767</b>	<b>3.069</b>	<b>1.521</b>	<b>1.790</b>	<b>3.407</b>	<b>4.578</b>	<b>-449</b>	<b>-462</b>	<b>8.246</b>	<b>8.975</b>
Result on disposals of investment properties	0	0	106	0	44	179			150	179
Changes in fair value of investment properties	5.443	1.468	-385	-1.180	-734	407			4.324	695
Other result on portfolio	-64	16	-1	-91	-43	-26			-108	-101
<b>OPERATING RESULT OF THE SEGMENT</b>	<b>9.146</b>	<b>4.553</b>	<b>1.241</b>	<b>519</b>	<b>2.674</b>	<b>5.138</b>	<b>-449</b>	<b>-462</b>	<b>12.612</b>	<b>9.748</b>
Financial result							-1.561	-3.082	-1.561	-3.082
Taxes							-145	-15	-145	-15
<b>NET RESULT</b>	<b>9.146</b>	<b>4.553</b>	<b>1.241</b>	<b>519</b>	<b>2.674</b>	<b>5.138</b>	<b>-2.155</b>	<b>-3.559</b>	<b>10.906</b>	<b>6.651</b>
<b>BUSINESS SEGMENT: KEY FIGURES</b> in thousands €			Premium city high street shops		High street shops		Non-high street shops		TOTAL	
Fair value of investment properties	185.606	141.027	63.096	77.541	112.372	140.142	361.074	358.710	361.074	358.710
Investment value of investment properties	190.247	144.553	64.673	79.480	115.181	143.645	370.101	367.678	370.101	367.678
Total leasable space (m <sup>2</sup> )	21.520	18.930	11.937	23.204	75.761	101.671	109.218	143.805	109.218	143.805
Occupancy rate (%)	98%	99%	92%	90%	96%	97%	96%	96%	96%	96%

<sup>10</sup> Pursuant to further detailed segmentation applied as from 2015.

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

### Principles for preparation of half-yearly figures

The consolidated condensed half-yearly figures are prepared on the basis of the principles of financial reporting in accordance with IAS 34 "Interim financial reporting". In these condensed half-yearly figures the same principles of financial information and calculation methods are used as those used for the consolidated annual accounts as at 31 December 2014.

### New or amended standards and interpretations effective for the financial year as from 1 January 2015

The following amended standards by the IASB and published standards and interpretations by the IFRIC became effective for the current period, but do not affect the disclosure, notes or financial results of the company: Annual Improvements to IFRSs (2010-2012) (1/2/2015); Annual Improvements to IFRSs (2011-2013) (1/1/2015); Amendments to IAS 19 *Employee Benefits - Employee Contributions* (1/2/2015);

IFRIC 21 - *Levies* (1/7/2014) indicates under which circumstances a levy imposed by government must be booked in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. This interpretation, which applies to the consolidated annual accounts of 2015, has no significant impact on the consolidated annual accounts of the Group but does affect the development of the profit during the financial year due to the change in the time at which the property tax for vacant

units is recognised as debt and cost over the course of the financial year. No other government levies apply to the company for which the application of this interpretation changes the time at and the extent to which liability is to be recognised.

### New disclosed standards and interpretations not yet effective in 2015

The following amendments which are applicable as of next year or later are not expected to have a material impact on the presentation, notes or financial results of the RREC: IFRS 9 *Financial Instruments* and subsequent amendments (1/1/2018); IFRS 14 *Regulatory Deferral Accounts* (1/1/2016); IFRS 15 *Revenue from Contracts with Customers* (1/1/2017); Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (1/1/2016); Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation* (1/1/2016); Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (1/1/2016); Annual Improvements to IFRSs (2012-2014) (1/1/2016); Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* (1/1/2016); Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (not yet endorsed in the EU); Amendments to IAS 1 *Presentation of Financial Statements - Disclosure Initiative* (1/1/2016); Amendments to IAS 27 *Separate Financial Statements - Equity Method* (1/1/2016).

### Evolution of investment properties

in thousands €	30.06.2015				30.06.2014			
	Premium city high street shops	High street shops	Non-high street shops	Total	Premium city high street shops	High street shops	Non-high street shops	Total
<b>Balance at 1 January</b>	175.744	66.287	114.505	<b>356.536</b>	139.559	78.696	143.423	<b>361.678</b>
Investments in existing investment properties	80	0	10	90	0	25	20	45
Acquisitions of investment properties	4.339	0	0	4.339	0	0	0	0
Disposals of investment properties	0	-2.806	-1.409	-4.215	0	0	-3.708	-3.708
Changes in fair value of investment properties	5.443	-385	-734	4.324	1.468	-1.180	407	695
<b>Balance as at 30 June</b>	185.606	63.096	112.372	<b>361.074</b>	141.027	77.541	140.142	<b>358.710</b>
OTHER INFORMATION								
Investment value of real estate properties	190.247	64.673	115.181	370.101	144.553	79.480	143.645	367.678



Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

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

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

IFRS 13 classifies investment properties as Level 3.

### Overview of future minimum rental income

The cash value of the future minimum rental income until the first expiry date of the lease contracts has as at 30 June 2015 the following collection terms:

in thousands €	30.06.2015	30.06.2014
Receivables with a remaining duration of:		
Less than one year	18.066	20.894
Between one and five years	13.206	24.368
More than five years	80	179
<b>Total of future minimum rental income</b>	<b>31.352</b>	<b>45.441</b>

### Non-current and current liabilities

An update of the financial structure as at 30 June 2015 is provided in paragraph 1.7. (supra) of the interim management report.

Vastned Retail Belgium further optimised the spread of the due dates of its credit lines in 2015. Two credit agreements were concluded in the first half of 2015.

- The refinancing of € 35 million in credit lines which should expire at the end of 2016 was finalised with one of its existing financiers. The new credit lines now expire in 2019 and 2021, as well as some of them being current, and were concluded in line with market conditions with the same financial institution.

- Furthermore, an existing credit agreement for an amount of € 25 million for a term of 5 years was also extended in the first semester of 2015, also in line with market conditions.

Consequently, the company has already fully completed its financing for the 2015 financial year.

The company purchased forward interest rate swaps for a notional amount of € 20 million with terms of 5 and 6 years in the first semester of 2015 (see overview of fair value of the financial derivatives as at 30 June 2015 below).

## Financial instruments

The major financial instruments of Vastned Retail Belgium consist of financial and commercial receivables and debts, cash and cash equivalents as well as financial instruments of the interest rate swap type (IRS).

Summary of the financial instruments in thousands €				30.06.2015		31.12.2014	
	Categories	Level	Carrying amount	Fair value	Carrying amount	Fair value	
<b>FINANCIAL INSTRUMENTS: ASSETS</b>							
<b>Non-current assets</b>							
Trade receivables and other non-current assets	A	2	7	7	7	7	
<b>Current assets</b>							
Trade receivables	A	2	272	272	163	163	
Tax receivables and other current assets	A	2	708	708	213	213	
Cash and cash equivalents	B	2	319	319	339	339	
<b>FINANCIAL INSTRUMENTS: LIABILITIES</b>							
<b>Non-current liabilities</b>							
Non-current financial debts (interest-bearing)	A	2	80.004	80.004	86.906	87.272	
Other non-current financial liabilities	C	2	3.977	3.977	4.552	4.552	
Other non-current liabilities	A	2	130	130	174	174	
<b>Current liabilities</b>							
Current financial debts (interest-bearing)	A	2	32.105	32.105	19.256	19.256	
Trade debts and other current debts	A	2	6.284	6.284	7.209	7.209	
Other current liabilities	A	2	591	591	136	136	

The categories correspond to the following financial instruments:

- financial assets or liabilities (including receivables and loans) held to maturity and measured at amortised cost
- investments held to maturity and measured at amortised cost
- assets and liabilities held at fair value through profit and loss, with the exception of financial instruments defined as hedging instruments.

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

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

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

The financial instruments of Vastned Retail Belgium correspond to level 2 of the fair value hierarchy. The following techniques are used to measure the fair value of Level 2 financial instruments:

- for the items 'Financial fixed assets', 'Other non-current financial liabilities' and 'Other current financial liabilities' (which apply to the interest rate swaps), the fair value is determined by means of observable data, namely the forward interest rates that apply to active markets, which are generally supplied by financial institutions
- the fair value of the remaining level 2 financial assets and liabilities is practically the same as their carrying amount, either because they have a short-term maturity (such as trade receivables and debts) or because they carry a variable interest rate
- when the fair value of the interest-bearing financial liabilities is calculated, the financial liabilities with a fixed interest rate are taken into account, and the future cash flows (interest and capital redemption) are discounted with a market-based yield.

Table: Fair value of the financial derivatives as at 30 June 2015

in thousands €	Starting date	End date	Interest rate	Contractual notional amount	Hedge accounting	Fair value		
						Yes/No	30.06.15	31.12.14
1	IRS	15/12/13	15/12/17	0,79%	€ 10.000	No	-178	-206
2	IRS	15/4/13	15/4/18	2,29%	€ 10.000	No	-619	-726
3	IRS	6/10/13	6/10/18	2,60%	€ 15.000	No	-1.217	-1.412
4	IRS	6/10/13	6/10/18	2,50%	€ 10.000	No	-777	-902
5	IRS	15/12/13	15/12/18	2,50%	€ 10.000	No	-813	-937
6	IRS	1/10/14	1/10/19	0,72%	€ 15.000	No	-275	-369
7	IRS	18/6/15	18/6/20	0,4850%	€ 5.000	No	-20	0
8	IRS	26/6/15	26/6/20	0,4900%	€ 5.000	No	-22	0
9	IRS	18/6/15	18/6/21	0,6425%	€ 10.000	No	-56	0
<b>Other non-current financial liabilities</b>							<b>-3.977</b>	<b>-4.552</b>

As at 30 June 2015, these interest rate swaps had a negative market value of - € 4,0 million (contractual notional amount of € 90 million), which is determined by the issuing financial institution on a quarterly basis. Vastned Retail Belgium did not classify any interest rate swaps as cash flow hedge as at 30 June 2015. The value fluctuations of all existing interest rate swaps are directly included in the income statement.

#### Related parties

No modifications have occurred during the first semester of 2015 regarding the type of transactions with related parties as described in Note 21 of the Financial report of the Annual report 2014.

#### Off-balance sheet obligations

In the first semester of 2015, there have been no changes in the off-balance sheet obligations as described in Note 25 of the Financial report of the Annual report 2014.

#### Events after the balance sheet date

There are no significant events to be mentioned that occurred after the closing of the accounts as at 30 June 2015.

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

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## 2.7 Statutory auditor's report

VASTNED RETAIL BELGIUM NV,  
PUBLIC REGULATED REAL ESTATE COMPANY UNDER BELGIAN LAW

REPORT ON THE REVIEW OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

To the board of directors,

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated balance sheet as at 30 June 2015, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the period of six months then ended, as well as selective notes.

### Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Vastned Retail Belgium NV, Public regulated real estate company under Belgian law ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

The condensed consolidated balance sheet shows total assets of 365.777(000) € and a consolidated income (group share) for the period then ended of 10.903(000) €.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 - *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard ISRE 2410 - *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially more limited than an audit performed in accordance with the International Standards on Auditing. Consequently, the limited inspection does not provide us with the assurance that we come to know all the significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Vastned Retail Belgium NV, Public regulated real estate company under Belgian law, has not been prepared, in all material respects, in accordance with IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Antwerp, 29 July 2015

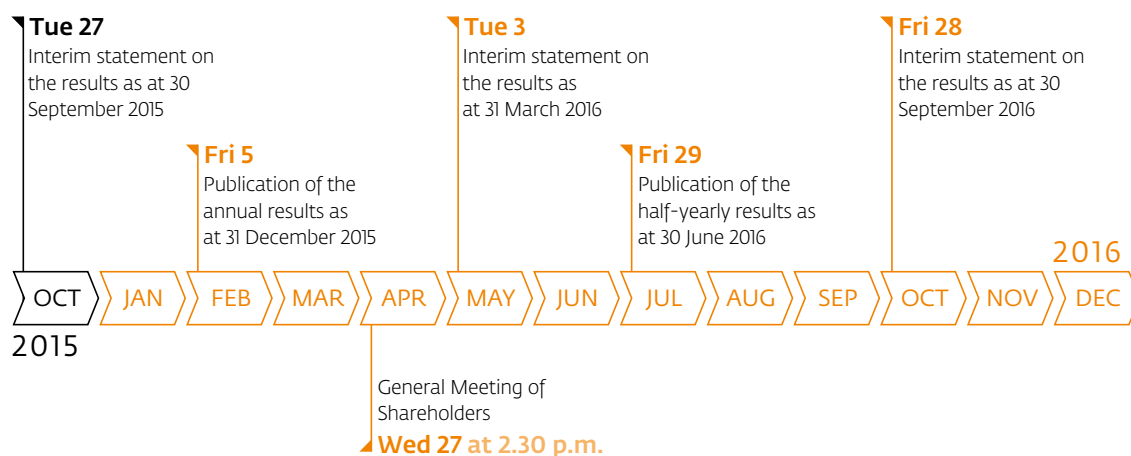
### The statutory auditor

#### DELOITTE Bedrijfsrevisoren

BV o.v.v.e. (civil company in the form of a) CVBA (limited liability cooperative)  
Represented by  
Kathleen De Brabander

Half-yearly financial report from the Board of Directors  
for the period 01.01.2015 to 30.06.2015

## 2.8 Financial calendar



## 3. Statement for the half-yearly financial report

In accordance with article 13 § 2 of the Royal Decree of 14 November 2007, the board of directors, composed of Jean-Pierre Blumberg (chairman), Nick van Ommen, EMSO bvba, permanently represented by Chris Peeters, Taco de Groot, Reinier Walta and Peggy De Raedt declares that according to its knowledge,

- the condensed half-yearly figures, prepared in accordance with the principles of financial information in accordance with IFRS and in accordance with IAS 34 "Interim Financial Information" as accepted by the European Union, give a true and fair view of the equity, the financial position and the results of Vastned Retail Belgium and the companies included in the consolidation
- the interim management report gives a true statement of the main events which occurred during the first six months of the current financial year, their influence on the condensed half-yearly figures, the main risk factors and uncertainties regarding the remaining months of the financial year, as well as the main transactions between related parties and their possible effect on the condensed half-yearly figures if these transactions should have a significant importance and were not concluded at normal market conditions.

These condensed half-yearly figures have been approved for publication by the board of directors of 29 July 2015.

**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 premium city high street shops (prime retail properties located on the best shopping streets in the major cities of Antwerp, Brussels, Ghent and Bruges), high street shops (city centre shops outside of the premium cities) and non-high street shops (high-end retail parks and retail warehouses). The RREC intends to achieve a 75% investment ratio in high street shops in due course.

**For more information, please contact:**

VASTNED RETAIL BELGIUM NV, a public regulated real estate company under Belgian law,  
Jean-Paul Sols, CEO, or Inge Tas, CFO. Tel.: +32 3 287 67 87, [www.vastned.be](http://www.vastned.be)