

**New Issue Pricing Term Sheet**
**3 April 2014**

**NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA, OR IN ANY OTHER JURISDICTION IN WHICH SUCH DISTRIBUTION WOULD BE PROHIBITED BY APPLICABLE LAW.**

**THIS DOCUMENT IS FOR INFORMATION PURPOSES ONLY. THIS IS NOT AN OFFERING MEMORANDUM OR PROSPECTUS AND SHOULD NOT BE TREATED AS OFFERING MATERIAL OF ANY SORT.**

*This preliminary term sheet comprises only a summary of the terms of the proposed convertible Bonds (the "Bonds"). The information herein is indicative only. Although the indicative information herein is reflective of the terms of the Bonds contemplated as of the time of this communication, there is no assurance that the Bonds will actually be issued. Before making any investment decision and entering into any transaction in relation to the Bonds, you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives. You should make sure that you have sufficient information available in relation to the Issuer before making an investment in the Bonds.*

**New Issue Pricing Term Sheet  
 Regulation S Only**

**EUR 110 million bonds due 2019 convertible into ordinary shares of Vastned Retail N.V.**

<b>Issuer:</b>	Vastned Retail N.V. (the "Issuer")
<b>Securities Offered:</b>	EUR denominated convertible bonds (the "Bonds"), convertible into ordinary shares of the Issuer (the "Shares")
<b>Underlying Shares:</b>	Ordinary shares of Vastned Retail N.V. (the "Shares") (Bloomberg ticker: VASTN NA, Reuters: VASN.AS)
<b>Status of the Bonds:</b>	Senior, unsecured
<b>Issuer / Bond Rating:</b>	Not rated
<b>Issue Size:</b>	EUR 110 million
<b>Launch / Pricing Date:</b>	3 April 2014
<b>Closing Date:</b>	Expected to be on or about 10 April 2014
<b>Maturity Date:</b>	10 April 2019 (5 years)
<b>Issue / Redemption Price:</b>	100% of par
<b>Coupon:</b>	1.875% per annum, payable semi-annually in arrear on 10 April and 10 October in each year, commencing on 10 October 2014
<b>Yield-to-maturity:</b>	1.875%
<b>Reference Share Price:</b>	EUR 35.5338, being the Volume Weighted Average Price ("VWAP") of the Shares on Euronext Amsterdam between launch and pricing
<b>Conversion Premium:</b>	30%
<b>Initial Conversion Price:</b>	EUR 46.19
<b>Conversion Ratio:</b>	2,164.97 Shares per Bond

THIS DOCUMENT IS BEING SUPPLIED TO YOU SOLELY FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON DIRECTLY OR INDIRECTLY TO ANY OTHER PERSON OR PUBLISHED IN WHOLE OR IN PART FOR ANY PURPOSE. NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO THE UNITED STATES (OR TO US PERSONS), CANADA, AUSTRALIA OR JAPAN. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH RESTRICTIONS. BY ACCEPTING THIS DOCUMENT YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR SALE OR SUBSCRIPTION OF OR SOLICITATION OF ANY OFFER TO BUY OR SUBSCRIBE FOR ANY SECURITIES NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE RELIED ON OR IN CONNECTION WITH ANY COMMITMENT WHATSOEVER. ANY DECISION TO PURCHASE OR SUBSCRIBE FOR BONDS MUST BE MADE SOLELY ON THE BASIS OF THE INFORMATION CONTAINED IN THE TERMS AND CONDITIONS ISSUED BY THE ISSUER IN CONNECTION WITH SUCH OFFERING. THE TERMS AND CONDITIONS WILL BE OBTAINABLE FREE OF CHARGE FROM THE BOOKRUNNER. EACH PERSON RECEIVING THIS DOCUMENT SHOULD CONSULT HIS/HER PROFESSIONAL ADVISOR TO ASCERTAIN THE SUITABILITY OF THE BONDS AS AN INVESTMENT. NONE OF THE ISSUER AND THE BOOKRUNNER MAKES ANY REPRESENTATION AS TO (I) THE SUITABILITY OF THE BONDS FOR ANY PARTICULAR INVESTOR, (II) THE APPROPRIATE ACCOUNTING TREATMENT AND POTENTIAL TAX CONSEQUENCES OF INVESTING IN THE BONDS OR (III) THE FUTURE PERFORMANCE OF THE BONDS EITHER IN ABSOLUTE TERMS OR RELATIVE TO COMPETING INVESTMENTS. THE BOOKRUNNER, OR ANY OF ITS AFFILIATES MAY FROM TIME TO TIME HAVE LONG OR SHORT POSITIONS IN, OR BUY AND SELL, BONDS, SHARES, FUTURES OR OPTIONS IDENTICAL OR RELATED TO THOSE MENTIONED HEREIN.




**New Issue Pricing Term Sheet**
**3 April 2014**

<b>Form and Denomination:</b>	Registered Bonds with a EUR 100,000 denomination each (" <b>Principal Amount</b> ")
<b>Conversion Right:</b>	Unless previously redeemed, or purchased and cancelled, and subject to the Cash Alternative Election (below), each Bond will be convertible into Shares at the option of the Bondholder during the Conversion Period
<b>Conversion Period:</b>	At any time from 41 days after the Closing Date of the Bonds until the earlier of (i) the 28 <sup>th</sup> dealing day preceding the Maturity Date or (ii) if the Bonds have been called for redemption prior to the Maturity Date, the seventh dealing day preceding the relevant redemption date
<b>Issuer Soft Call:</b>	If, at any time after 8 May 2017 the Share price (calculated as the VWAP on Euronext Amsterdam on each dealing day) on each of at least 20 dealing days within a period of 30 consecutive dealing days ending not earlier than 7 days prior to the giving of the notice of redemption shall have been at least 130% of the Conversion Price in effect on each such dealing day, the Issuer may by giving not less than 30 and not more than 60 days notice, redeem all, but not some only, of the Bonds at their Principal Amount (plus accrued interest)
<b>Clean-up Call:</b>	The Issuer may redeem all, but not some only, of the outstanding Bonds at their Principal Amount (plus accrued interest) at any time, if less than 15% of the aggregate Principal Amount of the Bonds originally issued and any additional Bonds (as described in the Terms and Conditions) remains outstanding, by giving not less than 30 and not more than 60 days notice
<b>Cash Alternative Election:</b>	<p>Yes, at the option of the Issuer on a case by case basis by making payment to the relevant holder of the Cash Alternative Amount in respect of any Cash Settled Shares, determined by reference to the VWAP of a Share over the Cash Alternative Calculation Period, together with any other amount payable by the Issuer to such holder pursuant to the Terms and Conditions in respect of or relating to the relevant exercise of Conversion Rights</p> <p>"<b>Cash Alternative Amount</b>" means an amount in euro calculated in accordance with the following formula and which shall be payable by the Issuer to a holder in respect of the relevant Cash Settled Shares</p> $CAA = \sum_{n=1}^N \frac{1}{N} \times S \times P_n$ <p>Where:</p> <p>CAA = The Cash Alternative Amount</p> <p>S = A number of Shares equal to the Cash Settled Shares</p> <p>P<sub>n</sub> = the VWAP of a Share on the nth dealing day of the Cash Alternative Calculation Period; and</p> <p>N = 20, being the number of dealing days in the Cash Alternative Calculation Period</p> <p>"<b>Cash Settled Shares</b>" means such number of Shares (which shall not exceed the number of Reference Shares in respect of such exercise) as determined by the Issuer and notified to the relevant holder in the relevant Cash Alternative Election Notice as described in the Terms and Conditions</p> <p>"<b>Reference Shares</b>" means, in respect of the exercise of Conversion Rights by a holder, the number of Shares determined by dividing the aggregate Principal Amount of the Bonds which are the subject of the relevant exercise of Conversion Rights by such holder by the Conversion Price in effect on the relevant Conversion Date</p> <p>"<b>Cash Alternative Calculation Period</b>" means a period of 20 consecutive dealing days commencing on the third dealing day following the Cash Election Date</p> <p>"<b>Cash Election Date</b>" means the date falling no later than the 4<sup>th</sup> dealing day after the relevant Conversion Date</p>
<b>Tax Call/Gross-Up:</b>	Yes / Yes. Tax call is subject to the right of Bondholders to elect to receive payments net of withholding


**New Issue Pricing Term Sheet**
**3 April 2014**

**Anti-dilution Protection:** Standard anti-dilution protection dealing with, *inter alia*, share consolidations, share splits, rights issues, capital distributions, extraordinary cash dividends, and bonus issues as described in the Terms and Conditions

**Extraordinary Dividend Protection:** The Conversion Price will be adjusted downward for any cash distributions exceeding the levels mentioned below and paid during each financial year:

<u>Financial year ending on:</u>	<u>Dividend threshold per Share</u>
31 December 2014	EUR 1.30
31 December 2015	EUR 1.35
31 December 2016	EUR 1.40
31 December 2017	EUR 1.45
31 December 2018	EUR 1.50
31 December 2019	EUR 0.00

**Negative Pledge:** Yes, in respect of capital market indebtedness of the Issuer and its Subsidiaries

**Events of Default:** Standard market events of default in respect of the Issuer and its Material Subsidiaries, including a cross-default provision subject to a EUR 10 million threshold

**Investor Put:** None, except in the event of a Change of Control at the Principal Amount (plus accrued interest)

**Change of Control Protection:** If a Change of Control occurs, Bondholders will, for a period of 60 days following the Change of Control (the "**Change of Control Period**"), have the right to convert the Bonds at a Conversion Price which is determined in accordance with the following formula:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

Where;

COCCP: Change of Control Conversion Price

OCP: Conversion Price in effect on the relevant Conversion Date

CP: Conversion Premium (30%; expressed as a fraction)

c: number of days from and including the date the Change of Control occurs to but excluding the Maturity Date

t: number of days from and including the Closing Date to but excluding the Maturity Date

"**Change of Control**" means, in respect of the Issuer, a direct or indirect disposal of an interest in the Issuer, as a result of which the acquirer of such interest, directly or indirectly, whether jointly or individually, obtains an economic interest or Voting Rights in the general meeting of shareholders of the Issuer of more than 50%, excluding, for the avoidance of doubt, any transfer of Shares in the Issuer to any member of the Group

**Lock-up:** From pricing until 90 days after the Pricing Date, in respect of the Issuer and its Subsidiaries (subject to customary exceptions)

**Selling Restrictions:**

- Reg S only, Category 1, no Rule 144A, TEFRA Rules do not apply
- The Bonds may not be offered in the Netherlands other than to Qualified Investors (as defined in the EU Prospectus Directive)
- No sale in or into the United States, to investors in Canada, Australia or Japan
- EEA selling restrictions
- Standard selling restrictions apply elsewhere

**Use of Proceeds:** Diversify funding sources and create additional headroom for premium high street shops acquisitions

**Governing Law:** Dutch law

**Listing of the Bonds:** Application will be made to include the Bonds for trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange

**Listing of the Shares:** Euronext Amsterdam


**New Issue Pricing Term Sheet**
**3 April 2014**

<b>Clearing System:</b>	Euroclear / Clearstream
<b>Clearing Codes:</b>	ISIN XS1054643983 / Common Code 105464398
<b>Joint Bookrunners:</b>	ABN AMRO Bank N.V. / UBS Investment Bank and BNP Paribas. ABN AMRO Bank N.V. and UBS Investment Bank are acting pursuant to a cooperation agreement
<b>Paying Agent and Conversion Agent:</b>	BNP Paribas Securities Services
<b>Calculation Agent:</b>	Conv-Ex Advisors Limited
<b>Offering Documents:</b>	The offering is being conducted solely on a private placement basis with institutional investors. No prospectus, offering circular or similar offer prospectus will be prepared in respect of this offering. Investors will only receive this indicative term sheet, the Terms and Conditions of the Bonds prior or upon settlement, and – after pricing –, the pricing terms. Investors will need to take their investment decision based solely on publicly available information

*THIS TERM SHEET DOES NOT, AND SHALL NOT, IN ANY CIRCUMSTANCES CONSTITUTE A PUBLIC OFFERING NOR AN INVITATION TO THE PUBLIC IN CONNECTION WITH ANY OFFERING.*

*THIS DOCUMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS WITHIN THE MEANING OF DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND THE COUNCIL OF 4 NOVEMBER 2003 (AS AMENDED AND AS IMPLEMENTED IN EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE "MEMBER STATES"), THE "PROSPECTUS DIRECTIVE").*

*THIS TERM SHEET MAY NOT BE PUBLISHED, DISTRIBUTED OR TRANSMITTED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES (INCLUDING ITS TERRITORIES AND DEPENDENCIES, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA).*

*THIS TERM SHEET DOES NOT CONSTITUTE OR FORM A PART OF ANY OFFER OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES. THE BONDS AND THE SHARES DELIVERABLE UPON CONVERSION OF THE BONDS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THEY MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NO PUBLIC OFFERING OF BONDS WILL TAKE PLACE IN THE UNITED STATES.*

*THIS INDICATIVE TERM SHEET IS DIRECTED ONLY AT (I) PERSONS WHO ARE OUTSIDE THE UNITED KINGDOM, (II) PERSONS IN THE UNITED KINGDOM WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATED TO INVESTMENTS AND WHO ARE INVESTMENT PROFESSIONALS WITHIN THE MEANING OF ARTICLE 19(6) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED) OF THE UNITED KINGDOM (THE "FINANCIAL PROMOTION ORDER"); (III) PERSONS WHO FALL WITHIN ARTICLES 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.") OF THE FINANCIAL PROMOTION ORDER; AND (IV) ANY OTHER PERSONS TO WHOM THIS INDICATIVE TERM SHEET MAY OTHERWISE LAWFULLY BE DIRECTED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS INDICATIVE TERM SHEET MUST NOT BE ACTED ON OR RELIED ON BY OTHER PERSONS IN THE UNITED KINGDOM. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS INDICATIVE TERM SHEET RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS INDICATIVE TERM SHEET MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS.*

*IN MEMBER STATES THIS ANNOUNCEMENT AND ANY OFFER IF MADE SUBSEQUENTLY IS DIRECTED ONLY AT PERSONS WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE ("QUALIFIED INVESTORS"). ANY PERSON IN THE EEA WHO ACQUIRES THE SECURITIES IN ANY OFFER (AN "INVESTOR") OR TO WHOM ANY OFFER OF THE SECURITIES IS MADE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR AND THAT IN THE CASE OF ANY SECURITIES ACQUIRED BY IT AS A FINANCIAL INTERMEDIARY, AS THAT TERM IS USED IN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE, (I) THE SECURITIES ACQUIRED BY IT IN THE OFFER HAVE NOT BEEN ACQUIRED ON BEHALF OF, NOR HAVE THEY BEEN ACQUIRED WITH A VIEW TO THEIR OFFER OR RESALE TO, PERSONS IN ANY RELEVANT MEMBER STATE OTHER THAN QUALIFIED INVESTORS, AS THAT TERM IS DEFINED IN THE PROSPECTUS DIRECTIVE; OR (II) WHERE SECURITIES HAVE BEEN ACQUIRED BY IT ON BEHALF OF PERSONS IN ANY RELEVANT MEMBER STATE OTHER THAN QUALIFIED INVESTORS, THE OFFER OF THOSE SECURITIES TO IT IS NOT TREATED UNDER THE PROSPECTUS DIRECTIVE AS HAVING BEEN MADE TO SUCH PERSONS.*

*P. de Witte*