

11 MAY 2016

Q1 2016 TRADING UPDATE

Premium city high street shops show good results

HIGHLIGHTS:

- Acquisitions in Le Marais, Paris, and Utrecht totalling € 24 million and divestments of € 11 million
- Vastned attracts Repeat cashmere and Scalpers as new tenants
- Good results premium city high street shops compensate decline of high street and non-high street shops, which confirms the continuing polarisation in the retail market
- Occupancy rate of premium city high street shops remained high at 99.5%
- 13.5% rent increase on leases concluded for premium city high street shops
- Forecast for 2016 direct result maintained at € 2.30 - € 2.40 per share

Rotterdam, 11 May 2016 - Vastned, the listed European property company focusing on venues for premium shopping, has made good progress on its strategy in the first quarter of 2016.

Taco de Groot, Vastned Chief Executive Officer: *'In the first three months of this year we have made good progress in the execution of the strategy, with acquisitions in Paris and Utrecht totalling € 24 million and divestments of properties in a number of smaller cities in the Netherlands and a retail warehouse in Castellón de la Plana in Spain for € 11 million in total. The effectiveness of the organisation was improved further by hiring a commercial director and introducing dedicated management for Vastned Retail Belgium.'*

The polarisation in the retail landscape continued in the first quarter. Top locations are still in demand with high-profile retailers. Our results bear this out. Rents on leases concluded for premium city high street shops rose by 13.5%, while the occupancy rate remained high at 99.5%.

We remain focused on the best retail property in popular shopping streets in Europe, and will continue to advance our strategy. Our forecast for the 2016 direct result of € 2.30 - € 2.40 per share remains unchanged.'

REVIEW PROPERTY PORTFOLIO

INTRODUCTION

The premium city high street shops generated good results over the past quarter. The occupancy rate was high at 99.5%, and leaseings of the premium city high street shops resulted in an average rent increase of 13.5%.

The dichotomy between successful and less successful retailers and between popular and less popular retail locations widened further. Figures from the commercial register of the Chamber of Commerce showed that bankruptcies among retailers in the Netherlands rose considerably in the past quarter compared to 2015. Only two Vastned retail units fell vacant due to retailers filing for bankruptcy. Four retail units were leased to restarted retailers, although at lower rents.

Also, Vastned had leased a property to V&D at Buikslotermeerplein in Amsterdam-North. Currently, Vastned is close to agreements with three retailers for this property of over 9,000 square metres. Once the leases are signed, the property will be refurbished, after which the three new tenants can open for business. This is expected to be in the course of 2017.

OCCUPANCY RATE

At the end of Q1 2016, the occupancy rate of the total portfolio stood at 96.7% as compared to 97.9% at year-end 2015. The decrease was due mainly to the expiry and discontinuation of regular and temporary leases for high street and non-high street shops in the Netherlands. The occupancy rate of the premium city high street shops remained high at 99.5% (year-end 2015: 99.7%).

OCCUPANCY RATE END Q1 2016 COMPARED TO YEAR-END 2015

END Q1 2016

	in %	Premium city high street shops	High street shops	Non-high street shops	Total
Netherlands	99.8	89.4	93.5	95.0	
France	99.1	97.2	84.1	97.8	
Belgium	99.3	97.9	96.1	98.0	
Spain/Portugal	100.0	100.0	100.0	100.0	
Turkey	99.5	n.a.	n.a.	99.5	
Total	99.5	92.2	93.8	96.7	

YEAR-END 2015

	in %	Premium city high street shops	High street shops	Non-high street shops	Total
Netherlands	99.7	94.8	96.3	97.3	
France	99.5	92.9	85.7	97.7	
Belgium	100.0	98.1	95.7	98.3	
Spain/Portugal	100.0	100.0	100.0	100.0	
Turkey	99.5	n.a.	n.a.	99.5	
Total	99.7	95.5	95.6	97.9	

LEASING ACTIVITY

In the past quarter Vastned concluded 34 new leases for € 2.4 million in total, which is equal to 2.5% of the theoretical gross rental income. The rent increase Vastned realised in the leasing of premium city high street shops came close to offsetting the decrease of the two other categories. Overall, the leasings led to a decrease of the rent level on these new leases of approx. € 80,000.

Premium city high street shops performing well



The nine leases, representing € 1.3 million in annual rental income, which Vastned concluded for premium city high street shops in Q1 2016 resulted in a total rent increase of € 157,000.

One of these was with the Spanish men's fashion brand Scalpers, which will launch its first flagship store in the Netherlands in our high street shop at Leidsestraat 60-62 in

Amsterdam at the end of the summer. Until recently, Leidsestraat 60-62 was leased to Rituals and The Coffee Company. By joining these two retail units, Vastned can offer Scalpers a suitable retail unit on one of the most popular shopping streets in Amsterdam and realise a 20% rent hike. Additionally, four apartments will be created above the new shop. By creating residential space above the shops Vastned helps to relieve the housing shortage in Amsterdam and contributes to the liveability and safety of the historical city centre. This is a core topic in Vastned's CSR policy and another way to create value for shareholders and the community.

In Bordeaux Vastned attracted the Swiss high-end fashion brand Repeat cashmere for Cours de l'Intendance 58. Just three years ago, Vastned acquired a cluster of luxury high street shops in the historical city centre of Bordeaux, including Cours de l'Intendance 58. A key condition for acquisitions is upside potential. By proactively searching for a new tenant for Cours de l'Intendance 58 and replacing Rodier, the former tenant, by Repeat cashmere Vastned succeeded in realising upside rent potential with a 48% rent hike on the previous rent.

High street shops leasing

In the first quarter of this year, Vastned concluded fifteen leases for high street shops in smaller and medium-sized cities for € 0.6 million in total. Fourteen of these were signed in the Netherlands and one in France. Overall, high street shop leasing in the first quarter resulted in a € 196,000 rent decrease.

In Q1 2016, as a result of bankruptcies of retailers in the Netherlands five of Vastned's high street shops were vacated. After their formulas had a restart, Scapino and La Place decided to continue operating the retail properties of Vastned. This meant that three out of the five leases were renewed, although at lower rents.

Non-high street shops leasing

In the first quarter of 2016, ten leases for non-high street shops were concluded for € 0.4 million in total. Nine of these took place in the Netherlands and one in Belgium. Overall, the leases Vastned concluded for non-high street shops resulted in a € 41,000 decrease compared to the previous rent.

OVERVIEW LEASING ACTIVITY PER TYPE IN Q1 2016

	Volume in euros and as a percentage of gross rental income			Rent increase / (decrease)	
	€ thousand	%	Number	€ thousand	%
Premium city high street shops	1,323	1.4	9	157	13.5
High street shops	616	0.6	15	(196)	(24.1)
Non-high street shops	429	0.5	10	(41)	(8.7)
<i>Total</i>	2,368	2.5	34	(80)	(3.3)

ACQUISITIONS*Expansion in premium city high street shops*

In Q1 2016, Vastned acquired premium city high street shops in Paris and Utrecht for € 23.8 million (including purchasing costs). After its first acquisition in the historical district of Le Marais last year, Vastned expanded its holdings with rue des Archives 21. This premium city high street shop is located on the best part of one of the most popular shopping streets for high-end and luxury shopping in Le Marais with retailers, alongside Sandro, like Gucci, Moncler, The



Kooples, special boutiques as well as trendy bars and restaurants. In Utrecht Vastned acquired Vredenburg 9. This unique property of nearly 1,600 square metres and a facade of over 20 metres is located on Vredenburg square in the heart of Utrecht, diagonally across from Zara's flagship store, Starbucks and the new entrance to the biggest and busiest railway station of the Netherlands.

DIVESTMENTS OF NON-STRATEGIC ASSETS

In the Netherlands, Vastned sold non-strategic assets in Drachten, IJsselstein and Houten for € 3.1 million (net proceeds). Vastned also sold the retail warehouse leased to Media Markt at Calle Grecia 4 in Castellón de la Plana for € 7.5 million (net proceeds). This brought the total divested amount in Q1 2016 to € 10.6 million, 5.8% above book value.

EVENTS AFTER BALANCE-SHEET DATE

The Annual General Meeting of Vastned Retail NV was held on 20 April 2016. In this meeting, all voting items on the agenda were adopted, including the reappointment of Marieke Bax as a member of the Supervisory Board, the appointment of Ernst & Young Accountants LLP as external auditor for a period of four years, and the dividend declaration for the 2015 financial year of € 2.05 per share. The final dividend of € 1.31 per share will be made payable on 13 May 2016.

Furthermore, following the scheduled retirement of Wouter Kolff as chairman and member of the Supervisory Board in the Annual General Meeting of 20 April 2016, Marc van Gelder was appointed as the new chairman of the Supervisory Board.

OUTLOOK 2016

Vastned maintains its forecast announced at the beginning of this year of a direct result for 2016 of between € 2.30 and € 2.40 per share.

FINANCIAL CALENDAR 2016

Date	Time	Subject
Friday 13 May 2016		Payment date final dividend 2015
Tuesday 2 August 2016	Before trading	Publication half-year results 2016
Thursday 4 August 2016		Ex interim dividend
(Friday 5 August 2016: record date interim dividend)		
Thursday 25 August 2016		Payment date interim dividend 2016
Tuesday 1 November 2016	Before trading	Publication nine-months trading update 2016

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 € 1.7 billion.

FURTHER INFORMATION

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