

3 November 2014

## Q3 2014 TRADING UPDATE

### *Vastned raises estimated direct result 2014 to € 2.35 per share*

#### Key points Q3 2014:

- Occupancy rate stable at 96.5% (30 June 2014: 96.6%)
- Acquisitions of premium city high street shops for an amount of € 41 million strengthen the quality of the property portfolio
- Further diversification of loan providers with € 75 million long-term unsecured loan from AXA Real Estate Investment Managers
- Estimated direct result 2014 raised from € 2.10 - € 2.30 to € 2.35 per share
- Dividend proposal 2014: € 2.00 per share

**Rotterdam, 3 November 2014 – Vastned, the European retail property company focusing on venues for premium shopping, has further improved the quality of both the property and its loan portfolio in the third quarter. Vastned raises its estimated direct result for 2014 from € 2.10 - € 2.30 to € 2.35 per share.**

Taco de Groot, CEO Vastned: *"Vastned's focus in the past quarter has been on further expanding our position in premium cities. Over the past three months, we have studied a great many acquisition opportunities. Ultimately, we acquired high street shops amounting to more than € 40 million in Amsterdam, Utrecht, Ghent and Lyon, such as the corner property on Leidsestraat in Amsterdam, which is leased to The Coffee Company and the Dutch cosmetics brand Rituals.*

*At the end of September we finalised the acquisition of the shop leased to fashion house Sandro on the luxury shopping street Rue Édouard Herriot in Lyon. This acquisition was finalised at the end of September. Shortly after, we bought the adjoining property leased to the French high-end fashion retailer CosmoParis from the same owner. This was mainly possible because of our knowledge of the market and our speed to act. This proves how important a hands-on and proactive approach is for composing a high street property portfolio.*

*Over the past few years we have been able to change the French portfolio step by step from a highly varied portfolio spread over more than 50 locations into a compact portfolio with a clear focus on premium city high street shops and a higher occupancy rate in a small number of selected larger cities. The present portfolio is sound and up to any challenge the French economy might encounter.*

*The good performance of the premium city high street shops in this quarter with rent increases of over 3% and an occupation rate of nearly 100% bear out our confidence. We notice that retailers wish to be present in the best locations in these cities and that they are prepared to pay for that. This is a key consideration, now that expansion for retailers, both in the mass-market and in the luxury segment, is no longer a given, so that they consider the pros and cons of a location very carefully before opening a shop.*

*At the beginning of this year we stated that we anticipated a direct result of between € 2.10 and € 2.30 per share. Due to the fact that our property portfolio, in spite of the challenging retail climate, continues to perform well and the interest rate developments are favourable, with the corresponding lower financing costs, we expect a higher direct result for 2014 of around € 2.35 per share. In view of this result and our strong balance sheet, we expect to propose a dividend for 2014 of € 2.00 per share. Our sound balance sheet and financial resources enable us to continue our pragmatic and step-by-step pursuit of our strategy aimed at growth in premium cities."*



Rue Édouard Herriot 70, Lyon

## REVIEW OF THE PROPERTY PORTFOLIO

### Occupancy rate

The occupancy rate of premium city high street shops was stable at approx. 99% (as at 30 September 2014: 98.9%; as at 30 June 2014: 99.1%). The occupancy of the total portfolio also remained virtually stable at 96.5% as at 30 September 2014 (30 June 2014: 96.6%).

In the Netherlands and Belgium Vastned succeeded in raising the occupancy rate of the premium city high street shops this quarter further from 97.8% and 98.4% to 98.1% and 100% respectively. In France the occupancy fell marginally due to a retail unit in Lille being vacated. We are convinced the property will be leased to a new tenant shortly.

### Occupancy rate as at 30 September 2014 vs 30 June 2014

#### 30 September 2014

<i>in %</i>	<i>Totaal</i>	<i>Premium city high street shops</i>	<i>High street shops</i>	<i>Non-high street shops</i>
Netherlands	95.8	98.1	94.3	95.4
France	96.5	98.1	100.0	74.5
Belgium	96.0	100.0	89.2	95.6
Spain/Portugal	100.0	100.0	100.0	100.0
Turkey	100.0	100.0	n.a.	n.a.
<i>Total</i>	<b>96.5</b>	<b>98.9</b>	<b>94.4</b>	<b>94.5</b>

#### 30 June 2014

<i>in %</i>	<i>Totaal</i>	<i>Premium city high street shops</i>	<i>High street shops</i>	<i>Non-high street shops</i>
Netherlands	95.6	97.8	93.4	96.2
France	97.2	99.9	100.0	71.6
Belgium	96.2	98.4	94.9	95.1
Spain/Portugal	100.0	100.0	100.0	100.0
Turkey	100.0	100.0	n.a.	n.a.
<i>Total</i>	<b>96.6</b>	<b>99.1</b>	<b>94.8</b>	<b>94.4</b>

### Leasing activity

In the first nine months of this year Vastned concluded 107 leases for € 8.8 million in total, compared to 197 leases totalling € 13.9 million in the first nine months of 2013. In 2013, some € 5.0 million of the leasing activity was due to the Spanish shopping centre portfolio, which was sold at the beginning of this year. On average, the leases were concluded at rents 3.9% below the former rent.



Rue Sainte Catherine 20, Bordeaux

In contrast, the leases that Vastned concluded in premium cities like Amsterdam, The Hague, Bordeaux and Istanbul in the past nine months, resulted in an average rent increase of 4.0%. These rent increases partly offset the rent decreases in inter alia the shopping centres in Limoges (France) and the Dutch shopping centres in Zwijndrecht, Almere-Buiten and Harderwijk. Of the leases with a termination option in 2015, over half has already been renewed or the unit has been leased to a new tenant.

### Leasing activity with movements in gross rent vs. former rent levels

	Volume in € million and % of gross rental income				Movement in gross rent	
	Q3 in € million	%	YTD in € million	%	Q3 %	YTD %
Netherlands	1.1	2.5	3.7	8.3	(13.7)	(4.5)
France	0.3	1.9	0.7	3.8	(0.3)	(24.3)
Belgium	0.8	3.3	3.4	15.0	13.5	0.3
Spain/Portugal	-	-	0.3	7.8	-	0.0
Turkey	-	-	0.6	7.4	-	4.6
<b>Total</b>	<b>2.3</b>	<b>2.3</b>	<b>8.8</b>	<b>8.9</b>	<b>(3.6)</b>	<b>(3.9)</b>

### Movements in gross rent by type

	in %	Movement in gross rent in Q3 2014	Movement in gross rent YTD 2014
Premium city high street shops		3.4	4.0
High street shops		(11.0)	(2.1)
Non-high street shops		(5.4)	(13.4)
<b>Total</b>		<b>(3.6)</b>	<b>(3.9)</b>



### Acquisitions

In the third quarter, Vastned bought premium city high street shops in Amsterdam, Utrecht, Ghent and Lyon for € 41 million in total, of which the acquisitions in Lyon and Ghent were already reported in the half-year report. In Amsterdam the corner property at Leidsestraat 60-62 was acquired, which is leased to the cosmetics brand Rituals and The Coffee Company; Vastned now owns six high street shops in this increasingly popular shopping street in the heart of Amsterdam. Vastned also expanded its high street cluster in Utrecht, where three retail units leased to Lee, Osimo and Wam Denim at Steenweg 22-26 with a total retail floor area of 205 square metres were bought.

### Divestments

In the third quarter, divestments led to further quality improvement in the property portfolio. Vastned sold two shops in less popular locations in Antwerp (Belgium) and a small shop in Heemstede (Netherlands). In the first nine months of 2014 Vastned sold € 55 million in non-core assets in France, Belgium and the Netherlands at around book value.

### FINANCING

At the end of September, Vastned concluded a seven-year unsecured loan of € 75 million with AXA Real Estate Investment Managers at a variable market rate. In addition to increasing its financing diversification, this transaction extended the average duration and helped to further reduce the financing costs. Moreover it broadens Vastned's financing options going forward.

### EVENTS AFTER BALANCE SHEET DATE

In October, Vastned acquired Kalverstraat 132 in Amsterdam. This property is on one of the most popular shopping street of the Netherlands, with a retail floor area of 81 square metres, leased to Amsterdam Cheese Company. Vastned also expanded its premium city portfolio in France with the acquisition of the Cosmo Paris shop in Lyon (100 square metres), adjoining the Sandro shop that was recently acquired on the luxury shopping street Rue Édouard Herriot.



Kalverstraat 132, Amsterdam

### OUTLOOK 2014

For the next few months, it is not expected that the situation in the retail market will change substantially. In addition to strong interest from retailers, demand from (institutional) investors for premium city high street shops is rising. This is good news for the valuation of a large part of Vastned's current portfolio. For future acquisitions of premium high street shops, it means that it will be even more important for Vastned to be able to stand out by acting quickly and have excellent market knowledge. In the near future, Vastned will continue to pursue its strategy, pragmatically and step by step. Vastned expects a direct result for 2014 of € 2.35 per share due to favourable developments in the capital markets, resulting in lower financing costs, and the ongoing good performance of our portfolio. In view of these results and our strong balance sheet, Vastned will propose a dividend for 2014 of € 2.00 per share. Taking into account the interim dividend of € 0.73 per share already paid out, the final dividend that will be proposed will be € 1.27 per share.

## FINANCIAL CALENDAR 2014-2015

Date	Time	Subject
Monday 24 November 2014	11.30 am	Extraordinary General Meeting of shareholders
Tuesday 3 March 2015	Before trading	Publication 2014 annual results
Friday 13 March 2015	Before trading	Publication 2014 annual report
Friday 24 April 2015		Annual General Meeting of shareholders
Tuesday 28 April 2015		Ex-dividend date
(Wednesday 29 April 2015: record date)		
Monday 11 May 2015	Before trading	Publication Q1 2015 trading update
Thursday 14 May 2015		Payment date final dividend
Thursday 20 August 2015	Before trading	Publication 2015 half-year results
Monday 24 August 2015		Ex-interim dividend date
(Tuesday 25 August 2015: record date)		
Tuesday 8 September 2015		Payment date interim dividend
Tuesday 3 November 2015	Before trading	Publication Q3 2015 trading update

**About Vastned**

Vastned is a listed European retail property company focusing on venues for premium shopping. Vastned invests in selected cities in Europe and Istanbul, with a clear focus on the best retail property in the most popular shopping streets in the bigger cities (high streets). Vastned's tenants are strong and leading international and national retail brands. The property portfolio has a size of approximately € 1.5 billion.

**For more information**

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