

3 November 2015

Q3 2015 TRADING UPDATE

Vastned expects 2015 direct result of at least € 2.50 per share

Highlights:

- Occupancy rate 30 September 2015: 96.5% (premium city high street shops: 98.8%)
- Vastned concludes 114 leases totalling € 8.4 million in the first nine months of 2015
- Leasing activity premium city high street shops in the first nine months 2015 results in 33.5% higher rents (leasing activity total portfolio: 0.4% negative)
- Portfolios in premium cities Antwerp and Paris (after balance sheet date) grow through acquisitions of € 27 million
- Guidance for 2015 direct result confirmed of at least the upper limit of the previously announced range of € 2.40 - € 2.50 per share

Rotterdam, 3 November 2015 – Vastned, the listed European retail property company focusing on 'venues for premium shopping', maintains its high occupancy rate and confirms its guidance for the 2015 direct result of at least the upper limit of the previously announced guidance of € 2.40 - € 2.50 per share.

Taco de Groot, Chief Executive Officer van Vastned: *"In the course of the past three months we have concluded a great number of leases, which have kept the occupancy rate at a high level. Additionally we realised an average rent increase on the premium city high street shops of 15% on these leases. As a result of the increasing demand for high street shops in well-known shopping streets by retailers rents are rising. For example, on the acquisition at the end of 2014 of Steenweg 28 in Utrecht we realised a 35% rent increase on the lease we concluded with Timberland. Additionally, we succeeded in agreeing on many leases on less popular retail locations, in spite of the rising polarisation in the retail landscape and a number of bankruptcies of major retailers like Miss Etam and Van Dalen.*

The quality of the portfolio was enhanced further by various acquisitions. Acquisitions like those of premium high street shops in Antwerp and Paris with leading tenants like 7 For All Mankind, Adidas and Suite.341 contribute visibly to the quality and growth of the premium city portfolio. These are retail destinations in historic city districts with a limited supply for and strong demand from retailers. Accordingly, we are positive about further rent and value developments of high street shops in these popular shopping streets. We will continue to roll out our strategy focusing on growth in the clusters of European premium cities pragmatically and step by step. For the 2015 direct result, we expect to realise at least the upper limit of the previously announced range of € 2.40 - € 2.50 per share."

REVIEW OF THE PROPERTY PORTFOLIO

Introduction

Demand from leading retailers for the best locations continues to increase. This further widens the gap between premium city high street shops and high street shops in smaller cities. The positive developments in the premium cities confirm our strategic choice for growth of the clusters in selected bigger European cities.

Occupancy rate

In the third quarter of 2015, the occupancy rate of the premium city high street shops remained high at 98.8% (30 June 2015: 99.0%). The occupancy rate of the total portfolio also remained nearly stable at 96.5% (30 June 2015: 96.8%). Bankruptcies of some retailers, such as Miss Etam and Dr. Adams in the Netherlands and a number of retail units in Belgium falling vacant affected the occupancy rate of the high street shops and non-high street shops. The occupancy rate of the Dutch premium city high street shops declined due to the bankruptcy of shoe retailer Van Dalen. However, after balance sheet date the high street shop at Grote Staat 59 in Maastricht was relet to the German chain Top Fashion, which led to a rise of the occupancy rate back to 99.3%. After balance sheet date, Vastned also let the premium city high street shop at Schuttershofstraat 22 in Antwerp to German retailer Falke, which is subject to a suspensive condition with regard to the required permit. This lease also has an upward effect on the occupancy rate of the premium city high street shops.

Occupancy rate end Q3 2015 vs end Q2 2015

End Q3 2015

	in %	Total	Premium city high street shops	High street shops	Non-high street shops
Netherlands		95.4	98.6	92.4	94.2
France		97.3	99.1	92.9	85.2
Belgium		96.6	98.1	96.5	94.7
Spain/Portugal		100.0	100.0	100.0	100.0
Turkey		99.4	99.4	n.a.	n.a.
Total		96.5	98.8	93.5	94.1

End Q2 2015

	in %	Total	Premium city high street shops	High street shops	Non-high street shops
Netherlands		96.3	99.3	93.6	95.0
France		96.9	98.8	92.9	84.5
Belgium		96.2	98.0	91.9	96.3
Spain/Portugal		100.0	100.0	100.0	100.0
Turkey		99.4	99.4	n.a.	n.a.
<i>Total</i>		96.8	99.0	93.6	95.0

Leasing activity

During the first nine months of 2015, Vastned concluded 114 leases for a total of € 8.4 million. In the same period of 2014, Vastned concluded 107 leases totalling € 8.8 million. In the first nine months of 2015, the rents on leases concluded fell by an average of 0.4%, which was an improvement on the average 3.9% decrease over the same period last year.

Demand for premium city high street shops remains high. In these locations Vastned concluded 20 leases in the first nine months for € 2.9 million at an average rent increase of 33.5%. Seven of these leases were signed in Q3 2015 for € 0.5 million at on average 15% higher rents. For example, Vastned raised the rental income from the premium city high street shop at Steenweg 28 in Utrecht, which was acquired at the end of 2014, by 35%. The retail unit is leased to Timberland.

A rent increase of 276.5% was realised in France in the third quarter on a single new lease in Lille, for Place du Lion d'Or 9, to the French ladies' fashion brand Les Petites. As Vastned replaced a local player with a leading national retailer Vastned was able to raise the gross annual rent from close to € 16,000 to a market level price of € 60,000 per year.

In spite of the polarisation in the retail landscape and the demand for the best retail locations, Vastned concluded 63 leases for high street shops in smaller cities in the first nine months of 2015. For example, Vastned agreed leases with Rituals in Mechelen and Amersfoort, Kruidvat in Waveren and Pandora in Nijmegen. Vastned also succeeded in extending the leases for its EMTE supermarkets in Tilburg and Oss by fifteen years and secured Deen for the supermarket unit in Harderwijk, replacing Dirk van den Broek. Leases of high street shops in smaller cities did, however, involve an average rent decrease of 17.3%.

Overview of the leasing activity per type

	Volume in € million and % of the gross rental income		Movement in gross rental income	
	YTD		YTD	
	in € million	%	in € million	%
Premium city high street shops	2.9	2.9	0.8	33.5
High street shops	3.3	3.3	(0.7)	(17.3)
Non-high street shops	2.2	2.2	(0.1)	(3.2)
Total	8.4	8.4	0.0	(0.4)

Overview of the leasing activity per country

	Volume in € million and % of the gross rental income				Movement in gross rental income	
	Q3		YTD		Q3	YTD
	in € million	%	in € million	%	%	%
Netherlands	2.4	4.8	5.0	10.2	(13.9)	(6.8)
France	0.1	0.4	1.0	6.1	276.5	0.1
Belgium	0.2	1.0	2.2	10.4	(21.2)	22.8
Spain/Portugal	-	-	0.2	4.1	-	(30.0)
Turkey	-	-	-	-	-	-
Total	2.7	2.7	8.4	8.4	(13.1)	(0.4)

Acquisitions

During the third quarter of 2015, Vastned expanded its cluster in premium city Antwerp with the acquisitions of Graanmarkt 13 for approx. € 6 million (including purchase costs) and Schuttershofstraat 55 leased to high-end jeans brand 7 For All Mankind for approx. € 5 million (including purchase costs), further strengthening Vastned's position in the Antwerp luxury segment.



Desinvestments

No divestments were made over the past three months. In this area, too, Vastned operates step by step and pragmatically, constantly evaluating the market and various opportunities.

EVENTS AFTER-BALANCE SHEET DATE

After-balance sheet date Vastned successfully concluded the previously announced divestment of Rue de la Port Dijeaux 35-37 in Bordeaux. This retail unit, formerly let to New Look, was sold for € 15.9 million, being 9% over book value as at 30 June 2015 and 38% over book value as at year-end 2014, to the owner of the adjoining property.

Additionally, Vastned acquired its first two premium city high street shops in the popular district Le Marais in Paris for € 16.2 million. The adjoining high street shops on Rue des Rosiers 3ter have a retail surface area of 300 and 100 square metres and are leased by Adidas Original and Suite.341 respectively.



OUTLOOK 2015

Vastned anticipates that the polarisation between popular and less popular locations will increase further. Leading retailers are ever more demanding in the selection of locations for their shops. The shops' locations must match the image that the retailer wishes to convey with the brand. Our strategy aimed at growth in popular shopping streets in European premium cities is in line with this. Vastned will continue to focus on step by step increasing the quality of its portfolio, with a view to creating a portfolio that will yield more predictable and stable results.

Vastned expects a direct result for 2015 of at least € 2.50 per share. This is the upper limit of the announced range of € 2.40 to € 2.50 per share at the half-year publication.

FINANCIAL CALENDAR 2016

Date	Time	Subject
18 February 2016	before trading	Publication 2015 annual results
20 April 2016		Annual General Meeting of shareholders
22 April 2016		Ex-dividend date
25 April 2016		Record date final dividend
13 May 2016		Payment final dividend
10 May 2016	before trading	Q1 2016 Trading update
2 August 2016	before trading	Publication 2016 interim report
4 August 2016		Ex interim dividend date
5 August 2016		Record date interim dividend
25 August 2016		Payment interim dividend
1 November 2016	before trading	Nine months 2016 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 (high streets). Vastned's tenants are strong and leading international and national retail brands. The property portfolio has a size of approximately € 1.7 billion.

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