



nsi



space
to perform

NSI Road Show

14 & 15 November 2011

nsi

Profile

- Tax efficient Dutch REIT / Listed on Amsterdam Euronext stock exchange
- Diversified portfolio: offices and retail in the Netherlands and Switzerland, offices and industrials in Belgium
- 276 high yielding properties (9.2% gross yield)
- Tenant profile: small and medium sized companies, approx. 1,900 leases
- €2.3 billion portfolio size / > €0.7 billion market cap.
- Quarterly dividend (> 10.0% yield)
- Financing policy: Financing with 50% debt / Minimal 80% interest fixed

Portfolio & market focus

The Netherlands



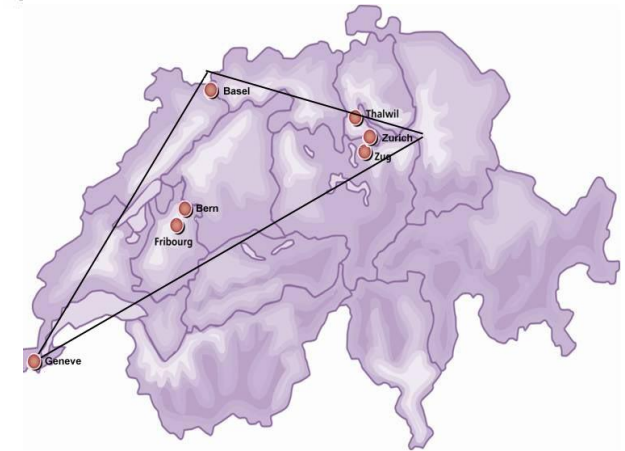
- * Retail and Offices
- * Retail: day to day shopping
 - 10,000 m²
 - Yields > 7% (GIY)
- * Offices
 - Focus on Randstad
 - Multi tenant
 - Approx. 5,000 m²
 - Yields > 8% (GIY)
- * 232 properties; €1.6 billion

Belgium



- * Offices and Warehouses
- * Offices: multi tenant
 - Warehouse on logistic axes (North/South and East /West)
 - 40 properties; €542m

Switzerland



- * Focus on retail
 - * Day to day shopping centres
 - * 4 properties: €117.5m
 - * Target size portfolio: €300-€400m
 - * Up or out strategy

Short term strategy

Integration of companies

Letting of properties

Manage balance sheet:

LTV: short term < 55%

mid term < 50%

Disposal program of non-strategic smaller assets

Asset Management: improve and
sell offices

(Selective) retail acquisitions

(Re)development of properties
(retail)

Rebalancing
portfolio to 50/50
offices/retail

Integration of companies



Employees and organisation

- All employees transferred & integrated

Processes and methods

- Re-allocation of commercial responsibilities (7 districts)
- Realization of synergy through process optimization

Facilities

- Rotterdam office renewed

Data and systems

- Conversion towards NSI system Yardi faster than expected
- New VNOI Forecasting system implemented (IQ)

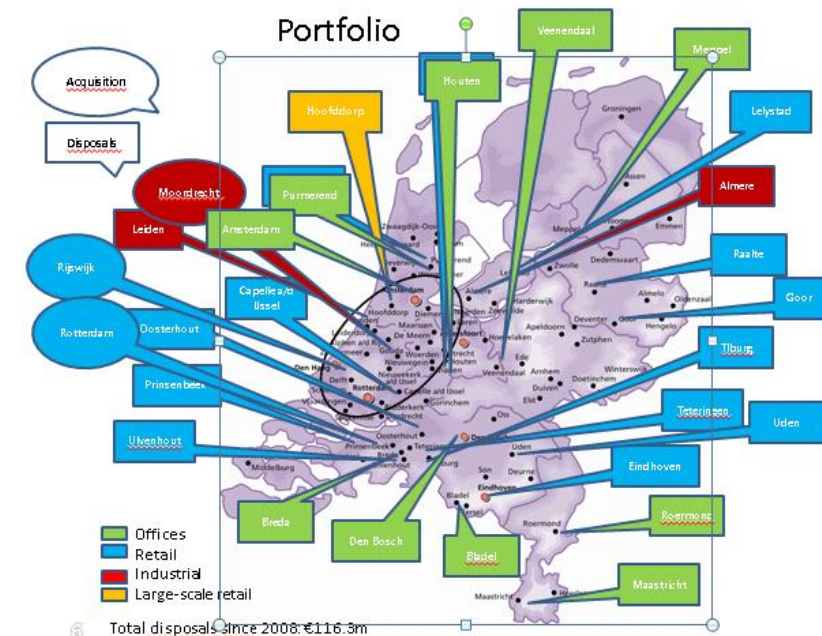
Letting & balance sheet management

Letting

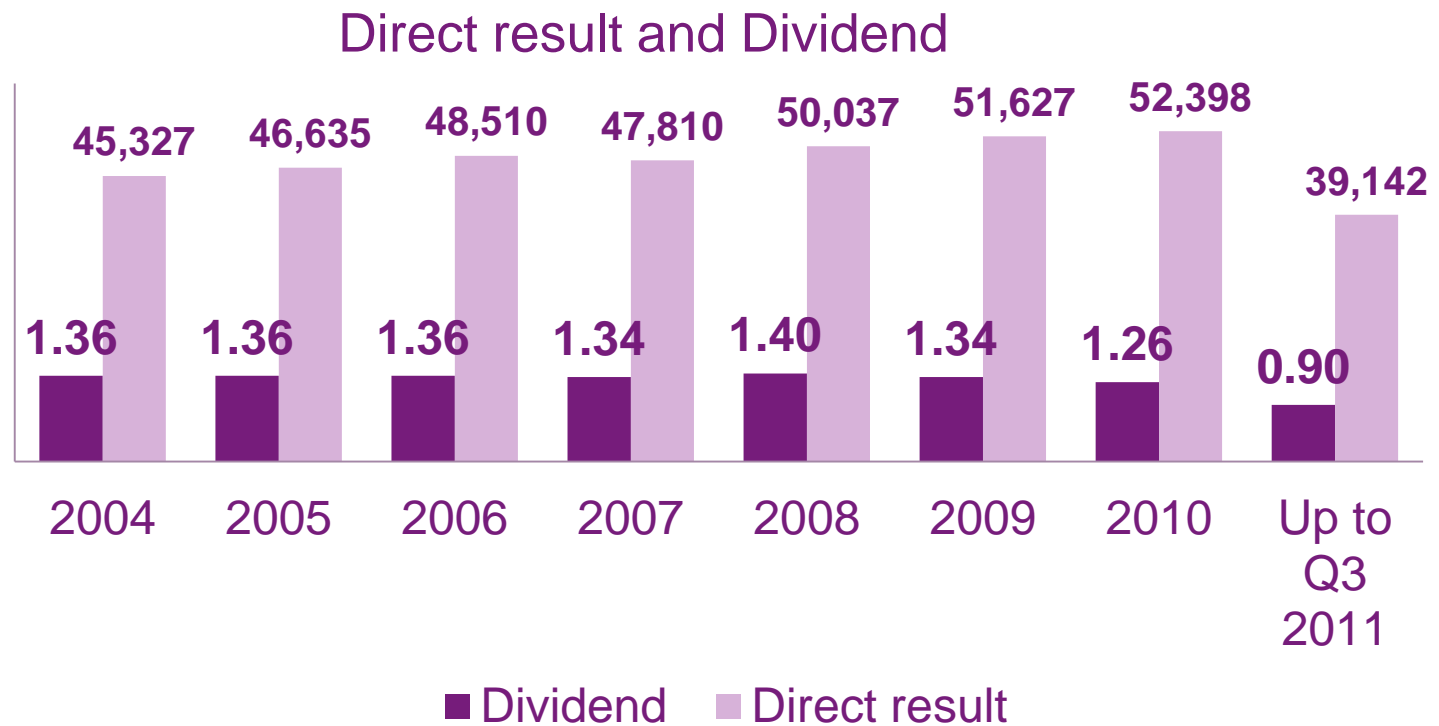
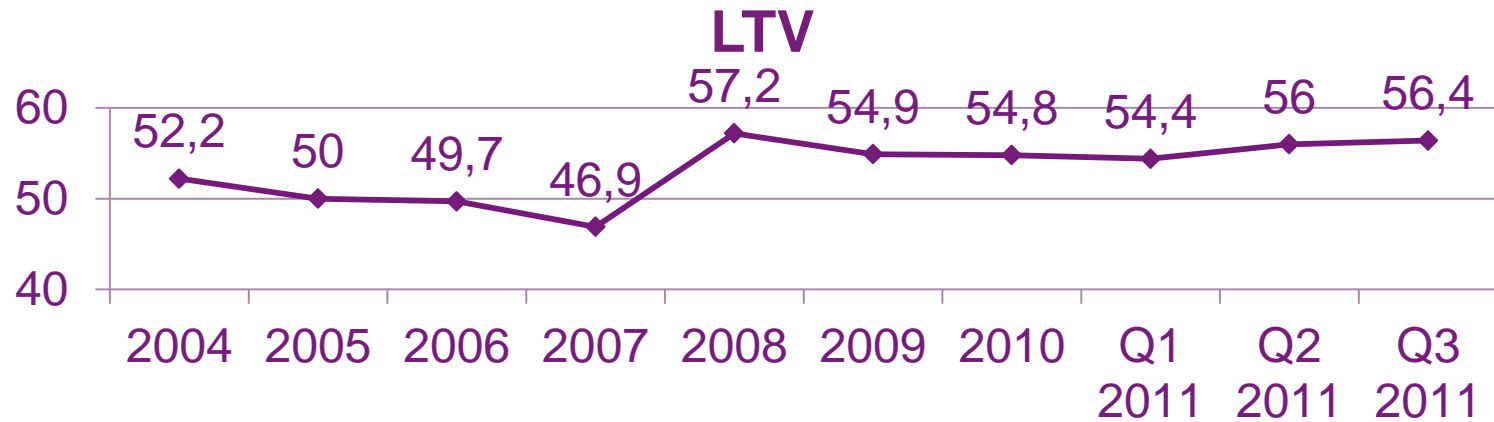
- Primary focus on letting of properties
- Improved letting teams
- CRM
- 35,000 m² in Q3 2011
- 155,000 m² YTD

Acquisitions & disposals

- €74.4m disposals in 2009
- €78.2m disposals in 2010
- € 11.7m disposals in 2011
- Disposal program smaller assets in 2012



Short term strategy: managing LTV



Rebalancing portfolio

Selective retail acquisitions



10,516 m²
€38.7m
CR €2,970,000
OCR 96%
GIY 7.7%

(Re)development of properties



1,150 m²
Investments €1.85m
Extra rent €200,000
IR €300,00



10,365 m²
€24.0m
CR €1,789,000
OCR 97%
GIY 7.5%



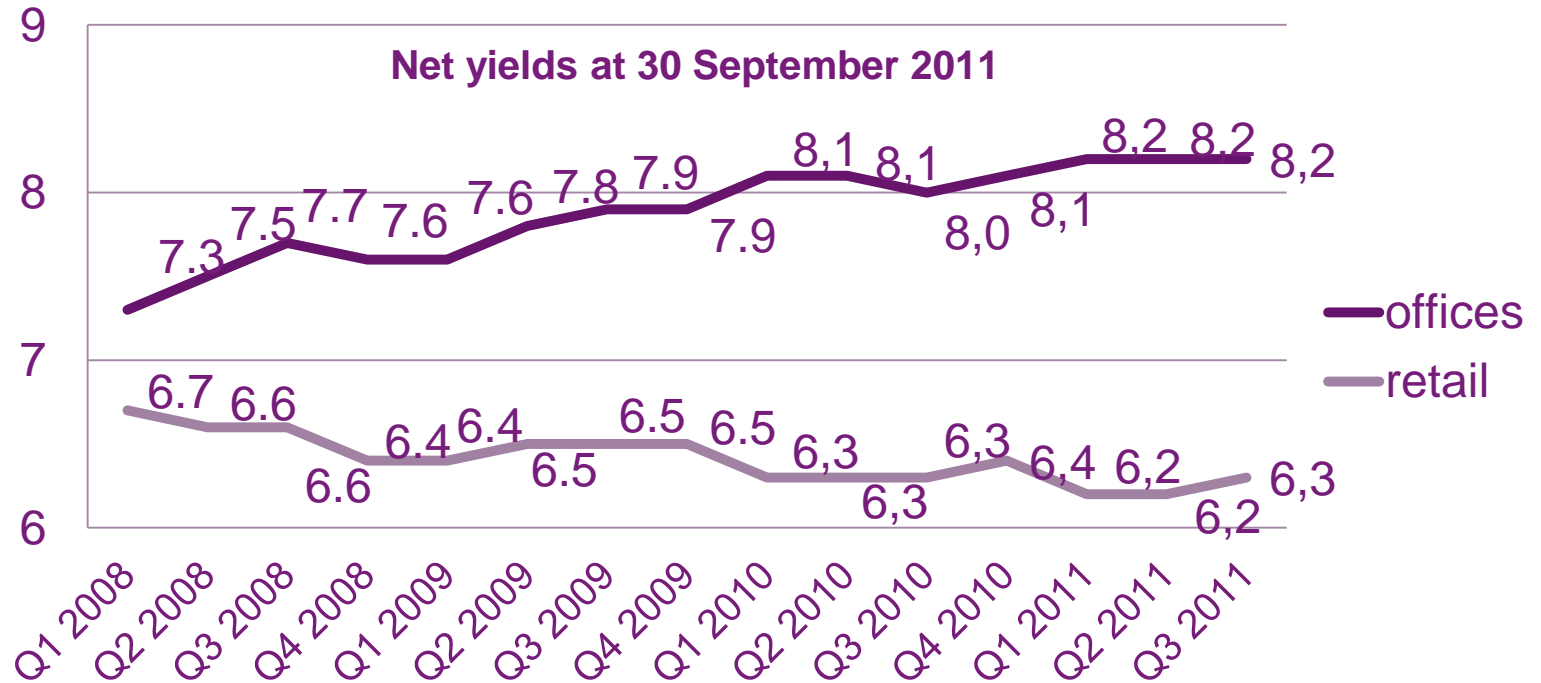
To be build 7,660 m²
Renovation 7,300 m²
Parking 200
Residential 40
Investment €23.0m

Retail & Office market

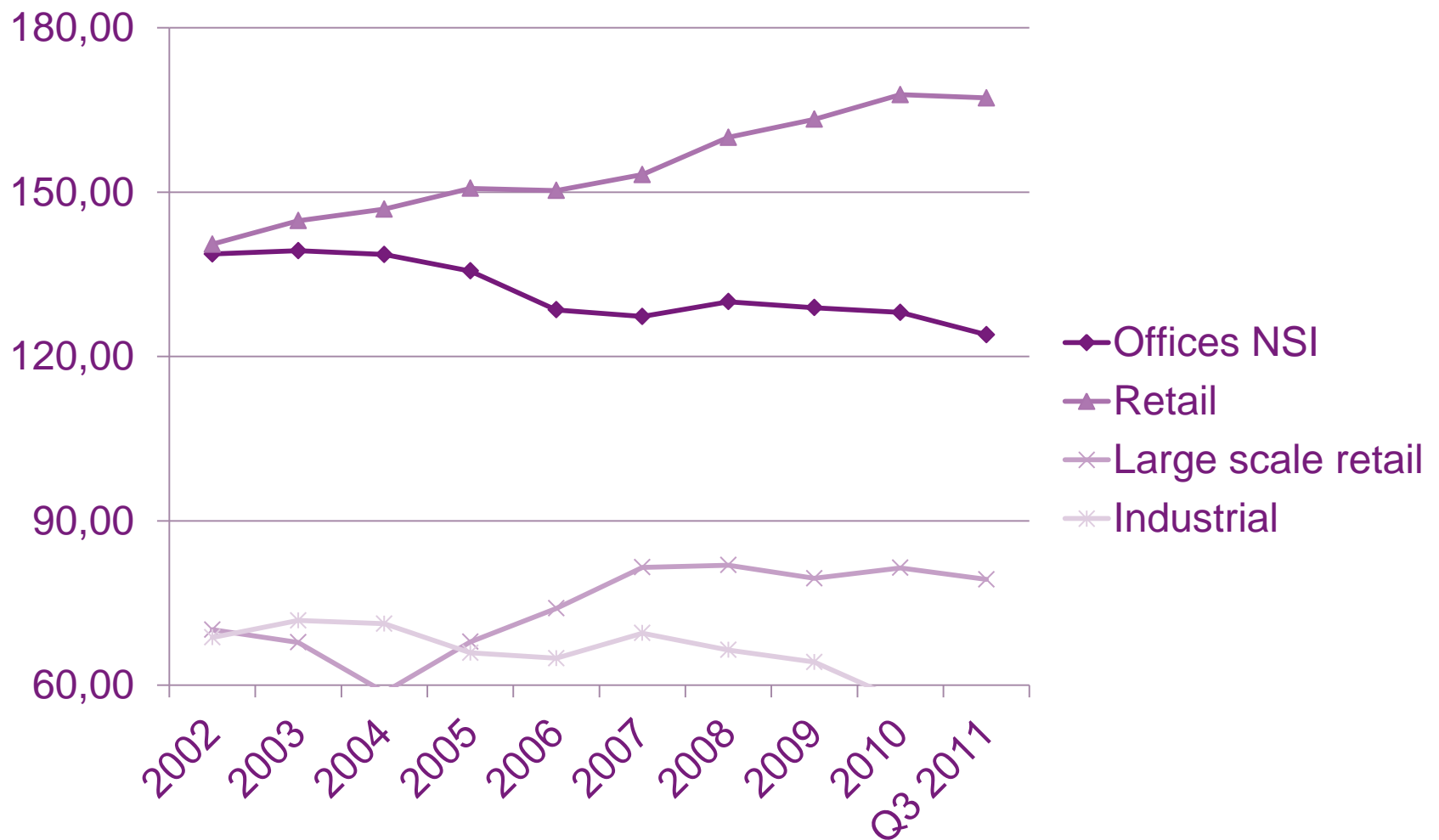


Revaluation results Netherlands

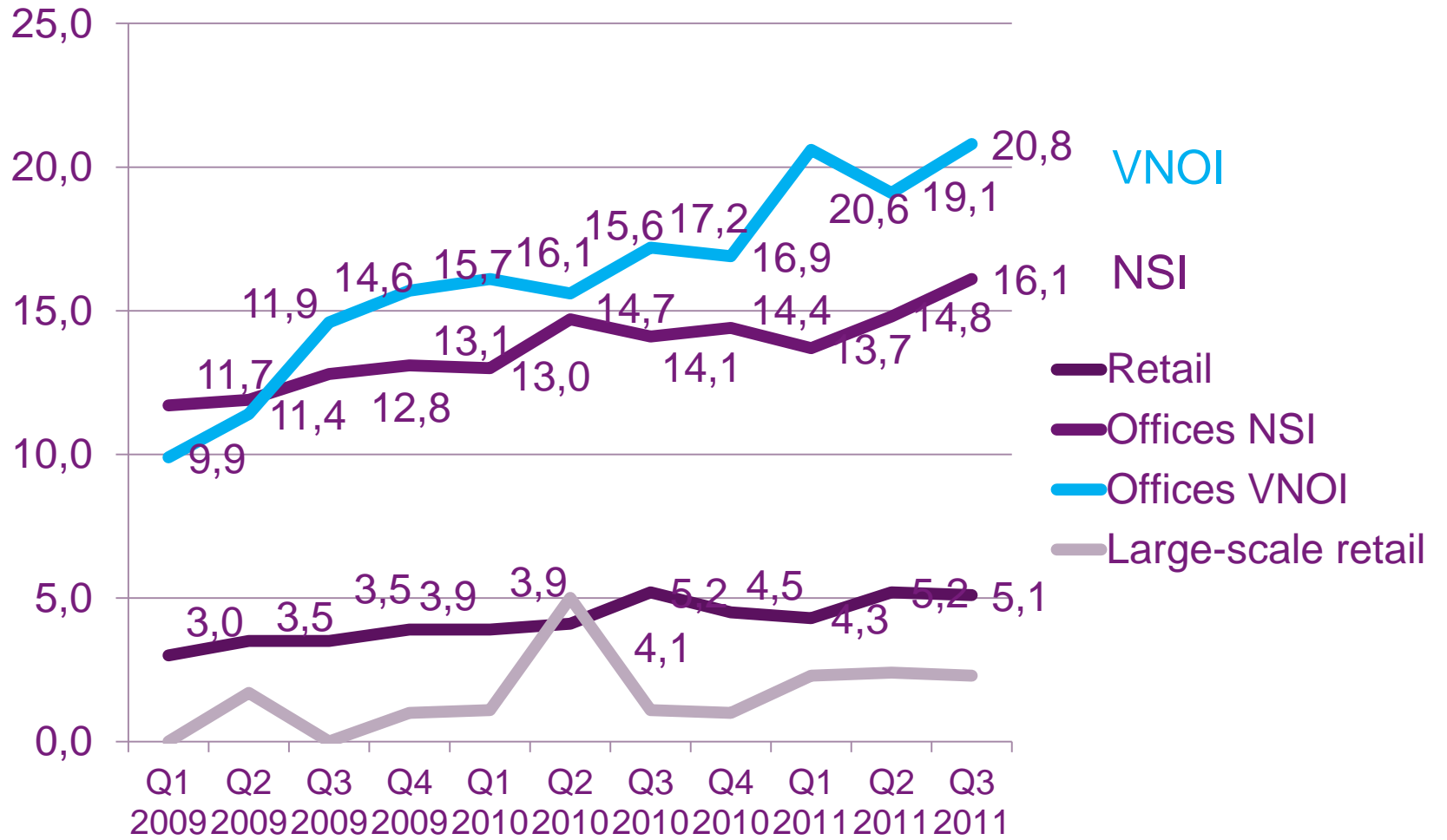
| | Q3 2011 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 | | Q4 2009 | Q3 2009 | Q2 2009 | Q1 2009 |
|-------------------------------|----------|----------|----------|---------|----------|---------|----------|--|----------|---------|----------|----------|
| (x €1,000) NSI/VNOI | | | | | | | | | | | | |
| Offices/ Industrials | - 10,946 | - 18,492 | - 15,548 | - 9,169 | - 17,002 | - 8,729 | - 14,315 | | - 10,956 | - 7,943 | - 20,937 | - 48,050 |
| Retail | 317 | 925 | 1,661 | 1,067 | - 206 | - 2,647 | - 607 | | - 4,146 | - 229 | - 446 | - 3,099 |



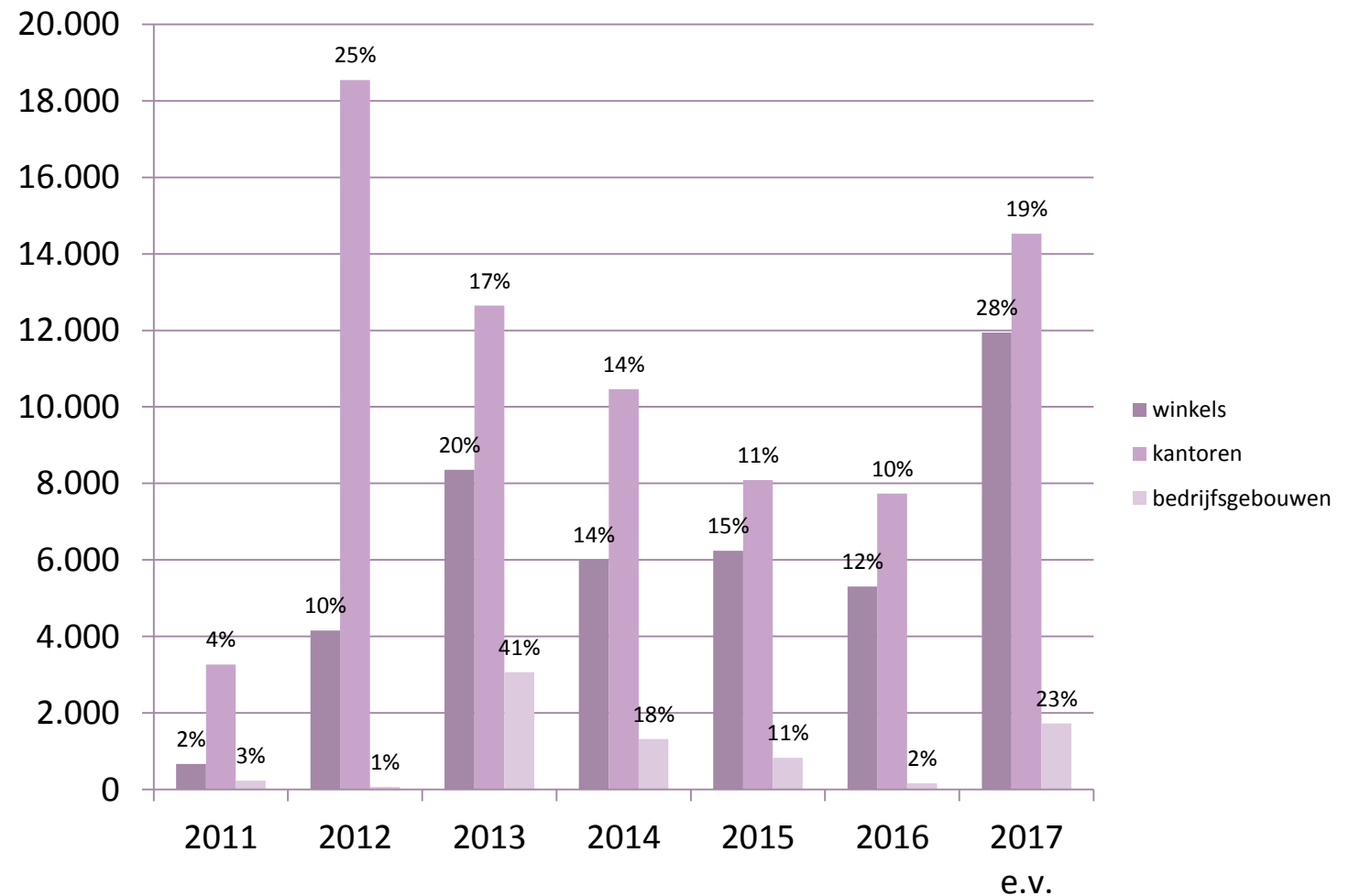
Market rent development average rent/m²



Vacancy in portfolio (%)



Expiration of rental contracts 30 September 2011



NSI's approach



Lease strategy

- Multi tenant over single tenant
 - Spread the risk
 - Accelerate occupancy rate improvement
 - Aiming at smaller and medium sized business
- Improving of lettability by increasing quality and sustainability
- Flexible leasing schemes at certain dedicated locations

Client focus – understanding your business

- Retail
 - Retail specialists and local centre managers

- Offices
 - Tenant retention
 - ❖ Local teams
 - ❖ CRM
 - Vacancy management

- In-house technical management

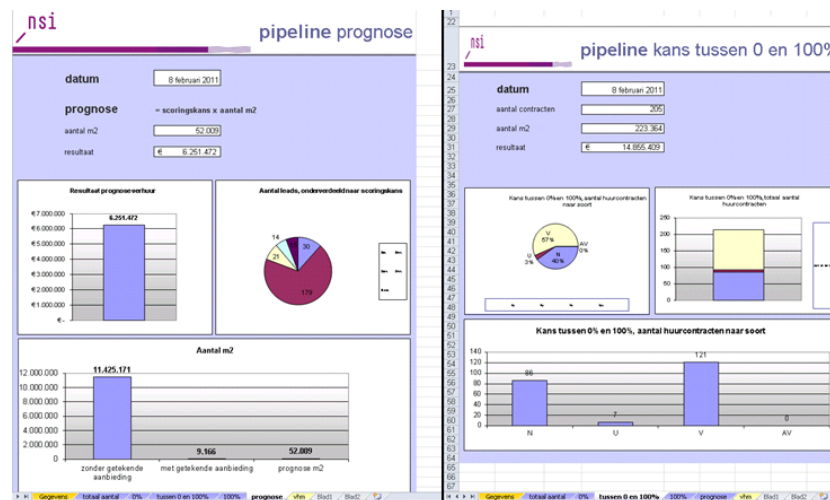
CRM – knowing your clients

Tailor made software to monitor and improve:

- Reletting of properties (tenant retention)
- Leasing of vacant space (vacancy management)

Over 10 KPIs for both activities:

- Visits per property, agent, employee
- Relettings per employee, agent, property
- Renewal offers per employee
- Forecast per property (and estimated success %)



VACANCY MANAGEMENT

100%



ON VACANCY

■ Full Focus:

- 1 full time vacancy manager 100 %



■ All Vacancy must be:

- Clean
- Accessible
- Turn key model office
- Fiber glass connection
- Energy label



■ Alternative solution:

- Transformation
- Redevelopment
- Thematic leasing



Letting activities

| Retail | |
|-------------------------|--|
| Up to Q3 2011 | 56,995 m ² of which new 8,473 m ² |
| Large contracts: | |
| Aldi Vastgoed | 1,150 m ² |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Total amount | €6.4m |

| Offices | |
|--------------------------------|---|
| Up to Q3 2011 | 97,505 m ² of which new 37,132 m ² |
| Large contracts: | |
| Ziggo BV | 4,557 m ² |
| Ista Nederland BV | 2,125 m ² |
| Fluke Europe BV | 2,110 m ² |
| Cegedium Nederland BV | 1,057 m ² |
| Ontwikkelingsbedrijf Rotterdam | 3,827 m ² |
| Fossil | 1,362 m ² |
| Waterschap Veluwe | 2,454 m ² |
| Total amount | €12.3m |

Example: La Tour, 14,000 m² office building

- Q2 2010:
 - E&Y leaves
 - occupancy rate drops below 30%
- Q4 2010:
 - dedicated commercial manager hired
 - Multi tenant lease strategy
- Q3 2011: 85% let
- Negligible investments



Example: Rode Olifant, 10,000 m² listed office building

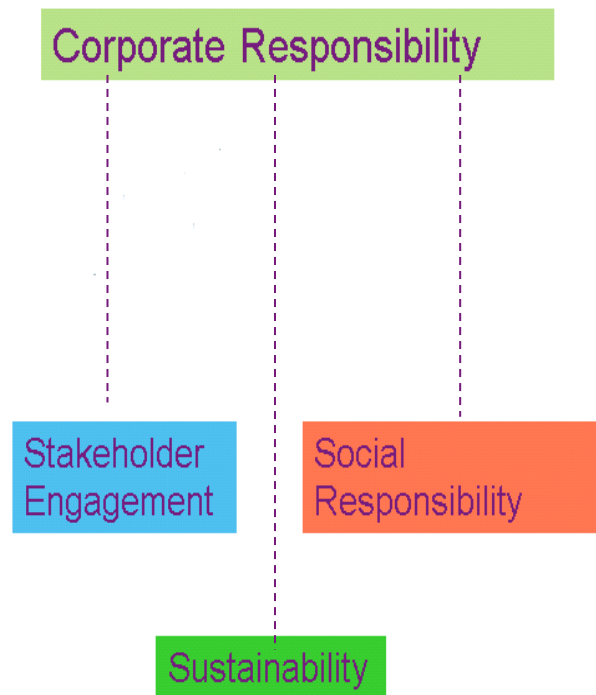
- 100% vacant since 2007
- VNOI's strategy: single tenant
- Q3 2011: NSI decides for a multi tenant strategy
- €600 / m² investment
- €1.7-2.5m rental income
- €7-9m value increase in a 1-3 year period



Sustainability

Corporate Responsibility

- Limited resources/future generations
- PR
- Better performance



Sustainability – sample projects

Cooperation with RGD (Governmental Leasing Agency)

- Quick Win
- Energy efficiency labels

Status

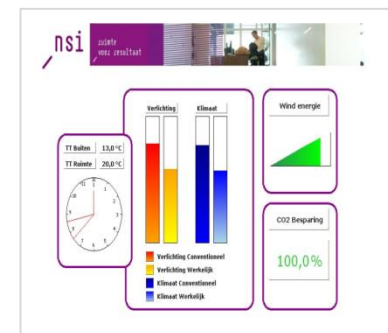
- 9 properties (total value 29.500 m²) with label
- 2 properties below level C
- In cooperation with tenant : study for improvement
- For all properties Quick Win analysis



NSI's sustainable office – practice what you preach

Existing office made sustainable

- Extremely efficient lighting (LED)
- Presence detection / day light / timer
- Energy generation on location (wind and solar)
- Continuous monitoring of energy generation and consumption
- Improvement from energy label F to A (in 8 weeks)
- 16% energy generation on location + 'green' purchase
- 40% energy savings
- 37% decrease of CO₂-emission (90% with 'green' purchase)



Financials



Consolidated balance sheet

| (x €1,000) | NSI Up to Q3 2011 | VNOI Up to Q3 2011 | Combined Up to Q3 2011 |
|--|-------------------------|--------------------------|------------------------------|
| Total fixed assets | 1,363,083 | 946,869* | 2,309,952 |
| Total current assets | 16,278 | 16,493 | 32,771 |
| Total assets | 1,379,361 | 963,362 | 2,342,723 |
| | | | |
| Total equity attributable to shareholders | 550,210 | 367,902** | 918,112 |
| Total long-term liabilities | 616,408 | 477,716 | 1,094,124 |
| Total current liabilities | 212,743 | 117,744 | 330,487 |
| Total equity and liabilities | 829,151 | 963,362 | 2,342,723 |

* Including minority share

** excluding full value of Intervest Offices @ €33m

VNOI – NSI Accounting ‘Specials’

- Release payments by tenants
 - NSI: Q1 2010: La Tour (E&Y) €2.0m fully to P&L
 - VNOI: Q3 2010 Tibotec (Belgium) €5.5m to provisions with amortization through P&L
Q3 2011 provision reversed to 2010 for €2.7m
- (Asset) valuation of Intervest Offices: significantly lower on corporate level
- Hedge accounting: partially adopted by VNOI, will not be adopted by NSI

Total result

| | NSI Up to Q3 2011 | VNOI Up to Q3 2011 | Combined Up to Q3 2011 |
|--|-------------------------|--------------------------|------------------------------|
| Gross rental income | 77,389 | 56,047 | 133.436 |
| Service costs not recharged | - 1,282 | - 1,362 | - 2.644 |
| Operating costs | - 10,814 | - 6,389 | - 17.203 |
| Net rental income | 65,293 | 48,296 | 113.589 |
| Revaluation of investments | - 18,873 | - 25,938 | - 44.811 |
| Net result on investments | 707 | - 19,812 | - 19,105 |
| Total net proceeds from investments | 47,127 | 2,546 | 49,673 |
| Administrative costs | - 4,964 | - 9,240 | - 14,204 |
| Net financing results | - 33,296 | - 24,814 | - 58,110 |
| Result before tax | 8,867 | - 31,508 | - 22,641 |
| Corporate income tax | 660 | 2,753 | 3,413 |
| Result after tax | 8,207 | - 34,261 | - 26,054 |
| Investment result attributable to non-controlling interests | - | - 6.244 | - 6,244 |
| Exchange-rate differences on foreign participations | 159 | - | 159 |
| Total result attributable to shareholders | 8,366 | - 40.505 | - 32,139 |

Consolidated direct investment result

| | NSI 2011 x €1,000 | VNOI 2011 X 1,000 | Combined 2011 x €1,000 |
|--|-------------------------|-------------------------|------------------------------|
| Gross rental income | 77,389 | 56,047 | 133,436 |
| Service costs not recharged | - 1,282 | - 1,362 | - 2,644 |
| Operating costs | - 10,814 | - 6,389 | - 17,203 |
| Net rental income | 65,293 | 48,296 | 113,589 |
| Financing result | - 23,738 | - 21,629 | - 45,367 |
| Administrative costs | - 2,361 | - 4,306 | - 6,667 |
| Direct investment result before tax | 39,194 | 22,361 | 61,555 |
| Corporate income tax | 52 | 241 | 293 |
| Direct investment result after tax | 39,142 | 22,120 | 61,262 |
| Direct investment result attributable to minority interests | - | - 7,460 | - 7,460 |
| Direct investment result attributable to shareholders | 39,142 | 14,660 | 53,802 |

Operating costs

| x €1,000 | NSI 2011 | VNOI 2011 | Combined 2011 |
|---------------------------------------|---------------|--------------|------------------|
| Municipal taxes | 2,706 | 1,038 | 3,744 |
| Insurance premiums | 483 | 127 | 610 |
| Maintenance costs | 1,883 | 2,699 | 4,582 |
| Contributions to owners' associations | 453 | - | 453 |
| Property management | 2,322 | 1,681 | 4,003 |
| Rental costs | 2,104 | 805 | 2,909 |
| Other expenses | 863 | 39 | 902 |
| Total | 10,814 | 6,389 | 17,203 |

Consolidated indirect investment result

| x €1,000 | NSI 2011 | VNOI 2011 | Combined 2011 |
|---|-----------------|-----------------|------------------|
| Revaluations of investments | - 18,873 | - 25,938 | - 44,811 |
| Net result on sales of investments | 707 | - 19,812 | - 19,105 |
| Result other investments | - 2,603 | - | - 2,603 |
| Merger costs | - 1,584 | - 4,934 | - 6,578 |
| Movements in market value of financial derivatives | - 6,862 | - 3,185 | - 10,047 |
| Exchange-rate differences | - 93 | - | - 93 |
| Allocated management costs | - 1,019 | - | - 1,019 |
| Indirect investment result before tax | - 30,327 | - 53,869 | - 84,196 |
| Corporate income tax | 608 | 2,512 | 3,120 |
| Indirect investment result | - 30,935 | - 56,381 | - 87,316 |
| Indirect investment result attributable to minority interest | - | 1,216 | 1,216 |
| Indirect investment result attributable to shareholders | - 30,935 | - 55,165 | - 86,100 |

Financial ratios

| x €1,000 | NSI Up to 2011 | VNOI Up to 2011 | Combined Up to 2011 |
|---|-------------------|--------------------|------------------------|
| Investments | 1,348,991 | 935,382 | 2,284,373 |
| Shareholders' equity | 551,029 | 255,212 | 806,241 |
| Debts to credit institutions (excluding derivatives) | 760,228 | 539,131 | 1,299,359 |

| | NSI Up to 2011 | VNOI Up to 2011 | Combined Up to 2011 |
|---------------------------|-------------------|--------------------|------------------------|
| Loan to value (%) | 56.4 | 57.3 | 56.9 |
| Average interest rate (%) | 4.1 | 4.7 | 4.4 |
| Average maturity loans | 1.8 | 2.9 | 2.1 |
| Fixed interest loans (%) | 91.7 | 89.3 | 90.7 |
| Interest coverage ratio | 2.7 | 2.0 | 2.4 |
| NAV | 12.73 | 13.41 | 13.34 |
| EPRA NAV | 13.58 | 14.50 | 14.31 |

Duration loans

x €1m

