

TRADING UPDATE Q3 2016

Vastned increases share of premium city high street shops to 73%

HIGHLIGHTS:

- SHARE OF PREMIUM CITY HIGH STREET SHOPS RISES TO 73%
- OCCUPANCY RATE OF PREMIUM CITY HIGH STREET SHOPS REMAINS HIGH AT 99.1%
- OCCUPANCY RATE OF TOTAL PORTFOLIO INCREASED SLIGHTLY TO 96.9%
- STRATEGIC DIVESTMENTS IN FIRST NINE MONTHS: € 81 MILLION
- ACQUISITIONS OF PREMIUM CITY HIGH STREET SHOPS IN FIRST NINE MONTHS: € 42 MILLION
- THE REALISED RENT INCREASE OF 19.5% ON CONCLUDED LEASES FOR PREMIUM CITY HIGH STREET SHOPS MINIMALISED THE RENT DECLINE FOR THE TOTAL PORTFOLIO TO 0.6%
- FORECAST FOR 2016 DIRECT RESULT AT UPPER LIMIT OF THE PREVIOUSLY ANNOUNCED RANGE OF € 2.30 - € 2.40 PER SHARE

Rotterdam, 1 November 2016 - Vastned, the listed European retail property company focusing on 'venues for premium shopping', has made important steps in the execution of its premium city high street shop strategy with acquisitions in Paris, Amsterdam and Utrecht and strategic divestments in a large number of cities in the Netherlands. Furthermore, Vastned anticipates that the 2016 direct result will be at the upper limit of the previously announced forecast of € 2.30 - € 2.40 per share.

Taco de Groot, Chief Executive Officer of Vastned: *'In the first nine months, we concluded 88 leases for € 9 million in total. These leases included Repeat Cashmere, Zadig & Voltaire, Adidas Originals, Cruyff Classics and Birkenstock. Due to the average rent increase of 19.5% we realised on concluded leases for premium city high street shops the decline for the total portfolio was almost completely offset. The leases for premium city high street shops in France strongly contributed with an average rent increase of no less than 39%.*

Next to leasings, we remain focused on rotation in the portfolio. Over the past few years, the majority of the divestments of non-strategic assets took place in Spain, Belgium and France. In France, where we have our second largest sub-portfolio, the share of premium city high street shops is now 90%, and this is clearly reflected in the resilient results that this portfolio is realising.

The liquidity in the investment market in the Netherlands for property in secondary locations was lagging compared to other countries. However, we see positive developments, making divestments possible. This year we have so far sold over € 81 million in non-strategic assets, of which € 69 million in the Netherlands. For example we sold the partial ownerships of shopping centre Overvecht in

Utrecht and shopping centre Boven 't IJ in Amsterdam-Noord, as well as a large number of smaller shops in places like Gouda, Harlingen and Enschede. In combination with the acquisitions of about € 42 million on popular high streets in Paris, Amsterdam and Utrecht, this once again show that we have made major progress in the ongoing rotation in the portfolio.

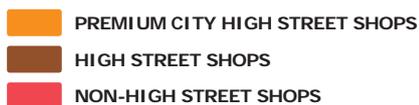
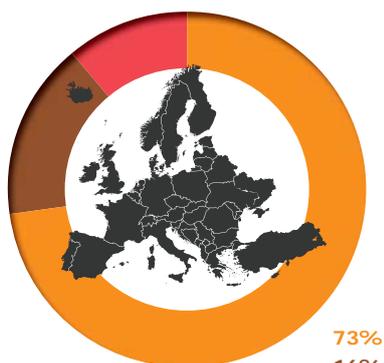
We have also made several changes to the organisation. Earlier this year, we announced the introduction of dedicated management for Vastned Retail Belgium. This has now been implemented and we already reap the benefits of this decision. The Belgian team as part of the dedicated management has moved to a new location in Antwerp and several new colleagues have been hired. The final preparations for the relocation of our office in the Netherlands are under way, and we will be operational in our office on De Boelelaan 7 in Amsterdam as of 14 November.'

Review of the property portfolio

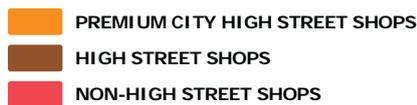
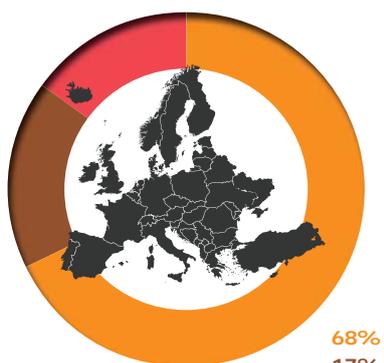
Introduction

At 30 September 2016 the portfolio comprised 73% premium city high street shops, 16% high street shops and 11% non-high street shops. The value of the total portfolio was approximately € 1.6 billion as at 30 September 2016.

Portfolio allocation end Q3 2016



Portfolio allocation year-end 2015



Occupancy rate

The occupancy rate saw a small rise over the past quarter to 96.9% (30 June 2016: 96.7%). The leasing activity and the divestments in the Netherlands resulted in a higher occupancy rate of the high street shops. The occupancy rate for the premium city high street shops remained high at 99.1% (30 June 2016: 99.2%).

The decline of the occupancy rate of the premium city high street shops in France was solely caused by frictional vacancy of a couple of apartments and of one office unit that became vacant. The retail units of the premium city high street shops in France were fully occupied.

Development occupancy rate in Q3 2016

	Netherlands		France		Belgium		Spain/ Portugal		Turkey		Total	
	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2
in %												
Premium city high street shops	99.1	98.8	98.4	99.4	99.2	99.3	100	100	99.5	99.5	99.1	99.2
High street shops	91.3	90.3	97.2	97.2	97.9	98.1	100	100	n.a.	n.a.	93.7	92.9
Non-high street shops	91.4	92.9	78.9	78.9	97.4	98.1	n.a.	n.a.	n.a.	n.a.	93.0	93.9
Total	95.2	94.7	97.1	97.9	98.4	98.7	100	100	99.5	99.5	96.9	96.7

Development occupancy rate in the first nine months of 2016

	Netherlands		France		Belgium		Spain/ Portugal		Turkey		Total	
	Q3 2016	Q4 2015	Q3 2016	Q4 2015	Q3 2016	Q4 2015	Q3 2016	Q4 2015	Q3 2016	Q4 2015	Q3 2016	Q4 2015
in %												
Premium city high street shops	99.1	99.7	98.4	99.5	99.2	100	100	100	99.5	99.5	99.1	99.7
High street shops	91.3	94.8	97.2	92.9	97.9	98.1	100	100	n.a.	n.a.	93.7	95.5
Non-high street shops	91.4	96.3	78.9	85.7	97.4	95.7	n.a.	100	n.a.	n.a.	93.0	95.6
Total	95.2	97.3	97.1	97.7	98.4	98.3	100	100	99.5	99.5	96.9	97.9

Leasing activity

In the third quarter, Vastned concluded 21 leases for a total amount of € 2.9 million (Q3 2015: 40 leases for € 2.7 million). Seven of these leases, totalling € 1.4 million, were concluded for premium city high street shops. These leases were concluded at on average 35.4% higher rents, so that the rent for all leases concluded in Q3 2016 rose by 4.1%. Vastned achieved the biggest rent increase on the lease with Adidas Originals for Rue des Rosiers 3 in Paris; the rent rose with 55% compared to the previous rent.

Additionally Vastned concluded a lease with online eyewear fashion retailer Polette for Steenweg 9 in Utrecht in the third quarter. Polette is opening showrooms in popular shopping locations as a reinforcement of its online sales. Another online player who will soon open its first physical store in the Netherlands is MyMuesli. Vastned recently concluded a lease with them for Lange Elisabethstraat 6 in Utrecht. Physical shops are an important part of the further strategic growth in the Netherlands MyMuesli envisages.

In the first nine months of 2016, Vastned concluded 88 leases for a total amount of € 9.0 million, against 114 leases for a total amount of € 8.4 million in the same period of last year. Of these 88 leases, 25 were for premium city high street shops, which jointly resulted in a rent increase of € 0.7 million, or 19.5%. The largest rent increases were realised on the leases for premium city high street shops in France with on average an increase of 38.8%.

Due to the realised average rent increase of 4.1% in Q3 2016, the average rent decrease for the first nine months of 2016 was reduced to 0.6% negative (HY1 2016: 2.8% negative).

Overview of the leasing activity per type

	Volume in euro's and as percentage of the theoretical gross rental income				Volume in euro's and as percentage of the theoretical gross rental income			
	YTD 2016		Rental movement		Q3 2016		Rental movement	
	€ million	%	€ million	%	€ million	%	€ million	%
Premium city high street shops	4.4	4.9	0.7	19.5	1.4	1.7	0.4	35.4
High street shops	3.3	3.6	(0.6)	(14.7)	1.4	1.5	(0.2)	(14.1)
Non-high street shops	1.3	1.4	(0.2)	(14.4)	0.1	0.1	(0.03)	(21.2)
<i>Total</i>	9.0	9.9	(0.1)	(0.6)	2.9	3.3	0.1	4.1

Acquisitions in premium cities Amsterdam, Parijs and Utrecht

During the first nine months of 2016, Vastned acquired four premium city high street shops in Amsterdam, Paris and Utrecht for € 41.8 million.

In the first quarter of 2016, Vastned acquired a premium city high street shop at Rue des Archives 21 in Paris, while in Utrecht the cluster in the old city centre was expanded with Vredenburg 9. In the third quarter, Vastned acquired the premium city high street shop at Rue de Rennes 146 in Paris and the corner property at Leidsestraat 2 in Amsterdam.



Divestments of non-strategic assets

The total divestments in first nine months were € 81.2 million. These assets were sold at on average 4.3% below book value.

Following the divestments in the Netherlands and Spain in H1 2016, Vastned sold in Q3 2016 a large portfolio of different assets in the Netherlands for € 46.7 million in total, comprising a.o. the partial ownership in shopping centre Boven 't IJ in Amsterdam-Noord, which included the former V&D property, the partial ownership in shopping centre Overvecht in Utrecht, the properties in Gouda and eight high street shops in The Hague.

Furthermore, Vastned sold a number of individual high street shops in smaller cities in the Netherlands such as Bussum, Culemborg, Enschede, Harlingen and Leiden, and the partial ownership in shopping centre Buitenmere in Almere Buiten for € 18.6 million. The buyers were private investors.

In Belgium, Vastned sold a property in Turnhout for € 5.0 million, a retail unit of 1,200 square metres leased to H&M.

Outlook

The retail market in Europe is highly dynamic. One of the reasons is the constant development in consumer spending patterns and behaviour. Consumers increasingly know how to creatively combine online and physical shopping. In addition fixed costs for subscriptions such as mobile telephones, TV, Internet and online content are increasingly becoming part of the standard costs of living, while at the same time, we see housing costs going up, but spending room not increasing. These developments combined result in less spending on retail and as a result polarisation between the well-known high streets and less popular retail locations will continue to increase. Retailers have less need for many shops, but more need for good shops in good locations: the locations where their customers shop. Vastned finds its strategic choice for growth in premium city high street shops confirmed, and will continue its strategy pragmatically and step by step.

Furthermore, Vastned anticipates that the 2016 direct result will be at the upper limit of the previously announced range of € 2.30 - € 2.40 per share. Vastned also confirms its dividend proposal for 2016 of € 2.05 per share.

VBDO Tax transparency benchmark 2016

The Dutch Association of Investors for Sustainable Development (VBDO) has recently performed an investigation focusing on transparency on taxes among 68 multinational companies with a stock exchange listing in the Netherlands. Vastned was mentioned as one of the three parties making the greatest progress in transparency and came in at a shared sixth place.

Relocation

On 14 November 2016, Vastned's head office and the Dutch retail team will move to De Boelelaan 7 in Amsterdam. Vastned decided to move to Amsterdam because many of its relations are based there and to improve its proximity to other premium cities in Europe. And finally, Amsterdam is a premium city, the core of Vastned's strategy.

FINANCIAL CALENDAR 2017

Date	Time	Subject
15 February 2017	before trading	Publication 2016 annual results
9 March 2017	before trading	Publication 2016 annual report
20 April 2017	3.00 pm	Annual General Meeting
24 April 2017		2016 Ex-dividend date
9 May 2017		2016 Dividend payment date
10 May 2017	before trading	Publication Q1 2017 trading update
2 August 2017	before trading	Publication 2017 half-year results
4 August 2017		2017 Ex-interim-dividend date
7 August 2017		2017 Record date interim-dividend
21 August 2017		2017 Payment date interim-dividend
1 November 2017	before trading	Publication Q3 2017 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 in Istanbul, with a clear focus on the best retail property in the most popular shopping streets in the bigger cities. Vastned's tenants are strong and leading international and national retail brands. The property portfolio has a size of approximately € 1.6 billion.

Further information

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