TRADING UPDATE 9M 2013

4 November 2013

VASTNED STRENGTHENS OCCUPANCY RATE RATE HIGH STREET SHOPS THROUGH ATTRACTIVE LEASING ACTIVITY

Key points first nine months 2013

- **Occupancy rate high street shops up to 96.4% at 30 September 2013 (30 June 2013: 95.5%)**
- **Occupancy rate total portfolio virtually stable at 93.5% (30 June 2013: 93.8%)**
- **8.9% rent increase in new high street shop leases in the first nine months**
- **Acquisitions of high street shops in Bordeaux, Brugge, Amsterdam and Utrecht and disposal of shopping centres Thoiry in Val Thoiry and Het Rond in Houten improved the high street profile**
- **Further spreading of credit providers through new € 40 million five-year loan from Belfius in Belgium**
- **Expected 2013 direct investment result between € 2.75 and € 2.85 per share**
- **Dividend proposal 2013 confirmed at € 2.55 per share (FY 2012: € 2.55)**

Rotterdam, 4 november 2013 – Vastned, the listed European retail property investment fund focusing on high street shops, has realised an increase of the occupancy rate of its high street shops to 96.4% through attractive leasing activity. The occupancy rate of the total portfolio remained virtually stable. The expected 2013 direct investment result of € 2.75 - € 2.85 per share is lower than in 2012, mainly as a result of the significant steps made with divesting non-strategic assets.

Taco de Groot, Vastned Chief Executive Officer: 'The economic climate continues to impact retailers in Europe as consumer spending remains under pressure, especially in the Netherlands and Spain. This means that knowing what retailers are concerned with and what they feel is important is ever more vital, so that we can anticipate on these concerns. We are seeing an increasingly marked split between the best retail locations and secondary shopping streets and locations. Retailers consciously opt for popular shopping streets. This trend is reflected in on average 9% rent increases on high street leases. Also, the occupancy rate for these premium venues increased from 95.5% to 96.4% in the third quarter, in particular due to a rise of the occupancy rate of the Dutch high street shops from 96.3% to 97.0%. We consider these developments as a confirmation of our strategic choice for high streets.

Divestments are part of our high street shop strategy in order to realise the quality improvements we feel are important. For example, we have sold non-core assets in the Netherlands, France and Belgium, e.g. shopping centres in Dunkirk, Val Thoiry, Houten and various retail units in smaller cities. We have used the sales proceeds to strengthen the balance sheet and for acquisitions of premium venues in the historic city centres of Amsterdam, Utrecht, Brugge and Bordeaux. As a result, the clusters in these cities have grown and Vastned can offer retailers an even greater choice of prime retail locations.

In Spain we will continue to focus on the occupancy rate of our shopping centres. Currently, we do not expect any improvements in consumer spending in Spain. In spite of this, we are delighted with the results our local team has achieved. Over the past nine months, we have concluded no fewer than 90 leases for units in our Spanish shopping centres, and the occupancy rate exceeds the average rate in comparable Spanish shopping centres.

We have also made progress in terms of financing. For example, last month we agreed a new five-year loan of € 40 million with credit provider Belfius. This has enhanced the spreading among our credit providers, which is fully in line with our strategy. We expect that retailers will be struggling for some time yet due to continuing pressure on consumer spending. Consumer confidence and employment will have to improve before we can expect a broad recovery of retail spending. We do find that retailers who invest in their formula and their staff get better results. They offer more service and know their customers better, and therefore make the difference for the consumer. We will continue to roll out our strategy step by step and pragmatically, and keep focusing on the best locations in the bigger cities: venues for premium shopping.'

PROPERTY PORTFOLIO

Occupancy rate

The occupancy rate remained virtually stable over the past quarter at 93.5% as at 30 September 2013 compared to 93.8% as at 30 June 2013. The slight fall was mainly caused by the decrease of the occupancy rate in Spain.

The split between high street and other property investments has become more marked over the past period. The occupancy rate of the high street shops improved from 95.5% to 96.4% in the third quarter. The occupancy rate of the Dutch high street shops, our biggest market, rose from 96.3% to 97.0%. In Turkey, the development project at Istiklal Caddesi 85, leased to H&M, was taken into operation, raising the occupancy rate to 91.1%.

	Totale property portfolio		High street shops		Other	
	End Q3 2013	End Q2 2013	End Q3 2013	End Q2 2013	End Q3 2013	End Q2 2013
Netherlands	96.5	96.7	97.0	96.3	95.6	97.2
France	95.0	95.0	97.2	97.6	81.0	78.0
Belgium	95.8	95.7	95.4	95.4	96.1	96.0
Spain[1]	87.2	89.0	100.0	100.0	85.7	87.6
Turkey	91.1	80.9	91.1	80.9	n.v.t	n.v.t
Total	**93.5**	**93.8**	**96.4**	**95.5**	**90.1**	**92.0**

[1] incl. Portugal

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Leasing activity

In the past nine months, Vastned closed 187 leases for a total of € 13.9 million (9m 2012: € 13.1 million), or 10.7% of gross rental income (9m 2012: 9.1%). On average, the leases were closed at 10.4% lower rent levels, with the high street shops on average showing an increase of 8.9%. The leases on other properties were completed at an average of 24.5% lower rent levels, mainly due to the leasing activity in Spain. Taking various lease incentives into account, the decline in rent levels averaged 15.4% compared to the old rent levels. Most of the leases, however, were increased by the index.

Leasing activity 9M 2013 based on contract rents

	Volume in € and % of theoretical gross rental income				Movement gross rental income (%)	
Country	€ million	Q3 %	€ million	9M %	Q3 %	9M %
Netherlands	1.8	3.3	4.7	9.2	6.7	(6.8)
France	0.6	2.1	1.6	8.1	(13.8)	(3.7)
Belgium	0.9	4.0	2.2	9.9	(7.3)	5.0
Spain[1]	1.2	3.8	5.0	16.2	(26.9)	(20.9)
Turkey	0.1	3.6	0.4	8.6	(11.6)	3.0
Total	**4.6**	**3.2**	**13.9**	**10.7**	**(9.8)**	**(10.4)**

[1] incl. Portugal

Netherlands

The Dutch retail market remains highly dynamic. A number of retailers went out of business. Some relaunched, such as Free Record Shop and Schoenenreus. Other retailers are in fact opening new flagship stores, like Pull & Bear on Oudegracht in Utrecht and Superdry on Kalverstraat in Amsterdam.

In the third quarter, Vastned found new tenants for the recently acquired P.C. Hooftstraat 49-51 in Amsterdam (jeweller Schaap & Citroen) and for the historic retail property Oudegracht 161 in Utrecht. Vastned realised substantial rent increases on these leases (+42% and +20%). Oudegracht 161 was previously leased to Miss Etam. This high street shop was recently leased to Pull & Bear, part of the Spanish Inditex group and a popular fashion brand among young people. These leases, as well as the new start of Free Record Shop and Schoenenreus in shops leased from Vastned show that Vastned's retail locations are in demand.

The total leasing volume in the first nine months of 2013 in the Netherlands was € 4.7 million and comprised 60 leases.

France

Over the past nine months, Vastned has made great progress in France on improving the quality of the property portfolio by selling non-core properties and acquiring high street shops in popular locations in historic city centres. The leasing activity in the first nine months was relatively limited at € 1.6 million compared to the other countries. A total of eleven leases were concluded, seven of which in the third quarter of 2013.

Belgium

In the past quarter, the leasing activity in Belgium was relatively high compared to the previous two quarters of this year. 40% of the leasing volume of € 2.2 million in 2013 was realised in the third quarter. Seven leases were concluded in this period, including Louizalaan 7 in Brussels (ICI Paris XL perfumer's) and Leysstraat 28-30 in Antwerp (optician's chain Pearl). Also, the first Armani Jeans shop opened its doors in our high street shop at Leysstraat 28-30 in Antwerp.

Spain

Over the past nine months, no fewer than 91 leases were concluded in Spain for € 5.0 million in total. Due to the present economic situation in Spain, however, the large volume of lease renewals was concluded at on average 20.9% lower rent levels.

Turkey

Our Turkish property portfolio comprises nine high street shops. The floor above the high street shop at Istiklal Caddesi 119, leased to Turkcell, used to house the alumni foundation of one of the universities of Istanbul; the two other floors were vacant. Vastned has been able to lease all upper four floors to language school Oxford House, which has been active in this street for many years.

ACQUISITIONS

During the first nine months of 2013, Vastned acquired high street shops for a total of over € 90 million. Vastned acquired two high street shops on P.C. Hooftstraat, several retail properties in Utrecht (Oudegracht 157-159 and Steenweg 31-33), six premium venues in Bordeaux and a high street shop at Steenstraat 38 in Brugge. P.C. Hooftstraat 49-51 is a double retail property, which at the time of acquisition was leased to the international fashion brand Hugo Boss. In the past quarter, Vastned was able to attract jeweller's Schaap & Citroen as the tenant for this premium venue, realising a rent increase of over 40%. Earlier this year, Vastned bought P.C. Hooftstraat 78, which is leased to the French fashion brand Zadig & Voltaire.

In Bordeaux, Vastned acquired a cluster of high street shops in the Golden Triangle, creating a unique cluster of mass market and luxury retail locations. The total portfolio in Bordeaux now comprises 18 premium venues with tenants including Louis Vuitton, Nespresso, Max Mara, Repetto, Kiko and New Look.

DIVESTMENTS

In addition to the large number of divestments in the first half of this year, in the third quarter a number of smaller properties were sold in the Netherlands and France, including in Annecy. Also, the 50% stake in the Het Rond shopping centre was sold, as well as a retail warehouse in Schelle and a high street shop in Merksem, both in Belgium. The rental income from the three main shopping centres was € 10.9 million per annum; shopping centre Thoiry in Val Thoiry (€ 6.5 million), Centre Marine in Dunkirk (€ 1.1 million) and our 50% stake in shopping centre Het Rond in Houten (€ 3.3 million).

FINANCING

In addition to the refinancing totalling € 50 million agreed in the first half of 2013, in the third quarter Vastned agreed a new five-year loan of € 40 million with Belgian credit provider Belfius. Also, the short-term cash facility with Belfius was extended, and is now € 35 million. The unused portion of the credit facilities was € 181 million as at 30 September 2013.

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EVENTS AFTER BALANCE SHEET DATE

Acquisitions

In October, Vastned expanded its cluster of high street shops in Utrecht with the acquisition of Oudegracht 124 (Sissy Boy) and Bakkerstraat 16 (T-Mobile). Vastned now owns a cluster of 19 high street shops in Utrecht's historic city centre, concentrating its properties in the very best part on and around Oudegracht.

New country manager Netherlands

On 1 November Vastned announced it has appointed Annelou de Groot as country manager Netherlands. On 1 January 2014 she will start in her new position. Annelou de Groot will report to Taco de Groot, CEO Vastned.

OUTLOOK 2013

For the remainder of this year, Vastned will continue to focus on acquisitions in the popular shopping streets in the bigger cities with a historic city centre, aiming to increase the share of high street shops in its portfolio. At the same time, it wishes to keep the loan to value ratio between 40% and 45%. Vastned will proceed with its strategy with conviction, acquiring high street shops where possible and divesting non-core properties. Further, the focus will remain on the occupancy rate, especially in Spain. The economic situation in Spain is not expected to improve substantially in the short term. As mentioned earlier, the sales proceeds from the abovementioned divestments were partially used for new acquisitions. The remaining part was used to strengthen the balance sheet further, redeeming in particular loans with a relatively low variable interest rate. Mainly as a results of the significant steps made with divesting non-strategic assets, Vastned expects a direct investment result for 2013 of between € 2.75 and 2.85 per share, which is lower than for 2012. This is in line with the execution of the strategy in general, which will lead to a lower direct investment result in the short term, but this is offset in the medium-long term by a better return with more stable and predictable results. Finally, Vastned confirms the proposed dividend of € 2.55 per share, equal to 2012.

ABOUT VASTNED

Vastned is a listed (NYSE Euronext Amsterdam) European retail property fund focusing on venues for premium shopping. It invests in selected geographical markets in Europe and Turkey, concentrating on the best retail property in the most popular shopping streets in the bigger cities (high streets). Vastned also owns attractive shopping centres and retail warehouses. Its tenants are strong and leading international and national retail brands. The property portfolio has a size of approximately € 1.8 billion.

Further information

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FINANCIAL CALENDAR 2014

Datum	Tijd	Onderwerp
Thursday 6 March 2014	before trading	Publication 2013 annual results
Thursday 6 March 2014	11.00 am	Analysts' meeting / webcast 2013 annual results
Thursday 15 May 2014	1.00 pm	Annual General Meeting of sharehol-ders
Monday 19 May 2014 (21 May 2014: record date)		Ex-dividend
Thursday 22 May 2014	before trading	Trading update first quarter 2014
Thursday 14 August 2014	before trading	2014 interim report

Forward looking statements

This press release contains a number of forward-looking statements. These statements are based on current expectations, estimates and prognoses of the board of management and on the information currently available to the company. The statements are subject to certain risks and uncertainties which are hard to evaluate, such as the general economic conditions, interest rates and amendments to statutory laws and regulations. The board of management of Vastned cannot guarantee that its expectations will materialise. Furthermore, Vastned does not accept any obligation to update the statements made in this press release.

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