

VASTNED RETAIL

Press release

VASTNED RETAIL WELCOMES ZARA TO TURKEY'S BUSIEST STREET



161 Istiklal Caddesi, Istanbul

Pan-European retail property fund VastNed Retail welcomes Spanish fashion giant Zara at 161 Istiklal Caddesi, Istanbul.

The parties have signed a 15-year lease. The property acquired from Yapi Kredi Bank in mid-November last year will be transformed into a 100% retail property. Presently, about half of the total lettable floor space comprises office space. After refurbishment the property will comprise five stories of top-quality retail space with ceiling heights of over 5 metres and a 20-metre wide façade. For that purpose, part of the present floor plan will be changed, creating 3,000 sqm of gross retail space with a very spacious atmosphere. The total annual rental income is € 2.3 million. The redevelopment work will commence next month and is expected to be finalised no later than March 2012. Engineering company Grontmij will advise VastNed Retail on the redevelopment and on sustainability gains.

VASTNED

**BALANCED GROWTH
IN EUROPEAN PROPERTY**



VASTNED RETAIL

Zara, the prime label of Spanish Inditex, has over 1,600 stores worldwide. 161 Istiklal Caddesi will be its 28th store in Turkey and its fourth on the Istanbul high streets. Having leading fashion retailers like Inditex as tenants is important for VastNed Retail, since in the long run rents are dependent on location and on the success of the retailer. Including the above lease Inditex presently leases 24 VastNed Retail properties throughout its five core countries.

Bora Karli, VastNed Retail's country manager Turkey: 'This lease is in the sweet spot of our strategy, which is to provide top quality retail space to successful retailers. We have identified strong demand from both national and international retailers for sizable floor plans on Istiklal Caddesi and other strong high street areas in Istanbul. We are proud to welcome Zara to the city's busiest street.'

Taco de Groot, Chief Investment Officer of VastNed Retail: 'Our Turkish team has done a wonderful job in securing a long-term lease with a solid and successful tenant. This confirms our expectations for the Istanbul market. This transaction is part of our bigger strategic plan to increase the share of high street shops in our portfolio from the present 55% to 65%, next to investing in shopping centres and retail parks. The challenging retail environment of the past years has revealed the quality and sustainability of cash flows of high streets shops as an investment category. The groundbreaking Zara lease encourages us to continue expanding the Istanbul portfolio to at least € 200 million or 10% of the total property portfolio.'

Rotterdam, 29 April 2011

Further information: Arnaud du Pont, tel + 31 (0) 6 24214447 (arnaud.du.pont@vastned.nl)

VastNed Retail is a pan-European NYSE Euronext-listed retail property fund that focuses on high street shops in its core countries: the Netherlands, Spain, France, Belgium and Turkey. The value of the investment properties as at end of 2010 was approx. € 2.0 billion, of which 55% were high street shops.