Press release

vastned
Venues for Premium Shopping

Strategy update Vastned: Focus on growth in selected European cities

Divestment of the Turkish portfolio and announcement of share buy-back

- Strategy update: Focus on growth in selected European cities
- Vastned exits Turkey by divesting its Turkish entity resulting in net sales result of € 5.9 million
- Approximately € 50 million of the Turkish divestment proceeds will be used for a share buy-back
- Estimated 2017 direct result is unchanged at € 2.10 - € 2.20 per share

Amsterdam, 8 March 2017 – Vastned, the listed European retail property company focusing on venues for premium shopping, announces an update of its strategy and has signed an agreement for the divestment of the Turkish entity, thereby exiting Turkey. Part of the proceeds of the divestment will be used for a share buy-back of approximately € 50 million.

Taco de Groot, CEO Vastned: *'Since the start of the high street strategy in September 2011, Vastned has continued its strategy in a proactive and disciplined manner. We have made significant improvements in the quality of the portfolio and we created stronger clusters. This has been one of our strengths over the past few years.*

We will continue to focus on the best shopping streets in the best shopping cities in large European cities, primarily focusing on growth in five selected cities: Amsterdam, Antwerp, Madrid, Paris and Barcelona. We will focus on growth of the clusters in these cities in a pragmatic and disciplined way, step-by-step.

The divestment of the Turkish portfolio clearly adds to the further stability of the portfolio. The current geopolitical, political, and economic situation in Turkey and the expectation that it will not improve in the short to medium term, makes its less attractive for retailers to be present in Istanbul, putting rents under pressure in the future. As the divestment of this portfolio contributes to our goal of generating stable results, we are pleased we can today announce the sale of our Turkish entity.

Due to the size of this divestment we have decided to use part of the proceeds to buy back shares following the closing of the transaction. Due to the combination of the divestment and the share buy-back the expected direct result for 2017 of € 2.10 - € 2.20 per share, as announced on 15 February 2017, will be unchanged.'

Strategy update: Focus on growth in five selected European cities realising stable results

Following the progress Vastned made in the last years including this divestment of the Istanbul portfolio, the quality of the portfolio has clearly improved, which resulted in more predictable and stable results.

This focus on quality will remain key in Vastned's strategy. Additionally, a steady development of the value of the property portfolio that is accounted for in the indirect result is another important element of the strategy. Hence the extension of Vastned's objective to generate stable direct and indirect results.

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Acquisitions
Vastned will focus its acquisition strategy specifically on growing the existing clusters in Amsterdam, Antwerp, Madrid and Paris. Additionally Vastned strives to create a cluster of prime retail assets in Barcelona.

Barcelona would perfectly fit our portfolio. It has a beautiful historical inner-city, it is a very popular tourist destination, shows positive demographic development and growing purchasing power, whilst housing multiple international and national institutions and universities.

The results in recent years confirm that assets in the best shopping streets in large European cities generate steady and predictable results. Also the retail landscape is continuously changing, increasing the popularity of top locations even further. These five cities are the cities that cross-border expanding retailers choose firstly and sometimes only when expanding. Also retailers who are downsizing their footprint choose to stay in these cities.

Vastned will only consider growth possibilities in other core cities like Utrecht or Gent, where it is currently already active, when specific opportunities, arise, such as acquiring adjacent retail units.

Core city assets and mixed retail locations

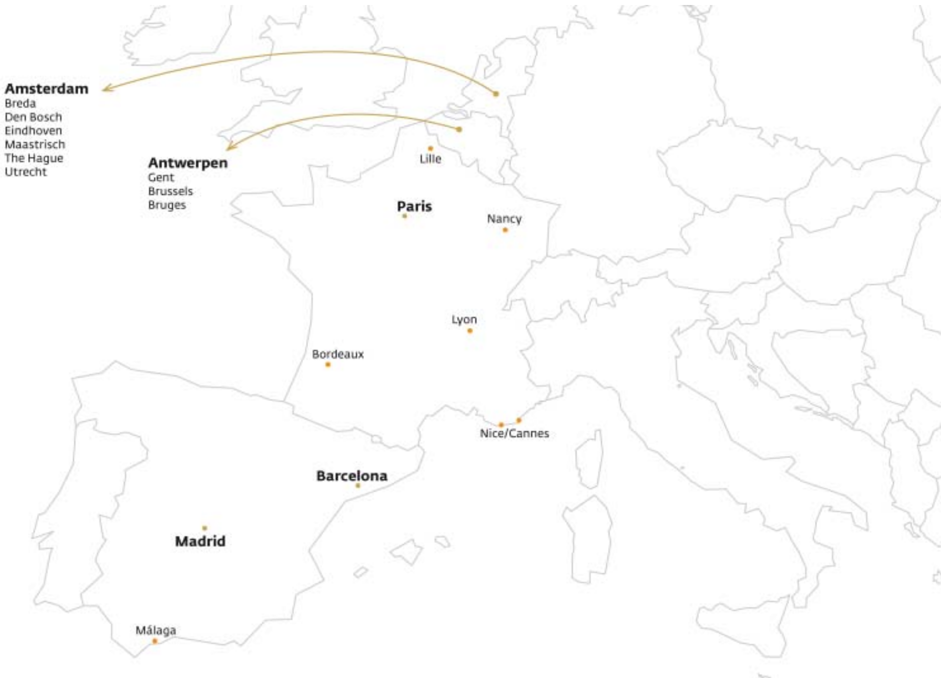
Due to the rotation of the portfolio, resulting in a decrease of the non-high street and high street shops, Vastned has decided to change the segmentation of the portfolio from three to two segments.

The new segments will be: Core city assets and mixed retail locations

Core city assets
The portfolio 'core city assets' will include retail assets in the best shopping streets of bigger European cities. All former premium city high street shops plus the high street assets in Eindhoven and Nancy are therefore included. Eindhoven and Nancy are similar to the smaller premium cities such as Den Bosch or Breda. Both cities are popular shopping cities and the assets Vastned owns are of high quality.

The total portfolio of core city assets is currently valued at € 1,143 million.

Overview of core cities



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Mixed retail locations
This segment will contain all other retail properties such as the Belgian 'baanwinkels', good quality supermarkets, high street shops in smaller cities like Arnhem and Mechelen and (shared ownership of) shopping centres.

Currently, this portfolio is valued at approximately € 372 million.

Key parameters

After completion of the divestment of the portfolio in Istanbul 75% of the portfolio consists of core city assets and 25% of mixed retail locations. The total value of the portfolio is approximately € 1.5 billion, after the divestment in Istanbul.

Key parameters as at year-end 2016

	Core city assets	Mixed retail locations	Total
Total value (€ million)	1,143	372	1,515
Occupancy rate (%)	99.0	93.9	97.1
Like-for-like rental growth (%)	0.7	(2.5)	(0.7)
Rental change at leasing activity (%)	18.6	(16.9)	(0.6)
Value movements (%)	4.6	(4.7)	2.0

** These are the 2016 annual results excluding the Turkish portfolio*

Targets

Portfolio
Vastned has set itself the target of growing the share of core city assets from the current 75% to over 80% of the total portfolio. Vastned will do so by acquiring retail assets in the best shopping streets of selected cities and by divesting an additional € 100 million in the Netherlands. The over 80% target leaves room for high-quality and higher yielding retail property, such as the Belgian 'baanwinkels', certain high street shops in smaller cities and supermarkets.

Financing
Vastned believes a conservative financing strategy is in line with achieving stable results and will therefore continue this strategy, including some refinements.

The loan-to-value range will be widened from 40%-45% to 35%-45%. Vastned is of the opinion that with a lower loan-to-value Vastned is less exposed to interest rate developments, which is consistent with the overall goal of achieving stable results. On the other hand Vastned would like to keep the possibility to make large acquisitions, if opportunities arise. A broader range of the loan-to-value provides such flexibility.

The targets of at least 25% non-bank financing and 2/3 of the loans having a fixed interest rate are retained.

Organisation
Vastned believes it is important to continue with a compact team of specialists and to keep the organisation lean and mean with a highly commercial and hands-on mentality.

Divestment of Istanbul portfolio
Vastned and a group of local private investors have signed an agreement for the divestment of the Turkish entity of Vastned, Vastned Emlak, through the sale of the shares of the entity. Vastned will exit Turkey and all nine assets in Istanbul will be divested. Vastned's employees in Istanbul will continue working for Vastned Emlak. The transaction will be closed before the end of March 2017 and will lead to a net sales result of € 5.9 million positive.

Due to the uncertain geopolitical, political, and economic situation in Turkey, consumer spending has been declining for quite some time and many tourists - a major source of income for the Turkish economy - avoid the country. Additionally, the negative movement of the exchange rate of the Turkish lira versus the euro has increased the effective rental costs, putting rents under pressure in the coming years, which are paid in euros. Therefore, Vastned decided to exit Turkey and focus solely on western European cities going forward.

Share buy-back announcement
Due to the size of the divestment of the Istanbul portfolio Vastned will use part of the proceeds to lower the drawn amount of the revolving credit facility and to buy back shares.

Vastned will commence the share buy-back following the closing of the transaction of the divestment of the Turkish entity. It has been agreed with the buyer that closing will take place at the latest on 31 March 2017. Vastned will buy back shares for a total amount of approximately € 50 million, recognising the significant discount to NAV the company's share price is currently trading at.

A following press release will be issued when closing of the Turkish divestment has occurred and the commencement of the share buy-back can be announced.

Outlook 2017 direct result unchanged
Due to the combination of the divestment of the assets in Istanbul and the share buy-back the 2017 direct result estimate will remain unchanged at € 2.10 - € 2.20 per share.

Conference call
Vastned will host a conference call for analysts and investors on Thursday 9 March 2017 at 10.00 am CET to further elaborate on the announced developments. The webcast can be followed at the website of Vastned under Investor Relations. The dial-in code for the conference call for analysts and investors for the Netherlands is: 020 531 5871. For international code please go to: https://www.kpnconferencing.nl/en/countryset-events-operatorwelcome.aspx

About Vastned
Vastned is a listed European retail property company focusing on venues for premium shopping. Vastned invests in selected cities in Europe, with a clear focus on the best retail property in the most popular shopping streets in the bigger European 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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KEY FIGURES PROPERTY PORTFOLIO*	Core city	Mixed retail locations	Total
Number of tenants	235	392	627
Theoretical gross rental income (in €million)	50.6	30.4	81.0
Market rent (in € million)	54.3	27.9	82.2
(Over-)/underrent (in €million)	5.4	(9.0)	1.4
Occupancy rate at year-end (in %)	99.0	93.9	97.1
Number of properties	172	160	332
Property (in € million)	1,143.5	371.3	1,514.8
Property (in %)	75	25	100
Average size property (in € million)	6.6	2.3	4.6
Lettable floor area (in 1'000 sqm)	94.8	193.4	288.2
SECTOR SPREAD			
Netherlands	68	32	100
France	99	1	100
Belgium	60	40	100
Spain	96	4	100
Totaal	**75**	**25**	**100**
AVERAGE RENT PER SQM (IN €)			
Netherlands	508	166	255
France	647	120	497
Belgium	399	146	217
Spain	1,151	294	997
Total	**534**	**157**	**281**
OCCUPANCY RATE AT YEAR-END 2016 (IN %)			
Netherlands	99.1	92.3	95.8
France	98.9	88.3	97.9
Belgium	99.2	97.6	98.5
Spain	100.0	100.0	100.0
Total	**99.0**	**93.9**	**97.1**

** results as reported at 15 February 2017 excluding the Turkish portfolio*

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DEVELOPMENT NET RENTAL INCOME 2016
(x € million)

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Core city assets	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total*	Subtotal excl. Turkey
Gross rental income 2015	18.5	14.4	8.7	2.2	8.1	51.9	43.8
Acquisitions	2.5	0.9	0.6	0.1	-	4.1	4.1
Taken into operation	-	0.1	-	-	-	0.1	0.1
Divestments	(0.2)	(0.5)	-	-	-	(0.7)	(0.7)
Like-for-like-rental growth	(0.1)	0.3	0.1	-	0.1	0.3	0.2
Gross rental income 2016	20.7	15.1	9.4	2.3	8.2	55.7	47.5
Operating expenses	(2.4)	(1.3)	(0.6)	(0.2)	(0.5)	(5.0)	(4.5)
Net rental income 2016	18.3	13.8	8.8	2.1	7.7	50.7	43.0
Net rental income 2015	16.4	13.3	8.2	2.0	7.6	47.5	39.9
Operating expenses in % from gross rental income:							
- in 2016	11.8	8.5	6.7	7.5	5.6	8.9	9.5
- in 2015	11.1	8.2	5.6	7.6	6.1	8.4	8.9

Mixed retail locations	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total*	Subtotal excl. Turkey
Gross rental income 2015	26.5	1.6	11.2	2.0	-	41.3	41.3
Acquisitions	-	-	-	-	-	-	-
Taken into operation	-	-	-	-	-	-	-
Divestments	(3.5)	(0.4)	(2.1)	(0.8)	-	(6.7)	(6.7)
Like-for-like-rental growth	(1.2)	-	0.4	-	-	(0.8)	(0.8)
Gross rental income 2016	21.8	1.3	9.5	1.2	-	33.8	33.8
Operating expenses	(4.0)	(0.4)	(0.9)	(0.1)	-	(5.4)	(5.4)
Net rental income 2016	17.8	0.8	8.6	1.1	-	28.4	28.4
Net rental income 2015	22.2	1.2	10.1	1.9	-	35.4	35.4
Operating expenses in % from gross rental income:							
- in 2016	18.0	33.9	9.8	-	-	16.1	16.1
- in 2015	16.4	24.3	9.0	5.8	-	14.2	14.2

Total	Netherlands	France	Belgium	Spain/ Portugal	Turkey	Total*	Subtotal excl. Turkey
Gross rental income 2015	45.0	16.0	19.9	4.2	8.1	93.2	85.1
Acquisitions	2.5	0.9	0.6	0.1	-	4.1	4.1
Taken into operation	-	0.1	-	-	-	0.1	0.1
Divestments	(3.7)	(0.9)	(2.1)	(0.8)	-	(7.4)	(7.4)
Like-for-like-rental growth	(1.3)	0.3	0.5	-	0.1	(0.5)	(0.6)
Gross rental income 2016	42.5	16.4	18.9	3.5	8.2	89.5	81.3
Operating expenses	(6.4)	(1.7)	(1.5)	(0.3)	(0.5)	(10.4)	(9.9)
Net rental income 2016	36.1	14.7	17.4	3.2	7.7	79.1	71.4
Net rental income 2015	38.6	14.5	18.3	3.9	7.6	82.8	75.3
Operating expenses in % from gross rental income:							
- in 2016	15.0	10.4	8.2	9.1	5.6	11.6	12.2
- in 2015	14.2	9.9	7.5	6.7	6.1	11.0	11.5

Total 2016 results as reported on 15 February 2017

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