PRESS RELEASE

Trading update Q1 2018

High occupancy rate of core city assets confirms strategic success

Highlights

- **Vastned realised 4.7% rent increase on leases concluded for core city assets in Q1 2018**
- **Occupancy rate core city assets slightly up to 99.7% as at 31 March 2018**
- **Acquisition of Vredenburg 1 in Utrecht completed for € 4.1 million**
- **Non-strategic properties in the Netherlands and France sold for € 55.0 in total**
- **Vastned issues formal takeover bid of € 57.50 per share on the free float of Vastned Retail Belgium**
- **Forecast for direct result 2018 of € 2.10 - € 2.20 per share confirmed**

Amsterdam, 8 May 2018 – Vastned, the listed European retail property company focusing on 'venues for premium shopping', has published its Q1 2018 trading update.

Taco de Groot, Vastned CEO: '2018 has started well for us. The portfolio is showing good and stable results and we are cautiously optimistic for the rest of the year, in spite of the continuing challenging situation in the retail market and the limited supply of attractive acquisition options. We concluded 22 leases for € 5.4 million in total in the first quarter. We realised an average 4.7% rent increase on new leases for core city assets, but rents for our mixed retail locations remained under pressure, and decreased by on average 11.1%.

We expanded our core city assets portfolio by making acquisitions in the historic city centre of Utrecht, and we lowered the risk profile of the portfolio by selling non-strategic properties in the Netherlands and France. We will continue executing our strategy step by step and we confirm are previously announced forecast for the 2018 direct result of between € 2.10 and € 2.20 per share.'

Review of the property portfolio

Occupancy rate

The occupancy rate of the total portfolio decreased from 98.1% at year-end 2017 to 97.9% as at 31 March 2018. The core city assets realised a limited increase of the occupancy rate, from 99.6% at year-end 2017 to 99,7% as at 31 March 2018, while the occupancy rate of the mixed retail locations fell from 95.1% at year-end 2017 to 93.9% as at 31 March 2018. The divestments of shopping centre Walburg in Zwijndrecht and Rue Saint-Jean 44-45 in Nancy had a positive impact on the occupancy rate, but this was cancelled out by the departure of tenants in mixed retail locations in the Netherlands and Belgium.

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Occupancy rate in %	Core city assets 31 March 2018	Core city assets Year-end 2017	Mixed retail locations 31 March 2018	Mixed retail locations Year-end 2017	Total 31 March 2018	Total Year-end 2017
Netherlands	99.6	99.6	91.8	93.7	96.7	97.1
France	99.8	99.3	80.1	83.7	98.7	98.4
Belgium	99.9	99.9	97.5	98.4	98.8	99.1
Spain	100.0	100.0	100.0	100.0	100.0	100.0
Total	**99.7**	**99.6**	**93.9**	**95.1**	**97.9**	**98.1**

Leasing activity

In the past quarter, Vastned concluded 22 leases for € 5.4 million in total, or 7.1% of the total theoretical gross rental income as at 31 March 2018, compared to 27 leases for € 2.3 million (2.8% of the theoretical annual rent) in Q1 2017.

Of the 22 leases concluded in Q1 2018, eleven were for core city assets. In Amsterdam Vastned concluded leases with tenants including Claudia Sträter for Kalverstraat 162-164, BA&SH at P.C. Hooftstraat 35 and Eyewish at Ferdinand Bolstraat 126. In addition, a lease was concluded with Japanese retailer UNIQLO for its first shop in the Netherlands at Kalverstraat 11/Rokin 12 in Amsterdam.

Vastned realised an average rent increase of 4.7% (approx. € 0.2 million) on leases concluded for core city assets. On leases concluded for mixed retail locations the rental income fell by 11.1% (approx. € 0.1 million). Demand for retail space in the smaller cities in the Netherlands remained limited, resulting in lower rents for mixed retail leases in Ridderkerk, Goor and Renkum.

Q1 2018	Leasing activity			Rent change	
	in numbers of leases	€ million	% of theoretical annual rent	in %	€ million
Core city assets	11	4.8	6.3	4.7	0.2
Mixed retail locations	11	0.6	0.8	(11.1)	(0.1)
Total	**22**	**5.4**	**7.1**	**2.8**	**0.1**

Acquisitions and divestments

On 9 January 2018, the acquisition of Vredenburg 1 in Utrecht was completed for € 4.1 million including acquisition costs. This property is leased on a long-term lease to Dunkin' Donuts, and measures over 260 square metres, of which 70 are on the ground floor.

In Zwijndrecht Vastned sold its partial ownership of the Walburg shopping centre for € 16.5 million. The properties at Schaapmarktplein 4 in Sneek and Schoutenstraat 6 and 8 in Hilversum were also sold, for a total of € 1.2 million. In Nancy Vastned sold its property at Rue Saint-Jean 44-45 for € 34.2 million, and in Marseille Vastned sold its property at Rue Saint-Ferréol 29 for € 3.1 million.

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Events in Q2 2018

Acquisition of core city assets on Drieharingstraat in Utrecht
On 1 May 2018, the acquisition of Drieharingstraat 2-8, 14-18 and 22 in Utrecht was completed for € 11.0 million including acquisition costs. Drieharingstraat connects Oudegracht with Vredenburg and is considered as Utrecht's new culinary high street. This acquisition comprises four properties housing cafés and restaurants with office space on the upper floors. The total surface area is approx. 3,000 square metres, leased to nine tenants.

Formal takeover bid of € 57.50 per share on the free float of Vastned Retail Belgium
On 12 April 2018 Vastned formally informed the Belgian Authority for Financial Services and Markets (FMSA) of the voluntary and conditional public takeover bid for all shares in Vastned Retail Belgium that the company does not yet hold, following on from its intention announced on 14 January 2018. Due to a change in the law it has become possible to hold a non-listed property company in Belgium with the same status as a listed property company. Cancelling the stock exchange listing makes it possible to save costs, which in turn enables Vastned to offer Vastned Retail Belgium shareholders an attractive premium. The takeover will result in Vastned having a simpler and more effective organisational structure.

On 24 April 2018, the FMSA approved the prospectus and the memorandum of reply from the board of directors of Vastned Retail Belgium, after which the single acceptance period started on 2 May 2018. Vastned Retail Belgium shareholders have until 4:00 pm on 1 June 2018 to offer their shares.

On 25 April 2018 the extraordinary general meeting of Vastned Retail Belgium adopted the proposed gross dividend of € 2.62 per share for the 2017 financial year. If Vastned acquires the shares in Vastned Retail Belgium after the ex-dividend date, the gross dividend will be set off against the bid price of € 57.50 and the bid price will be € 54.88 per share on balance.

In order to be able effectively to complete the takeover, Vastned must acquire 90% of all the shares in Vastned Retail Belgium it does not yet hold. Taking into account the number of Vastned Retail Belgium shares it already holds, this assumes a total participation of 96.55%. The other conditions of the takeover bid are listed in the prospectus, which is available from the website: www.vastned.com/en/takeoverbid.

All proposals adopted at Annual General Meeting
The Annual General Meeting of shareholders of Vastned Retail N.V. was held on 19 April 2018. During the meeting all agenda items that were put to a vote were adopted, including the 2017 dividend declaration of € 2.05 per share. The final dividend of € 1.41 per share is made payable today.

Outlook

Vastned is cautiously optimistic about market developments, although the supply of attractive acquisition options that Vastned can add value to remains limited. The storm in the retail landscape is not yet over. The way in which consumers make their purchases continues to change, and it is imperative that retailers respond to this and adjust to the new reality.

The ease and rapid development of online shopping has reduced demand for shops in the lesser known high streets. The shop's location has become more important, and its function is changing. Shops are becoming brand stores and flagship stores in which brands have full control of the sales process and customer contact. Furthermore, in the future the close proximity of good facilities such as food & beverage and museums will become more and more important to the shopping public.

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Vastned will continue with the execution of its strategy step by step. The results confirm that the course is correct, and give us confidence that further focus on core city assets will contribute to realising good and stable results.

Rental income will fall as a result of the divestments made this year and last year, but this will be compensated by the buyout payment by Forever 21, and by active management and optimisation of the portfolio. Vastned confirms its previously announced forecast for the 2018 direct result of between € 2.10 and € 2.20 per share. The intended takeover of the Vastned Retail Belgium shares that are not held by the company was not included in this guidance.

Financial calendar 2018

1 August 2018	after trading	Half-year results 2018
6 August 2018		Ex interim dividend date
7 August 2018		Interim dividend record date
21 August 2018		Interim dividend payment date
30 October 2018	after trading	Q3 trading update 2018

About Vastned

Vastned is a listed European retail property company (Euronext Amsterdam: VASTN) 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 high streets in the bigger cities. Vastned's tenants are strong and leading international and national retail brands. The property portfolio had a size of approximately € 1.5 billion as at 31 March 2018.

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