NSI – Strategy update and full year results

February 2014

Equity issue: full focus on operations

- **Successful equity issue**
  - €300 million equity raised in a private placement to qualified investors
  - New high quality, long term investors added to the shareholders register
- **Solid balance sheet**
  - Loan to value (LTV) ratio reduced from 60% to 45%
  - Proceeds of equity issue used to reduce debt facilities and to lower outstanding hedges
- **Management focus on optimising portfolio and organisation**
  - Financial capacity to fund capex in portfolio
  - Organisation further geared towards a customer centric approach

Balance sheet issues resolved: focus on business

Market view: fundamentals still weak, economy slightly improving

- **Office market**
  - Structural changes in the tenant market
    - Declining demand, especially for large space/long leases
    - Increasing demand for smaller and more flexible space
  - Persistent oversupply and structural vacancy
  - First portfolio investments, entry of new market participants

- **Retail market**
  - Weak consumer spending and confidence
  - Increasing share of internet sales
  - Resilience of supermarket-anchored convenience centres

NSI still operates in challenging markets, which are not expected to improve in 2014

Profile NSI: Space to perform

- NSI services SMEs, the main driver in the letting market, with:
  - Inspiring and affordable space in the Netherlands with a focus on Randstad
  - Innovative leasing concepts (flexibility in space and time, additional services)

- Pro-active and tenant-focused platform:
  - Sales-driven organisation (CRM, business intelligence, incentivised staff)
  - Proven track record (improved occupancy in Dutch offices, outperforming the market for new leases in terms of take-up)

- Strong balance sheet and cash flow:
  - Capacity to invest in current portfolio
  - Improving occupancy in Dutch office portfolio

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Portfolio and organisation ready to outperform competition

Contents

1 PORTFOLIO STRATEGY

Portfolio strategy: NSI's approach

Portfolio

- c€1,200m portfolio in the Netherlands consisting of 149 office and 42 retail properties
- c€600m portfolio in Belgium consisting of 16 office and 17 logistics properties

Asset management

Segmentation	Split in core, value-add and non-core segments
Client focus	Customer-centric approach to optimise occupancy
Investment	Finance capex to facilitate customers and upgrade portfolio
Asset rotation	Dispose of assets where maximum value is reached or that structurally underperform

Maximise total return

Dutch portfolio: segmentation drives activities

Full portfolio analysed asset-by-asset to set priorities, provide insights and support decision-making

Segment	Characteristics	Approach
Core	▪ Well-performing properties	Sell or maintain
Value-add	▪ Properties with upside potential	Invest and sell
Non-core	▪ Underperforming properties	Reduce

Aim is to add value supported by stable cash flow from core portfolio

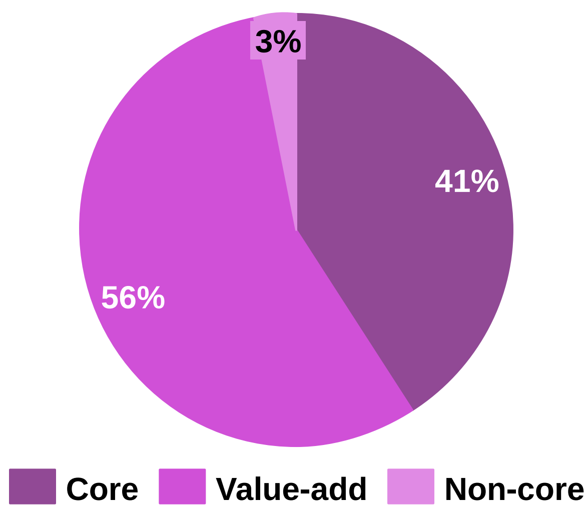
Office portfolio: extracting value from current portfolio

	Asset Characteristics			Approach
	Qualitative	Occ.*	€/sqm*	
Core	▪ (Nearly) fully let properties ▪ Good location: large cities ▪ Multi-tenant (potential) ▪ High cash flow certainty	>85%	>1,500	▪ Pro-active tenant retention and optimal property management ▪ Improve tenant mix and WALL ▪ Hold for income, sell when upside is fully realised
Value-add	▪ (Potential) vacancy ▪ Fair location, or good location with high vacancy ▪ Potential cash flow certainty ▪ Potential to upgrade, redevelop, transform	<85%	>1,000	▪ Re-double leasing efforts ▪ Invest to improve ▪ Implement HNK formula or other relevant concept ▪ Re-develop or transform
Non-core	▪ Significant long term vacancy ▪ Poor location and accessibility ▪ No use to upgrade, redevelop or transform	<65%		▪ Minimise all specific property-related costs ▪ Redevelop or transform ▪ Reduce

* Indicative segmentation criteria

Dutch office portfolio: overview

Label	Portfolio NSI *In #*	Occupancy rate *Financial occupancy*	Value *In € per sqm*	Area *In sqm*	Passing rent 2013 *In €m p.y.*	Bookvalue *In €m*
Core	39	77.8%	1,503	184,451	23.3	277.4
Value-add	95	69.6%	1,013	376,050	35.0	381.1
Non-core	15	17.1%	377	54,866	1.0	20.7
Total	**149**	**72.1%**	**1,104**	**615,367**	**59.3**	**679.2**



Case study: Grontmij in Rotterdam and NSI Head Office in Hoofddorp

Grontmij
Rotterdam

- Grontmij moved from Roozendaal to Rotterdam
- NSI's assisted the relocation, using its large scale
- Active (tenant-)management led to success
  - A viable leasing offer in the new location was provided
  - Grontmij is retained as a tenant
  - New tenants for Roozendaal were signed in parallel
  - Temporary vacancy minimised

Buyitdirect
Hoofddorp

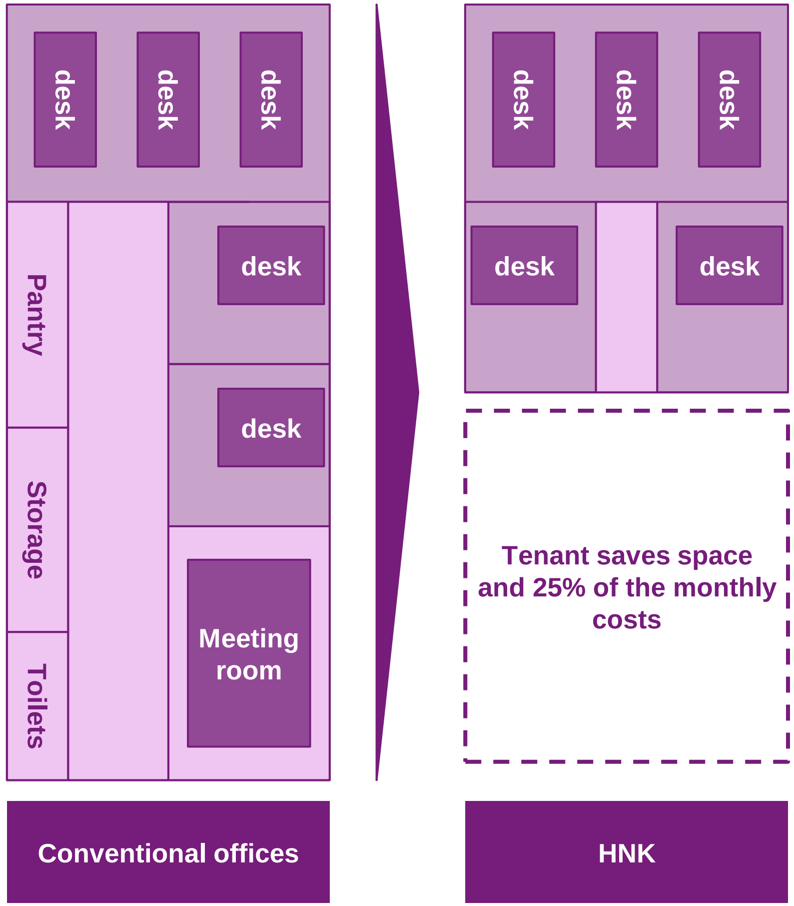
- 1,000 sqm difficult-to-let office
- NSI invested €0.4m in lay-out, energy systems and interior styling
- NSI moved in its own head office
- Property was re-let to Buyitdirect within 2 years

HNK: concept for new way of working

- Het Nieuwe Kantoor ("HNK") caters the growing need for full service, space and flexibility, targeting SMEs

- HNK offers membership, managed offices, offices and meeting rooms

- HNK results in
  - Higher take-up (take-up/supply ratio of 30%)
  - Quick re-letting (HNK Utrecht 40% occupied in 2 months)
  - Higher effective rents/sqm (HNK Rotterdam: €238/sqm)*
  - Higher return on investment (HNK Rotterdam 2013: >10% in start-up phase)

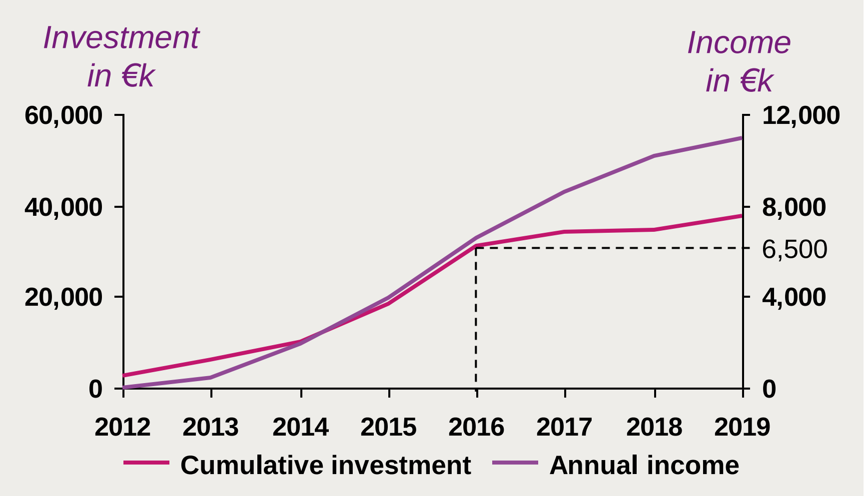


Objective is to transform c10-15% of the portfolio into an HNK office in 2014-2015

* For managed offices only

HNK roll-out: where we stand and going forward

- Current roll-out in 3 locations
  - Rotterdam 18,000 sqm
  - Hoofddorp 3,500 sqm
  - Utrecht 3,000 sqm
- NSI intends to strengthen commitment to the concept, leading to higher incomes
- NSI will invest in total c€31.0m in the concept up to 2016, of which €6.4m has already been invested, and expects rental income of €6.5m as of 2016



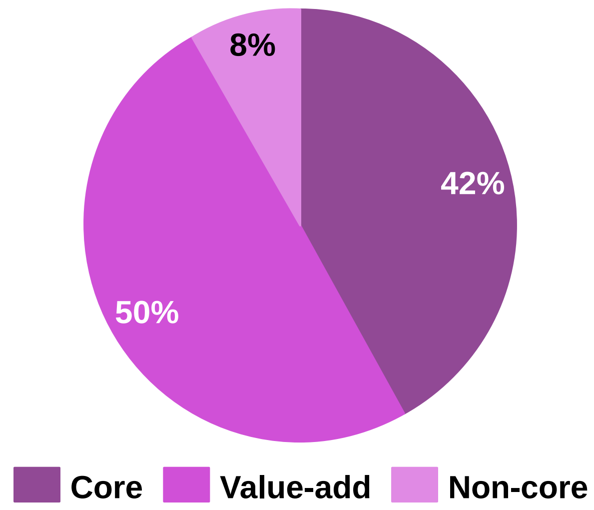
Retail portfolio: opportunities & challenges on a property-by-property level

	Asset Characteristics			Approach
	Qualitative	Occ.*	€/sqm*	
Core	▪ (Nearly) fully let properties ▪ Dominant in local retail hierarchy ▪ Long-term leases ▪ Anchored by (two) supermarket(s)	**>95%**	**>2,000**	▪ Maintain relationship with tenants ▪ Maintain property quality ▪ Improve WALL and tenant mix ▪ Hold for income, sell when upside is realised
Value-add	▪ (Potential) vacancy ▪ Low WALL, rents not at market level ▪ Medium-term leases ▪ Potential to upgrade, redevelop/ transform	**<95%**	**>1,500**	▪ Grow food formulas to drive traffic ▪ Expand zoning permissions (LSR) ▪ Attract retailers in sub-sectors that show growth
Non-core	▪ Significant long term (expected) vacancy ▪ Poor location and accessibility ▪ Little opportunity to upgrade, redevelop or transform	**<80%**		▪ Redevelop or significantly improve ▪ Attempt to change zoning plans ▪ Transform into other asset class ▪ Divest in case no potential

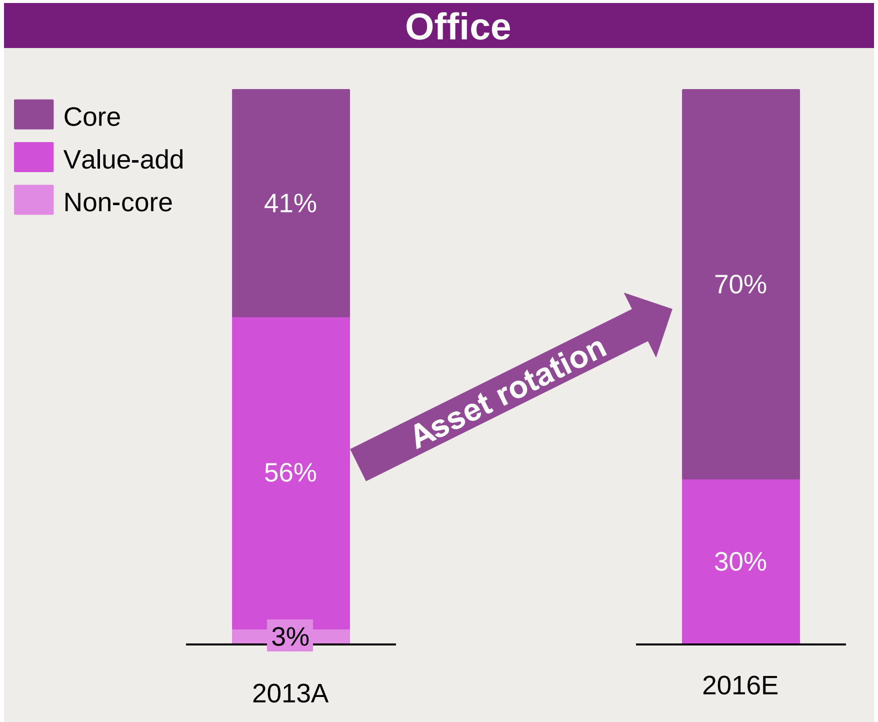
* Indicative segmentation criteria

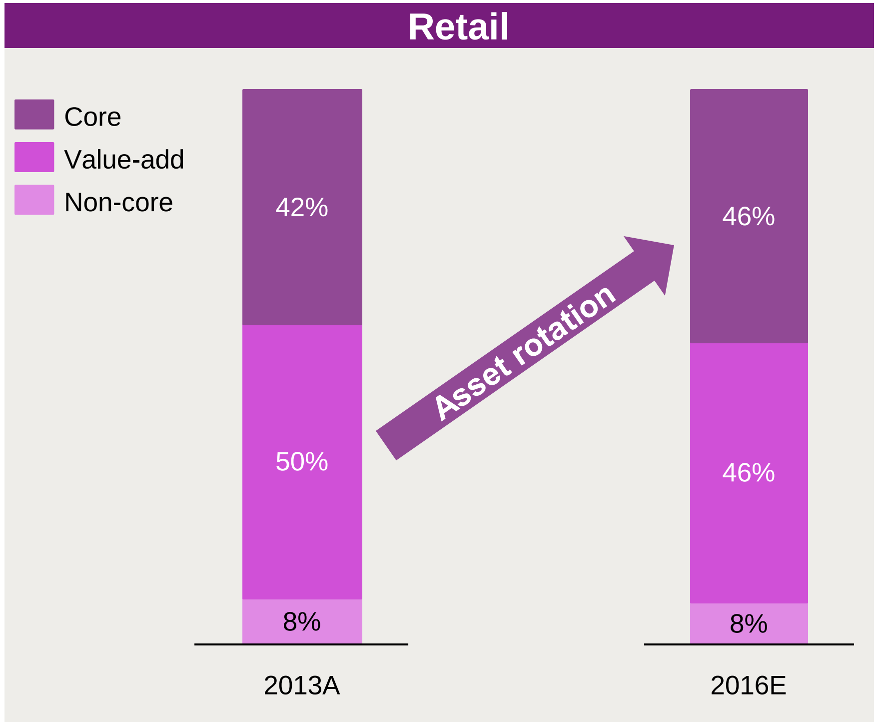
Retail portfolio

Label	Portfolio NSI *In #*	Occupancy rate *Financial occupancy*	Value *In € per sqm*	Area *In sqm*	Passing rent 2013 *In €m p.y.*	Bookvalue *In €m*
Core	16	89.8%	2,383	83,681	14.2	199.5
Value-add	20	84.3%	1,628	144,714	17.2	235.6
Non-core	6	83.9%	924	42,058	3.5	38.9
Total	**42**	**87.2%**	**1,752**	**270,453**	**34.9**	**474.0**



Targets 2014 - 2016





	Office 2013A	Office 2016E		Retail 2013A	Retail 2016E
Occupancy	**72%**	**>80%**	**Occupancy**	**87%**	**>90%**
# HNK	**3**	**20**			

2 OPERATIONAL PERFORMANCE

Offices: operational highlights

Financial Occupancy

- Improved to 72.1% per year-end 2013 vs 71.3% per year-end 2012
- 1% decrease in Q4 mainly due to a large single tenant expiry (4,400 sqm), after 4 consecutive quarters of improvement

Rent

- Effective rental level of new leases over last 12 months: €106/sqm (€112/sqm in Q4 2013), reflecting market trend, full portfolio: € 144 per sqm
- Like-for-like rental growth y-o-y: -4.6%, q4-o-q3: -0.8%

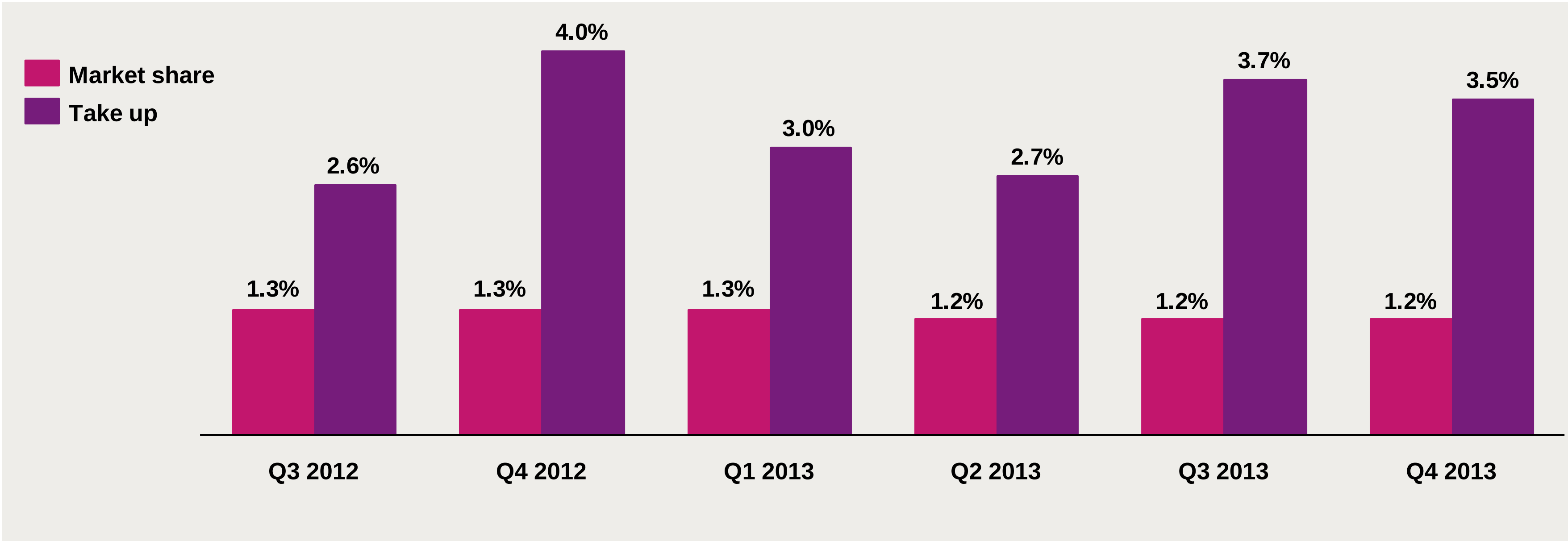
Take-up

- Continued outperformance
  - Better take-up/supply ratio than market: 19% vs. 13%, HNK at 30%
  - Take-up of 3.5%, market share of 1.2%: 6th consecutive quarter over-performance
- Total take-up: 14,982 sqm in Q4, 35,594 sqm in 2013
- HNK represents approx. 10% of NSI's take up in 2013

Other

- Third HNK office opened in Utrecht; 40% let (to date) in two months
- 6,030 sqm, and €0.9m annualised rent has been sold in 2013

Offices: take-up/supply ratio



- NSI has outperformed the market in terms of take-up for 6 consecutive quarters
  - Market share of Dutch office market around 1.2%
  - Significantly higher portion of new lettings go to NSI offices

Retail: operational highlights

Financial Occupancy

- Decreased to 87.2% per year-end 2013 vs 92.5% per year-end 2012
  - 1.1% due to disposal fully let retail centers
  - 1.6% due to terminated contracts home furniture stores
  - Reflecting increased challenging retail environment, in particular large scale

Rent

- Like for like rental growth y-o-y: -6.0%, q-o-q: -4.8%
- Effective rent level €152 per sqm

Take-up

- New contracts with strong tenants, including Primark (4,375 sqm) and Big Bazar (900 sqm) in Zuidplein in Rotterdam
- Contract with Ahold regarding all Albert Heijn supermarkets long-term extended (10,000 sqm)

Other

- 21,600 sqm, and €2.2m annualised rent has been sold in 2013
- Pressure on occupancy expected to continue, especially in large scale retail

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Belgium: operational highlights

Financial Occupancy	▪ Decreased to 85.0% per year-end 2013 vs 86.6% per year-end 2012 ▪ Improvement in logistics (to 91.3%), offset by a decline in offices (to 81.5%)
Rent	▪ Effective rent level of €135 per sqm in the office portfolio; €46 per sqm in logistics
Take-up	▪ Improved performance new lettings despite challenging office market; 4,572 sqm take-up versus 3,200 in 2012 ▪ New concepts paying off: Re-Flex and Turn-Key Solutions
Other	▪ Strong position in logistics market enhanced; logistics portfolio grew to 42% of total portfolio, progressing towards target of 50% ▪ Development of Neerland in Neerwijk on track; first phase completed in December 2013 ▪ Extension in Oevel (5,000 sqm) delivered and operational since June ▪ Tenant Peugeot moved into new workplace and showroom in Wilrijk in December 2013.

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3 FINANCIAL

Financial highlights

x€1,000	FY 2013	FY2012	Q4 2013	Q3 2013
Gross rental income	144,564	160,545	35,160	35,792
Service costs not recharged to tenants	-4,723	- 4,754	-1,375	-984
Operating costs	-18,050	- 18,457	-4,884	-4,384
Net rental income	**121,791**	**137,334**	**28,901**	**30,424**
Administrative costs	-6,458	- 6,469	-1,910	-1,461
Financing costs	-57,565	- 55,846	-13,812	-15,569
Direct investment result before tax	**57,768**	**75,019**	**13,179**	**13,394**
Corporate income tax	-121	-327	-29	-26
Direct result att. to minorities	-11,375	- 11,287	-2,954	-2,763
Direct investment result	**46,272**	**63,405**	**10,196**	**10,605**
Indirect investment result	**-180,347**	**- 166,522**	**-55,791**	**-55,835**
Total result	**-134,075**	**- 103,117**	**-45,595**	**-45,230**

- GRI down due to asset disposals (€9.0m), vacancy and lower reversionary rent levels
- Service costs stable y-o-y, but up q-o-q due to settlement and fragmented vacancy
- Operating costs down y-o-y due to disposals, but up q-o-q, mainly due to higher letting costs and bad debt provisions
- Administrative costs stable y-o-y, up q-o-q due to crisis tax and severance payments
- Financing costs down strongly in Q4 following the debt and derivative redemption after equity issue in November
- Indirect result reflects continued downward revaluations: €192.3m for FY 2013 and €53.0m for Q4 2013, slightly compensated by upward revaluation of swaps: €25.7m

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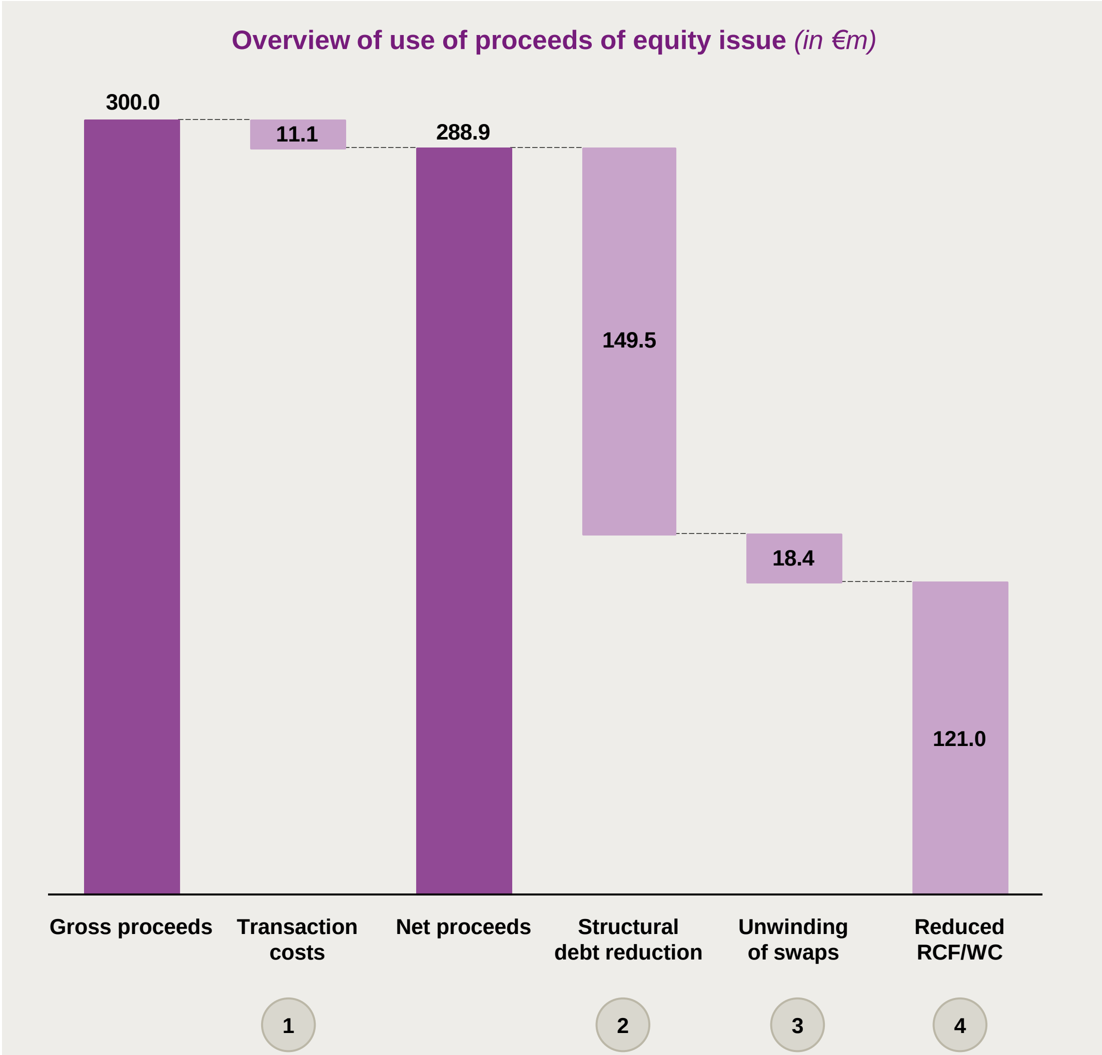
Equity issue: proceeds used to repay debt and lower hedges



1. Placing and underwriting fees, expenses and applicable taxes
2. Structural decrease of term loans and RCFs
3. Unwinding of swaps with aggregate nominal value of €347m
4. Reduce debt on RCFs and WC facilities for future flexibility

Balance sheet highlights

x€1,000	FY 2013	Q3 2013	FY2012
Real estate investments	1,808,768	1,863,908	2,106,091
Total shareholders equity	932,915	686,639	789,788
Shareholders equity of NSI	801,159	557,899	666,850
Debt to credit institutions (excl. derivatives)	821,854	1,110,237	1,226,432
Average cost of debt (%)	4.8	5.3	4.8
Net loan to value (%)	45.4	59.6	58.2
Average debt maturity (years)	2.2	2.6	2.3
Fixed interest debt (%)	85.0	95.3	88.5
Interest coverage ratio	2.1	2.1	2.5
NAV (€/share)	5.59	8.18	9.78
EPRA NAV (€/share)	5.85	9.03	10.95

- Value real estate portfolio down by €297.3m mainly due to revaluations (€192.3 million) sales (€123.7 million) and investments (€18.2 million)
- Net proceeds of equity issue (€288.9 million) used to reduce long-term debt, unwind derivatives and increase flexibility
- LtV significantly decreased, aim to maintain below 50%
- Net debt level reduced by 33% to c€822m
- Improved balance sheet resulted in more favourable financing terms to lower average costs of funds
- Outstanding shares increased by 75.0m from 68.2m ultimo 2012 to 143.2m shares

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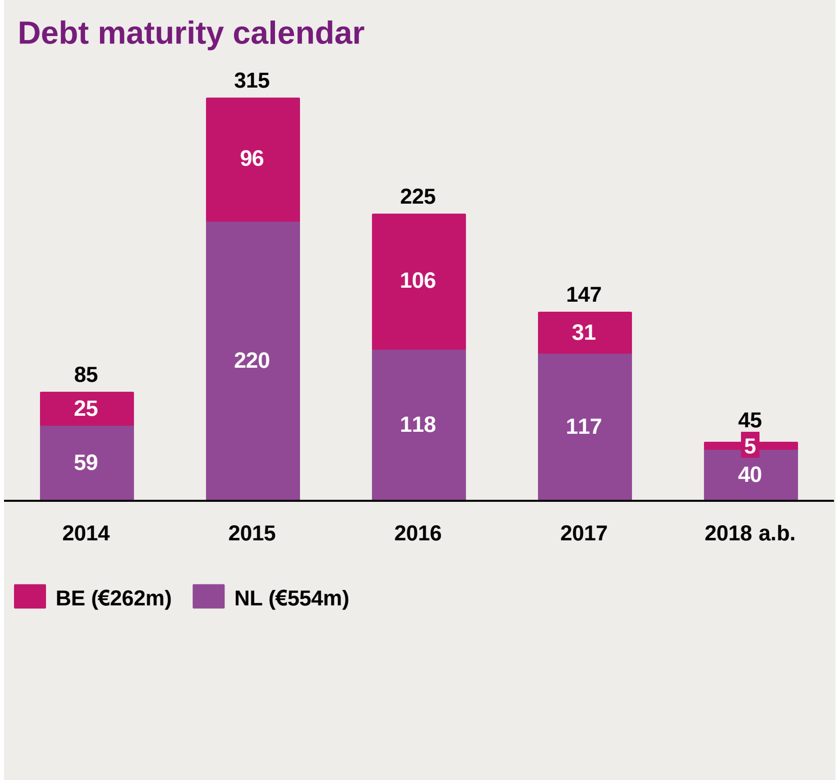
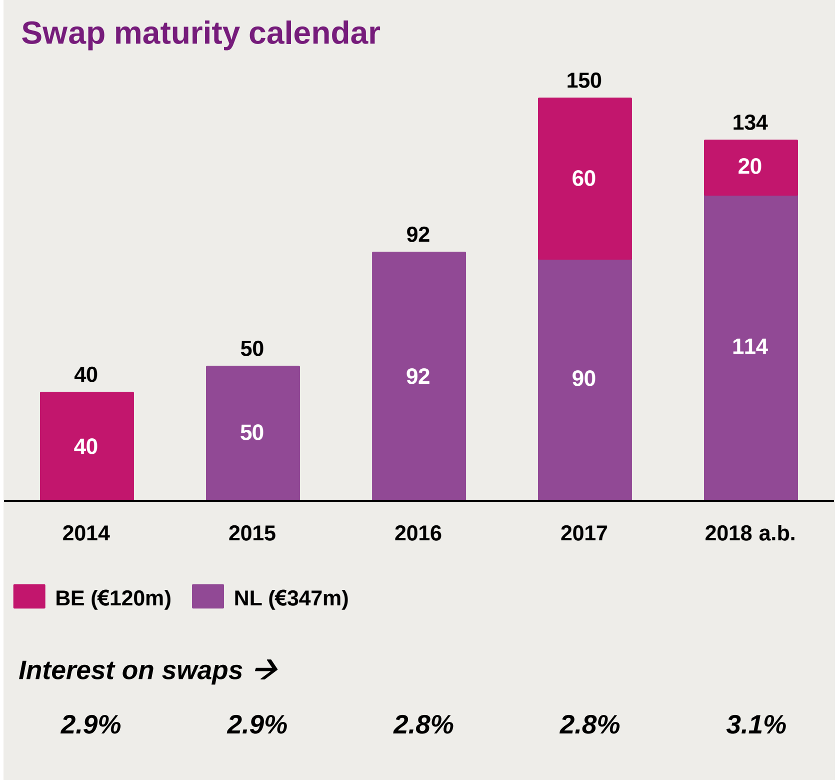
Maturity schedules





Financing targets

	2014-2016 Target
Funding diversification	▪ Increase the number of funding sources
Debt maturity	▪ Extend and maintain average debt maturity to over 3 years
Refinancing risk	▪ No more than 25% of loans maturing in any single year
Loan to value	▪ Maintain LTV below 50%, peak-to-trough between 40-50%

Dividend: proposal and policy going forward

x€1,000	Q4 2013	Q3 2013	FY 2013	FY 2012
Direct result	**10,196**	**10,605**	**46,272**	**63,405**
# Shares outstanding – Period end	143,201,841	68,201,841	143,201,841	68,201,841
# Shares outstanding – Period average	98,364,884	68,201,841	75,804,581	64,288,818
Direct result / share – Period end	0.07	0.16	0.32	0.93
Direct result / share – Period average	0.10	0.16	0.61	0.99
Dividend per share – Period end	**0.09**	**-**	**0.28**	**0.86**

Current policy

- LTV-dependent pay-out ratio allowing capital retention to strengthen balance sheet
- Pay-out of direct result
  - 85%-100% in cash , if LTV < 55%
  - 50% in cash, if 55% < LTV < 60%
  - 50% in shares, if LTV > 60%
- Quarterly distribution

Proposed new policy

- Balance sheet strengthened by equity issue, no more need for LTV-dependent pay-out
- Proposed pay-out of direct result
  - At least 75% in cash, allowing financing of capex
- Bi-annual distribution

4 CONCLUSION

Conclusion

- **Balance sheet issues resolved**
  - LTV significantly lowered to 45%
  - Cost of debt lowered to 4.8%
- **NSI still operates in challenging markets**
  - Rents not expected to improve in 2014, limited NRI decline foreseen in 2014
  - NSI outperforming markets: 2013 average take-up 19% (HNK 30%) vs 15%
  - Markets expected to improve from 2015-2016 onwards
- **Focus on maximising total returns**
  - Add value by strong letting platform and selective investments in the portfolio
  - Supported by stable cash flow from core portfolio
  - Reduce non-core assets
- **Targets for 2016 defined**
  - Improvements in portfolio quality and occupancy
  - Solid financials: funding diversification, debt maturity, refinancing and LTV

NSI fully focused on operations

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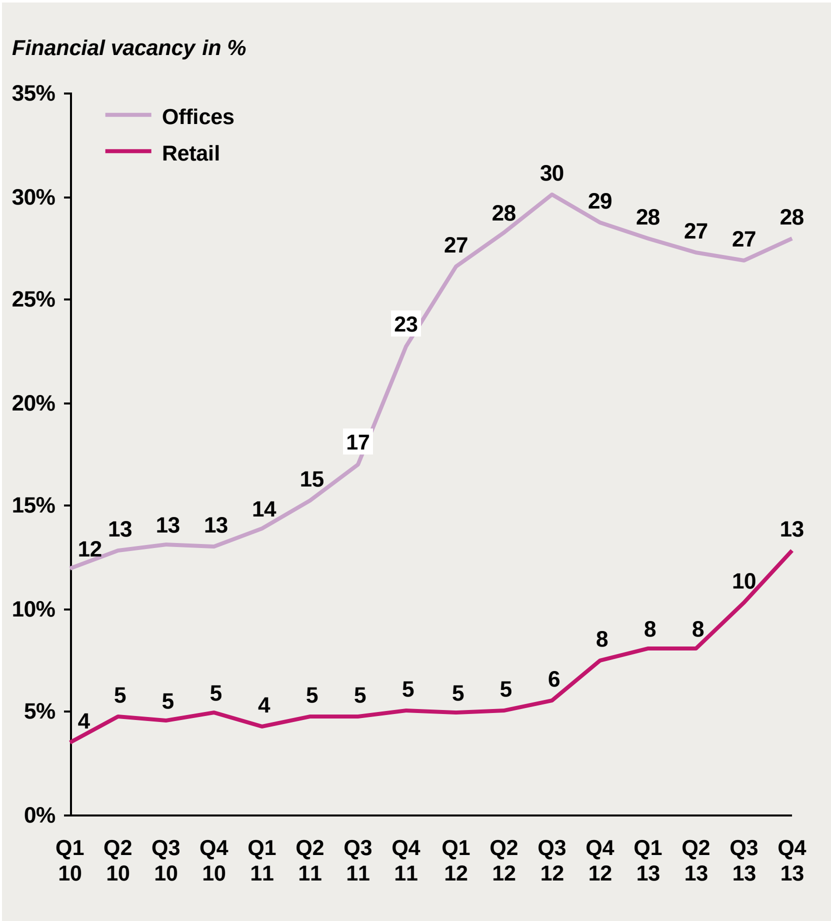
Q&A

5 APPENDIX

Vacancy development Dutch portfolio

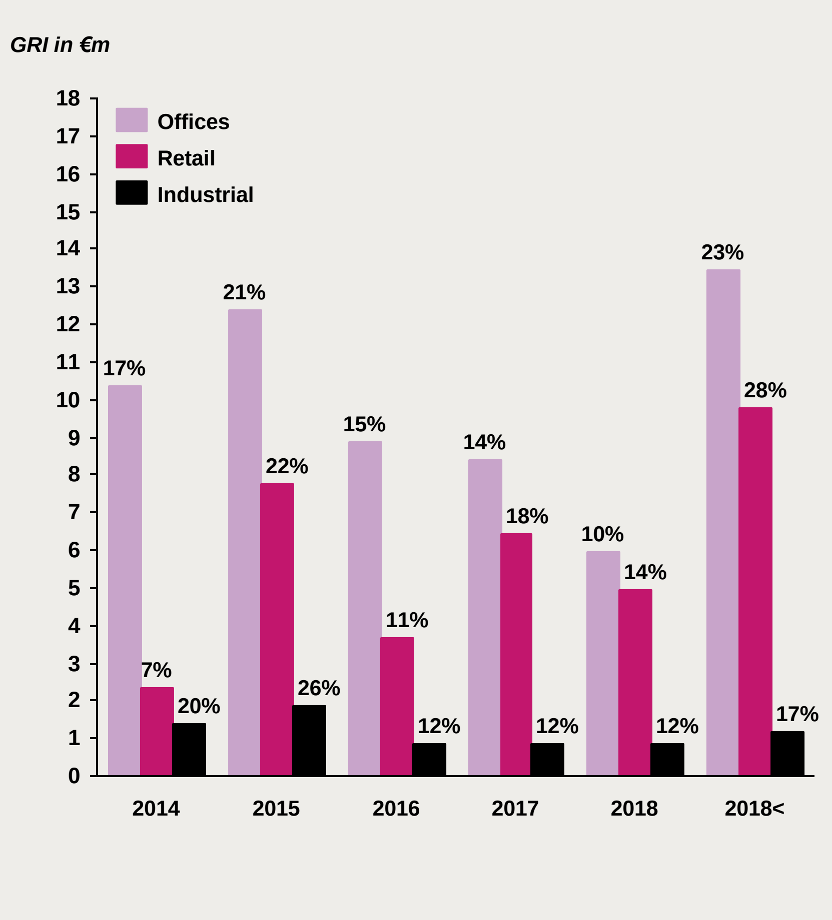


- Occupancy Dutch Office Portfolio improved year end 2013 (72.1%) vs 2012 (71.3%)
- Expiration calendar shows challenges ahead in the office portfolio for 2014
- Decreased occupancy in retail portfolio from 92.5% per 2012 to 87.2% per 2013, due to the disposal of fully-let assets and increasingly challenging retail environment, in particular in large-scale retail

Rent development Dutch portfolio

- Effective rents (adjusted for incentives) have shown a slight decline over 2013 compared to 2012 for both retail and offices
- New office leases are coming in at lower levels, in line with market development
- Alternative leasing strategies (e.g. HNK) aim at higher income per sqm

Lease expirations Dutch Portfolio



- Total lease expirations coming up for 2014 encompass c€14m in rental income, or 14% of the total portfolio
- Lease expirations for 2014 and 2015 are most notable in offices, where 38% is set to expire in this period

Spread	2014 expiries in contract size offices
20%	< 1,000 sqm
50%	1,000-5,000 sqm
30%	>5,000 sqm

- Most prominent contracts expiring in 2014 include
  - Office
    - Prorail (9,200 sqm)
    - RGD Goes (5,300 sqm)
    - ROC Amsterdam (5,000 sqm)
  - Retail
    - Chesterfield (3,500 sqm)
    - C&A Heerlen (1,850 sqm)

Property values Dutch portfolio

Cumulative								
Office	*-38*	*-59*	*-91*	*-193*	*-226*	*-256*	*-293*	*-324*
Retail	*-8*	*-9*	*-10*	*-26*	*-31*	*-43*	*-59*	*-76*
Total	***-46***	***-68***	***-100***	***-219***	***-258***	***-299***	***-352***	***-401***
In %	*11%*	*17%*	*25%*	*55%*	*64%*	*75%*	*88%*	*100%*

- Total negative revaluation since 2009 is €401m, of which €324m in the office portfolio
- Revaluations are primarily driven by vacancy and pressure on market rents
- In Q4 2013, €54.3m of negative revaluation was incurred

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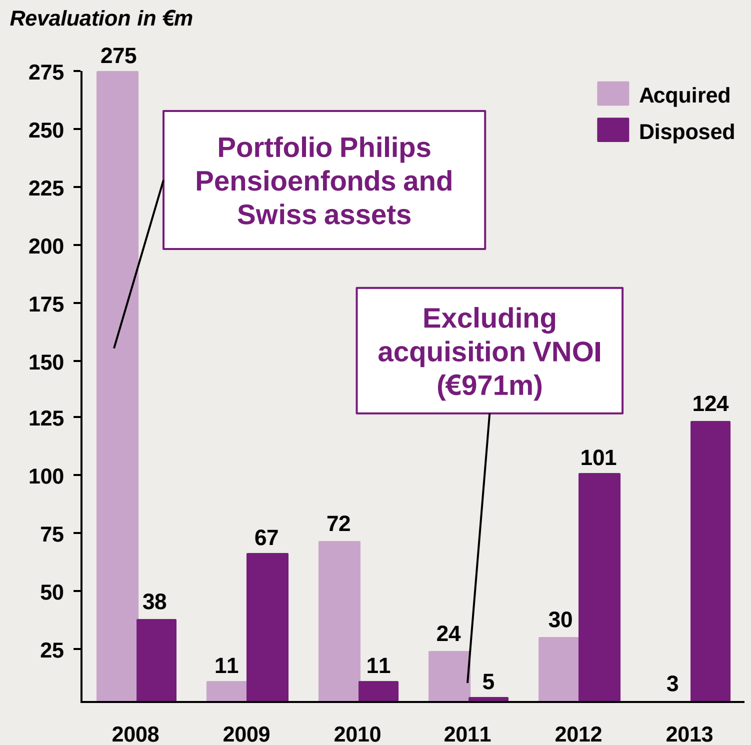
Acquisition and disposal overview



Cumulative numbers (€m) →

Acquired	***275***	***286***	***358***	***382***	***412***	***415***
Disposed	***38***	***105***	***116***	***121***	***222***	***346***

- Divesting non-core assets and assets of which the value potential under NSI's management has been optimised is part of NSI's strategy to create value in its portfolio
- In 2013 NSI completed its exit from the Swiss market
- Other asset sales in 2013 included 5 office buildings, 5 retail properties and 2 industrial properties in the Dutch portfolio, and an semi-industrial property and a land plot in Belgium

Operating costs

x€1,000	FY 2013	FY2012	Q4 2013	Q3 2013
Municipal taxes	3,935	4,600	982	1,109
Insurance premiums	730	764	171	179
Maintenance costs	3,801	3,927	905	1,031
Contribution to owner's associations	548	476	183	161
Property management	5,060	4,816	1,231	1,253
Letting costs	2,557	2,167	919	507
Other expenses	1,419	1,707	493	144
Total operating costs	**18,050**	**18,457**	**4,884**	**4,384**

Debt structure

x€1,000,000	NL	BE	Total
Fixed-rate debt	170.3	75.0	245.3
Floating-rate debt	383.8	187.2	571.0
Total long-term	**554.0**	**262.2**	**816.2**
Working capital	0	21.2	21.2
Total debt	**554.0**	**283.4**	**837.4**
Hedged	346.6	120.0	486.6
% Fixed	93.3%	68.8%	85.0%
Maturity	2.3	1.9	2.2
Average interest rate	5.2%	4.0%	4.8%

- All Dutch loans are bank term loans, working capital facilities and RCFs were repaid following the equity issue
- Belgian loans are bank term loans, a retail bond and RCFs
- The Belgian €75m retail bond matures in 2015
- Average interest is expected to come down in 2014 after recapitalisation

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