



2017 annual results

Taco de Groot, CEO

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15 February 2018

European retail market developments

- Economic situation and consumer spending improving in Europe
- Increased consumer confidence and spending not necessarily means a rise in sales for all retailers
- Retailers still need to adapt and anticipate to the new and changing retail reality
- Location and size of the store are key
- Food and beverage is increasingly determining the popularity of big European cities
 - Approx. 4% of rental income of Vastned from food and beverage

Overview highlights 2017: Strong results through successful strategy

Strong results core city assets:
Occupancy rate: 99.6%
Like-for-like rental growth: 3.1%
Value increase: 6.8%

Strategic progress made through
divestments of
€ 123 million
(incl. Turkish portfolio)

Share buy-back of € 30 million

Growth in clusters of
Amsterdam, Antwerp, Paris, and
Utrecht with acquisitions of € 38
million

Loan-to-value: 38.8%
Average interest rate
at year-end 2017: 2.5%

2017 direct result above
expectation: € 2.22 per share

Intention to make a voluntary
and conditional public takeover
bid of €57.50 per share in cash
for all not owned shares in
Vastned Retail Belgium NV.

2017 dividend proposal:
€ 2.05 per share

2018 expected direct result:
€ 2.10 - € 2.20 per share

Occupancy rates confirm strategic choice for core cities

- Occupancy rate of core city assets increased to **99.6%** at year-end 2017 (year-end 2016: 99.1%)
- Overall occupancy rate remains high at 98.1% (year-end 2016: 97.3%)

	Core city assets		Mixed retail locations			Total
	Year-end 2017	Year-end 2016	Year-end 2017	Year-end 2016	Year-end 2017	Year-end 2016
Netherlands	99.6	99.1	93.7	92.3	97.1	95.8
France	99.3	98.6	83.7	88.3	98.4	97.9
Belgium	99.9	99.2	98.4	97.6	99.1	98.5
Spain/ Portugal	100.0	100.0	100.0	100.0	100.0	100.0
Turkey	na	99.6	na	na	na	99.6
Total	99.6	99.1	95.1	93.9	98.1	97.3

Leasing activity FY 2017: Strategy is bearing fruit

- Core city assets realise positive results on leasing activity
- Last phase of transition will further improve leasing activity

2017	Leasing activity		Number of leases concluded	Rental change on concluded contracts	
	€ million	As % of TGOI	#	€ '000	%
Cory city assets	3.6	4.5	25	337	10.4
Mixed retail locations	3.8	4.9	72	(434)	(10.1)
Total	7.4	9.4	97	(97)	(1.3)
Q4 2017					
Cory city assets	0.6	0.8	6	73	12.5
Mixed retail locations	0.4	0.5	13	(32)	(7.6)
Total	1.0	1.3	19	41	4.1



Further quality increase of the portfolio

Total portfolio rotation of € 1.7 billion since
introduction of high street strategy

Quality turnaround of the portfolio

- A total of **€ 1.7 billion** assets rotated since the introduction of the high street strategy in September 2011
- Additional pending divestments for beginning 2018
- Portfolio rotation increased the share of core city assets to **79%** of total portfolio
 - Overall occupancy rate increased from 95.1% year-end 2011 → **98.1%** year-end 2017

	2011	2012	2013	2014	2015	2016	2017	Total
In € millions								
Acquisitions	81	111	104	103	164	76	38	677
Divestments	16	146	271	261	87	95	123	999
Total	97	257	375	364	251	171	157	1,676



Rue des Francs Bourgeois 29, Paris

€ 38 million acquisitions in Amsterdam, Antwerp, Paris and Utrecht

Paris: € 19.8 million

- Rue des Francs Bourgeois 29
- Rue des Rosiers 19

Amsterdam: € 5.6 million

- Spuistraat 3
- Ferdinand Bolstraat 47-49

Antwerp: € 6.5 million

- Steenhouwersvest 44-48

Utrecht: € 5.9 million

Vismarkt 4 and Vredenburg 1



Steenhouwersvest 44-48, Antwerp



Vredenburg 1, Utrecht

Strategic divestments 2017: € 123 million

- Vastned divested the total Turkish portfolio and numerous smaller assets in the Netherlands, France, and Belgium for **€ 123 million** in total
- The geopolitical, political, and economic situation in Turkey and the lack of improvement resulted in great pressure on (future) rental levels
- The Turkish portfolio was 99.6% occupied
- The occupancy rate of the other divestments was: 87.9%
- The divestments were 22% over-rented vs the latest ERVs
- Total net result on disposals was approx. € 1.9 million negative





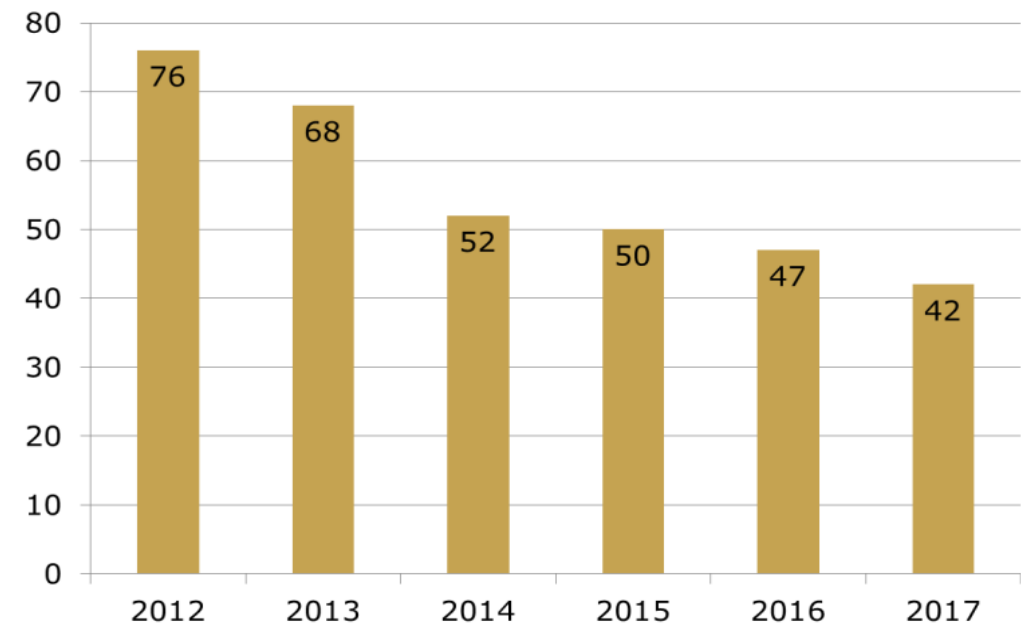
Remaining an efficient organisation

Quality improvement across the company

Remaining an efficient, lean & mean organisation

- In line with the turnaround of the portfolio the organisation changed
- Further efficiency steps taken in line with turnaround in the portfolio; year-end 2017: **42 FTE**
- Even more horizontal organisational structure
 - No management layer between country managers and COE
 - No country manager in the Netherlands

Development of FTE





2017 Financial results

2017 Financial key figures

Direct result:
€ 2.22 per share

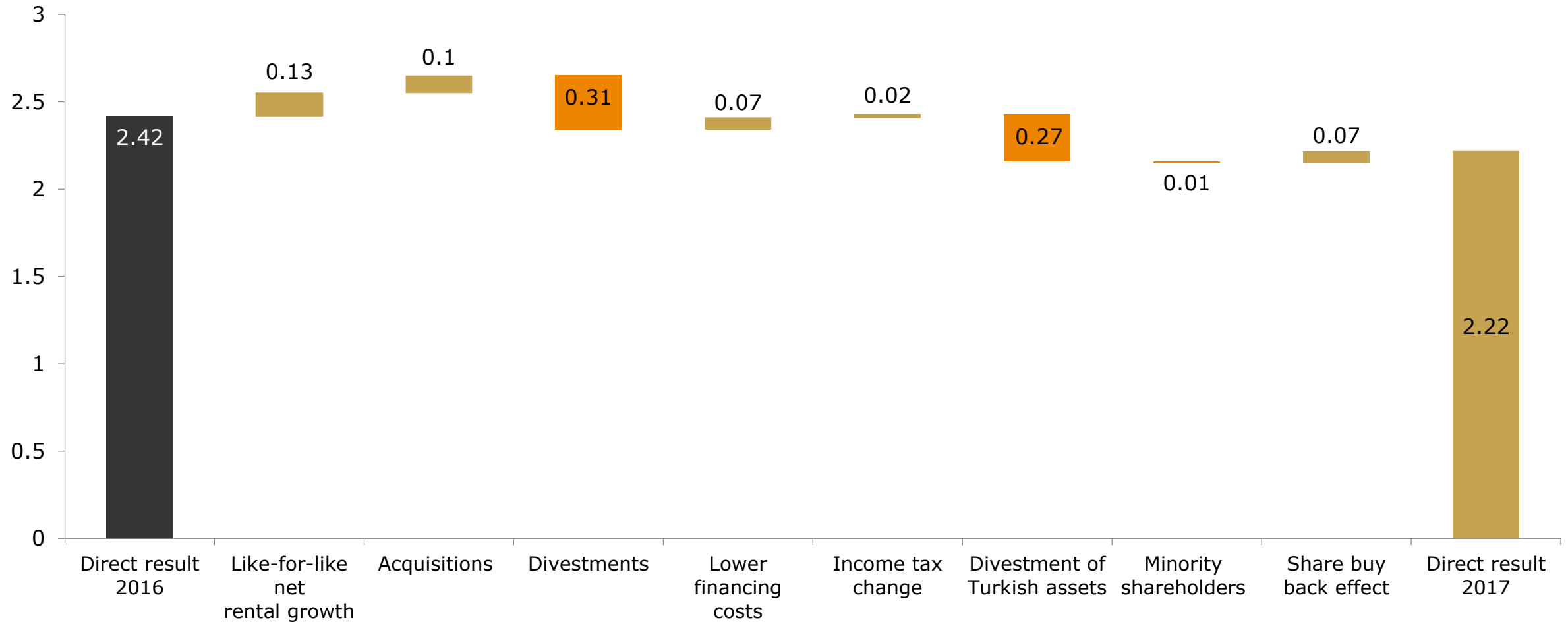
Indirect result:
€ 2.89 per share

Loan-to-value:
38.8%

	FY 2017/ at year-end 2017	FY 2016/ At year-end 2016
Direct result per share	€ 2.22	€ 2.42
Indirect result per share	€ 2.89	€ (1.03)
Value movements*	4.8%	(0.3)%
Like-for-like gross rental income	1.3%	(0.5)%
Average interest rate (spot)	2.5%	2.7%
LTV	38.8%	41.8%
NAV	€ 46.12	€ 42.26
EPRA NNNNAV	€ 45.66	€ 41.68

* Excluding acquisitions and divestments

Direct result above expectations



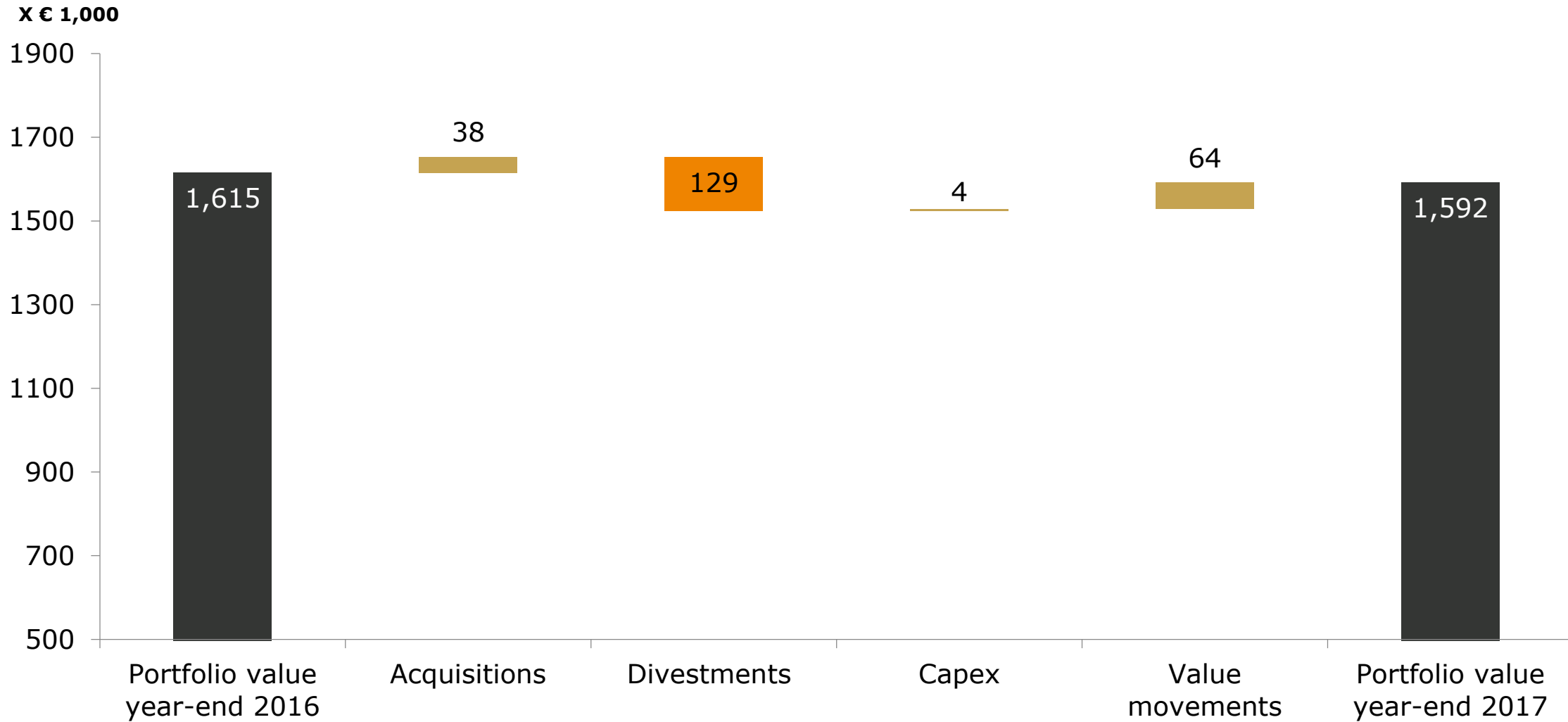
Rotation in the portfolio results in like-for-like gross rental growth of 1.3%

- Not just core city assets realising positive like-for-like gross rental growth
 - Mixed retail locations in Belgium also contribute to the positive result
- Core city assets realise 3.1% like-for-like gross rental growth in 2017



2017	Core city assets		Mixed retail locations		Total	
	€ '000	%	€ '000	%	€ '000	%
Netherlands	368	1.8	(556)	(3.3)	(188)	(0.5)
France	550	3.6	(244)	(19.3)	306	1.9
Belgium	441	4.7	289	3.1	730	3.9
Spain	96	4.3	3	1.6	99	4.1
Total	1,455	3.1	(508)	(1.8)	947	1.3

Quality rotation drives portfolio development



Positive value movements in all countries

- Core city assets increased in value with 6.8% (i.e. € 77.6 million) in 2017
- Mixed retail locations in Belgium demonstrate high quality, and increase in value



Value movements in 2017	Core city assets		Mixed retail locations		Total	
	€ million	%	€ million	%	€ million	%
Netherlands	32.4	7.0	(15.9)	(8.6)	16.5	2.5
France	30.7	8.2	(1.0)	(18.4)	29.7	7.8
Belgium	10.6	4.9	10.5	7.4	21.1	5.9
Spain	3.9	4.6	0.1	3.1	4.0	4.5
Total	77.6	6.8	(6.3)	(1.9)	71.3	4.8

* Excluding acquisitions and divestments

Solid financial position

Loan-to-value: 38.8%
(target range: 35% -45%)

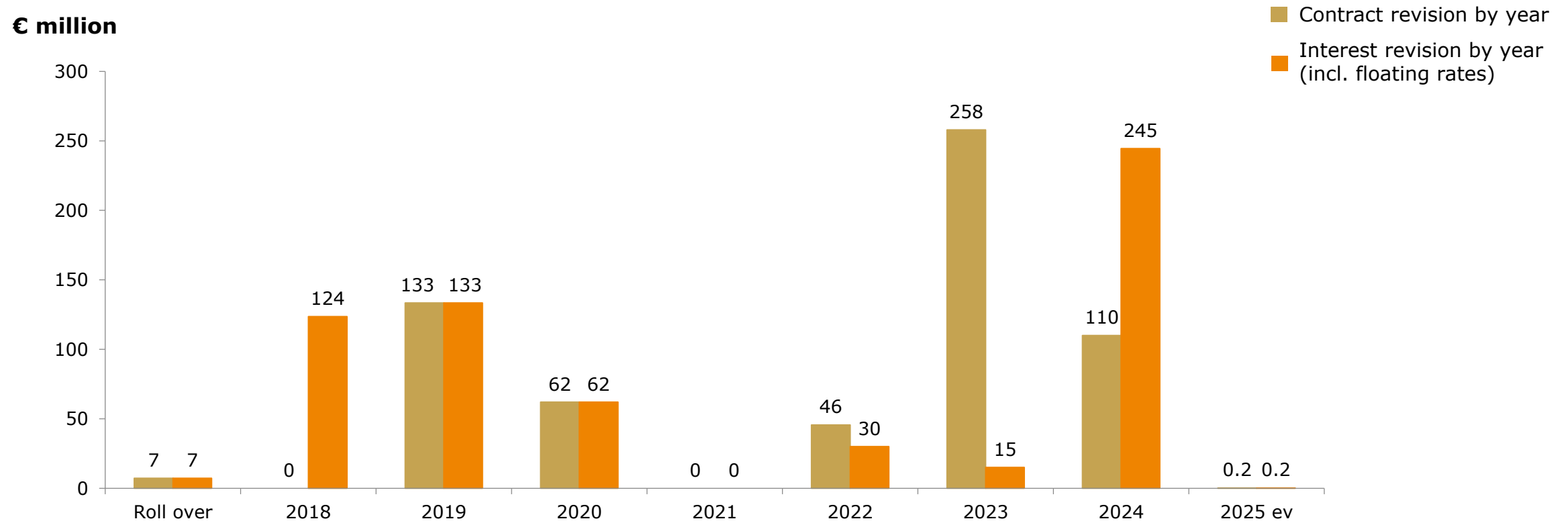
Average interest rate
(spot):
2.5%

Non-bank financing:
44.0%

	Year-end 2017	Year-end 2016
Total used credit facilities	€ 616 million	€ 674 million
Unused credit facility	€ 197 million	€ 162 million
Loan-to-value	38.8%	41.8%
Average interest rate (spot)	2.5%	2.7%
Average duration	4.3 yr	4.4 yr
Interest coverage ratio	3.9	4.0
Share of non-bank financing of interest-bearing loans	44.0%	45.6%
Share of fixed interest rate loans	78.8%	78.9%

Contract and interest rate revision dates of the loan portfolio

— Average duration of the loan portfolio stable at 4.3 years (2016: 4.4 years)





After balance sheet developments and outlook 2018

After balance sheet date developments

- Intention to make a take-over bid of € 57.50 per share for all not owned shares in Vastned Retail Belgium NV
- Divestment of rue Saint-Jean 44-45 in Nancy for € 34.2 million: 14.2% above book value
 - Mixed use (offices and retail)
 - Nine tenants among which H&M, Calzedonia and Desigual
 - Total surface: approx. 4,800 sqm over five floors
 - Approx. 10% over-rented
- Vastned to welcome first Dutch UNIQLO store in Amsterdam at Kalverstaat 11/Rokin 12



Outlook 2018

- Step-by-step execution of the strategy:
 - Divestment of non-strategic assets in the Netherlands
 - Cautious acquisitions in selected European cities
 - Optimisation of opportunities in the existing portfolio
- Results
 - Expected direct result 2018 between € 2.10 and € 2.20 per share (excluding the effect of the intended take-over bid of Vastned Retail Belgium)



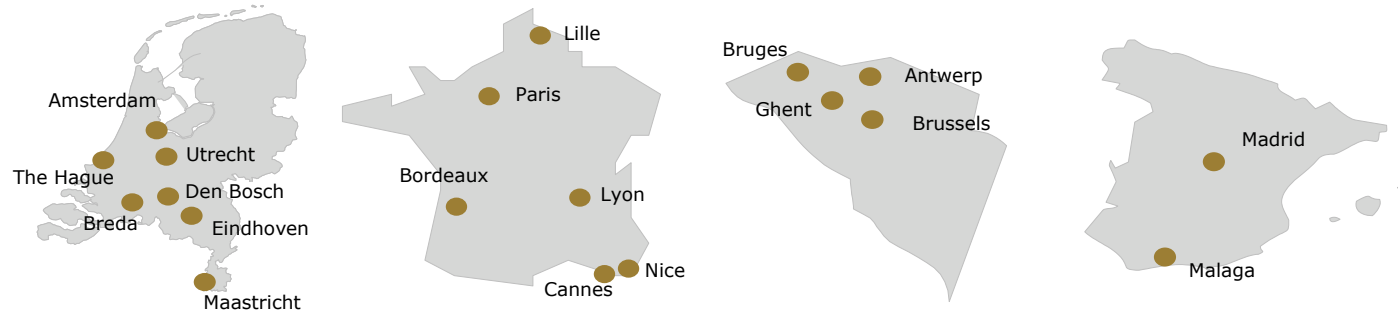
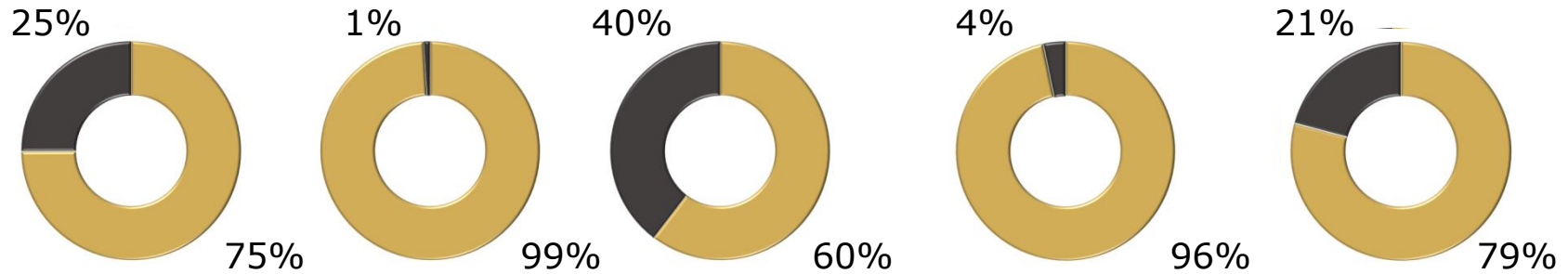
Rue de Rosiers 3, Paris



Appendix

Portfolio per country and type

Core city assets encompass 79% of total portfolio



■ Core city assets
■ Mixed retail locations

Share of total portfolio	43%	27%	24%	6%	100%
in € million					
Core city assets	508	430	235	88	1,260
Mixed retail locations	170	4	154	3	332
Total	678	434	389	91	1,592

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