



Vastned 2014 annual results

Taco de Groot, CEO Vastned

Reinier Walta, CFO Vastned

Continued execution of premium city high street strategy

- Share of premium cities grew to 60%
- Results of premium city high street shops confirm the robustness of the strategy
- Major turn-around finalised in all markets except for NL
- Target of at least 25% non-bank loans more than realised at 49%
- Further diversification among banks realised
- Loan-to-value at 40.3% well within the target, providing room for acquisitions



Vastned increases occupancy rate with premium city high street strategy

Direct investment result with €2.44 per share above guidance due to one-off gain

Occupancy rate increases to 97.6% at year-end 2014 from 94.0% year-end 2013

Stable value movements total portfolio due to value increase of premium city high street shops of 5.1%

Proposed dividend of € 2.00 per share confirmed

Expected direct investment result for 2015 between € 2.10 - € 2.30 per share

Strong performance of premium city high street shops continues

- Retailers seek exposure on the best locations, which supports the positive results of the premium city high street shops
- Especially Dutch towns without a regional function show difficulties

in %	Premium city high street shops	High street shops	Non-high street shops	Total
Spot occupancy	99.1	96.0	96.2	97.6
Like-for-like rental growth	2.9	(1.0)	(0.7)	0.7
Value movements*	5.1	(5.5)	(5.0)	0.3

* Excluding acquisitions and divestments

Premium city high street shops leases showed a 3.6% rent increase

- Total leasing activity € 10.4 million (2013: € 18.5 million) i.e. 137 leases (2013: 265 leases) and 10.7% of TGOI
- On average leases were signed 5.3% below old rents mainly caused by a rent decline of leases signed in the Limoges shopping centres and by leases signed in non-high street shops in the Netherlands

- Premium city high street shop leases made up for 40% of total leasing activity with on average a 3.6% rent increase

	Leasing activity	Number of contracts	Average rent change on signed contracts
Premium city high street shops	€ 4.2 million	24	3.6%
High street shops	€ 2.6 million	49	(3.0)%
Non high street shops	€ 3.6 million	64	(15.2)%
Total	€ 10.4 million	139	(5.3)%

Acquisitions of high quality high street shops for € 103 million

Expansion of premium city portfolios:

- Netherlands + € 70 million
- France + € 5 million
- Belgium + € 28 million

Share of premium city high street shops increased to 60%



Veldstraat 23-27, Gent



Heiligeweg 37, Amsterdam



Schapenmarkt 17-17, Den Bosch

Divestments improve quality of the portfolio

- Vastned sold € 99 million of non-strategic assets at an average of 2.6% below book value
- On top of the divestment of the Spanish shopping centres/galleries and a retail park that was successfully closed this year

	Divestments in 2014	Net result on divestments
	€ million	€ million
Netherlands	12.5	0.7
France	45.5	(1.4)
Belgium	41.0	(1.9)
Total	99.0	(2.6)

Almost 50% of Vastned portfolio located in top 10 clusters

- Vastned's strategy is to expand its clusters where possible
- Clusters contribute to the premium city high street profile of Vastned and create opportunities for rent optimisation and leasing flexibility



Cours de l'Intendance, Bordeaux

Top 10 clusters

#	City	Value in € million	Number of high street shops
1	Istanbul	132	9
2	Paris	116	4
3	Amsterdam	107	24
4	Bordeaux	86	22
5	Utrecht	65	23
6	The Hague	55	24
7	Antwerp	52	11
8	Brussels	49	5
9	Lille	48	34
10	Ghent	41	5
	Total	751	161



2014 country performance

The Netherlands: Retail landscape in motion

Key figures

- Total portfolio year-end 2014: € 650 million
- Share of premium city high street shops: 45%
- Occupancy rates
 - Premium city high street shops: 99.0%
 - Total: 97.3%



Steenweg 22-28, Utrecht

Developments in 2014

- Dutch retail landscape remains difficult with retailers in the mid-segment with out-dated formulas and too many shops facing more difficulties
- Total rotation of acquisitions and divestments of € 83 million
- Leasing activity on premium city high street shops result in 7.2% rent increase
- Focus on rent optimisation in existing portfolio and growth of share of premium city high street shops

France: Share of premium city high street shops 81%

Key figures

- Total portfolio year-end 2014: € 331 million
- Share of premium city high street shops: 81%
- Occupancy rates
 - Premium city high street shops: 98.5%
 - Total: 96.5%



Rue Édouard-Herriot, Lyon

Developments in 2014

- Acquisitions and divestments resulted in a more concentrated portfolio with higher occupancy rate, better like-for-like rent growth, and higher value movements
- Leases on Rue Sainte Catherine in Bordeaux with So Good and Etam confirm popularity of this pedestrian shopping street with rent increases of 29% and 12%
- Active asset management kept occupancy levels at the Limoges shopping centres stable at 76.8% (year-end 2013: 76.1%)
- Main focus on further growth in premium cities like Paris

Belgium: Portfolio realises major improvement

Key figures

- Total portfolio year-end 2014: € 357 million
- Share of premium city high street shops: 49%
- Occupancy rates
 - Premium city high street shops: 100%
 - Total: 97.9%



H&M, Veldstraat, Ghent

Developments in 2014

- Belgian retail market started showing signs of lower consumer spending
- Quality improvement by sale of € 41 million non-strategic assets
- Acquisition of Veldstraat 23 -27 in Ghent for € 28 million
- Occupancy rate increased from 95.4% year-end 2013 to 97.9% year-end 2014

Spain: Full turn-around finalised; focus on expansion in premium cities

Key figures*

- Total portfolio year-end 2014: € 69 million
- Share of premium city and high street shops: 88%
- Occupancy rates
 - Premium city high street shops: 100%
 - Total: 100%

* including Portugal



Salvatore Ferragamo, Calle Serano, Madrid

Developments in 2014

- Full turn-around of Spanish portfolio and team after divestment of seven shopping centres/galleries and a retail park
- Currently small but high-quality portfolio of € 69 million
- Occupancy rate increased from 86.6% year-end 2013 to 100% year-end 2014
- In 2015 focus will be on expanding the premium city portfolio

Turkey: Stable results

Key figures

- Total portfolio year-end 2014: € 132 million
- Share of premium city high street shops: 100%
- Occupancy rate:
 - Premium city high street shops: 99.3%



Armani, Abdi Ipekci, Istanbul

Developments in 2014

- Retailers realise positive results on high streets of Istanbul
- Topshop lease renewed for the second time and resulted in rent increase of 4.6%
- Armani opened flagship store on Abdi Ipekci
- ZARA flagship store received only BREAAAM certificate in Istiklal Cadessi
- Closely monitor the geopolitical developments



2014 financial results

Reinier Walta, CFO

Positive like-for-like gross rental growth driven by premium city high street shops

	Premium city high street shops	High street shops	Non-high street shops	Total
	%	%	%	%
Netherlands	4.1	(0.8)	(2.2)	(0.3)
France	1.1	0.3	(21.0)	(1.2)
Belgium	1.3	(3.8)	3.5	1.4
Spain/Portugal	1.1	1.4	2.0	1.6
Turkey	9.3	n.a	n.a	9.3
Total	2.9	(1.0)	(0.7)	0.7

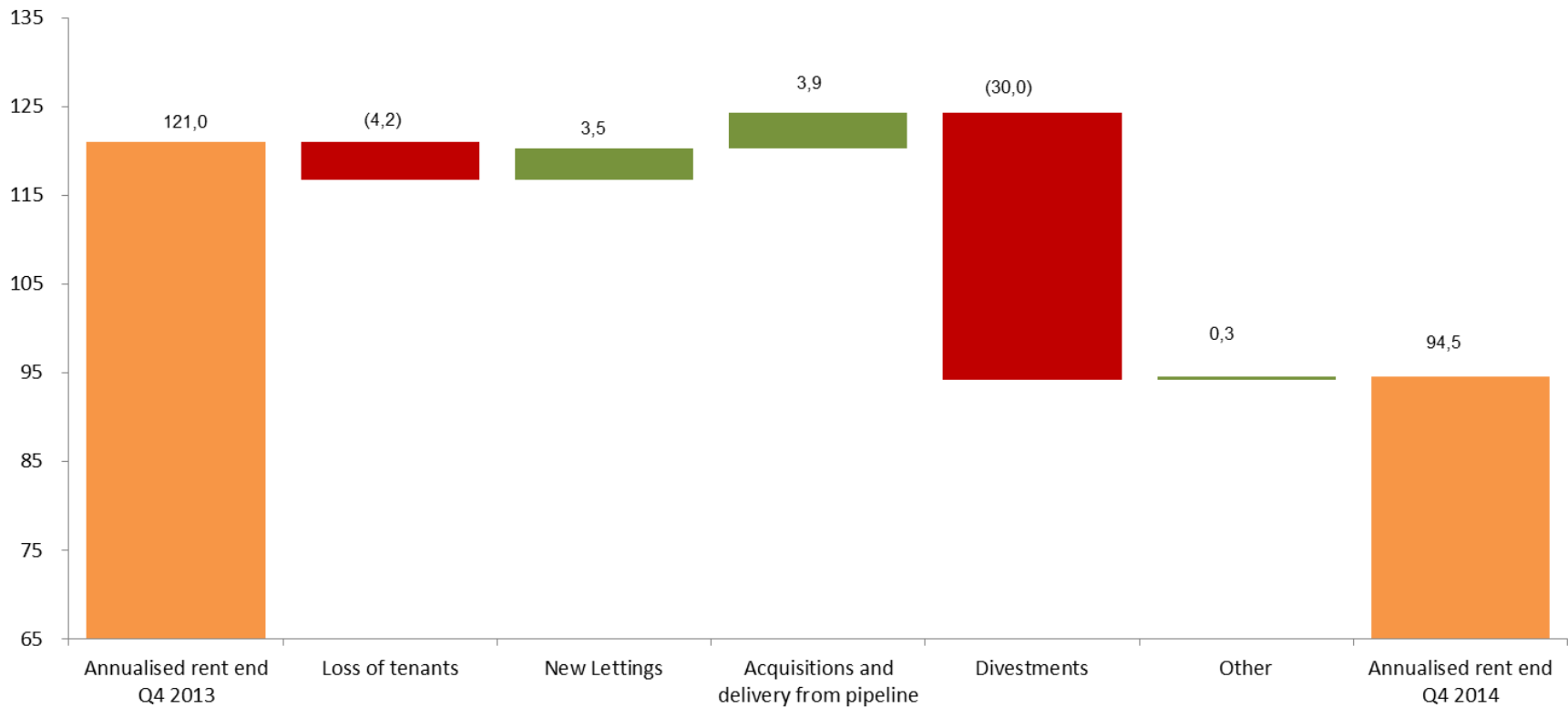
Positive value movements on premium city high street shops in all countries

	Value	Premium city high street shops	High street shops	Non high street shops	Total
	In € million	%	%	%	%
The Netherlands	650	1.9	(7.8)	(9.5)	(4.7)
France	331	6.5	(0.3)	(14.1)	4.7
Belgium	357	7.3	(2.5)	(2.1)	3.4
Spain/Portugal	69	14.9	(7.0)	3.7	8.2
Turkey	132	2.5	n.a.	n.a.	2.5
Total	1.539	5.1	(5.5)	(5.1)	0.3

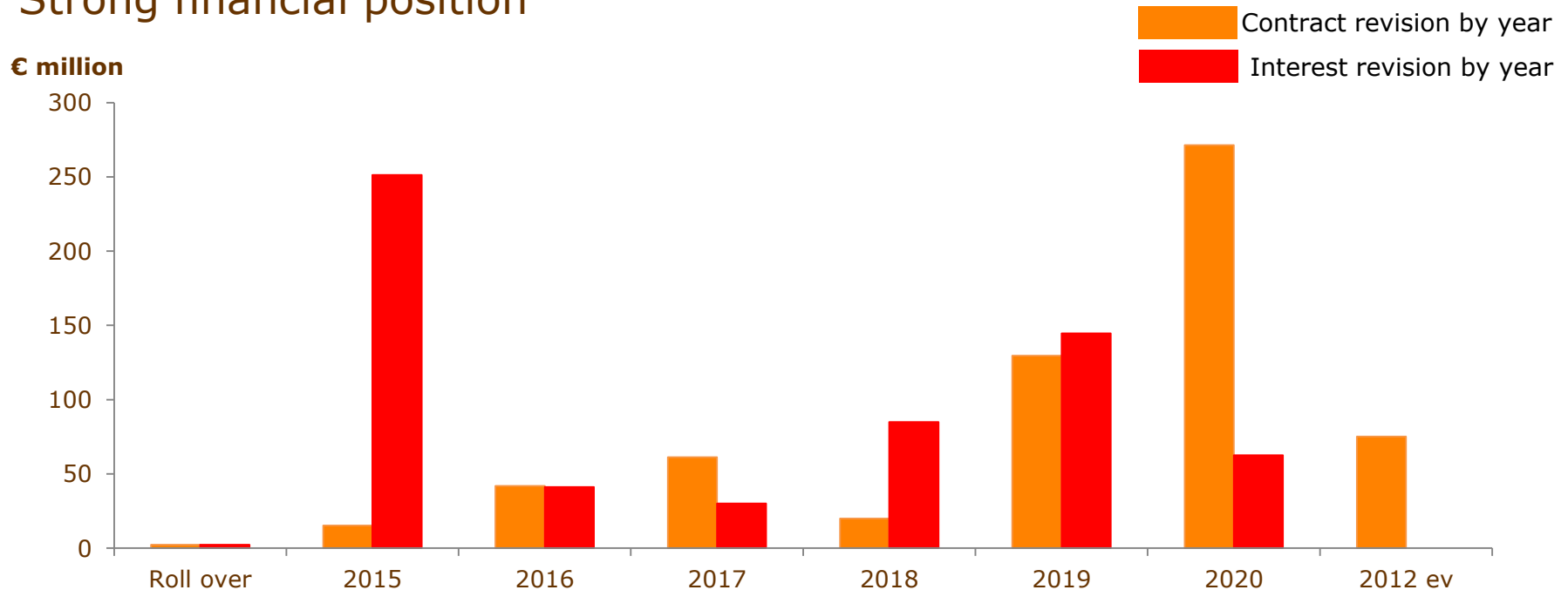
Value movements excl. acquisitions and divestments

Divestment of non-strategic assets resulted in lower rental income

Annualised rent
(in € million)



Strong financial position



- Loan to value at 40.3% at year-end 2014
- Current unused credit facility of € 150.3 million
- Short term debt 2.8% of total debt
- 73.1% of loan portfolio fixed interest rate
- Share of non-bank loans increased to 49%
- Average interest rate in 2014 improved to 4.1% from 4.3% in 2013
- At year-end 2014 the average interest rate improved to 3.5%
- Interest coverage ratio 2014: 3.5 (2013: 2.8)

Development direct result 2014

- Net rental income € 21 million lower mainly due to divestments
- Operating and financing costs declined more than gross rental income

In € million	FY 2014	FY 2013	Δ
Gross rental income	96.4	123.2	(26.8)
Operating expenses	(10.7)	(16.5)	5.8
Net financing costs	(24.1)	(34.4)	10.3
General expenses/taxes	(10.3)	(11.3)	1.0
Non-controlling interests	(4.8)	(6.8)	2.0
Direct result	46.5	54.2	(7.7)

Movement direct investment result per share

in €

Direct result per share 2013	2.85
Like-for-like net rental growth	0.01
Increase due to acquisitions	0.19
Taking into operation of investment properties	0.10
Decrease due to divestments	(1.38)
Decrease financing costs due to net-divestments	0.37
Decrease due to lower financing costs	0.13
Decrease general expenses and income tax expense	0.02
Decrease due to non-controlling interest	(0.01)
One-off gain due to divestment Spanish shopping centres/galleries	<u>0.07</u>
	2.35
One-off gain due to receivable of Belgian withholding tax	0.09
Direct result per share 2014	2.44

Proposed dividend 2014 of € 2.00 per share in line with policy

- Vastned will propose a dividend of € 2.00 per share
- In line with the dividend policy
- 82% of the direct result 2014
- Final dividend of € 1.27 per share



Etam, Rue Sainte Catherine, Bordeaux

Outlook 2015

- Polarisation in Europe between popular and less popular retail locations expected to continue
- Retailers in the mid-segment with outdated formulas and/or too many shops will face more difficulties
- Focus for 2015 on growth of the European portfolio of premium city high street shops
- Financing costs expected to decline further due to current low interest rate environment
- Current portfolio provides sufficient basis to estimate direct investment result per share 2015 between € 2.10 - € 2.30
- Dividend policy will remain unchanged

Q&A

Contact details

Vastned Investor Relations

Anneke Hoijtink

+ 31 10 24 24 368

+ 31 6 31637374

anneke.hoijtink@vastned.com

www.vastned.com