

11 May 2015

TRADING UPDATE Q1 2015

Polarisation in the retail landscape confirms strategic choice for the best locations

Highlights:

- Occupancy rate as at 31 March 2015: 96.4% (premium city high street shops: 98.8%)
- Leases concluded at on average 1.7% higher rents
- New attractive retailers signed, such as Ted Baker, Manilla Grace, AS Adventure and Costa Coffee
- Polarisation between popular and less popular locations clearly visible
- Acquisitions in premium cities Amsterdam and Antwerp totalling € 26.3 million
- Divestment of non-strategic portfolio in Angers for approx. € 20 million
- Confirmation of the guidance for the 2015 direct result of between € 2.10 and € 2.30 per share

Rotterdam, 11 May 2015 – Vastned, the listed European retail property company focusing on venues for premium shopping, sees a clear divide in the European retail landscape with a high occupancy rate and sharp rent increases in the best locations.

Taco de Groot, Chief Executive Officer of Vastned: *'Over the past few months we have further improved the quality of the portfolio through acquisitions in premium cities Amsterdam and Antwerp and the divestment of the Angers portfolio. These transactions mark positive steps towards building a portfolio comprising 75% premium city high street shops. I am also proud that we have been able to interest strong international retailers like Ted Baker, Manilla Grace, AS Adventure and Costa Coffee for our properties. Solid tenants contribute to stable and predictable rental income.'*

'Our results confirm our strategy focusing on premium city high street shops. However, we cannot ignore economic realities. Over the past few years, the economic climate and changing consumer behaviour have shrunk turnovers among retailers in smaller cities and villages. As a result, we have had to make concessions on rent levels in these locations, and we anticipate that this situation will not improve over the next year. Retailers consciously choose the best locations, where consumers like to go shopping.'

REVIEW OF THE PROPERTY PORTFOLIO

Occupancy rate

Due to the lower occupancy rate in the shopping streets of smaller towns and villages and in non-high street locations, the occupancy rate for the total portfolio fell from 97.6% as at year-end 2014 to 96.4% as at 31 March 2015. For premium city high street shops, Vastned's biggest portfolio of approx. € 936 million, the occupancy rate remained high at 98.8% (year-end 2014: 99.1%).

Occupancy rate 31 March 2015 vs. year-end 2014

Year-end 2014

in %	Total	Premium city high street shops	High street shops	Non-high street shops
Netherlands	97.3	99.0	95.9	97.1
France	96.5	98.5	97.3	76.8
Belgium	97.9	100.0	93.8	97.7
Spain/Portugal	100.0	100.0	100.0	100.0
Turkey	99.3	99.3	n.a.	n.a.
<i>Total</i>	97.6	99.1	96.0	96.2

31 March 2015

in %	Total	Premium city high street shops	High street shops	Non-high street shops
Netherlands	95.7	98.2	93.6	95.4
France	96.2	98.3	95.4	78.7
Belgium	96.5	100.0	90.6	95.5
Spain/Portugal	100.0	100.0	100.0	100.0
Turkey	99.3	99.3	n.a.	n.a.
Total	96.4	98.8	93.7	94.6

Leasing activity

In Q1 2015, Vastned concluded 40 leases amounting to € 2.5 million. This was an increase compared to Q1 2014, when 31 leases were signed totalling € 2.2 million. In the past quarter, the leases were concluded at on average 1.7% higher rents. Here, too, the polarisation between popular and less popular retail locations is very clear. Rents for premium city high street shops and non-high street shops rose by 56% and 5% respectively. In the shopping streets of smaller towns and villages in especially the Netherlands, average rent decreases of 21% compared to the old rent incurred. These figures again confirm that Vastned's strategic choice for premium city high street shops is the right one.

56% rent increase at premium city high street shops

In the first three months of 2015, Vastned signed five leases for premium city high street shops for € 0.8 million.

One of these leases was a new lease with AS Adventure, the Belgian chain specialising in outdoor, leisure and fashion, for 3,000 square meter for Veldstraat 81/Zonnestraat 6-10 in Ghent. The new lease quotes a rent that is 87% higher than previously. Before AS Adventure will open its doors in the autumn of 2016, Vastned will renovate this historic property for approx. € 2 million.



Ghent, Veldstraat 81/Zonnestraat 6-10

At Schuttershofstraat 30 in Antwerp Manilla Grace, an Italian high-end fashion retailer, will open its doors, resulting in a 48% rent increase.

In France, too, a significant rent increase of 36% was realised on the leasing of Rue Faidherbe 50 to the popular Costa Coffee from London.

Leasing activity in Q1 2015

Overview of leasing activity with movements in gross rent by type

	Volume in € and % of gross rental income		Change in gross rental income in %
	€ million	%	
Premium city high street shops	0.8	0.9	56.0
High street shops	1.1	1.1	(20.8)
Non-high street shops	0.6	0.6	5.0
<i>Totaal</i>	2.5	2.6	1.7

Overview of leasing activity with movements in gross rent by country

	Volume in € and % of gross rental income		Change in gross rental income in %
	€ million	%	
Netherlands	1.0	2.3	(17.8)
France	0.2	1.4	19.0
Belgium	1.1	5.1	39.3
Spain/Portugal	0.2	4.1	(30.0)
Turkey	-	-	-
<i>Total</i>	2.5	2.6	1.7

Acquisitions

In Q1 2015, Vastned acquired two premium city high street shops in the heart of Antwerp for € 15.4 million in total. Schuttershofstraat 22 and Korte Gasthuisstraat 17/Groendalstraat 18 were added to the portfolio.



Antwerp, Korte Gasthuisstraat 17/Groendalstraat 18

Schuttershofstraat is the prime luxury shopping street of Antwerp with retailers like Hermès, Gucci, Jimmy Choo and Chanel. Schuttershofstraat 22 adjoins Schuttershofstraat 24, which Vastned already owns. By joining these two units, Vastned could respond to increasing demand from high-end retailers for larger surface areas.

Korte Gasthuisstraat is one of the most popular shopping streets in Antwerp with retailers like Superdry, COS, Scotch & Soda and Terre Bleue. Korte Gasthuisstraat 17/Groendalstraat 18 is leased long-term to & Other Stories, one of H&M's new brands.

Divestments

In Q1 2015, Vastned divested for € 1.1 million a non-strategic asset in the periphery of Bruges of 600 square meter let to Décor Heytens, realising a net result on divestment of approx. 10%.

EVENTS AFTER BALANCE SHEET DATE

In April and May respectively, Vastned bought two adjoining premium city high street shops on P.C. Hoofstraat 35 and 37 in Amsterdam, leased to Italian luxury fashion brands Tru Trussardi and Stone Island, for € 10.9 million in total. In the future, these properties could be combined, enabling Vastned to respond to increasing demand from high-end retailers for larger surface areas in Amsterdam as well.



Amsterdam, P.C. Hoofstraat 35

In April, Vastned sold its Angers portfolio, comprising seven retail units on Rue Lenepveu 25-29 and Rue d'Alsace 7 and 9 for approx. € 20 million, 5% above book value. The key reason for the divestment was that the rental income in Angers was largely dependent on a single tenant: Fnac. The retail unit, which was leased by Fnac, measured over 3,000 square metres, most of which was located on the first floor. Also, Angers is a medium-sized city in western France, which does not fit in Vastned's premium city high street portfolio.

During the Annual General Meeting of Shareholders of 24 April 2015 all resolutions put to vote were adopted.

On 28 April 2015, the Vastned share traded ex dividend and on 15 May 2015 the final dividend of € 1.27 per share will be made payable.

OUTLOOK 2015

For 2015, Vastned expects that the polarisation between popular and less popular retail locations will increase further, with increasing demand for retail units in well-known shopping streets in major European cities and declining demand in smaller towns without a regional function. Retailers want to be where consumers like to shop. Vastned's strategy focusing on premium city high street shops is in line with this and Vastned will continue to strive to expand the premium city high street shop portfolio and divest non-strategic assets. Vastned confirms its previously announced guidance for 2015 of a direct result of between € 2.10 and € 2.30 per share.

FINANCIAL CALENDAR 2015

Date	Time	Subject
Friday 15 May 2015		Payment date final dividend
Thursday 20 August 2015	Before trading	Publication interim report 2015
Monday 24 August 2015 (Tuesday 25 August 2015: record date)		Ex-interim-dividend
Tuesday 8 September 2015		Payment date interim dividend
Tuesday 3 November 2015	Before trading	Publication trading update nine months' figures 2015

About Vastned

Vastned is a listed European retail property company focusing on venues for premium shopping. Vastned invests in selected cities in Europe and in 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.

Further information:

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