



Vastned strategy update

Focus on growth in selected European cities



Background on strategy update

- Vastned made substantial progress increasing the quality of the portfolio
 - Rotation of a total of € 1.7 billion in assets since the introduction of the high street strategy in September 2011
 - Divestment Turkish portfolio further adds to quality improvement
 - Share of premium city high street shops to 73%



Strategy of focussing on best shops in selected European cities

Quality remains key to Vastned

– Portfolio

- I. Focus of acquisitions in five selected European cities
- II. Grow the share of core city assets from 75% to over 80%
- III. Divest mixed retail assets in the Netherlands for € 100 million

– Financing

- I. Extend the range of the loan-to-value from 40%-45% to 35%-45%
- II. Retain the minimum of 25% non-bank financing
- III. Retain the allocation of fixed vs. floating interest rates at 2/3 – 1/3

– Organisation

I. Keep a compact team of specialists and an organisation that is lean and mean with a highly commercial and hands-on mentality





Portfolio

Focus on the best retail assets in selected European cities



I. Acquisition focus on five European cities

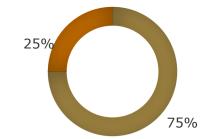
- Strengthening the position in Amsterdam, Antwerp, Madrid and Paris via acquisitions and addition of Barcelona as new target city
- Retail landscape is continuously changing, increasing the popularity of top locations even further
 - These cities have generated the best results in the past few years
 - Retailers with cross-border expansion plans opt for these cities
 - Larger touristic cities remain attractive for retailers who downsize their footprint
- Acquisition strategy: pragmatic and disciplined
- Growth possibilities in other core cities only considered in specific cases

	Book value	alue Theoretical Occupancy rate Number of tenants		GLA	
	(€ mln)	(€ mln)	(%)		(sqm)
Amsterdam	272.2	10.7	99.0	44	13,351
Antwerp	82.1	3.9	99.6	18	6,994
Madrid	77.5	2.8	100.0	6	2,427
Paris	188.1	7.3	99.3	15	6,546
Total	619.9	24.7	99.3	83	29,318

II. Grow the share of core city assets from 75% to over 80%

- Core city assets

- Best retail assets in popular shopping streets of bigger European cities
- Total value: € 1,143 million
- Mixed retail locations
 - Good quality high street assets in smaller cities in the Netherlands, France, Belgium, and Spain
 - Belgian 'baanwinkels' and retail warehouses in the Netherlands
 - (Shared ownership of) shopping centres in the Netherlands and France
 - Total value: € 372 million



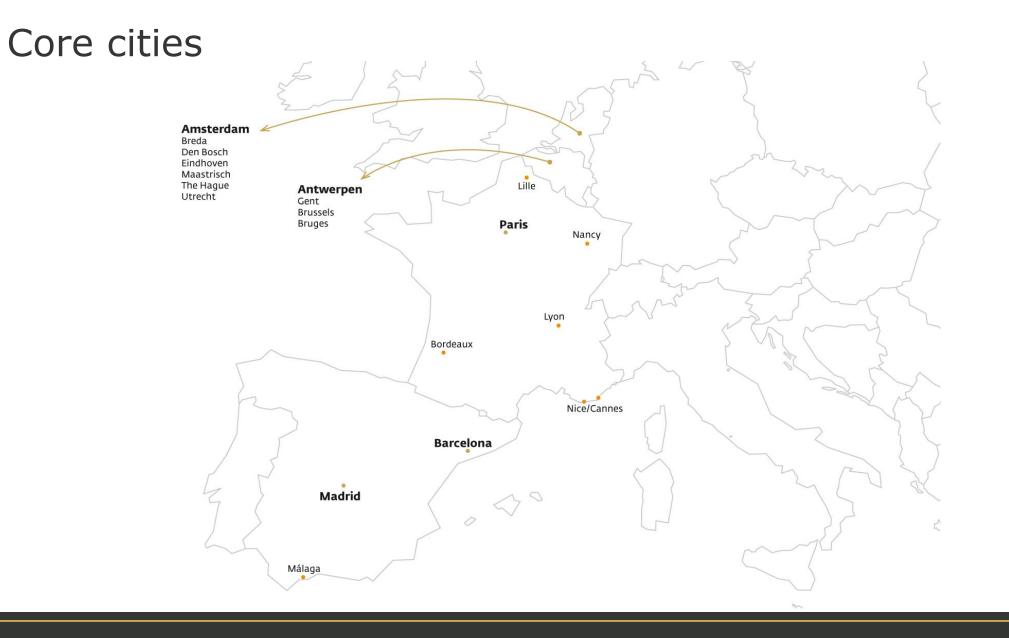
Current allocation of the portfolio

Core city assets Mix retail locations

	Core city assets	Mixed retail locations	Total
In %			
Value (in € 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

Based on 2016 results excluding the Turkish assets that have been sold after balance sheet date





III. Divest mixed retail assets in the Netherlands for € 100 million



- Divestments in the Netherlands in the last phase of the transition
- Vastned reduced its presence in the total number of cities in the Netherlands already with a third from 110 to 73 in the last five years
- Divestment strategy: pragmatic and disciplined
- In the Netherlands: clear focus on acquisitions in Amsterdam and active asset management of the existing portfolio to optimise rents and values

	Netherlands			
€ million				
Value core city assets	465	68%		
Value mixed retail locations	219	32%		
Total value portfolio	684	100%		



Financing

Conservative financing strategy remains





Maintain a conservative financing strategy

- I. Extend the range of the loan-to-value from 40%-45% to 35%-45%
 - Lower loan-to-value makes Vastned less exposed to interest-rate developments
 - Room for large acquisitions
- II. Retain the minimum of 25% non-bank financing
- III. Retain the allocation of fixed vs. floating interest rates at 2/3 1/3



Organisation

Hands-on and proactive management





Lean and mean organisation

- In line with the transformation of the portfolio Vastned's organisation shrank from 105 to 45 FTE
- Compact team consisting of 45 FTEs with offices in four European cities:
 - Close cooperation
 - Hands-on and proactive





Divestment of Turkish assets



Exit out of Turkey

- Motivation for leaving Turkey:
 - Uncertain geopolitical, political, and economic situation in Turkey and no expected improvement in the short to medium term
- Divestment of Vastned Emlak through sale of the shares
- Closing of the transaction scheduled for end of March 2017
- Sales proceeds will be used for:
 - Lowering the drawn amount on the revolving credit facility
 - Share buy-back

	Key results
Net sales result (in € million)	5.9
NAV per share after divestment (in \in)	42.57





Share buy-back announcement



Announcement of share buy-back

Key information

- Share buy-back or approximately € 50 million
- Execution follows the closing of the divestment of Vastned Emlak before end of March 2017
- Commencement will be announced



Outlook

- Vastned will commence buying back shares after the closing of the transaction of the Turkish assets
- The loan-to-value post buy-back remains approximately 42%, within the target range of 35%-45%
- Due to the combination of the divestment of the Turkish portfolio and the share buy-back, the 2017 direct result remains unchanged at € 2.10 - € 2.20 per share



Summary

– Quality remains key focus of Vastned

- Further quality improvements through
 - Growth in five selected European cities
 - Divestment of €100 million of assets in the Netherlands
- Sale of Turkey adds to quality improvement portfolio
- Proceeds of sale to be used for lowering revolving credit facility and share buy-back



Country segmentation

	Nethe	Netherlands		France		Belgium		Spain		Total	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	
Core city assets	465	68	377	99	217	60	84	96	1,143	75	
Mixed retail locations	219	32	6	1	144	40	3	4	372	25	
Total	684	100	383	100	361	100	87	100	1,515	100	



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