NIEUWE STEEN INVESTMENTS N.V.

(a closed end investment company with variable capital (beleggingsmaatschappij met veranderlijk kapitaal) under Dutch law, with its corporate seat in Hoorn, The Netherlands)

Admission to trading of new ordinary shares with a nominal value of €0.46 each in the capital of Nieuwe Steen Investments N.V.

This prospectus (the "**Prospectus**") contains information in respect of the admission to trading of new ordinary shares in Nieuwe Steen Investments N.V. (the "**New NSI Ordinary Shares**") in connection with the proposed combination of the business of Nieuwe Steen Investments N.V. ("**NSI**" or the "**Company**") with that of VastNed Offices/Industrial N.V. ("**VastNed O/I**"), which is to be effected through a legal de-merger (*juridische splitsing*), upon completion of which all assets and liabilities of VastNed O/I will be transferred to wholly-owned subsidiaries of NSI, and VastNed O/I shareholders will be allotted (*toegekend*) the New NSI Ordinary Shares (the "**Merger**"), subject to the restrictions and on the terms and conditions set out in this Prospectus.

In addition, this Prospectus contains information in respect of the value retention warrant (the "**Warrant**") related to VastNed O/I's majority shareholding in its subsidiary Intervest Offices listed on NYSE Euronext in Brussels ("**Intervest Offices**") that each VastNed O/I Shareholder will receive for each ordinary share in the capital of VastNed O/I with a nominal value of EUR 5.00 (each a "**VastNed O/I Ordinary Share**") held by such shareholder on the date of completion of the Merger, subject to the restrictions and on the terms and conditions set out in this Prospectus. See section *"The Warrant*".

The Company's ordinary shares with a nominal value of €0.46 each (the "**NSI Ordinary Shares**") are traded on NYSE Euronext in Amsterdam ("**Euronext Amsterdam**"), under the symbol "NISTI" and with the ISIN NL 0000292324. Application will be made for admission of the New NSI Ordinary Shares to trading on Euronext Amsterdam, subject to completion of the Merger (the "**Admission**").

INVESTING IN THE NEW NSI ORDINARY SHARES AND THE WARRANTS INVOLVES RISKS. SEE SECTION "*RISK FACTORS*" BEGINNING ON PAGE 10 OF THIS PROSPECTUS FOR A DESCRIPTION OF THE MATERIAL RISKS THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE NEW NSI ORDINARY SHARES.

This Prospectus constitutes a prospectus for the purposes of Article 3 of European Union (the "**EU**") Directive 2003/71/EC (the "**Prospectus Directive**") and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*; the "**FMSA**") and the rules promulgated thereunder. This Prospectus has been filed with and approved by the AFM. Capitalised terms used in this Prospectus have the meanings set out in "*Definitions*".

Neither the New NSI Ordinary Shares nor the Warrant have been or will be registered under the US Securities Act or any U.S. state securities laws. For a description of restrictions on the allotment, offers and transfer of the New NSI Ordinary Shares and the Warrant and on the release, publication or distribution of this Prospectus in various jurisdictions, see section *"Distribution Restrictions*".

Distribution of this Prospectus may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Prospectus are urged to inform themselves of any such restrictions which may apply in their jurisdiction and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. NSI disclaims all responsibility for any violation of such restrictions by any person.

Prospectus dated 14 July 2011

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SUMMARY

This summary should be read as an introduction to this Prospectus. Any decision to invest in the New NSI Ordinary Shares should be based on a consideration of this Prospectus including the documents incorporated by reference therein as a whole and not just this summary.

*This summary does not provide a complete overview and does not contain all the information that you should consider in connection with any decision relating to the New NSI Ordinary Shares. Civil liability will attach to NSI in respect of this summary, including any translation thereof, only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a state party to the agreement relating to the European Economic Area (an "**EEA State**"), the plaintiff may, under the national legislation of that EEA State, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.*

The Company

NSI is a property investment and management firm based in The Netherlands with investments in The Netherlands and Switzerland. The company's portfolio primarily consists of two business segments: Offices and Retail. On 31 March 2011, NSI owned and managed a portfolio of shops, shopping centres, large-scale retail, office buildings, governmental buildings and residential properties valued at approximately €1,355 million as per 31 March 2011.

NSI is a closed-end investment institution and operates under license and supervision of the AFM and the DNB. The Company qualifies as a fiscal investment institution (*fiscale beleggingsinstelling*, "**FII**") under Dutch corporation tax law and its ordinary shares are listed on Euronext Amsterdam. NSI's Ordinary Shares are included in the ASCX (SmallCap)-index, the Global Property Research (GRR)-index and the European Real Estate Association (EPRA)-index.

The Company has its corporate seat (*statutaire zetel*) in Hoorn, The Netherlands, and its principal place of business at Kruisweg 661-665, 2130 KA Hoofddorp. NSI is registered with the trade register (*handelsregister*) of the chamber of commerce (*kamer van koophandel*) under number 36040044.

Strategy

The key elements of NSI's strategy are the following:

- *Value-added housing advice* - NSI aims at optimizing its relationship with tenants by providing them with a service concept focusing on tailored housing advice. NSI takes a pro-active stance and thinks along with its tenants on the amount of surface, the facilities and the usage concept needed.

- *Focus on geographically diversified growth* - NSI aims at geographically spreading its portfolio risks by realising growth of its portfolio. International growth opportunities will however be compared to Dutch growth opportunities and only preferred when bringing clear merits.

- *Focus on mixed portfolio* - In the long term NSI has the goal of investing approximately 50% of its portfolio in retail and 50% in offices. This mix offers a balance between the defensive character and relative stability of retail properties and the cyclical character and relatively high yields of offices.

- *Active management and value creation in the portfolio* - NSI targets value creation within the existing portfolio by investing in properties already owned, where necessary (re)developing these properties and by pursuing an active acquisition and disposal policy.

- *Focus on sustainability* - NSI considers sustainability as one of its strategic priorities as sustainable investments in properties will result in lower variable costs (e.g. electricity, heating, lighting, cleaning) for tenants and thereby improve NSI's positioning and possibilities on tenant retention.

The Merger

NSI and VastNed O/I have agreed to merge their businesses on the terms and subject to the conditions and restrictions contained in the merger agreement between NSI and VastNed O/I dated 20 April 2011 as amended from time to time (the "**Merger Agreement**").

Introduction

On 20 April 2011, the management board of NSI (*raad van bestuur*; the "**Management Board**") and the management board of VastNed O/I (*raad van bestuur*; the "**VastNed O/I Board**") published a joint announcement that NSI and VastNed O/I reached agreement on a combination of their businesses to create a new leading Dutch mixed real estate investment fund through the merger (the "**Combined Group**"). On announcement, the Merger was subject to, among other things, the satisfaction or waiver of certain pre-conditions. Those pre-conditions have now been satisfied, waived or rolled forward as conditions of the Merger.

Background to and strategic rationale for the Merger

In summary, the Combined Group will:

- Create a leading listed Dutch mixed real estate company with a well-balanced portfolio of EUR 2.4 billion of mainly high yielding office- and retail properties, generating a theoretical rental income of over EUR 200 million spread over more than 300 properties.
- Have a well-spread asset portfolio in three geographic markets with a clear focus on asset classes: retail in Switzerland, offices in Belgium and in The Netherlands both retail and offices. The Dutch offices are for an important part concentrated in the Randstad area.
- Have an attractive tenant proposition driven by increased concentration of properties in local office markets (e.g. Randstad area) constituting an improved leasing platform which is better positioned to increase occupancy.
- Create a strong and well-diversified tenant base with limited sector concentrations and strong focus on attractive loyal small and medium enterprises and government-linked institutions.
- Offer well-balanced proposition for both shareholder groups, driven by an improved investor profile and visibility, increased market capitalisation, improved share liquidity, potential inclusion in the Euronext Amsterdam AMX Index and high dividend yield.
- Have improved access to equity and debt financing as the enhanced scale of the Combined Group will improve its overall capital markets profile and its ability to diversify funding sources.
- Realise significant scale benefits expected to result in revenue synergies (through, amongst others, improvement in occupancy, tenant retention and rental income) and additional cost synergies.

Key terms

Structure	The Merger will be effected through a triangular demerger (*zuivere driehoekssplitsing*) in accordance with Section 3:334(ii) of the Dutch Civil Code (*burgerlijk wetboek*; "**DCC**"). Upon completion of the Merger ("**Completion**"), (i) the assets and liabilities of VastNed O/I will, by operation of law, be transferred to two of NSI's subsidiaries, NSI German Holding B.V. and NSI Beheer II B.V., (ii) VastNed O/I will cease to exist and (iii) VastNed O/I shareholders will be allocated the New NSI Ordinary Shares. The demerger proposal and the explanatory notes thereto are attached to this Prospectus as **Annex 1** "*Demerger Proposal and Explanatory Notes"*. Also see section *"The Merger – Demerger proposal*".
Exchange Ratio	Pursuant to the Merger, the existing holders of VastNed O/I Shares (the "**VastNed O/I Shareholders**") will receive 0.897 New NSI

	Ordinary Shares in exchange for each VastNed O/I Ordinary Share held at Completion (the "**Share Exchange Ratio**").
The Warrant	In addition to the allotment of the New NSI Ordinary Shares, each VastNed O/I Shareholder will receive one value retention warrant related to VastNed O/I's 54.7% majority shareholding in Intervest Offices listed on NYSE Euronext in Brussels (the "**Warrant**") for each VastNed O/I ordinary share it holds at Completion. The purpose of the Warrant is to retain part of the potential surplus value of VastNed O/I's subsidiary Intervest Offices for VastNed O/I Shareholders, should shares in Intervest Offices be sold by NSI during the period ending 18 months following Completion. See section "*The Warrant*".
Commitment and support	The strong conviction of both NSI and VastNed O/I in the success of the Combined Group is underpinned by a broad support of: • The supervisory board and management board of each of NSI and VastNed O/I, who each unanimously support the Merger and unanimously recommend their respective shareholders to vote in favour of the Merger. • A number of major NSI Shareholders, representing in total approximately 33% of the total NSI shares outstanding, who each unanimously support the Merger and have irrevocably undertaken to vote their shares in favour of all resolutions required to be adopted by the general meeting of NSI Shareholders to give effect to the Merger. • The priority shareholders of both NSI and VastNed O/I, who have irrevocably undertaken to submit the Merger for approval at the general meeting of shareholders of NSI and VastNed O/I, respectively. • All lenders to NSI and VastNed O/I have agreed, subject to a limited number of conditions, to continue their financing of the Combined Group and have, on this basis, approved waiver requests from NSI and VastNed O/I and, where relevant, changes in the respective loan agreements in relation to the Merger.
Number of New NSI Ordinary Shares to be issued	On the basis of VastNed O/I's issued and outstanding share capital as at the date of this Prospectus, the number of New NSI Ordinary Shares to be allotted upon Completion is approximately 17,074,699.
Listing and trading of New NSI Ordinary Shares	Application will be made to list the New NSI Ordinary Shares on Euronext Amsterdam under the symbol: NISTI. It is expected that admission of the New NSI Ordinary Shares on Euronext Amsterdam will become effective, and dealings for normal settlement will commence, on the Settlement Date. ISIN: NL0000292324 Common Code: 009524738

Premiums

The Share Exchange Ratio per VastNed O/I Ordinary Share represents:

(i) a 15.8% premium based on the closing price of the NSI Ordinary Shares of EUR 14.97 and VastNed O/I Ordinary Shares of EUR 11.60 on 10 December 2010, the last Business Day prior to NSI making a public announcement that it had invited VastNed O/I to discuss a possible combination;

(ii) a 17.1% premium based on NSI's and VastNed O/I's volume-weighted average share prices over the one-month period ending 10 December 2010;

(iii) a 12.9% premium based on NSI's and VastNed O/I's volume-weighted average share prices over the three-month period ending 10 December 2010; and

(iv) a 15.4% premium based on NSI's and VastNed O/I's volume-weighted average share prices over the six-month period ending 10 December 2010.

Indicative timetable of the Merger

Expected date and time	*Event*
25 August 2011	Extraordinary general meeting of VastNed O/I Shareholders (the "**VastNed O/I EGM**"), at which meeting the proposed Merger, among other matters, will be discussed.
26 August 2011	Extraordinary general meeting of NSI Shareholders (the "**NSI EGM**"), at which meeting, among other matters, (i) the proposed Merger and (ii) appointment of new members of the Supervisory Board will be discussed.
1 September 2011 (after close of business)	Record Date.
1 September 2011 (evening)	Execution of the Notarial Deed of Demerger.
2 September 2011: 00h01	Completion: NSI will allot to each VastNed O/I Shareholder 0.897 New NSI Ordinary Share and one Warrant for each VastNed O/I Ordinary Share held by it at close of business on the Record Date. If a holder of VastNed O/I Ordinary Shares is entitled to a number of New NSI Ordinary Shares that does not equal a round number, such number shall be rounded downwards to the nearest round number of shares. The rounding difference will be compensated by a payment in cash, calculated as a *pro rata* portion of the closing price of the NSI Ordinary Shares on the Record Date.
2 September 2011	Settlement date; admission to trading of the New NSI Ordinary Shares.

Summary of essential risks

Before you make an investment decision in respect of the New NSI Ordinary Shares and the Warrants, you should consider carefully, together with the other information in this Prospectus, the risks as described in "*Risk Factors*". The following is a summary of what NSI believes are the essential risks associated with NSI or, where the context requires, the Combined Group, the New NSI Ordinary Shares, the Merger and the Warrant. It should be noted that this is not a summary of all risks related to NSI or, where the context requires, the Combined Group, the New NSI Ordinary Shares, the Warrants and the Merger. A more detailed discussion can be found in "*Risk Factors*":

Risks relating to the Group and the sector in which it operates

- NSI and its group companies (the "**Group**") are exposed to certain general risks relating to real estate investments.
- The crisis in the financial markets and the global economic downturn has had, and may continue to have, negative consequences for the Group's results of operations and financial condition.
- The Group is exposed to risks related to the acquisition and ownership of real estate properties.

- A decreased demand for, or an increased supply of markets in which the Group is active, could materially adversely affect the businesses, financial condition, operational results or prospects of the Group.

- A competitive property market may adversely affect the Group's revenue, profitability and financial conditions.

- The Group is exposed to the risk of revaluation losses with respect to its properties.

- The Group is exposed to risks arising from the illiquidity of its Portfolio.

- The Group may not be able to successfully engage in acquisitions, disposals, refurbishments or expansions of properties.

- Increased maintenance and redevelopment costs could adversely affect the Group's results and its financial conditions.

- The valuation of the properties of the Group, including those contained in the Valuation Reports, is - to a certain extent- inherently subjective and uncertain.

- The Group is exposed to risks relating to ground leases.

- The business, results of operations and financial condition of the Group depend on its ability to maintain and increase occupancy rates through the execution of leases with new tenants and the renewal of leases by its existing tenants.

- The Group is exposed to credit risk on rent payments from its tenants.

- Loss of its managerial staff and other key personnel could hamper ability of the Group to fulfil its business strategies.

- The Group may be liable for environmental issues on or in its properties.

- The Group is exposed to risks related to the safety of consumers and tenants in shopping centres and office buildings, including acts of terrorism and violence.

- The Group could be exposed to catastrophic events, such as flooding and landslides.

- The Group may suffer losses not covered by insurance.

- If the Group loses or is unable to obtain licences necessary for its operations or expansion, it may not be able to carry on its business or parts of its current or planned businesses.

- The real estate sector is susceptible to fraud.

Risks relating to the financing of the Group's activities

- Access to debt and equity capital on satisfactory terms is necessary for maintaining, growing and developing the Group's business and Portfolio.

- Changing capital market conditions could have negative consequences for the business and results of operations of the Group.

- The Group is exposed to interest rate risks.

Risks relating to structure of the Group

- NSI is a holding company with no operations and relies on its operating subsidiaries to provide it with funds necessary to meet its financial obligations.

- NSI may not be able to pay or maintain dividends and the failure to do so would adversely affect the price of the NSI Ordinary Shares.

- NSI could suffer adverse consequences if it fails to maintain its status as a Fiscal Investment Institution under Dutch corporation tax law (*fiscale beleggingsinstelling*) ("**FII**").
- A material change in the laws and regulations to which the Group is subject, or in their interpretation or enforcement, could materially adversely affect the business, results of operations and financial condition of the Group.
- Shareholders may have difficulties protecting their interests as shareholders as NSI is a Dutch limited liability company.
- Certain controlling arrangements (such as those embodied in NSI's Priority Shares) could prevent Shareholders to sell their NSI Ordinary Shares at a premium.

Risks relating to NSI Ordinary Shares

- The market price of NSI Ordinary Shares may fluctuate and trading in NSI Ordinary Shares may be limited, which might lead to Shareholders not being able to sell their NSI Ordinary Shares at a reasonable price or at all.
- If securities or industry analysts do not publish research or reports about the Group's business, or if they change their recommendations regarding NSI Ordinary Shares adversely, the market price and trading volume of NSI Ordinary Shares could decline.

Risks relating to the Merger

- The risks relating to the Group, its properties, business and markets generally also apply to VastNed O/I's properties that will transfer to the Group upon Completion.
- The Group may not be able to successfully and efficiently integrate VastNed O/I into its operations.
- Tenants may leave as a result of the consummation of the Merger.
- The Group has conducted a limited due diligence review of VastNed O/I and the assets that are part of the Merger. Consequently, the Group may become subject to unknown liabilities of VastNed O/I, in particular with respect to the properties to be acquired, which may have an adverse effect on the Group's financial condition and results of operations.
- Completion is subject to conditions which may not be fulfilled.
- Certain risks are attached to the indirect shareholding in Intervest Offices.
- The value of the Warrant is uncertain and there is no guarantee that the Warrant will have any value in the future.
- The Merger may have tax consequences.

SUMMARY OF FINANCIAL AND BUSINESS INFORMATION

This summary includes the following financial and business information of the Group, as shown in the following tables:

- information extracted without material adjustment from the Group's audited consolidated financial statements as of and for the years ended 31 December 2010, 2009 and 2008;
- information extracted without material adjustment from the Group's reviewed consolidated financial statements as of and for the three months ended 31 March 2011 and 31 March 2010, respectively;
- information with respect to the direct and indirect investment result of the Group for the years ended 31 December 2010, 2009 and 2008 and for the three months ended 31 March 2011 and 31 March 2010, respectively; and
- other data and key ratios as of and for the years ended 31 December 2010, 2009 and 2008 and for the three months ended 31 March 2011 and 31 March 2010.

IFRS consolidated financial information

The tables below show a summary of (i) the reviewed consolidated financial statements of the Group as of and for the three months ended 31 March 2011 and 31 March 2010, respectively, and (ii) the audited consolidated financial statements of the Group as of and for the years ended 31 December 2010, 2009 and 2008. The reviewed and audited consolidated financial statements are incorporated by reference in this Prospectus and have been prepared in accordance with International Financial Reporting Standards as adopted in the EU ("**IFRS**"). For a discussion of the income statement, see section "*Operating and Financial Review – Comparison of results of operations for the periods ended 31 March 2011 and 31 March 2010 and for the years ended 31 December 2010, 2009 and 2008*".

Consolidated statement of comprehensive income (x €1,000)

	Q1 2011	Q1 2010	2010	2009	2008
Gross rental income	**25,871**	**27,232**	**103,170**	**103,794**	**101,692**
Service costs not recharged	-407	-460	-1,738	-2,251	-1,195
Operating costs	-3,549	-3,139	-12,747	-11,984	-12,240
Net rental income	**21,915**	**23,633**	**88,685**	**89,559**	**88,257**
Revaluation of investments	-5,097	-4,965	-24,761	-52,282	-42,714
Sales revenues real estate investments	-	41	-247	99	-200
Total net proceeds from investments	**16,818**	**18,709**	**63,677**	**37,376**	**45,343**
Administrative expenses	-1,339	-1,087	-4,649	-4,670	-4,558
Financing income	288	6	106	233	117
Financing costs	-8,084	-8,235	-33,848	-34,879	-35,100
Result from other investments*	-471	-	-	-	-
Movements in market value of financial derivates	11,564	-5,510	328	-12,290	-26,721
Net financing results	3,297	-13,739	-33,414	-46,936	-61,704
Result before tax	**18,776**	**3,883**	**25,614**	**-14,230**	**-20,919**
Corporate income tax	-99	-118	-530	-366	-421
Result after tax	**18,677**	**3,765**	**25,084**	**-14,596**	**-21,340**
Exchange-rate differences on foreign participations	-198	274	554	180	-154
Total comprehensive income attributable to shareholders	**18,479**	**4,039**	**25,638**	**-14,416**	**-21,494**

Consolidated Statement of financial position before profit appropriation (x €1,000)

	31-03-2011	31-03-2010	31-12-2010	31-12-2009	31-12-2008
Assets					
Real estate investments	1,355,343	1,299,929	1,358,097	1,303,207	1,411,519
Intangible assets	8,498	8,389	8,505	8,327	8,205

* The Merger costs have been reclassified from "Administrative expenses" to "Result from other investments".

	31-03-2011	31-03-2010	31-12-2010	31-12-2009	31-12-2008
Tangible assets	3,396	4,104	3,409	3,941	4,124
Financial derivatives	3,011	-	471	-	-
Prepayment and accrued income to relation to rent incentives	2,486	2,415	2,592	2,376	1,820
Total fixed assets	**1,372,734**	**1,314,837**	**1,373,074**	**1,317,851**	**1,425,668**
Other investments	11,581	-	11,835	4	-
Debtors and other accounts receivable	4,409	4,146	2,305	2,423	3,625
Cash	1,774	1	2,885	-	1
Total current assets	**17,764**	**4,147**	**17,025**	**2,427**	**3,626**
Total assets	**1,390,498**	**1,318,984**	**1,390,099**	**1,320,278**	**1,429,294**
Shareholder's equity					
Issued share capital	19,914	18,104	19,914	18,104	16,458
Share premium reserve	451,076	397,795	451,076	397,795	360,090
Other reserves	85,354	126,609	85,552	153,525	226,973
Unallocated result from financial year	43,761	3,765	25,084	-14,596	-21,340
Total shareholders' equity attributable to shareholders	**600,105**	**546,273**	**581,626**	**554,828**	**582,181**
Liabilities					
Interest bearing loans	592,758	679,555	669,498	661,086	747,234
Financial derivatives	19,239	33,144	28,455	28,055	15,950
Deferred tax liabilities	973	670	929	502	297
Total long-term liabilities	**612,970**	**713,369**	**698,882**	**689,643**	**763,481**
Redemption requirement long-term debts	115,313	17,089	44,109	29,962	73
Financial derivatives	460	946	268	529	340
Debts to credit institutions	42,696	6,973	45,300	24,523	59,499
Other accounts payable and deferred income	18,954	34,334	19,914	20,793	23,720
Total current liabilities	**177,423**	**59,342**	**109,591**	**75,807**	**83,632**
Total liabilities	**790,393**	**772,711**	**808,473**	**765,450**	**847,113**
Total shareholders' equity and liabilities	**1.390,498**	**1,318,984**	**1,390,099**	**1,320,278**	**1,429,294**

Direct and indirect investment result[1]

Management measures the Group's operating performance utilising certain direct and indirect investment result measures. These are supplemental measures of the Group's performance which are used for management purposes and should not be considered in isolation or as an alternative to net result or any other performance measure derived in accordance with IFRS. In addition, such measures, as defined by the Group, may not be comparable to other similarly titled measures used by other companies. For a discussion of how the Group calculates direct and indirect investment results and their reconciliation to IFRS results, see section "*Operating and Financial Review – Comparison of results of operations for years ended 31 December 2010, 2009 and 2008 – Direct and indirect investment result*".

Consolidated direct and indirect investment result

	Q1 2011	Q1 2010	2010	2009	2008
Direct investment result	12,826	14,777	52,398	51,627	50,037
Indirect investment result	5,851	-11,012	-27,314	-66,223	-71,377
Total investment result	**18,677**	**3,765**	**25,084**	**-14,596**	**-21,340**

[1] This section contains financial information that has not been audited. This information has been prepared by NSI's management, on the basis of the Company's internal accounts.

Other key data and ratios

The table below shows other key data and ratios for the Group as of and for the years ended 31 December 2010, 2009 and 2008 and the three months ended 31 March 2011 and 31 March 2010.

Key figures

	Q1 2011	Q1 2010	2010	2009	2008
Occupancy rate (in %)	90.1	90.5	90.0	90.9	92.4
Issued share capital					
Ordinary shares with a nominal value of €0,46 on 31 March/31 December	43,286,677	39,351,527	43,286,677	39,351,527	35,774,117
Average number of outstanding ordinary shares on 31 March/31 December	43,286,677	37,351,527	41,561,680	37,861,756	35,774,117
Data per average outstanding ordinary shares (x €1)					
Direct investment result	0.30	0.38	1.26	1.36	1.40
Indirect investment result	0.13	– 0.28	-0.66	- 1.75	- 2.00
Total investment result	0.43	0.10	0.60	- 0.39	- 0.60
Data per share (x €1)					
Cash dividend	0.30	0.38	1.26	1.34	1.40
Net asset value on 31 March/31 December	13.86	13.88	13.44	14.10	16.27
Net asset value according to EPRA on 31 March/31 December	14.27	14.76	14.11	14.84	16.74
Average stock-exchange turnover (shares per day, without double counting)	51,118	54,344	58,713	61,733	64,588
Highest price	15.34	15.95	16.00	14.50	19.99
Lowest price	14.43	14.08	13.25	10.05	10.01
Closing price on 31 March/31 December	14.65	15.73	14.98	14.20	11.21

RISK FACTORS

Before making your investment decision in respect of the New NSI Ordinary Shares and the Warrants, you should consider carefully all of the information in this Prospectus, including the following specific risks and uncertainties. If any of the following risks actually occurs, the Group's business, results of operations or financial condition or the price of the NSI Shares could be materially adversely affected. In that event, the value of the New NSI Ordinary Shares could decline and you might lose part or all of your investment. Although the Group believes that the risks and uncertainties described below are the most material risks and uncertainties facing the Group's business, they are not the only ones the Group faces. Additional risks and uncertainties presently unknown to the Group or that the Group currently deems immaterial may also have a material adverse effect on the Group's business, results of operations or financial condition and could negatively affect the price of the New NSI Ordinary Shares.

You should also read the detailed information set out elsewhere in this Prospectus and should reach your own views before making a decision with respect to any New NSI Ordinary Shares and the Warrants. Furthermore, before making an investment decision with respect to any New NSI Ordinary Shares and the Warrants, you should consult your own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with such an investment decision and consider such an investment decision in light of your prospective personal circumstances.

Risks relating to the Group and the sector in which it operates

The Group is exposed to certain risks relating to real estate investments.

Investing in real estate is generally subject to various risks, including adverse changes in national or international economic conditions, adverse local market conditions, the financial conditions of the office and retail sectors (including tenants), buyers and sellers of real estate, changes in availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, planning laws and other governmental rules and fiscal policies, environmental claims arising in respect of properties acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established, energy prices, changes in the relative popularity of real estate types and locations leading to an oversupply of space or a reduction in demand for a particular type of real estate in a given market, and risks and operating problems arising out of the presence of certain construction materials.

These factors could cause fluctuations in rental income or operating expenses, causing a negative effect on the operating returns derived from, and the value of real estate investments. The capital value of real estate investments may be significantly diminished in the event of a downward turn in real estate prices or the occurrence of any of the other factors noted above. Such a decrease in value would have a material adverse effect on the Group's results of operations and financial condition and, as a result, on the value of and return on NSI Ordinary Shares.

The crisis in the financial markets and the global economic downturn has had and may continue to have negative consequences for the Group's results of operations and financial condition.

The financial markets crisis and the global economic downturn that followed have had worldwide negative effects, including in the markets in which the Group's properties are located, The Netherlands and, to a lesser extent, Switzerland. The economic uncertainty has contributed to deterioration in the consumer and investment climate, affecting a range of economic activities, including the real estate sector. Lower disposable incomes due to rising unemployment and decreased consumer confidence have translated into lower consumer spending, which puts pressure on retailers' profits. This, together with reduced availability of financing, has prompted certain retailers to scale back or postpone their expansion plans, which has made it more difficult for retail property managers to find appropriate tenants. Due to the economic situation office users are taking a more critical attitude to total premises costs and are less willing to move to other premises. As a result many companies chose to stay in their current accommodation by prolonging their existing contracts. This makes it hard to attract new office tenants, on the other hand offers opportunities to retain current tenants. At the lower end of the offices market, which consists to a large extent of outdated properties, there is ample supply, also because a large number of users are subletting part of their premises as a result of their own contraction in size.

Although some of the markets, including those in which the Group is active (especially in Dutch retail real estate prices have begun to increase again), have begun to show the first signs of recovery, overall, the economic environment remains fragile. Should the recent signs of economic recovery of the Group's markets not be sustainable or if economic conditions in these markets worsen or remain negative for longer than expected, the Group's rental income and, therefore, its results of operations, may be negatively affected.

The economic crisis also has had an adverse effect on the market values of real estate, causing a negative revaluation of the Group's properties. Furthermore, the economic crisis negatively affected real estate investments. Due to uncertainties and constraints in the credit markets and the general economic conditions, investments in European real estate in general slowed down considerably in 2009 and 2010.

The current economic crisis and any future market downturns could have negative consequences for, among other things, the Group's results of operations, asset values, financial condition and equity base. These may in turn impair the Group's ability to comply with the covenants contained in its financing agreements and obtain financing on acceptable terms, and could increase the Group's financing cost. This would negatively affect the refinancing of the Group's existing real estate projects and the Group's new projects and acquisitions, which could jeopardise the Group's future growth.

The Group is exposed to risks related to the acquisition and ownership of real estate properties.

The Group plans to acquire additional commercial properties, mainly retail and offices, in its home markets, The Netherlands and Switzerland and in any other country that is or may become a new home market on the basis of strategic considerations. There can be no assurance that due diligence examinations carried out by the Group in connection with any properties it considers acquiring or has acquired in the past will reveal or have revealed all of the risks associated with such property, or the full extent of such risks. When the Group acquires or owns a property, the property may be subject to hidden material defects or deficiencies in the title to the property or otherwise, which were not apparent at the time of acquisition, including structural damage, environmental hazards, legal restrictions or encumbrances and non-compliance with existing building standards or health and safety or other administrative regulations. Although the Group typically obtains warranties from the seller of a property with respect to certain legal or factual issues, these warranties may not cover all of the problems that may arise following the purchase and may not fully compensate the Group for any diminution in the value of such property or other loss it may suffer. In addition, it may be difficult or impossible to enforce warranties against a seller for various reasons, including the insolvency of the seller or the expiration of such warranties.

A decreased demand for, or an increased supply of, a contraction of the market for properties in case of an economic downturn in markets in which the Group is active, could materially adversely affect the businesses, financial condition, operational results or prospects of the Group.

Changes in supply and demand for real estate, or a contraction of the property market in the case of an economic downturn in the markets in which the Group is active, in particular in respect of office properties, may negatively influence the occupancy rates of the Group's properties, the rent rates, and the level of demand and prices for such properties. Similarly, the demand for shopping and office space may decrease as a result of an increase in available space and heightened competition for "quality" tenants. This would result in higher capital expenditure required to contract or retain tenants, lower rent rates and delays by existing tenants in the renewal of expiring lease agreements and shorter lease periods, which could materially adversely affect the businesses, financial condition, operational results or prospects of the Group. Furthermore, the Group may bear maintenance costs or investments for properties it cannot rent out, which would lower earnings and have a negative impact on the financing position of the Group.

A competitive property market may adversely affect the Group's revenue and profitability.

One of the primary areas of focus of the Group is the active management of its Portfolio through the renewal of leases with existing tenants and the acquisition of new tenants. The Group competes with local real estate developers, private investors, property funds and other retail property owners for tenants. Other than the requirement for capital, there are few barriers to enter the property market. Some of the Group's competitors may have properties that are newer, better located or in superior condition to its properties. The competition for tenants may negatively affect the Group's ability to attract new tenants and retain existing tenants. It may also negatively influence the terms of its leases, including the amount of rent that the Group charges and the incentives to tenants that it provides, thereby adversely affecting the Group's business and results of operations.

In respect of retail properties, dominance of a shopping centre in a particular area is an important factor that determines the shopping centre's ability to compete for tenants. If there are several dominant centres in the same area, competition is more intense. Now that the economies in its home markets are experiencing a downturn, the Group is experiencing increased competition for tenants.

In addition to competition for tenants, the Group faces competition in acquiring and selling properties, including from property developers, property funds and property users. Investment in retail property in The Netherlands and Switzerland has generally increased over the last several years and may continue to increase in the future. Some of the Group's competitors may have access to greater or less expensive sources of capital than the Group or may have more resources with which to pursue acquisitions. If competition for acquiring properties were to increase, the Group might have to pay higher prices for acquisitions and/or reduce the pool of properties that meets its investment criteria. Any increase in properties on the markets or a general decreased interest for properties may adversely affect the price the Group is able to obtain for sales of its properties as well as increase the time required to conduct any such sales. Due to competitive pressure, NSI might be unable to make new investments or NSI might make investments at inflated prices.

The credit crisis has significantly affected users in the office market which are now taking a more critical attitude to total premises costs. Together with a high supply of office space, this may negatively affect the Group's ability to attract new tenants and retain existing tenants. Similar to the situation in the retail property market the competition for tenants may negatively affect the Group's ability to attract new tenants and retain existing tenants. It may also negatively influence the terms of its leases, including the amount of rent that the Group charges and the incentives to tenants that it provides, thereby adversely affecting the Group's business and results of operations. Furthermore, tenants show an increased awareness regarding sustainability which can lead to an increased demand for investments (capex) in existing properties in order to keep this attractive to existing and potential tenants.

The Group is exposed to the risk of revaluations with respect to its properties.

In the consolidated financial statements of the Group, the investment properties held by it are recorded as assets based on the fair value method pursuant to International Financial Reporting Standard ("**IFRS**"). Any gain or loss arising from a change in the fair value of the Group's investment property is recognised as profit or loss for the period in which it arises.

The fair value of the properties of the Group, reflecting their market value, is subject to change. Generally, the market value of real estate properties depends on a variety of factors, some of which are exogenous and may not be within the control of the Group, such as decreasing demand or occupancy rates in the markets in which the Group operates or movements in expected investment yields. In addition, many qualitative factors affect the valuation of a property, including the property's expected rental income, its condition and its location. Should the factors considered or assumptions made in valuing a property change, to reflect new developments or for other reasons, subsequent valuations may result in a change, be it upward or downward, of the fair value ascribed to such property. If such valuations reveal significant decreases in fair value compared to prior valuations, the Group will incur significant revaluation losses with respect to such properties. The Group's external debt financings contain certain covenants, such as an obligation to maintain a maximum leverage ratio. The Group's compliance with such covenants is dependent on the fair value of its properties. A decline in the fair value of such properties could affect the Group's compliance with these covenants, which could result in a mandatory refinancing of the existing debt facilities, which could have material adverse effects on the Group's financial condition.

Also depending on its extent, a revaluation loss could have a material adverse affect on the business, assets and liabilities, results of operations and financial condition of the Group.

The Group is exposed to risks arising from the illiquidity of its Portfolio.

The market for the types of properties the Group owns or is likely to acquire in the future has its limitations in terms of liquidity. Were the Group required to liquidate parts of its portfolio on short notice for any reason, including raising funds to support its operations or repay outstanding indebtedness, or exiting an investment the Group no longer wishes to own, the Group may not be able to sell any portion of its Portfolio on favourable terms. In the case of an accelerated sale, there may be a significant shortfall between the fair value of the property and the price at which the Group could sell such property. Any such shortfall could have a material adverse effect on the business, financial condition or results of operations of the Group.

The Group may not be able to successfully engage in acquisitions, disposals, refurbishments or expansions of properties.

The Group intends to acquire new properties and to sell, refurbish or expand its existing properties in order to optimise the value of its Portfolio**.** The ability of the Group to engage in acquisitions, disposals, refurbishments or expansions may be limited by its ability to identify appropriate properties, as well as by conditions beyond its control, such as the availability of attractively priced acquisitions, the condition of the property market or changes in governmental and municipal regulations. In addition, the ability of the Group to acquire additional properties may be limited by an inability to obtain financing on terms attractive to it, conditions with which the Group is required to comply in order to maintain its status as an FII or restrictions contained in its current or future credit agreements. Each acquisition, disposal, refurbishment and expansion will entail uncertainties and risks, including the risk that such project may not be completed after the Group has invested significant amounts of time and money.

Increased maintenance and redevelopment costs could adversely affect the Group's results.

Generally, as properties age they require increased maintenance, refurbishment and redevelopment costs. Numerous factors, including the age of the relevant building, the material and substances used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment, modernisation and decontamination required to remove and dispose of any hazardous materials (*e.g.* asbestos). If the Group does not carry out maintenance, refurbishment and redevelopment activities with respect to its properties, these properties may become less attractive to tenants (or require a higher capital expenditure to contract or retain tenants) and the Group's rental income may decrease, affecting the results and financial condition of the Group.

The valuation of the properties of the Group contained in the Valuation Reports is to a certain extent subjective and uncertain.

The valuation of real estate is to a certain extent subjective due to the individual nature of each property and characteristics of the local, regional and national real estate markets, which change over time and may be affected by various factors and the valuation methods used. In addition, the Group's properties are valued by 3 different appraisers. As a result, valuations are subject to uncertainty and change. Furthermore, the lower number of real estate transactions in the recent past due to the economic crisis has made valuations less certain, as there is a limited number of comparatives. The Valuation Reports included in this Prospectus were made on the basis of assumptions, such as assumptions with regard to prospective lettings and rent reviews that may not prove to be accurate at the time the valuations were made or in the future. Potential investors should carefully review these assumptions, which are outlined in the Valuation Reports. The valuations in the Valuation Reports may not reflect actual sales prices even if any such sales were to occur shortly after the date of this Prospectus.

To the extent that real estate included in the Valuation Reports has been overvalued, the Group may be required to write down the value of such real estate as recorded on the Group's balance sheet. Such a write down could have a material adverse effect on the Group's financial condition and profitability and, as a result, on the value of and return on the NSI Ordinary Shares.

The Group is exposed to risks relating to ground leases (erfpacht).

The Group holds some of its properties under ground leases, with the land being owned by another party, usually a municipality. The conditions of the ground lease agreement, such as its term and the payment obligations, are a parameter for the value of the property. The ground lease agreement may contain provisions leading to the loss of the ground leased property if the Group is in serious breach of the ground lease agreement. Furthermore, the Group may face changes in the terms and conditions of the ground lease agreement, for example with respect to payment obligations to the owner of the property. Unfavourable changes may limit the Group's ability to sell the ground leased property and may decrease its value. The Group may be required to write down the value of such asset as recorded on the Group's consolidated balance sheet. Such a write down could have a material adverse effect on the Group's consolidated balance sheet and profitability and, as a result, on the value of and return on NSI Ordinary Shares.

The business, results of operations and financial condition of the Group depend on its ability to manage occupancy rates through the execution of leases with new tenants and the renewal of leases by its existing tenants.

The ability to manage occupancy rates of the Group's properties depends in large part on the condition of the markets in which the Group operates. A negative change in any of the factors affecting the property market and its occupancy rates, including the economic situation, may adversely affect the business of the Group. The Group has historically maintained stable and high occupancy rates (compared to peers). In the recent past, however, the Group experienced a moderate decline in occupancy rates. The Group might not be able to maintain and increase occupancy rates in the future.

The ability of the Group to manage occupancy rates is also dependent upon the remaining terms of the current lease agreements, the financial position of current tenants and the attractiveness of its properties to current and prospective tenants. In order to retain current tenants and attract new tenants the Group may be required to offer reductions in rent, lease incentives, capital expenditure programs and other terms in its lease contracts that make such leases less favourable to the Group. The Group may not be successful in maintaining or increasing occupancy rates or successfully negotiating favourable terms and conditions in its leases. A failure to do so could have a material adverse effect on the business, financial condition and results of operations of the Group. Especially where larger tenants leave, cancel or do not renew a contract (such as Ernst & Young in 2010) this may be the case.

The Group is exposed to credit risk on rent payments from its tenants.

The amounts payable to the Group under its leases with tenants that are not secured (by deposits, bank guarantees or corporate guarantees) bear the risk that its tenants will be unable to pay such amounts when due. Although the Group has a very broad tenant base, it may suffer from a decline in revenues and profitability in the event a number of its significant tenants are unable to pay rent owed when due or seek bankruptcy protection. The Group is not insured against this credit risk**.** The creditworthiness of a tenant can decline over the short or medium term. If a tenant seeks bankruptcy protection, the Group may be subject to delays in receipt of rental and other contractual payments, if it is able to collect such payments at all, and the Group may not be able to terminate the tenant's lease which also prevents the Group from leasing out the property to a new tenant. The Group may not be able to limit its potential loss of revenues from tenants who are unable to make their lease payments. At 31 March 2011, the Group was a party to approximately 1,389 lease contracts, of which approximately 873 related to retail, 430 to offices, 19 to industrial and 67 to residential leases.

Loss of its managerial staff and other key personnel could hamper the ability of the Group to fulfil its business strategies.

The Group believes that its performance, success and ability to fulfil its strategic objectives depends on retaining its current executives and members of its managerial staff and other key personnel who are experienced in the markets and business in which the Group operates. The loss of one or more executive employees, managerial staff or other key personnel could have a material adverse effect on the business and results of operations of the Group. Although the Group has adopted policies to retain its managerial staff and key personnel, changes in its managerial staff could have an adverse effect on the Group and on the results of its operations. The Group might find it difficult to recruit suitable employees, both for expanding its operations and for replacing employees who may resign or recruiting such suitable employees may entail substantial costs both in terms of salaries and other incentive instruments.

The Group may be liable for environmental issues on or in its properties.

The operations and properties of the Group are subject to various laws and regulations in the countries where it operates concerning the protection of the environment, including but not limited to regulation of air, soil and water quality, controls of hazardous or toxic substances and guidelines regarding health and safety. The Group may be required to pay for clean-up costs (and in specific circumstances, for aftercare costs) for any contaminated property it currently owns or owned in the past. As a property owner, the Group may also incur fines or other penalties for any deficiencies in environmental compliance and may be liable for remedial costs. In addition, contaminated properties may experience decreases in value.

Although the Group, in connection with property acquisitions, typically obtains a guarantee that the property is suitable from an environmental point of view for the envisaged use, the Group may not be able to successfully claim under these guarantees.

NSI believes that none of its properties currently require immediate material remediation or decontamination. However, environmental authorities could disagree with respect to any of the properties and the Group could be required to initiate costly, extensive and time-consuming clean up at one or more of its properties. Such requirements could make the relevant properties unattractive to potential tenants or buyers, delay capital improvements on such properties, and have a material adverse effect on the business, results of operation and financial condition of the Group.

The Group is exposed to risks related to the safety of consumers and tenants in shopping centres, office buildings and other locations, including acts of terrorism and violence.

The Group promotes security and safety of consumers and tenants in its properties. However, due to high visibility and presence of large numbers of people, the Group's properties may be targets for terrorism and other forms of violence. Any terror or violent attack on a property of the Group or a similar property owned by someone else may harm the conditions of the Group's tenants and may, apart from any direct losses, harm the property investments of the Group. These attacks may directly or indirectly affect the value of the Portfolio.

Even where the Group is insured against losses due to such attacks, certain losses resulting from these types of events may be uninsurable or not insurable to the full extent of the loss suffered. Moreover, any of these events could lower consumer confidence and, for example, spending in the Group's shopping centres or increase volatility and uncertainty in the worldwide financial markets and economy. Adverse economic conditions resulting from these types of events could reduce demand for space in the Group's properties and thereby reduce the value of these properties and rental income.

The Group could be exposed to catastrophic events, such as flooding and landslides.

Some of the Group's properties are located in areas with a risk of catastrophic events, such as flooding and landslides. These may result in severe damages to the Group's properties. Moreover, such events may create economic and political uncertainties, which could have a negative effect on economic conditions in the regions in which the Group operates and, more specifically, on its business, financial condition, operational results or prospects in ways that cannot be predicted.

The Group may suffer losses not covered by insurance.

The Group seeks to maintain insurance policies covering its properties and employees with policy specifications and insured limits which the Group believes are customary for the real estate business in its markets. The Group's properties are largely covered against property damages and third party liability by means of corporate umbrella policies. There are, however, certain types of risks that are generally not or not fully insured against, such as damages caused by flood, earthquake, volcanic eruption, war risks, malicious intent, civil riots, damages caused by natural heating and pollution or other *force majeure* events and civil liability for environmental damages.

The occurrence of a significant event not fully insured or indemnified against or the failure of the Group to meet its insurance payment obligations could result in a loss of all or a portion of the capital invested in a property, as well as the anticipated future revenue from that property. In addition, the Group may not be able to maintain adequate insurance coverage in the future at commercially reasonable rates with acceptable terms.

If the Group loses or is unable to obtain licences necessary for its operations or expansion, it may not be able to carry on its business or parts of its current or planned businesses.

NSI has obtained a licence from the AFM under the FMSA for its activities as an investment institution. In this respect, NSI is required to comply with the ongoing requirements under the FMSA. The FMSA and other applicable laws and regulations and their interpretation may change from time to time. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Moreover, failure to comply with the applicable laws and regulations could result in fines or other sanctions, including the revocation of the licence.

In addition, the Group has obtained several other licences and permits for its properties from, *inter alia*, municipalities. Some of these licences are issued for a limited period of time and may not be renewed, or, if they are renewed, their terms may be changed. These licenses contain a number of requirements regarding the way the Group conducts its business. Failure to meet these requirements could result in fines or other sanctions including, ultimately, revocation of licenses. Moreover, the Group may be required to obtain licenses where it wishes to expand into new areas of businesses and it may not be able to obtain these licences.

The real estate sector is susceptible to fraud.

Certain activities in the real estate sector have been subject to allegations of embezzlement of cash in connection with arranging large scale real estate transactions. The Group is currently not aware of any such fraud taking place within its business. However, even though the Group has taken precautionary measures to reduce the risk as much as possible, the Group may become the target of fraud or other illicit behaviour in any of the markets in which it operates. This may have a material adverse effect on the Group's reputation, business and financial condition.

<u>Risks relating to the financing of the Group's activities</u>

Accessing capital on satisfactory terms is necessary for maintaining, growing and developing the Group's business and Portfolio.

In the ordinary course of business, the Group makes significant capital expenditures for the acquisition, (re)development and maintenance of projects or properties. The Group has so far financed its capital expenditures through operating cash flows and raising debt and equity, however, the Group may not be able to continue to do so. Upon closing of the Merger the Combined Group will have a relatively high loan-to-value ratio. In case of a further increasing loan-to-value ratio, NSI might have to raise equity or debt to improve its financial position, or to dispose some of its assets. The ability of the Group to obtain financing depends on several factors, some of which are beyond its control, such as general economic conditions, the availability of credit from financial institutions, and global and European monetary policy. In addition, a deterioration in the Group's business results or financial condition could lead to higher financing costs. The Group may not be able to obtain financing and any financing that it can obtain may not have terms satisfactory to it (whether privately or through a public transaction). Moreover, there may be a risk that the Group's financial counterparties will not be able to provide funds under the facilities agreed with the Group.

In addition, the ability of the Group to obtain debt financing may be constrained by its qualification as an FII under Dutch corporation tax law and the resulting limitations on the level of its indebtedness or restrictions contained in its current or future credit agreements. See section "*Regulatory Matters and Tax Status of the Group*" for a description of the limitations on the incurrence of indebtedness imposed by the FII status.

Failure to obtain financing could have an adverse effect on the business, financial condition and results of operations of the Group.

Changing capital market conditions could have negative consequences for the business and results of operations of the Group.

The crisis that started affecting the international debt and equity markets in the summer of 2007 resulted in increased funding cost and a limited availability of financing sources. Although these effects have recently diminished, a deepening of the financial crisis could have a similar impact. Although the Group continually monitors developments in domestic and international capital markets and endeavours to raise debt and/or equity capital at appropriate times and in a cost effective manner, adverse and continued constraints in the supply of liquidity may adversely affect the cost of funding for the Group and extreme liquidity constraints may limit growth possibilities and may even force the Group to liquidate a part of its Portfolio, all with potentially adverse consequences for the Group's business, results of operation and the value of the Ordinary Shares.

The Group is exposed to interest rate risks.

The Group's policy is to arrange between 70% and 80% of its borrowing requirements at fixed interest rates. Per 31 March 2011, fixed-rate borrowings accounted for approximately 91.3% of the Group's interest-bearing debt (net after swaps). If the variable interest rate as of 31 March 2011 were to rise 1%, the interest expenses for 2011/2012, with no changes to the Portfolio or the funding including margins, would increase by EUR 0.8 million in NSI's result.

Risks relating to structure of the Group

NSI is a holding company with no operations and relies on its operating subsidiaries to provide it with funds necessary to meet its financial obligations.

NSI is a holding company with no material, direct business operations. The principal assets of NSI are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, NSI is dependent on loans, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of NSI's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory, legal or contractual limitations. As an equity investor in its subsidiaries, NSI's right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of its subsidiaries. To the extent that NSI is recognised as a creditor of such subsidiaries, NSI's claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to NSI's claims.

NSI may not be able to pay or maintain dividends and the failure to do so would adversely affect the price of its Ordinary Shares.

NSI qualifies as an FII, and as such is obliged to pay a dividend once a year to holders of NSI Ordinary Shares ("**NSI Ordinary Shareholders**") in accordance with the applicable provisions of Dutch law. Under these provisions NSI must at least distribute its profits determined in accordance with applicable tax accounting standards within eight months following the end of the relevant accounting period. The objective of NSI's dividend policy is to make - in principle - the whole direct investment result available to its shareholders. NSI's dividend policy is designed to distribute the direct investment result in the form of interim dividends in May, August and November over the first, second en third quarter respectively, followed by a final dividend in April. (See section "*Dividends and Dividend Policy – Dividend policy*"). NSI may propose to the general meeting of NSI Shareholders (the "**General Meeting**") pay a dividend in cash or in shares or a combination thereof in accordance with the FII requirements.

However, the ability of NSI to pay and maintain cash dividends is based on many factors, including its ability to renew current tenant leases and attract new tenants, the ability to negotiate favourable lease terms and conditions, operating expense levels, the level of demand for its properties, its financial position, its compliance with the terms of debt financing arrangements and actual results that may vary substantially from estimates. A change in any such factor could affect the ability of NSI to pay or maintain dividends. Therefore, NSI can give no assurance as to its ability to pay dividends. NSI also cannot give any assurance that the level of dividends will be maintained or will increase over time or that increases in demand for its properties or rental rates will increase the cash available for dividends. The failure to pay, maintain or increase dividends may adversely affect the price of NSI Ordinary Shares.

NSI could suffer adverse consequences if it fails to maintain its status as an FII.

As of the date of this Prospectus, NSI qualifies as an FII (see section "*Regulatory Matters and Tax Status of the Group – Tax status*"). To maintain its FII status, NSI must meet certain activity restrictions, leverage restrictions, shareholder requirements, profit distribution obligations and management and control restrictions. The ability to meet the conditions required for the FII status depends upon NSI’s ability to successfully manage its assets and indebtedness on an ongoing basis. NSI may not continue to meet the existing requirements in the event of a change in NSI’s financial condition, or otherwise, and the applicable requirements may change in the future in a manner that would make the FII status unavailable to NSI. Changes may also occur in NSI’s composition of shareholders, which are beyond its control, such that it is no longer able to fulfil all the requirements of its status as an FII.

In the event any of the requirements for the FII status are breached, NSI will lose the FII status as of the start of the fiscal year in which such breach occurred. In the event that NSI breaches the requirement for the timely distribution of its distributable profits, NSI will lose the FII status as of the start of the fiscal year the profits of which were supposed to have been timely distributed.

If NSI fails to qualify as an FII or loses the FII status, it becomes a regular corporate tax payer which, among other things, would result in future profits derived from going concern income and/or capital gains being taxed at the general Dutch corporate income tax rates (the main rate currently being 25%). The loss of NSI's status as an FII would have an adverse effect on NSI's results of operations and financial position, and hence on the price of NSI Ordinary Shares.

A material change in the laws and regulations to which the Group is subject, or in their interpretation or enforcement, could materially adversely affect the business, results of operations and financial condition of the Group.

The Group must comply with a variety of laws and regulations, including planning, zoning, environmental, health and safety, license requirements, tax and other laws and regulations. The Group may be required to pay penalties for non-compliance with the laws and regulations of local, regional, national and EU authorities to which it is subject. A material change in the applicable laws and regulations, or in their interpretation or enforcement, could force the Group to alter its business strategy or operations, leading to additional costs or loss of revenue, which could materially adversely affect the business, results of operation and financial condition of the Group.

Shareholders may have difficulties protecting their interests as shareholders as NSI is a Dutch limited liability company.

Dutch law and NSI's articles of association (the "**Articles of Association**") govern issues regarding the legal organisation, internal constitution, corporate authority and liability of members of the Management Board and NSI's supervisory board (*raad van commissarissen*; the "**Supervisory Board**"). NSI qualifies as an investment company with variable capital (*beleggingsmaatschappij met veranderlijk kapitaal*) under Dutch law. As a consequence, among other things, a Shareholder does not have a statutory pre-emption right with respect to an issue of NSI Ordinary Shares and the Management Board may decide to issue NSI Ordinary Shares without a resolution of the General Meeting. The enforcement in a Dutch court of a foreign judgment is subject to Dutch rules of civil procedure.

Certain controlling arrangements could prevent Shareholders to sell their NSI Ordinary Shares at a premium

Like many other listed Dutch companies NSI has placed priority shares, each with a par value of EUR 0.46 (the "**NSI Priority Shares**") with a trust to which special controlling rights are allocated. This trust, Stichting Prioriteit NSI (the "**NSI Foundation**"), has the objective of encouraging a responsible and balanced policy by the Management Board and the continuity of the business conducted by NSI. The following special rights are among others attached to the priority shares: determination of the number and compensation of the members of the Supervisory Board and the making of binding proposals for the appointment of members of the Management Board and the Supervisory Board. These controlling arrangements may have the effect of delaying, deterring or preventing a change of control that might otherwise result in the opportunity for the Shareholders to sell their NSI Ordinary Shares at a premium to the prevailing market price. These arrangements could negatively affect the market price of NSI Ordinary Shares.

Risks relating to NSI Ordinary Shares

The market price of NSI Ordinary Shares may fluctuate and may decline and trading in NSI Ordinary Shares may be limited, which might lead to Shareholders not being able to sell their NSI Ordinary Shares at a reasonable price or at all.

The Share Exchange Ratio may not be indicative of the market price for the New NSI Ordinary Shares after the Merger has been completed. The market price of NSI Ordinary Shares has experienced volatility in the past, and may continue to fluctuate, depending upon many factors beyond NSI's control. The market price of NSI Ordinary Shares may be significantly affected by, among others the following factors: (i) NSI's actual or anticipated operational results, (ii) the level of NSI's debt (iii) future issues of

NSI Ordinary Shares, (iv) changes in, or NSI's failure to meet, securities analysts' expectations, and (v) general market conditions and the factors listed above under "*Risks relating to the Group and the sector in which it operates*".

The market price of NSI Ordinary Shares is also subject to fluctuations in response to the Merger and the investor perception of the success and impact of the Merger. As a result of these or other factors, NSI Ordinary Shares may trade at prices significantly below their market price and the net asset value of the Group's investments. NSI cannot assure that the market price of NSI Ordinary Shares will not decline.

If securities or industry analysts do not publish research or reports about the Group's business, or if they change their recommendations regarding the Ordinary Shares adversely, the market price and trading volume of the Ordinary Shares could decline.

The trading market for NSI Ordinary Shares is influenced by the research and reports that industry or securities analysts publish about the Group's business or its industry. If one or more of the analysts who cover the Group or its industry downgrade NSI Ordinary Shares, the market price of NSI Ordinary Shares could decline. If one or more of these analysts ceases coverage of the Group or fails to regularly publish reports on it, the Group could lose visibility in the financial markets, which could cause the market price of NSI Ordinary Shares or trading volume to decline.

Risks relating to the Merger

The risks relating to the Group, its properties, business and markets generally also apply to VastNed O/I's properties that will transfer to the Group upon Completion.

Risks mentioned above or below relating to the Group, its properties, business and the markets in which it operates, generally also apply to the VastNed O/I properties and assets (including the 54.7% stake in Intervest Offices) that would form part of the Combined Group after the Merger, as well as to other markets, in particular Germany and Belgium, and business relating to such assets. In addition, the Group faces specific risks in connection with the Merger, as described below.

The Group may not be able to successfully and efficiently integrate VastNed O/I into its operations.

The Merger involves important costs and risks and it may not be possible to achieve a successful and efficient integration of the new business with the Group's existing operations. This integration requires coordination of the Group's management, its organisation and its personnel. This process may prove difficult due to numerous factors such as (i) cost accumulation; (ii) the failure to discover liabilities for which the Group may be responsible as a successor, owner or operator; (iii) the possibility that the Group will be unable to retain key staff members and customers as a result of the Merger; (iv) the potential disruption of the Group's ongoing business and the strain placed on the Group's management, administrative, operational and financial resources; (v) maintenance of appropriate standards, controls, procedures and policies; (vi) diversion of the management's attention away from other business concerns; (vii) the possibility that the acquired businesses may not achieve the projected levels of revenue or profitability; and (viii) estimated annual synergies of EUR 3.5m may not be achieved;

The Group may not be able to overcome the difficulties linked to the integration process or otherwise related to the Merger (such as the profile shift away from the Group's 50/50 ratio in respect of retail and office properties in its portfolio even though this is meant to be temporary only) and in that case the Merger may have a material adverse effect on the Group's business, financial condition and results of operations.

Tenants may leave as a result of the consummation of the Merger

It is difficult to estimate at this stage whether or not NSI may lose business from VastNed O/I's clients following the change of ownership of VastNed O/I. If tenants were to perceive that the Merger would negatively affect their relationship with their normal contacts, NSI might lose business. Additionally, NSI may lose business to the extent that specific exposures with clients or risk limits were beyond what NSI considers appropriate for NSI's target risk profile. It is also difficult to estimate at this stage whether or not NSI may lose business from its own tenants following the Merger. If tenants were to perceive that the Merger would negatively affect the relationship with their normal contacts, NSI might lose business, which would have an adverse effect on the Group's financial condition and results of operations, especially in respect of one or more of the larger tenants.

The Group has conducted a limited due diligence review of VastNed O/I and the assets that are part of the Merger. Consequently, the Group may become subject to unknown liabilities of VastNed O/I, in particular with respect to the properties to be acquired, which may have an adverse effect on the Group's financial condition and results of operations.

The Group has conducted a limited due diligence review of the information about VastNed O/I and the properties that are part of the Merger that was provided to the Group by VastNed O/I. However, due diligence reviews are by nature subject to limitations. As a result, after Completion, the Group may be subject to unknown risks or liabilities of VastNed O/I relating to the properties and developments projects which are part of the Merger, which may have an adverse effect on the Group's financial condition and results of operations.

Completion is subject to conditions which may not be fulfilled.

Completion is subject to certain conditions, see section "*The Merger*", and may not occur in case of non-fulfilment of any of these conditions. Consequently, the New NSI ordinary Shares would not be issued.

Certain risks are attached to the indirect shareholding in Intervest Offices

Upon Completion, the combined entity emerging as a result of the Merger would also assume VastNed O/I's current position as an indirect majority shareholder in Intervest Offices. Intervest Offices' shares are listed on NYSE Euronext in Brussels and events outside the control of NSI (such as changes in Belgian legislation in respect of publicly traded companies or FII's or a public offer by a third party for the shares in Intervest Offices or other actions by third parties or minority shareholders) may have an impact on the value of the Group's shareholding in Intervest Offices. Even though NSI will hold a 54.7% majority-stake in Intervest Offices, it may not be able to exercise full control over Intervest Offices and its assets under applicable governance rules and regulations.

In addition, Intervest Offices' shares are listed on NYSE Euronext in Brussels. Intervest Offices' stock price may fluctuate as a result of factors outside the control of NSI and NSI may not be able to realise the full market value upon a sale of all or part of these shares, amongst others as a result of the illiquidity of the market in Intervest Offices shares. However, NSI has no intention to sell its stake in Intervest Offices following Completion or to make an offer, whether public or otherwise, for the shares in Intervest Offices not held by it. To that effect, NSI has obtained confirmation from the Belgian Banking, Finance and Insurance Commission (*Commissie voor het Bank-, Financie- en Assurantiewezen*) (currently known as the Financial Services and Market Authority, the "**FSMA**") that the intermediate holding company in the VastNed O/I group holding the interest in Intervest Offices does not qualify as a holding company (*houdsteronderneming*) of Intervest Offices in accordance with applicable Belgian takeover rules. Also see section *"The Merger"*. Hence, on this basis and based on the conditions for Completion, the Merger does not result in a requirement for NSI to make a mandatory offer for Intervest Offices.

Notwithstanding the confirmation received from the FSMA, if NSI would be required, on the basis of a court order or otherwise, to make a mandatory offer for the remaining shares in Intervest Offices, for which NSI however does not see any legal basis, this could lead to non-fulfilment of a condition precedent to the Merger (see above), as a result of which the Merger would not complete, or, to the extent such mandatory offer would be made, this may adversely impact NSI's financial position or result in dilution of NSI shareholders.

The value of the Warrant is uncertain and there is no guarantee that the Warrant will have any value in the future

Each VastNed O/I Shareholder will receive a Warrant for each VastNed Ordinary Share it holds on the Record Date. NSI has no intention to sell the stake in Intervest Offices following Completion or to make an offer, whether public or otherwise, for the shares in Intervest Offices not held by it. Consequently, there is no guarantee that the Warrant will have any value in the future. In addition, trading in the Warrant may be limited and will subject to the terms and conditions set out in section "*The Warrant*".

The Merger may have tax consequences

As a result of the Merger, all assets and liabilities of VastNed O/I will transfer to, and be assumed by the Group. Such transfer of assets, and assumption of liabilities by the Group does have various direct and indirect tax consequences for VastNed O/I and the Group. Depending on the facts and circumstances, this may in principle cause such taxes being due by either VastNed O/I or the Group, unless an exemption from such tax applies. Where possible, effort has been made by the Group that the Merger should qualify for such exemptions from tax, so that no material amounts of taxes or duties should be due as a direct consequence of the Merger provided all relevant conditions are being satisfied. A (perceived) failure to meet any such requirements may nonetheless lead to taxes becoming due by VastNed O/I or the Group which will have an adverse effect on the Group's financial condition and result of operations. See section "*Regulatory matters and tax status of the Group"*.

Under the Merger, a VastNed O/I Shareholder replaces his, her, or its VastNed O/I Ordinary Shares for New NSI Ordinary Shares and Warrants. Where possible, effort has been made that, subject to conditions, for Dutch tax purposes a VastNed O/I Shareholder should be entitled to apply a roll-over of tax base cost of the VastNed O/I Ordinary Shares to the New NSI Ordinary Shares and Warrants, to that extent deferring the recognition of a taxable event for Dutch tax purposes. A (perceived) failure to meet these conditions, however, may result in the recognition of a taxable event for Dutch tax purposes for a VastNed O/I Shareholder as a result of the Merger. This may give rise to Dutch tax being due by a VastNed O/I Shareholder. VastNed O/I Shareholders may further be liable to tax with respect to their VastNed O/I Ordinary Shares levied by a taxing authority other than the Netherlands. See section "*Shareholder Taxation"*.

IMPORTANT INFORMATION

NSI accepts responsibility for the information contained in this Prospectus. To the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. Potential investors should not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus and they should only rely on the information contained in, or incorporated by reference into, this Prospectus and any supplement within the meaning of section 5:23 FMSA.

No person is or has been authorised to give any information or to make any representation in connection with the allotment of the New NSI Ordinary Shares, other than as contained in this Prospectus, and, if given or made, any other information or representations must not be relied upon as having been authorised by NSI. Neither the delivery of this Prospectus nor any purchase of new NSI Ordinary Shares pursuant to this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in NSI's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

Presentation of financial and other information

IFRS information

The historical consolidated financial information contained or incorporated by reference in this Prospectus, including the audited consolidated financial statements as of and for each of the years ended 31 December 2008, 2009 and 2010 and the reviewed consolidated financial statements as of and for the three months ended 31 March 2011 and 31 March 2010 and, except where stated otherwise, the financial data contained in "*Summary*", "*Selected Historical Financial and Business Information*", "*Capitalisation and Indebtedness*" and "*Operating and Financial Review*" have been prepared in accordance with IFRS.

Non-IFRS information

This Prospectus presents certain measures that are not measures defined by IFRS, such as the direct and indirect investment result and 'like-for-like' information. These are supplemental measures of the Group's performance which are used for management purposes and should not be considered in isolation or as an alternative to net result, shareholders' equity, net rental income or any other performance measure derived in accordance with IFRS. In addition, such measures, as defined by the Group, may not be comparable to other similarly titled measures used by other companies.

Direct and indirect investment result

Management believes that using the direct investment result measure enables it to better assess the underlying operating performance of the Group, after adjusting principally for gains or losses on sales of investment property and revaluation effects (including on deferred taxes and result of associates), which are driven by market conditions outside of the Group's control. Management believes that this allows investors to measure and judge the ability of the business to generate underlying cash flows. Direct investment result is shown as net rental income, administrative expenses, finance expenses and corporate income tax. Indirect investment result consists of revaluations on investment property, result on sales of investment property, deferred tax and other expenses (among others, goodwill impairments). The Group presents direct and indirect investment results in its ongoing financial reporting and intends to use these measures going forward. For further information on reconciliation of direct and indirect investment result to measures reported in the Group's consolidated financial statements, see section "*Operating and Financial Review – Comparison of results of operations for the periods ended 31 March 2011 and 31 March 2010 and years ended 31 December 2010, 2009 and 2008 – Direct and indirect investment result*".

Like-for-like information

In "*Operating and Financial Review*", the Group shows movements between years in "like-for-like" net rental income. The like-for-like presentation compares net rental income in a given year to net rental income in the prior year by taking into account net rental income derived only from properties that were part of the Portfolio in both years. This method excludes net rental income that is attributable to properties that were added to or removed from the Portfolio as a result of acquisitions or divestments.

Growth in like-for-like net rental income is attributable primarily to the indexation of rents, rent increases in excess of indexation, property re-lettings and lease renewals.

Direct and indirect investment result and 'like-for-like' information are intended only to supplement performance indicators in accordance with IFRS, and not to replace them. These measures should always be used together with the performance indicators provided for by IFRS and not in isolation, because their ability to convey meaningful information is limited in various respects. In particular, direct investment result does not reflect changes in valuation of the Group's properties, which can vary substantially from period to period and can have a negative effect on net result reported under IFRS.

Rounding and negative amounts

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in the text or a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

Negative amounts are shown by "-" or "negative" before the amount or are shown between brackets.

Currency

All references in this Prospectus to "**EUR**", "**Euros**", "**euros**" or "**€**" are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union ("**Eurozone**").

Information in valuation reports

There are certain differences between the reporting on the Group’s properties by the appraisers in the Valuation Reports and the description and valuation of those properties by NSI in its 2010 Annual Report, the Interim Report per 31 March 2011 and in this Prospectus.

To determine the fair value of its investments, the Group uses an appraisal management system whereby the fair value of all properties is determined each quarter. NSI has developed a model for the internal valuation of all properties. This model is directly linked to a real estate and accounting system. These internal valuations are updated quarterly on the basis of capitalisation against net initial yields. Recent market transactions involving similar properties at similar locations to those held by the group are also taken into consideration. The valuation thus produced is published by NSI in its quarterly reports and in the annual and semi-annual report. Once every quarter, approximately a quarter of the portfolio is fully appraised externally by an independent external appraiser. This means that the whole portfolio is appraised externally at least once a year. These external appraisals are the basis for the valuation in the quarter the appraisal is performed and are used for comparison and control for the internal valuations during the quarters. Also see "*Valuation Reports*". The Group’s valuation methodology is described on pages 94 and 95 of the 2010 Annual Report and on page 58 of this Prospectus.

There is a difference of approximately EUR 24.5 million (or 1.8%) between the aggregate portfolio valuation by the external appraisers as per 30 June 2011 compared to the aggregate portfolio valuation published by NSI in its 2010 Annual Report. These differences are caused by (i) deviations between NSI's internal valuations calculated on the basis of the model referred to above and the external valuations on the basis of the external appraisers' models; and (ii) the fact that certain of the internal valuations published by NSI in its 2010 Annual Report are of a more recent date than those of the oldest external valuations (Q3 2010), and vice-versa, that certain of the external valuations (Q1, Q2 2011) are of a more recent date than the internal valuations published by NSI in its 2010 Annual Report. To illustrate this effect, the difference of EUR 24.5 million is smaller at the date of this Prospectus. The book value per 31 December 2010 does not reflect the fact that the book value decreased in Q1 and Q2 of 2011. However, this decrease, caused by the rental market, in particular the office market, still being under pressure due to the economic downturn (also see section "*Business – Market overview"*), *is* reflected in the valuation by the external appraisers in their Q2 valuations. For example, the difference between the aggregate portfolio valuation by the external appraisers as per 30 June 2011 compared to the aggregate portfolio valuation published by NSI on 31 March 2011 was EUR 21.5 million (1.6%).

Market and industry information

All references to market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, organisations, analysts, publicly available information or the Group's own knowledge of its sales and markets.

Industry publications generally state that their information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although the Group believes these sources are reliable, the Group cannot guarantee the information's accuracy and completeness as it does not have access to the information, methodology and other bases for such information and has not independently verified the information or determined the reasonableness of the assumptions used by their compilers.

In this Prospectus, the Group makes certain statements regarding its competitive and market position. The Group believes these statements to be true, based on market data and industry statistics.

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Group is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Information on VastNed O/I

For information in this Prospectus with regard to VastNed O/I, NSI has relied on information provided by VastNed O/I who is to be regarded as a third party for purposes of this Prospectus. NSI has not conducted a comprehensive due diligence investigation with respect to such information, it has not independently verified such information and it cannot assure its accuracy.

No incorporation of website

The contents of the Group's website, (www.nsi.nl), including any websites accessible from hyperlinks on the Group's website do not form part of, and are not incorporated by reference into, this Prospectus.

Notice to investors

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the New NSI Ordinary Share in any jurisdiction in which such would be unlawful. See section "*Distribution restrictions"*.

Restrictions

The allotment of the New NSI Ordinary Shares and the Warrants upon Completion and the distribution of this Prospectus and any related materials may in certain jurisdictions other than The Netherlands, including, but not limited to, the United States, be restricted by law.

The contents of this Prospectus are not to be considered or interpreted as legal, financial or tax advice. Persons into whose possession this Prospectus or any related materials comes should inform themselves about (including, without being limited to, consulting their professional advisers) and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. NSI does not accept or assume any responsibility or liability for any violation by any person of any such restrictions.

United States

The NSI Ordinary Shares nor the Warrants have been or will be registered under the US Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the US Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

No offer is being made, directly or indirectly, in or into the United States or to any US person, as defined in Regulation S under the Securities Act, or by use of the mails, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of the United States. This includes, but is not limited to, post, facsimile transmission, telex or any other electronic form of transmission an telephone. Accordingly, copies of this Prospectus and any related documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from the United States.

Persons receiving this Prospectus or such other documents must not distribute or send them in, into or from the United States, or use such mails or any such means, instrumentality or facilities for any purpose directly or indirectly in connection with the Merger and the listing.

European Union

In relation to each Member State which has implemented the Prospectus Directive (each, a "**Relevant Member State**") no offer to the public of NSI Ordinary Shares or Warrants has been made nor will it be made in any Relevant Member State.

For the purposes of this provision, the expression an "offer to the public" in relation to any NSI Ordinary Shares or Warrants in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any NSI Ordinary Shares or Warrants to be offered so as to enable an investor to decide to purchase any NSI Ordinary Shares or Warrants, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements that reflect NSI's intentions, beliefs or current expectations and projections about the Group's and Combined Group's future result of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities, the market in which the Group operates and the Merger. Forward-looking statements involve all matters that are not historical facts. NSI has tried to identify forward-looking statements by using words as "may", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "project", "believe", "could", "hope", "seek", "plan", "aim", "objective", "potential", "goal" "strategy", "target", "continue" and similar expressions or their negatives. Forward-looking statements may be found principally in sections in this Prospectus entitled "*Risk Factors", "Dividends and Dividend Policy*", "*Operating and Financial Review*", "*Business"*, and elsewhere.

The forward-looking statements are based on NSI's beliefs, assumptions and expectations regarding future events and trends that affect the Group's future performance, taking into account all information currently available to the Group, and are not guarantees of future performance. These beliefs, assumptions and expectations can change as a result of possible events or factors, not all of which are known to the Group or are within the Group's control. If a change occurs, the Group's business, financial condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary materially from those expressed in, or suggested by, these forward-looking statements. Important events and factors that could cause those differences include, but are not limited to:

- changes in the general economic and political conditions in the countries in which the Group operates, including, for example, interest rates and employment rates, consumer confidence and spending and inflation;
- the Group's ability to realise the anticipated value as a result of the Merger;
- lower occupancy rates at the Group's properties;
- the Group's ability to retain major tenants and renew related contracts;
- changes in the Group's strategy or investment policies and objectives;
- adverse changes in the fair value of the Group's Portfolio;
- changes in yields and the values of, or returns on investments that the Group makes;
- the Group's leverage and ability to obtain additional financing or refinance existing indebtedness on reasonable terms;
- the Group's ability to generate sufficient cash to satisfy working capital requirements and service its existing and future indebtedness;
- the Group's ability to find and acquire properties which fit the Group's investment criteria, and to find purchasers for the Group's projects and properties it is prepared to sell;
- the implementation of new tax and accounting rules and standards;
- government intervention resulting in changes to the regulatory environment in countries where the Group operates;
- the Group's ability to satisfy the conditions required to maintain FII status;
- increased competition within the real estate markets in the countries or markets in which the Group operates;
- changes in interest rates as well as the Group's ability to implement its hedging strategy in relation to such changes;
- force majeure occurrences; and

- the other factors described in this Prospectus, including those set forth under "*Risk Factors*", "*Operating and Financial Review*" and "*Business*".

Investors or potential investors should not place undue reliance on the forward-looking statements in this Prospectus. NSI urges investors to read the sections of this Prospectus entitled "*Risk Factors*", "*Operating and Financial Review*" and "*Business*" for a more complete discussion of the factors that could affect the Group's future performance and the market in which the Group operates. In light of the possible changes to NSI's beliefs, assumptions and expectations, the forward-looking events described in this Prospectus may not occur. Additional risks not known to NSI or that NSI has not considered material as of the date of this Prospectus could also cause the forward-looking events discussed in this Prospectus not to occur. Except as otherwise required by applicable securities laws and regulations, NSI undertakes no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Prospectus.

DIVIDENDS AND DIVIDEND POLICY

General

NSI may make distributions to NSI Shareholders only if its shareholders' equity exceeds the sum of the paid-up share capital plus the reserves required to be maintained by Dutch law. The profit and the distributable reserves are at the disposal of the General Meeting.

NSI may make a distribution of dividends to its Shareholders only after the adoption of its annual accounts demonstrating that such distribution is legally permitted. The Management Board is permitted, subject to certain requirements and approval of the Supervisory Board, to decide to pay interim dividends. See section "*Description of Share Capital and Corporate Governance – Dividends and other distributions*".

Dividend history

The following table sets forth NSI's distribution of dividends relating to the financial years indicated.

	Year				
	2011	**2010**	**2009**	**2008**	**2007**
Interim dividend Q1	0.30	0.38	0.35	0.34	0.34
Interim dividend Q2		0.28	0.33	0.36	0.34
Interim dividend Q3		0.30	0.34	0.35	0.34
Final dividend		0.30	0.32	0.35	0.34
Total	**0.30**	**1.26**	**1.36**	**1.36**	**1.36**

Dividend policy

NSI is obliged to pay a dividend once a year to NSI Shareholders in accordance with the provisions of Dutch law applying to FIIs. Under these provisions NSI must at least distribute its profits determined in accordance with applicable tax accounting standards within eight months following the end of the relevant accounting period. The objective of NSI's dividend policy is to make - in principle - the whole direct investment result available to NSI Shareholders. NSI's dividend policy is designed to distribute the direct investment result in the form of interim dividends in May, August and November over the first, second en third quarter respectively, followed by a final dividend in April. NSI may propose to the General Meeting to pay a dividend in cash or in shares or a combination thereof in accordance with the FII requirements.

Dividend ranking of the New NSI Ordinary Shares

The New NSI Ordinary Shares will, upon issue, rank equally in all respects with the currently outstanding Ordinary Shares. They will be eligible for any dividend payment which NSI may declare on NSI Ordinary Shares following the allotment of the New NSI Ordinary Shares.

Taxation of dividends

Dividend payments on the NSI Ordinary Shares are generally subject to withholding tax in The Netherlands. See section "*Shareholder Taxation Dividend Withholding tax*".

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Introduction

The following unaudited pro forma combined financial information and explanatory notes have been prepared to illustrate the financial impact of the Merger. The unaudited pro forma combined balance sheet of NSI, VastNed O/I and their respective group companies (the "**Combined Group**") illustrates the combined financial position of NSI and VastNed O/I as at 31 December 2010 and 31 March 2011, as if the Merger occurred at that date. The unaudited pro forma combined income statement for the year 2010 and the 3 months period ended 31 March 2011 illustrates the combined financial income statement of NSI and VastNed O/I for these periods as if the Merger occurred at 1 January 2010 and 1 January 2011.

The unaudited pro forma combined financial information is for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not reflect the Company's actual financial position or results. Also, the financial information does not purport to indicate a pro forma combined balance sheet or income statement as of any future date or for any future period. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma combined financial information prove to be correct.

The unaudited pro forma combined financial information should be read in conjunction with the information contained in "*Selected Historical Financial and Business Information*", "*Operating and Financial Review*", "*The Merger*", the audited consolidated financial statements of NSI for the year ended 31 December 2010, the unaudited interim report of NSI for the period ended 31 March 2011, the audited consolidated financial statements of VastNed O/I for the year ended 31 December 2010 as well as the unaudited interim report of VastNed O/I for the period ended 31 March 2011, including the notes to these financial statements and interim reports, that all have been prepared in accordance with IFRS and incorporated by reference in this Prospectus.

The unaudited pro forma combined financial information is based on:

- the audited consolidated financial statements of NSI for the year ended 31 December 2010 prepared in accordance with IFRS;
- the unaudited interim report of NSI for the period ended 31 March 2011 prepared in accordance with IFRS (IAS 34);
- the audited consolidated financial statements of VastNed O/I for the year ended 31 December 2010 prepared in accordance with IFRS, and
- the unaudited interim report of VastNed O/I for the period ended 31 March 2011 prepared in accordance with IFRS (IAS 34).

Please note that VastNed O/I's auditor provided a qualified opinion with the audited consolidated financial statements of VastNed O/I for the year ended 31 December 2010. The basis for the qualification is as follows (as stated by VastNed O/I's auditor in the VastNed O/I Annual Report 2010 on page 125) :

"During 2010 VastNed O/I has received a cancellation fee for the violation of a rental agreement from a former tenant. VastNed O/I has deferred this income in the income statement over the original duration of the agreement. In our opinion part of this fee, for which no conditions apply, should be recorded as income in fiscal year 2010 in accordance with IAS 18.

In our opinion the Other Liabilities and accruals are overstated, the Total equity, Other income and Total comprehensive income are understated for €2.5 million in the consolidated financial statements.
In VastNed O/I's financial statements the Participations in group companies, Equity VastNed Offices/Industrial shareholders, Result from participations in group companies and Investment result are understated for €1.3 million."

No adjustments have been made in the pro forma financial information in relation to this qualified opinion. For an explanation see "*Alignment of accounting policies*".

Adjustments have been made based on available information and certain assumptions that management believes are reasonable. The adjustments and assumptions directly attributable to the Merger reflect a preliminary purchase price allocation (PPA), the exchange of existing interest in VastNed O/I by NSI, the issue of the New NSI Ordinary Shares and the costs related to the Merger.

These adjustments and assumptions have been made on the basis of preliminary information, and are therefore difficult to make with complete accuracy. As a result, the actual financial condition and results of the operations following the Merger may not be consistent with, or evident from, this unaudited pro forma combined financial information.

The unaudited pro forma combined financial information has been prepared in a manner consistent with the accounting policies as applied by NSI.

Basis of Preparation of the Merger

IFRS 3R *Business Combinations* requires all business combinations to be accounted for by applying the acquisition method. For IFRS purposes the Merger is considered to be the acquisition of VastNed O/I. NSI must, on the date of the Merger, allocate the costs of the acquisition by recognizing VastNed O/I's identifiable assets, liabilities and contingent liabilities at their fair values as at that date. As of the date of this prospectus, NSI has not completed all of the detailed valuation studies necessary to arrive at the required estimates of the fair value of VastNed O/I's assets and (contingent) liabilities and the related PPA. NSI will continue to assess VastNed O/I's identifiable assets and liabilities for any additional adjustments that may be required, other than those noted in the pro forma adjustments described below. Actual results may differ from this unaudited pro forma combined financial information for the above reasons and after the PPA for VastNed O/I has been finally determined.

Based on NSI's current estimates the carrying values of acquired assets and (contingent) liabilities as included in the consolidated financial statements and interim report do not have to be re-measured as the main part (real estate investments) is now accounted for at their estimated fair values. Therefore NSI has applied provisional accounting in compliance with IFRS 3 *Business Combinations.*

The following is a brief description of the basis for preparation of the pro forma adjustments related to the acquisition of VastNed O/I.

Purchase consideration
For purposes of preparing the unaudited pro forma combined balance sheet as at 31 December 2010 and as at 31 March 2011, the VastNed O/I's acquisition is accounted for based on the purchase price of €232 million for all of VastNed O/I's issued and outstanding share capital. The total purchase consideration of the acquisition is based upon the NSI share price of €13.675 as at 22 June 2011, and is calculated by multiplying the share price with the total number NSI shares to be allocated upon Completion (approximately 17.0 million shares) on the basis of the Exchange Ratio and the number of VastNed Ordinary Shares outstanding at the Record Date. The Warrant, the value of which depends on the occurrence of future events, as discussed in section "*The Warrant*", does not have an impact on the calculation of the purchase price as included in the pro forma information.

Negative goodwill
VastNed O/I's identifiable assets, liabilities and contingent liabilities at their fair values are higher than the purchase consideration resulting in a negative goodwill. The negative goodwill is a result of the discount on the share price to the net asset value per share. This discount is the result of the merger negotiations between NSI and VastNed O/I, taking into account, amongst other things, the strategic positions of both companies, the difficult market circumstances in the office real estate markets that have a bigger impact on VastNed O/I than on NSI (because VastNed O/I invests solely in office and – to a lesser extent - industrial properties and NSI in retail properties as well), the debt financing situation and the equity financing situation. For a more in-depth analysis of the rationale of the Merger, reference is made to the chapter "*The Merger*". In accordance with IFRS 3R *Business Combinations*, negative goodwill is recognized in the income statement upon acquisition.

Alignment of accounting policies
VastNed O/I prepared its consolidated financial statements in accordance with IFRS. For the purpose of preparing the unaudited pro forma combined financial information, VastNed O/I’s financial information has not been adjusted to conform to the accounting policies of NSI; these are expected to be the same based on an initial and ongoing assessment. For example, NSI management has not yet finalized its analysis of the accounting treatment of the item that has resulted in the qualified opinion as rendered by VastNed O/I's auditor for the year ended 31 December 2010, as explained in more detail below. Also, this

exercise of management is unaudited, and may not fully reflect the application of the accounting policies of NSI for the period presented, had VastNed O/I prepared its financial information using the accounting policies of NSI.

NSI has begun a review of VastNed O/I’s accounting policies and financial statement classification. This review may lead to additional adjustments and reclassifications being required to further conform the VastNed O/I’s financial statements to the financial statements of NSI, based upon the accounting policies of NSI.

Certain VastNed O/I balance sheet and income statement items have been reclassified to conform to the presentation of NSI's financial statements. An additional line item has been presented (‘Estimated expenses related directly to the transaction’) to improve the insight in the costs related to the Merger.

No adjustments have been made in the pro forma financial information in relation to the qualified opinion referred to above, because NSI management has not yet finalized its analysis of the proper accounting treatment of the relevant item. NSI management believes a large part of the cancellation fee of VastNed O/I's former tenant may be deferred and also understands that there is a risk that a significant part of the received fee must be repaid partly in case one or more tenants take up office space vacated by the former tenant.

Other items for the basis of presentation
There were no significant transactions between NSI and VastNed O/I as of the dates and for the periods of this unaudited pro forma combined financial information. Therefore, no pro forma adjustments have been recognised to eliminate such transactions.

The unaudited pro forma combined financial information does not take into account any synergy benefits and one-off costs of realizing such synergies, nor any adjustments for liabilities that may result from integration activities.

Unaudited pro forma combined balance sheet
(x € 1,000)

	31/12/2010					31/03/2011				
	NSI (a)	VastNed O/I (b)	Pro-forma adjustments	Notes	Pro-forma combined numbers	NSI (c)	VastNed O/I (d)	Pro-forma adjustments	Notes	Pro-forma combined numbers
Assets										
Real estate investments	1,358,097	1,009,825	-105,013	1	2,262,909	1,355,343	1,005,474	-102,652	1	2,258,165
Investment properties under renovation	-	3,140	-	-	3,140	-	4,120	-	-	4,120
Investment properties in pipeline	-	5,100	-	-	5,100	-	5,100	-	-	5,100
Intangible assets	8,505	-	-	-	8,505	8,498		-	-	8,498
Tangible assets	3,409	271	-	-	3,680	3,396	279	-	-	3,675
Financial derivatives.........	471	965	-	-	1,436	3,011	2,075	-	-	5,086
Deferred tax asset............	-	2,801	-	-	2,801	-	1,825	-	-	1,825
Prepayment and accrued income in relation to rent incentives.............	2,592	11,944	-	-	14,536	2,486	11,805	-	-	14,291
Total fixed assets............	**1,373,074**	**1,034,046**	**-105,013**		**2,302,107**	**1,372,734**	**1,030,678**	**-102,652**	**-**	**2,300,760**
Other investments............	11,835	-	-11,835	2	0	11,581	-	-11,581	2	0
Debtors and other accounts receivable	2,305	10,247	-	-	12,552	4,409	11,381	-	-	15,790
Cash	2,885	1,716	-	-	4,601	1,774	2,068	-	-	3,842
Asset s classified as held for sale	-	-	85,600	1	85,600	-	-	85,600	1	85,600
Total current assets..........	17,025	11,963	73,765	-	102,753	17,764	13,449	74,019		105,232
Total assets.....................	**1,390,099**	**1,046 ,009**	**-31,249**	**-**	**2,404,859**	**1,390,498**	**1,044,127**	**-28,632**		**2,405,993**
Shareholders' equity										
Issued share capital..........	19,914	94,664	-87,241	2 3	27,337	19,914	94,664	-87,241	2, 3	27,337
Share premium reserve	451,076	329,187	-115,940	2 3	664,323	451,076	329 ,187	-115,940	2,3	664,323
Hedging reserve in respect of financial derivatives .	-	-17,401	17,401	4	0	-	-10,105	10,105	4	0
Other reserves	85,552	-79,030	79,030	3	85,552	85,354	-79,030	79,030	3	85,354
Unallocated result from financial year...............	25,084	-10,945	66,973	3	81,112	43,761	-18,150	76,885	3	102,496
Capital and reserves attributable to equity holders of the parent ..	**581,626**	**316,475**	**-39,777**	**-**	**858,324**	**600,105**	**316,566**	**-37,161**		**879,510**

	31/12/2010					31/03/2011				
	NSI (a)	VastNed O/I (b)	Pro-forma adjustments	Notes	Pro-forma combined numbers	NSI (c)	VastNed O/I (d)	Pro-forma adjustments	Notes	Pro-forma combined numbers
Non-controlling interest....	-	115,836	-	-	115,836	-	119,124			119,124
Total equity....................	**581,626**	**432,311**	**-39,777**	**-**	**974,160**	**600,105**	**435,690**	**-37,161**		**998,634**
Liabilities										
Interest bearing loans........	669,498	504,062	-	-	1,173,560	592,758	466,156	-	-	1,058,914
Financial derivatives.........	28,455	16,210	-	-	44,665	19,239	9,059	-	-	28,298
Deferred tax liabilities......	929	290	-	-	1,219	973	85	-	-	1,058
Total long -term liabilities.....................	**698,882**	**520,562**	**-**	**-**	**1,219,444**	**612,970**	**475,300**	**-**	**-**	**1,088,270**
Redemption requirement long-term debts	44,109	50,961	-	-	95,070	115,313	91,014	-	-	206,327
Financial derivatives.........	268	3,321	-	-	3,589	460	2,004	-	-	2,464
Debts to credit institutions	45,300	5,425	-	-	50,725	42,696	6,488	-	-	49,184
Other accounts payable and deferred income.....	19,914	33,429	8,529	5	61,872	18,954	33,631	8,529	5	61,114
Total current liabilities	109,591	93,136	8,529	-	211,256	177,423	133,137	8,529	-	319,089
Total liabilities	808,473	613,698	8,529	-	1,430,700	790,393	608,437	8,529	-	1,407,359
Total shareholders equity and liabilities...	**1,390,099**	**1,046,009**	**-31,249**	**-**	**2,404,859**	**1,390,498**	**1,044,127**	**-28,632**	**-**	**2,405,993**

Notes:

(a) Derived from the audited consolidated financial statements as of and for the year ended 31 December 2010 prepared in accordance with IFRS.
(b) Derived from the audited consolidated financial statements as of and for the year ended 31 December 2010 prepared in accordance with IFRS.
(c) Derived from the unaudited interim report as of and for the period ended 31 March 2011 prepared in accordance with IFRS (IAS 34).
(d) Derived from the unaudited interim report as of and for the period ended 31 March 2011 prepared in accordance with IFRS (IAS 34).

(1) VastNed O/I is currently in the process to sell certain German assets and released a press release about the sale of these assets on 6 July 2011. Therefore these assets are reclassed to 'Assets classified as held for sale'. The German assets are not considered to represent a separate major line of business or a (significant) geographical area of operations. The presently owned German assets are considered to be fragmented and small. For this reason the German assets are not presented as discontinued operations in the income statement as a pro forma adjustment. The German assets are accounted for in the balance sheets at the sales price as mentioned in the press release of 6 July 2011, being €85.6 million. The difference between book value of the German assets on 31 December 2010 and the sales price ad €19.4 million (31 March 2011: €17.1 million) is a reduction in the negative goodwill. Despite the announcement by VastNed O/I, the sale of the German assets is still subject to the fulfilment of certain conditions, and as such, uncertain.
(2) The adjustment in the line item 'Other investments' reflects the exchange of the 4.99% interest in VastNed O/I held by NSI into New NSI Ordinary Shares. The effect of the purchase of own shares is a reduction of the issued share capital with €0.4 million and the share premium reserve with €11,2 million. As the value of the 4.99% interest in VastNed O/I as at 31 December 2010 exceeds the value of the purchased shares, an impairment loss of €0.3 million (per 31 March 2011: loss of €0.01 million) has been recorded in the income statement.
(3) The equity of the combination increases due to the issue of the New NSI Ordinary Shares, offset by the transaction described in note 2, resulting in an increase of €7.4 million in issued share capital and €213.2 million in share premium reserve (both as at 31 December 2010 and 31 March 2011). The unallocated result increases by €56.0 million per 31 December 2010 (31 March 2011: €58,7 million) as a result of the adjustments in negative goodwill of €64.8 million (Q1 2011: €67.3 million), impairment as described in note 2 –€0.3 million (Q1 2011: -€0.01 million) and the costs related to the Merger of -€8.5 million (Q1 2011: -€8.5 million).
(4) The hedging reserve in respect of financial derivatives is reduced to zero due to the PPA.
(5) The amount in 'Other accounts payable and deferred income' represents the accrual for the (transaction) costs related to the merger not yet accounted for in the historical income statements.

Unaudited pro forma combined income statement (x € 1,000)

	Year Ended 31/12/2010					3 months period ended			31 March 2011	
	NSI (a)	VastNed O/I (b)	Pro -forma adjustments	Notes	Pro - forma combined numbers	NSI (c)	VastNed O/I (d)	Pro - forma adjustments	Notes	Pro - forma combined numbers
Gross rental income...............	103,170	78,282	-	-	181,452	25,871	18,624	-	-	44,495
Service costs not recharged ...	-1,738	-1,724	-	-	-3,462	-407	-2,028	-	-	-2,435
Operating costs......................	12,747	-8,442	-	-	-21,189	3,549	-498	-	-	-4,047
Net rental income	**88,685**	**68,116**	**-**	**-**	**156,801**	**21,915**	**16,098**	**-**	**-**	**38,013**
Revaluation of investments....	24,761	-41,578	-	-	-66,339	-5,097	-12,281	-	-	-17,378

	Year Ended 31/12/2010					3 months period ended			31 March 2011	
	NSI (a)	VastNed O/I (b)	Pro -forma adjustments	Notes	Pro - forma combined numbers	NSI (c)	VastNed O/I (d)	Pro - forma adjustments	Notes	Pro - forma combined numbers
Sale revenues of real estate investments	-247	1,642	-	-	1,395		10	-	-	10
Total net proceeds from investments	**63,677**	**28,180**	**-**	**-**	**91,857**	**16,818**	**3,827**	**-**	**-**	**20,645**
Administrative expenses........	-4,649	-5,181	-	-	-9,830	-1,339	-1,479	-	-	-2,818
Estimated expenses related directly to the transaction ..	-1,283	-373	-8,529	1	-10,185	-217	-734	-8,529	1	-9,480
Result from other investments	-1,283		64,556	2	65,839	-254		67,264	2	67,010
Financing income	106	131	-	-	237	288	45	-	-	333
Financing expenses	33,848	-26,675	-	-	-60,523	-8,084	-7,062	-	-	-15,146
Movements in market value of financial derivatives	328	655	-	-	983	11,564	1,561	-	-	13,125
Financing result..................	**33,414**	**25,889**	**-**	**-**	**-59,303**	**3,768**	**-5,456**	**-**	**-**	**-1,688**
Result before tax	25,614	-2,890	56,028		78,752	18,776	-3,842	58,735	-	73,669
Corporate income tax	-530	797			267	-99	-794	-	-	-893
Result after tax	**25,084**	**-2,093**	**56,028**		**79.019**	**18,677**	**-4,636**	**58,735**		**72,776**
Result after tax attributable to non - controlling interests..	-	-8,479	-	-	-8,479	-	-2,569	-	-	-2,569
Result after tax attributable to shareholders	25,084	-10,572	56,028	-	70,540	18,479	-7,205	58,735	-	70,009

Notes:

(a) Derived from the audited consolidated financial statements as of and for the year ended 31 December 2010 prepared in accordance with IFRS.
(b) Derived from the audited consolidated financial statements as of and for the year ended 31 December 2010 prepared in accordance with IFRS.
(c) Derived from the unaudited interim report as of and for the period ended 31 March 2011 prepared in accordance with IFRS (IAS 34).
(d) Derived from the unaudited interim report as of and for the period ended 31 March 2011 prepared in accordance with IFRS (IAS 34).

(1) See note 5 of the balance sheet. These costs are non-recurring. Tax charge is zero, due to the Dutch REIT (*fiscale beleggingsinstelling*) status.
(2) In accordance with IFRS 3R *Business Combinations*, negative goodwill amounting to €64.8 million on 31 December 2010 (Q1 2011: €67.3 million) is recognized in the income statement upon acquisition. This amount is non-recurring. This is the difference between purchase price and the fair value of the identifiable assets and (contingent) liabilities of VastNed O/I. Tax charge is zero, due to the Dutch REIT (*fiscale beleggingsinstelling*) status. The amount also includes an amount of -€0.3 million on 31 December 2010 (31 March 2011: -€0.01 million) for the impairment of the 4,99% as described in note 2 of the balance sheet.

Assurance report on the unaudited pro forma combined financial information

To: the Management Board

Assurance report

Introduction

We have examined the unaudited pro forma combined financial information (the “pro forma financial information”), which has been compiled on the basis described in section "*Unaudited Pro Forma Combined Financial Information*", for illustrative purposes only, to provide information about how the proposed combination of the business of Nieuwe Steen Investments N.V. (the “Company”) with that of VastNed Offices/Industrial N.V. as described in section "*Unaudited Pro Forma Combined Financial Information*" might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 December 2010 and for the period ended 31 March 2011.

Management is responsible for the compilation of the pro forma financial information in accordance with the requirements of the Commission Regulation (EC) No 809/2004. Our responsibility is to express a conclusion as required by item 7 of Annex II of the Commission Regulation (EC) No 809/2004, as to the proper compilation of the pro forma financial information and the consistency of accounting policies. In providing this conclusion we are not updating or refreshing any reports or opinions previously issued by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue and nor does the aforementioned conclusion require an audit of historical financial information on the assumptions summarized in the accompanying notes.

Scope

We conducted our examination in accordance with Dutch law, including Standard 3850N "Assurance and other engagements in connection with prospectuses". The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, including their adjustment to the Company's accounting policies nor of the pro forma assumptions stated in the pro forma notes, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the Company management. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Conclusion

Based on our examination, we conclude:

- the pro forma financial information has been properly compiled on the basis stated in section "*Unaudited Pro Forma Combined Financial Information*"; and

- such basis is consistent with the accounting policies of the Company as described in the notes to the financial statements of the Company for year ended 31 December 2010 and for the period ended 31 March 2011.

Other matters

1 realization of future outcomes

Because of its nature, the pro forma financial information addresses a hypothetical situation and therefore does not represent the Company's actual financial position or results had the transaction or event occurred at the beginning of the reporting period.

2 Restriction of use

This report is required by the Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that Regulation and for no other purpose.

Amstelveen, 14 July 2011

KPMG ACCOUNTANTS N.V.

H.D. Grönloh RA

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Group's consolidated capitalisation and indebtedness, calculated in accordance with IFRS, as of 31 March 2011. There has not been a material change since that date. This table should be read in conjunction with the consolidated financial statements of the Group incorporated by reference herein, the information in "*Selected Historical Financial and Business Information*" and the information in "*Operating and Financial Review*".

	31 March 2011
	Actual (x €1,000) (reviewed)
Guaranteed	-
Secured[2]	158,009
Unguaranteed / unsecured	460
Total current debt	**158,469**
Guaranteed	-
Secured[3]	592,758
Unguaranteed / unsecured	19,239
Total non-current debt (excluding current portion of long-term debt)	**611,997**
Issued share capital	19,914
Share premium reserve	451,076
Other reserves	85,354
Unallocated result from financial year	43,761
Shareholders' equity	**600,105**
Total capitalisation	**1,370,571**
Cash	1,774
Liquidity	**1,774**
Current financial receivable	**11,581**
Current bank debt	42,696
Current portion of non-current debt	115,313
Other financial debt	460
Current debt	**158,469**
Net current financial indebtedness	**145,114**
Non-current bank loans	611,997
Non-current financial indebtedness	**611,997**
Net financial indebtedness	**757,111**
Net indebtedness	**768,692**

[2] Security is provided with respect to properties, the items inextricably linked with the properties and rental receivables

[3] Security is provided with respect to properties, the items inextricably linked with the properties and rental receivables

SELECTED HISTORICAL FINANCIAL AND BUSINESS INFORMATION

The selected historical financial and business information of the Group shown in the tables below should be read in conjunction with the information contained in "*Important Information – Presentation of financial and other information*", "*Risk Factors*", "*Capitalisation and Indebtedness*", "*Operating and Financial Review*", "*Business*" and the consolidated financial statements, including the notes thereto, incorporated by reference in this Prospectus and other financial data appearing elsewhere in this Prospectus.

IFRS consolidated financial information

The audited consolidated financial information for the Group set forth below as of and for the years ended 31 December 2010, 2009 and 2008 and the reviewed consolidated financial information for the Group as of and for the three months ended 31 March 2011 and 31 March 2010 has been derived from, should be read in conjunction with, and is qualified in its entirety by, the consolidated financial statements, including the notes thereto, incorporated by reference in this Prospectus, which have been prepared in accordance with IFRS.

Consolidated statement of comprehensive income

(x €1,000)

	Q1 2011	Q1 2010	2010	2009	2008
Gross rental income	**25,871**	**27,232**	**103,170**	**103,794**	**101,692**
Service costs not recharged	-407	-460	-1,738	-2,251	-1,195
Operating costs	-3,549	-3,139	-12,747	-11,984	-12,240
Net rental income	**21,915**	**23,633**	**88,685**	**89,559**	**88,257**
Revaluation of investments	-5,097	-4,965	-24,761	-52,282	-42,714
Sales revenues real estate investments	-	41	-247	99	-200
Total net proceeds from investments	**16,818**	**18,709**	**63,677**	**37,376**	**45,343**
Administrative expenses	-1,339	-1,087	-4,649	-4,670	-4,558
Financing income	288	6	106	233	117
Financing costs	-8,084	-8,235	-33,848	-34,879	-35,100
Result from other investments*	-471	-	-	-	-
Movements in market value of financial derivates	11,564	-5,510	328	-12,290	-26,721
Net financing results	3,297	-13,739	-33,414	-46,936	-61,704
Result before tax	**18,776**	**3,883**	**25,614**	**-14,230**	**-20,919**
Corporate income tax	-99	-118	-530	-366	-421
Result after tax	**18,677**	**3,765**	**25,084**	**-14,596**	**-21,340**
Exchange-rate differences on foreign participations	-198	274	554	180	-154
Total non realised result	-198	274	554	180	-154
Total comprehensive income attributable to shareholders	**18,479**	**4,039**	**25,638**	**-14,416**	**-21,494**

Consolidated statement of financial position before profit appropriation (x €1,000)

	31 March 2011	31 March 2010	31 December 2010	31 December 2009	31 December 2008
Assets					
Real estate investments	1,355,343	1,299,929	1,358,097	1,303,207	1,411,519
Intangible assets	8,498	8,389	8,505	8,327	8,205
Tangible assets	3,396	4,104	3,409	3,941	4,124
Financial derivatives	3,011	-	471	-	-
Prepayment and accrued income in relation to rent incentives	2,486	2,415	2,592	2,376	1,820
Total fixed assets	**1,372,734**	**1,314,837**	**1,373.074**	**1,317,851**	**1,425,668**
Other investments	11,581	-	11,835	4	-
Debtors and other accounts receivable	4,409	4,146	2,305	2,423	3,625
Cash	1,774	1	2,885	-	1
Total current assets	**17,764**	**4,147**	**17,025**	**2,427**	**3,626**
Total assets	**1,390,498**	**1,318,984**	**1,390,099**	**1,320,278**	**1,429,294**
Shareholder's equity					

* The Merger costs have been reclassified from "Administrative expenses" to "Result from other investments".

	31 March 2011	31 March 2010	31 December 2010	31 December 2009	31 December 2008
Issued share capital	19,914	18,104	19,914	18,104	16,458
Share premium reserve	451,076	397,795	451,076	397,795	360,090
Other reserves	85,354	126,609	85,552	153,525	226,973
Unallocated result from financial year	43,761	3,765	25,084	- 14,596	- 21,340
Total shareholders' equity attributable to shareholders	**600,105**	**546,273**	**581,626**	**554,828**	**582,181**
Liabilities					
Interest bearing loans	592,758	679,555	669,498	661,086	747,234
Financial derivatives	19,239	33,144	28,455	28,055	15,950
Deferred tax liabilities	973	670	929	502	297
Total long-term liabilities	**612,970**	**713,369**	**698,882**	**689,643**	**763,481**
Redemption requirement long-term debts	115,313	17,089	44,109	29,962	73
Financial derivatives	460	946	268	529	340
Debts to credit institutions	42,696	6,973	45,300	24,523	59,499
Other accounts payable and deferred income	18,954	34,334	19,914	20,793	23,720
Total current liabilities	**177,423**	**59,342**	**109,591**	**75,807**	**83,632**
Total liabilities	**790,393**	**772,711**	**808,473**	**765,450**	**847,113**
Total shareholders' equity and liabilities	**1,390,498**	**1,318,984**	**1,390,099**	**1,320,278**	**1,429,294**

Consolidated cash flow statement (x €1,000)

	Q1 2011	Q1 2010	2010	2009	2008
Result after tax	18,677	3,765	25,084	-14,596	-21,340
Adjusted for:					
Revaluation of investments	5,097	4,965	24,761	52,282	42,714
Revaluation other investments	254	-	-	-	-
Net result on sales of investments	-1	-41	247	-99	200
Net financing expenses	-3,780	13,588	33,414	46,936	61,704
Deferred tax liabilities	80	101	427	203	297
Rent incentives provided	-261	-171	-1,007	-1,258	-1,307
Depreciation	469	219	1,200	1,012	934
Cash flow from operating activities	**1,858**	**18,661**	**59,042**	**99,076**	**104,542**
Movement in debtors and other accounts receivable	-2,104	-1,723	118	1,202	3,015
Movements in accounts payable and accrued expenses and deferred income	-725	13,643	682	-3,964	1,469
Financing income	13	6	106	233	117
Financing expenses	-8,306	-8,186	-35,788	-33,842	-34,585
Cash flow from operations	**9,413**	**26,166**	**49,244**	**48,109**	**53,218**
Purchases of real estate and investments in existing properties	-6,870	-1,286	-72,012	-10,768	-278,259
Proceeds of sale of real estate investments	-	3,418	11,032	66,997	37,895
Other investments	-	-	-10,552	-	-
Investments in tangible fixed assets	-	-256	-818	-147	4
Divestments of tangible fixed assets	-87	10	10	20	43
Investments in intangible assets	6	-65	-200	-122	-
Cash flow from investments activities	**-6,951**	**1,821**	**-72,540**	**55,980**	**-240,317**
Dividend paid	-	-12,594	-52,659	-51,415	-49,733
Share issue	-	-	53,819	38,478	-
Drawdown of loans	-150	31,400	56,797	30,000	230,265
Redemptions of loans	-752	-29,781	-53,146	-86,361	-14,879
Cash flow from financing activities	**-902**	**-10,975**	**4,811**	**-69,298**	**165,653**
Net cash flow	1,560	17,012	-18,485	34,791	-21,446
Exchange-rate differences	-67	538	593	184	-
Cash and accounts payable to credit institutions as of 1 January	-42,415	-24,523	-24,523	-59,498	-38,052
Cash and accounts payable to credit institutions as at 31 March/31 December	**-40,922**	**-6,973**	**-42,415**	**-24,523**	**-59,498**

Direct and indirect investment result

Management measures the Group's operating performance utilising certain direct and indirect investment result measures. These are supplemental measures of the Group's performance which are used for management purposes and should not be considered in isolation or as an alternative to net result or any other performance measure derived in accordance with IFRS. In addition, such measures, as defined by the Group, may not be comparable to other similarly titled measures used by other companies. For a discussion on how the Group calculates direct and indirect investment results and their reconciliation to IFRS results, see section "*Operating and Financial Review – Comparison of results of operations for years ended 31 December 2010, 2009 and 2008 – Direct and indirect investment result*".

Consolidated direct and indirect investment result[4]

	Q1 2011	Q1 2010	2010	2009	2008
Gross rental income	25,871	27,232	103,170	103,794	101,692
Service costs not recharged	-407	-460	-1,738	-2,251	-1,195
Operating costs	-3,549	-3,139	-12,747	-11,984	-12,240
Net rental income	**21,915**	**23,633**	**88,685**	**89,559**	**88,257**
Financing income	13	6	106	233	117
Financing costs	-8,084	-8,084	-32,943	-34,744	-34,869
Administrative costs	-999	-761	-3,346	-3,258	-3,344
Direct investment result before tax	12,845	14,794	52,502	51,790	50,161
Corporate income tax	19	17	104	163	124
Direct investment result	**12,826**	**14,777**	**52,398**	**51,627**	**50,037**
Revaluation of investments	-5,097	-4,965	-24,761	-52,282	-42,714
Net result on sales of investments	-	41	-247	99	-200
Result from other investments	-	254	-	1,283	-
Merger costs	-217	-	-1,283	-	-
Movements in market value of financial derivates	11,564	-5,510	328	-12,290	-26,721
Exchange-rate differences	275	-151	-905	-135	-231
Allocated management costs	-340	-326	-1,303	-1,412	-1,214
Indirect investment result before tax	5,931	-10,911	-26,888	-66,020	-71,080
Corporate income tax	80	101	426	203	297
Indirect investment result	**5,851**	**-11,012**	**-27,314**	**-66,223**	**-71,377**
Total investment result	**18,677**	**3,765**	**25,084**	**-14,596**	**-21,340**
Data per average outstanding share x €1					
Direct investment result	0.30	0.38	1.26	1.36	1.40
Indirect investment result	0.13	-0.28	-0.66	-1.75	-2.00
Total investment result	**0.43**	**0.10**	**0.60**	**-0.39**	**-0.60**

Other data and key ratios[5]

The table below shows other data and key ratios for the Group as of and for the years ended 31 December 2010, 2009 and 2008 and the three months ended 31 March 2011 and 31 March 2010.

Key figures

	Q1 2011	Q1 2010	2010	2009	2008
Result (x €1,000)					
Gross rental income	25,871	27,232	103,170	103,794	101,692
Net rental income	21,915	23,633	88,685	89,559	88,257
Direct investment result	12,826	14,777	52,398	51,627	50,037
Indirect investment result	5,851	-11,012	-27,314	-66,223	-71,377
Result after tax	18,677	3,765	25,084	-14,596	-21,340
Occupancy rate (in %)	90.1	90.5	90.0	90.9	92.4
Balance sheet (x €1,000)					
Real estate investments	1,355,343	1,299,929	1,358,097	1,303,207	1,411,519
Shareholders' equity	600,105	546,273	581,626	554,828	582,181
Net debts to credit institutions (excluding other investments)	737,412	703,617	744,188	715,571	806,806
Loan-to-value (net debts to credit institutions/real estate investments in %)	54.4	54.1	54.8	54.9	57.2
Issued share capital					
Ordinary shares with a nominal value of €0,46 on 31 March/31 December	43,286,677	39,351,527	43,286,677	39,351,527	35,774,117
Average number of outstanding ordinary shares on 31 March/31 December	43,286,677	39,351,527	41,561,680	37,861,756	35,774,117
Data per average outstanding ordinary shares (x €1)					
Direct investment result	0.30	0.38	1,26	1.36	1.40

[4] This section contains financial information that has not been audited. This information has been prepared by NSI's management, on the basis of the Company's internal accounts.

[5] This section contains financial information that has not been audited. This information has been prepared by NSI's management, on the basis of the Company's internal accounts.

	Q1 2011	Q1 2010	2010	2009	2008
Indirect investment result..	0.13	-0.28	-0.66	-1.75	-2.00
Total investment result...	0.43	0.10	0.60	-0.39	-0.60
Data per share (x €1)					
Cash dividend	0.30	0.38	1.26	1.34	1.40
Net asset value on 31 March/31 December..............	13.86	13,88	13.44	14.10	16.27
Net asset value according to EPRA on 31 March/31 December	14.27	14,76	14.11	14.84	16.74
Average stock-exchange turnover (shares per day, without double counting).......................................	51,118	54,344	58,713	61,733	64,588
Highest price..	15.34	15.95	16,00	14.50	19.99
Lowest price	14.43	14,08	13.25	10.05	10.01
Closing price on 31 March/31 December.................	14,65	15,73	14.98	14.20	11.21

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the rest of this Prospectus, including the information set forth in "*Selected Historical Financial and Business Information*", NSI's reviewed consolidated Q1 interim reports for the three months ended 31 March 2011 and 2010, including the notes thereto, and NSI's audited consolidated financial statements for the years ended 31 December 2010, 2009 and 2008, including the notes thereto. See section "*Documents Incorporated by Reference*". For a discussion of the presentation of the Group's historical financial information included or incorporated by reference in this Prospectus see section "*Important Information – Presentation of financial and other information*". Except as otherwise stated, this operating and financial review is based on the consolidated financial statements of the Group prepared in accordance with IFRS.

This operating and financial review section contains a discussion and comparison of NSI's financial condition and results of operations for the three months ended 31 March 2011 and 2010 and the years ended 31 December 2010, 2009 and 2008. Although VastNed O/I will form part of the Group upon Completion, this prospectus contains no review of VastNed O/I's financial condition and results of operations for the abovementioned periods as NSI is not in a position to discuss VastNed O/I's financial condition and results of operations for any period preceding the Merger. The financial information in this Prospectus relating to VastNed O/I on a stand-alone basis is limited to the consolidated financial statements contained in VastNed O/I's interim reports for the three months ended 31 March 2011 and 2010, including the notes thereto, and VastNed O/I's audited consolidated financial statements for the years ended 31 December 2010, 2009 and 2008, including the notes thereto. See section "*Documents Incorporated by Reference*". In addition to these financial statements, we have also included in this Prospectus certain unaudited pro forma combined financial information of NSI for the three months ended 31 March 2011 and the year ended 31 December 2010, that have been prepared in accordance with IFRS, to illustrate the effects of the Merger as if it had been completed on 1 January 2010. See section "*Unaudited Pro Forma Combined Financial Information*".

The following discussion may contain forward-looking statements that involve risks and uncertainties. The Group's future results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections "*Risk Factors*", "*Forward-Looking Statements*" and "*Business*" and elsewhere in this Prospectus.

Overview

The Company is a mixed real estate investment company. Its core business is investing in retail and office real estate. The Group has operations in The Netherlands and Switzerland. The Group also operates its own property (re)development business in The Netherlands, within a separate legal entity, NSI Development B.V.

The Portfolio comprises properties that generate gross rental income. At 31 March 2011, the total value of the Portfolio was approximately €1,355 million. At 31 March 2011, the Group owned and managed 243 properties, consisting of 50 retail properties (including large-scale retail properties), 86 office properties, 11 industrial properties and 96 residential properties, located in The Netherlands and Switzerland. The properties represent a total of approximately 323,189 m^2 Lettable Floor Area in retail, 408,281 m^2 Lettable Floor Area in offices, and 77,961 m^2 Lettable Floor Area in industrial properties. 49% of the value of the Portfolio was invested in retail properties, 47% in office properties, 3% in industrial properties and 1% in residential properties. The occupancy rate of the Portfolio at 31 March 2011 was 90.1% and as at that date the Group was a party to approximately 1,389 lease contracts. The tables below summarise certain information concerning the Portfolio (allocation is based on a property's primary use) at the dates indicated.

	At 31 March 2011				At 31 March 2010			
	Retail	**Offices**	**Industrial**	**Residential**	**Retail**	**Offices**	**Industrial**	**Residential**
Total number of properties in Portfolio	50	86	11	96	47	87	13	96
Net market value of properties in Portfolio (€ 1,000)	661,447	634,451	49,675	9,770	578,630	653,10111	56,741	11,457
Lettable Floor Area (1,000 m^2).............	323,189	408,281	77,961	-	296,808	408,951	79,723	-

Occupancy Rate (%)	96.8	86.9	86.9	-	96.5	86.3	89.9	-
Annual Rent (€ 1,000)	48,872	61,225	5,122	725	42,684	61,157	5,560	713

	At 31 December											
	2010				2009				2008			
	Retail	Offices	Industrial	Residential	Retail	Offices	Industrial	Residential	Retail	Offices	Industrial	Residential
Total number of properties in Portfolio	49	86	11	96	48	88	13	96	59	96	14	160
Net market value of properties in Portfolio (€ 1,000)	655,769	642,793	49,825	9,710	576,838	656, 829	58,083	11,457*	628,934	711,564	58,733	12,289
Lettable Floor Area (1,000 m^2)	320,593	408,462	76,317	-	298,552	409,775	79,723	-	319,587	425,744	77,575	-
Occupancy Rate (%)	96.0	85.6	85.5	-	96.6	87.0	89.5	-	97.5	92.3	94.9	-
Annual Rent (€ 1,000)	48,576	61,413	5,108	727	42,796	61,476	5,723	712	45,678	63,068	5,432	1,300

* *concerns only residential real estate in The Netherlands*

The following table shows the market value of the Portfolio by use and geographical location at 31 March 2011:

(€ 1,000)	**Netherlands**	**Switzerland**	**Total**
Retail	592,635	68,812	661,447
Offices	589,860	44,591	634,451
Industrial	49,675	-	49,675
Residential	9,770	-	9,770
Total	**1,241,940**	**113,403**	**1,355,343**

Key factors affecting results of operations

The Group believes that the following factors have had and are expected to continue to have a material effect on its results of operations.

Conditions in the market for real estate in the Group's markets and the effects of the economic crisis

The Group generates the majority of its earnings from rental income derived primarily from its property portfolio, and, to a lesser extent, net gains on the sale of its real estate. The Portfolio is located principally in the Group's home markets, The Netherlands and Switzerland. The properties in the Portfolio are leased predominantly on a long-term basis, which has provided the Group with stable rental income. However, the Group is subject to the effects of economic developments in the real estate industry on the terms and conditions of lease renewals and new leases and on proceeds from the sale of portfolio real estate. As a result, the Group's success depends on its ability to adapt to a variety of changing factors that influence the real estate market, primarily for offices and retail properties in the Group's home markets, over which the Group has no influence. The Group believes that commercial and technical in-house management of its properties gives it direct and quick access to information concerning market developments and enhances the Group's ability to fashion adequate responses to changes in the market.

The market value of the Portfolio and the levels of rental income from the Group's properties are dependent on numerous interacting factors, including the attractiveness of the Group's properties and the markets in which they are located, supply and demand for real estate in the respective locations, legal and tax conditions, general economic trends and economic trends in the individual markets in which the Portfolio is located. In addition, property sales are affected by the availability of capital for investment in real estate and prevailing interest rates for real estate financing and the perceived attractiveness of real estate investments compared to other forms of investment.

The credit crisis that began in the summer of 2007 and the ensuing economic recession have negatively affected the offices and retail property market in Europe. Lower disposable incomes due to rising unemployment have translated into lower consumer spending, which put pressure on retailers' profits. This, together with reduced availability of financing, led some retailers to scale back or postpone their expansion plans, which has made it more difficult for retail property operators, such as the Group, to find appropriate tenants. The Group believes that the effect on its Portfolio and rental income has been relatively limited thus far, in great part due to the Group's presence in The

Netherlands and Switzerland which are among the more stable markets in Europe. In addition, the mix of tenants in the Group's retail properties is such that day-to-day necessities, such as food and personal care products, account for a high proportion of the tenants' revenues. As a result, the Group's properties have performed relatively well in terms of relevant indicators, such as occupancy rates and average tenant revenues.

In respect of office properties, office users have taken a more critical attitude to total premises costs due to the economic situation. Many companies chose to stay in their accommodation, as shown by the large number of contract prolongations concluded in the last two years. At the lower end of the market, which consists to a large extent of outdated properties, there is ample supply, also because a large number of users were subletting part of their premises as a result of their own contraction in size.

The economic crisis also has had an adverse effect on the market values of real estate, causing a negative revaluation of the Group's properties. See section "*Operating and Financial Review – Portfolio revaluation*". Furthermore, the economic crisis negatively affected purchases and sales of real estate. Due to uncertainties and constraints in the credit markets, investments in European office and retail properties slowed down considerably in 2008 and the first half of 2009. The sentiment improved in the latter part of 2009, 2010 and the first three months of 2011.

Availability of financing; finance expense and interest rate levels

The Group's growth is dependent on its ability to successfully acquire and manage properties. The Group finances such projects to a considerable extent with debt, as well as other forms of external funding. For information on the Group's borrowings, see section "*Operating and Financial Review – Liquidity and capital resources – Indebtedness*". At 31 March 2011, the Group's loan-to-value ratio amounted to 54.4% (54.8% at 31 December 2010, 54.9% at 31 December 2009 and 57.2% at 31 December 2008). As a result, the Group depends significantly on the readiness of its financing counterparties to extend financing to the Group on acceptable terms for new projects, as well as to refinance existing loans that are maturing. The earnings potential of the Portfolio is, therefore, significantly influenced by developments in the credit markets. General conditions for financing real estate are subject to constant change, in particular in the levels of interest rates in general and for the real estate sector in particular.

As a result of the credit crisis, financial institutions have adopted more stringent terms and conditions. Among other things, they have generally tightened loan-to-value and debt service coverage ratios. In addition, because commercial real estate values have decreased, for some companies, compliance with loan-to-value covenants has become increasingly difficult. As a result, financial institutions have been less willing to extend credit than prior to 2008.

Portfolio revaluations

The Group's investment property is carried at fair value. The Portfolio is valued internally on a quarterly basis. In addition, a different quarter of the Portfolio is valued externally every three months, resulting in a full external valuation of the entire Portfolio every financial year. The property valuations are updated quarterly on the basis of the net initial yields, taking account of (substantial) changes in the market and letting situation. For the external valuations, instructions are given to several expert and reputable appraisers. These valuations are compared with the internal valuations and analysed with regard to the methods and assumptions used and the results thereof. As a result, the value of the Group's assets depends on developments in the real estate market and is subject to change. Gains and losses from changes in fair value are recognised in the profit and loss account and affect the Group's net result. For additional information on valuation, see section "*Operating and Financial Review – Selected significant accounting policies – Portfolio valuation*".

After a number of years of increasing values, the current economic downturn has caused negative revaluations of real estate properties in 2008 and 2009. The year 2010 and the first three months of 2011 show a mixed picture of recovering retail property values, but still decreasing office property values and industrial property values. For additional details, see section "*Operating and Financial Review – Comparison of results of operations for the periods ended 31 March 2011 and 31 March 2010 and the years ended 31 December 2010, 2009 and 2008 – Net valuation result on investment property*".

Portfolio acquisitions and disposals

The Group pursues an active acquisitions and disposals policy. See section "*Business – Strategy*" for a discussion of the Group's policy. Acquisitions of investment property increase the Group's finance expense to the extent they are financed through debt. In addition, acquisitions of properties increase the Group's rental income. Disposals affect the Group's earnings through gains or losses on the sale of the property and through lower rental income in the period following the sale. The Group must therefore carefully consider the timing and extent of acquisitions and disposals, as well as the proportion of acquired projects that are operational and in development, to achieve earnings growth. For example, the Group may decide to postpone a sale of non-strategic assets in order to prevent a decline in rental income. From 2008 onwards, the Group made several significant acquisitions.

The Group also pursues sales of smaller (less than €5 million) and management-intensive properties through a disposal programme initiated in September 2008. Since then, sales of such smaller properties amounted to €105 million. These properties were sold at prices around book value. Presently, NSI has approximately 59 properties that qualify as "small", with a value of roughly less than €5 million per property. These properties will be disposed of in the coming years. No targets have been set in this respect and no definite list of properties has been compiled. The criterion will remain that NSI will only sell at the right price. The disposal programme offers the possibility to improve the quality of the portfolio by re-investing the sales proceeds in properties that have a better fit with NSI's strategy.

In the first three months of 2011, NSI continued to extend its position in shopping centre Zuidplein in Rotterdam by acquiring an additional two retail units. These retail units with a surface area of approximately 2,500 m2 were purchased for €6.1 million. The purchase is complementary to the acquisition of shopping centre Zuiderterras at the end of December 2010 and the part of shopping centre Zuidplein that was already owned by NSI. The retail units now acquired by NSI are fully let to fashion chain "1982", part of the German Takko Fashion Group, and fitness club SportCity. Rental income is €0.45 million per year.

In 2010, the shopping centres "*Sterpassage*" in Rijswijk and "*Zuiderterras*" in Rotterdam were purchased and 6 properties were sold. NSI acquired *Sterpassage* for a purchase price of €38.7 million. *Sterpassage* has a Lettable Floor Area of approximately 10,500 m^2 with 44 shops. The most important retail chains in *Sterpassage* are, amongst others, WE, Miss Etam, Mexx, Blokker, Prenatal and Block's. *Sterpassage* is almost fully let, generating a gross contractual rental income of approximately €3.0 million per year.

NSI acquired *Zuiderterras*, part of shopping centre *Zuidplein* for a total consideration of €24 million. *Zuiderterras* comprises of 8 stores, e.g. Media Markt-Saturn and Bristol, with a combined retail surface of over 10,000 m^2 and an underground car park. NSI already owned part of shopping centre *Zuidplein* with amongst others a 3,500 m^2 Albert Heijn super market prior to the acquisition of *Zuiderterras*.

During 2010, NSI also sold six properties as part of the disposal programme of smaller, management-intensive properties. The total sales proceeds amounted to €11.1 million.

In 2009, the retail portfolio declined by approximately 21,000 m² of lettable floor area following the sale of 10 properties as part of the disposal programme. Over the same period, the office portfolio declined by approximately 16,000 m² of lettable floor area following the sale of 8 properties as part of the same disposal programme. The commercial and office building on Westbaan in Moordrecht was acquired and 56 apartments located in Fribourg, Switzerland were sold late 2009.

In 2008, 13 properties were purchased, including the first properties in Switzerland. In The Netherlands, the "Philips" office portfolio was acquired. 12 properties were sold as part of the disposal programme.

Duration and structure of tenant leases

The Group's rental income is based on approximately 1,389 lease contracts as at 31 March 2011. The following table shows the remaining average maturity of leases on the Group's operational properties at 31 March 2011.

	€ 1,000[(1)]	%
	(unaudited)	
Vacancy	11,468	9.9
Under negotiation	-	-
Contract expiration		
2011	9,688	8.4
2012	28,851	24.9
2013	16,384	14.1
2014	9,191	7.9
2015	8,358	7.2
After 2015	32,004	27.6
Perpetual/No end date		
Total	**115,944**	**100%**

(1) *Contract value, represented by Annual Rent, at 31 March 2011.*

The Group's business is exposed to the risk of expiring leases, however, the Group believes that its current vulnerability in this respect is limited due to its diversified tenant base (see section "*Risk Factors – Risks relating to the Group and the sector in which it operates – The business, results of operations and financial conditions of the Group depend on its ability to maintain and increase occupancy rates through the execution of leases with new tenants and the renewal of leases by its existing tenants*"). At 31 March 2011, the weighted average remaining term of the Group's leases was approximately 3.7 years. The occupancy rate of the Group's properties has been historically high, even during the economic crisis (2008: 92.4%; 2009: 90.9%; 2010: 90.0%; and end of Q1 2011: 90.1%). A lease expiry allows the Group to renegotiate the lease contract or replace an existing tenant with a new tenant.

The Group's tenant concentration is relatively low; per 31 March 2011, the ten largest tenants contributed 26.6% retail and 36.9% offices to the rental income (excluding turnover based rent) (2010: 26.6% retail and 36.7% offices; 2009: 30.4%; retail and 38.4% offices; 2008: 32.4% retail and 31.5% offices). The Group's exposure to leases that are linked to tenants' turnover is almost non-existent. For further information on tenant structure and lease terms, see section "*Business – Tenant profile*" and "*Operating and Financial Review – Leases and occupancy*".

Comparison of results of operations for the periods ended 31 March 2011 and 31 March 2010 and the years ended 31 December 2010, 2009 and 2008

The following table sets forth the Group's consolidated results of operations for the periods indicated:

Consolidated statement of comprehensive income (x €1,000)

	Q1 2011	Q1 2010	2010	2009	2008
Gross rental income	25,871	27,232	103,170	103,794	101,692
Service costs not recharged	-407	-460	-1,738	-2,251	-1,195
Operating costs	-3,549	-3,139	-12,747	-11,984	-12,240
Net rental income	**21,915**	**23,633**	**88,685**	**89,559**	**88,257**
Revaluation of investments	-5,097	-4,965	-24,761	-52,282	-42,714
Sales revenues real estate investments	-	41	-247	99	-200
Total net proceeds from investments	**16,818**	**18,709**	**63,677**	**37,376**	**45,343**
Administrative expenses	-1,339	-1,087	-4,649	-4,670	-4,558
Financing income	288	6	106	233	117
Financing costs	-8,084	-8,235	-33,848	-34,879	-35,100
Result from other investments*	-471	-	-	-	-

* The Merger costs have been reclassified from "Administrative expenses" to "Result from other investments".

	Q1 2011	Q1 2010	2010	2009	2008
Movements in market value of financial derivates	11,564	-5,510	328	-12,290	-26,721
Net financing results	3,297	-13,739	-33,414	-46,936	-61,704
Result before tax	**18,776**	**3,883**	**25,614**	**-14,230**	**-20,919**
Corporate income tax	-99	-118	-530	-366	-421
Result after tax	**18,677**	**3,765**	**25,084**	**-14,596**	**-21,340**
Exchange-rate differences on foreign participations	-198	274	554	180	-154
Total comprehensive income attributable to shareholders	**18,479**	**4,039**	**25,638**	**-14,416**	**-21,494**

Set out below is a comparison of the line items in the Company's income statement for the relevant periods.

Gross rental income

The Group's revenues substantially consist of gross rental income. The rental income from property investments let on the basis of operating lease agreements is recognised evenly over time over the duration of the lease agreement. Rent-free periods, rent rebates and other rent incentives are reported as an integral part of the total net rental income, and are amortised over the life of the rent agreement until the first moment on which the lease agreement can be terminated. The following table shows the Group's gross rental income and the contribution of segments to gross rental income for the periods indicated:

(€1,000)	Until end of Q1 2011	Until end of Q1 2010	2010	2009	2008
The Netherlands	24,094	25,636	96,443	97,191	98,089
Switzerland	1,777	1,596	6,727	6,603	3,603
Total	**25,871**	**27,232**	**103,170**	**103,794**	**101,692**
Retail	11,534	10,486	43,356	42,898	42,967
Offices	13,124	15,401	54,599	54,974	52,529
Industrial	1,060	1,269	4,597	5,264	5,424
Residential	153	176	618	658	772
Total	**25,871**	**27,232**	**103,170**	**103,794**	**101,692**

Q1 2011 / Q1 2010

Gross rental income in Q1 2011 decreased from €27.2 million to €25.9 million compared to Q1 2010. Adjusted for a one-off income item related to the termination of a lease agreement by Ernst & Young in respect of the 'La Tour' office in Apeldoorn, gross rental income in Q1 2010 amounted to €25.2 million. The 'like-for-like' increase of €0.7 million was realised through indexation and increased occupancy.

The vacancy level in the entire portfolio as at 31 March 2011 amounted to 9.9% (31 March 2010: 9.5%). Vacancy levels per sector were: 13.7% in offices (31 March 2010: 13.7%), 13.1% in industrial premises (31 March 2010: 10.1%) and 4.3% in retail (31 March 2010: 3.5%). Contractual rental income from the portfolio amounted to €103.4 million as at 31 March 2011 (31 March 2010: €99.6 million).

2010/2009

Gross rental income in 2010 was comparable to 2009 with €103.2 million in 2010 against €103.8 million in 2009.

x €1,000	Rental income 2009	Acquisitions	Disposals	Like-for-like growth	Rental income 2010
The Netherlands	97,191	2,231	-2,795	-184	96,443
Switzerland	6,603	-	-520	644*	6,727
Total gross rental income	**103,794**	**2,231**	**-3,315**	**460**	**103,170**

* *Like-for-like growth in Switzerland includes €0.6 million in exchange-rate differences.*

On 10 June 2010, NSI acquired the Sterpassage in Rijswijk with an annual rent of approximately €3.1 million, which in 2010 contributed an additional €1.9 million in rent. The purchase of the commercial and office building on Westbaan in Moordrecht in July 2009 also generated additional gross rental income of €0.3 million in 2010. A number of smaller properties were sold in 2010 in both The Netherlands and Switzerland, which led to a decline in gross rental income of €3.3 million.

The occupancy rate of the total portfolio fell from 90.9% to 90.0%. In Switzerland, the average occupancy rate improved from 92.7% to 93.5%, while there was a decline from 90.8% to 89.8% in The Netherlands.

2009/2008

The Group's gross rental income increased by €2.1 million, or 2.1%, to €103.8 million in 2009, compared to €101.7 million in 2008. The increase is detailed in the table below:

x €1,000	Rental income 2008	Acquisitions	Disposals	Like-for-like growth	Rental income 2009
The Netherlands	98,089	3,567	-4,748	282	97,191
Switzerland	3,603	3,000	-	-	6,603
Total gross rental income	**101,692**	**6,567**	**-4,748**	**282**	**103,794**

The rise in rental income in The Netherlands was mainly due to the purchase of the Philips portfolio in March 2008 with an annual rent of approximately €11 million which in 2009 contributed an additional €8.4 million in rent. Purchases in July 2009 also generated additional gross rental income of €0.5 million. In Switzerland, rental income over 2009 increased with €3 million due to additional acquisitions completed in 2008. A large number of smaller properties were sold in The Netherlands in 2009, which led to a decline in gross rental income of €4.7 million.

Service costs not recharged

The following table shows the Group's service costs not recharged (which relate to costs in the event of vacant premises and/or other uncollectable service costs as a result of contractual limitations or service costs not recoverable from tenants) and the contribution of segments to service costs not recharged for the periods indicated:

(€1,000)	Until end of Q1 2011	Until end of Q1 2010	2010	2009	2008
The Netherlands	328	460	1,414	2,234	1,195
Switzerland	79	-	324	17	-
Total	**407**	**460**	**1,738**	**2,251**	**1,195**
Retail	69	34	453	105	151
Offices	337	393	1,165	2,055	975
Industrial	1	33	119	90	18
Residential		1	1	51	
Total	**407**	**460**	**1,738**	**2,251**	**1,195**

Q1 2011 / Q1 2010

Service costs not recharged decreased in 2011 by €0.05 million, because this line item was higher in 2010 due to recuperation on the basis of actual costs made in previous years and returned to normal levels in 2011.

2010/2009

The non-recharged service charges decreased in 2010 by €0.5m in relation to 2009. This is due to the fact that as a one-off this item was higher in 2009 as a result a recuperation on the basis of actual costs made in previous years and at the normal level again in 2010.

2009/2008

The Group's service costs not recharged increased by €1.1 million, or 88.4%, to €2.3 million in 2009, compared to €1.2 million in 2008. The increase was due primarily to the rise in vacancy, especially in the offices portfolio.

Operating costs

The Company's operating costs consist of costs directly related to the operation of the property, such as properties management, property tax, insurance premiums, maintenance costs, letting costs and other operating costs. These costs are charged to the result when they occur. Costs relating to the commercial, technical and administrative management of real estate are included in the operating costs. Costs relating to supervision and monitoring of investment projects are capitalised on the basis of hours spent. Costs relating to the purchase and sale of real estate investments are recognised in the management costs allocated in the indirect investment result. The following table shows the Group's property operating costs and the contribution of segments to property operating costs for the periods indicated:

(€1,000)	Until end of Q1 2011	Until end of Q1 2010	2010	2009	2008
The Netherlands	3,089	2,711	11,130	10,424	11,492
Switzerland	460	428	1,617	1,560	748
Total	**3,549**	**3,139**	**12,747**	**11,984**	**12,240**

	Until end Q1 2011	Until end Q1 2010	2010	2009	2008
Municipal taxes	829	784	3,711	2,929	2,839
Insurance premiums	142	198	554	606	699
Maintenance costs	521	409	1,773	2,864	3,253
Contributions to owner's associations	166	174	610	410	470
Property management	776	817	3,095	3,114	3,051
Rental costs	692	501	2,234	1,658	1,934
Other expenses	423	256	770	403	-6
Total	**3,549**	**3,139**	**12,747**	**11,984**	**12,240**

Q1 2011 / Q1 2010

Operating costs in Q1 2011 (€3.5 million) increased compared to Q1 2010 (€3.1 million) due to higher maintenance, rental and other expenses.

2010/2009

In 2010, the operating costs increased by €0.8 million in relation to 2009. Expressed as a percentage of gross rental income, there was a slight increase from 11.6% to 12.4%. The increase in the operating costs can largely be attributed to the sharp increase in municipal taxes.

The maintenance costs decreased in relation to last year as a result of a more efficient approach of management. The letting costs increased in relation to last year in order to maintain the occupancy rate at the same level.

The management of property consists of external costs and administrative costs, which are allocated based on the operating costs (3% of the gross rental income). The non-recurring costs of establishing the NSI's property management organisation in Switzerland and internalising responsibility for technical management in The Netherlands were included towards the end of 2009.

The other costs largely consist of a provision for doubtful debts.

2009/2008

Operating costs in 2009 declined compared to 2008, by €0.3 million. Expressed as a percentage of gross rental income, there was a slight decrease from 12.0% to 11.5%. The lower operating costs were due primarily to lower maintenance costs and rental costs. The non-recurring costs of establishing the NSI's property management organisation in Switzerland and taking in-house responsibility for technical management in The Netherlands are recognised in Q4 2009.

Net rental income

The following table shows the Group's resulting net rental income (i.e. gross rental income minus operating costs and service costs not recharged) and the contribution of segments to net rental income for the periods indicated. The relative differences between gross and net rental income vary per country and property, as they are influenced by the amount of operating costs and service charges (for example, maintenance charges) that can be recovered from tenants, vacancy rates or property age and condition.

(€1,000)	**Until end of Q1 2011**	**Until end of Q1 2010**	**2010**	**2009**	**2008**
The Netherlands	**20,677**	**22,465**	**83,899**	**84,533**	**85,402**
Retail	8,999	8,268	34,726	34,617	36,713
Offices	10,636	12,923	44,563	44,472	43,453
Industrial	913	1,138	4,071	4,824	4,656
Residential	129	136	539	620	580
Switzerland	**1,238**	**1,168**	**4,786**	**5,026**	**2,855**
Retail	675	693	2,785	2,629	1,375
Offices	563	475	2,001	1,834	1,382
Industrial	-	-	-	-	
Residential	-	-	-	563	98
Total	**21,915**	**23,633**	**88,685**	**89,559**	**88,257**
Retail	9,674	8,961	37,511	37,246	38,088
Offices	11,199	13,398	46,564	46,306	44,835
Industrial	913	1,138	4,071	4,824	4,656
Residential	129	136	539	1,183	678
Total	**21,915**	**23,633**	**88,685**	**89,559**	**88,257**

Revaluation of investments - net valuation result on investment property

The following table shows the Group's net valuation result on investments and the contribution of segments to such net valuation result for the periods indicated. For additional information on Portfolio revaluation, see section "*Operating and Financial Review – Key Factors Affecting Results of Operations – Portfolio revaluation*".

(€ million)	**Until end of Q1 2011**	**Until end of Q1 2010**	**2010**	**2009**	**2008**
The Netherlands	-5,089	-4,965	-26,777	-51,255	-41,716
Switzerland	-8	-	2,016	-1,027	-998
Total	**-5,097**	**4,965**	**-24,761**	**-52,282**	**-42,714**
Retail	1,654	607	-143	-8,670	5,971
Offices	-6,661	-4,230	-20,455	-38,152	-44,070

Industrial	-150	-1,342	-2,416	-5,504	-4,367
Residential	60	-	-1,747	44	-248
Total	**-5,097**	**-4,965**	**-24,761**	**-52,282**	**-42,714**

Q1 2011 / Q1 2010

The revaluation of the Dutch property portfolio in Q1 2011 amounted to - €5.1 million (Q1 2010: - €5.0 million) The value of the Swiss properties remained unchanged except for exchange-rate differences. NSI's Dutch retail portfolio showed a positive revaluation of €1.7 million (after deduction of €0.4 acquisition costs) and this is according to the general market trend. The value of the office portfolio decreased by €6.7 million.

2010/2009

The decline in value of the Portfolio in 2010 was €24.8 million compared to €52.3 million in 2009. The revaluations of the real estate in 2010 were not spread evenly throughout the year, and there were widely differing results within the various segments. The value of the office portfolio decreased during all quarters of 2010 as a result of the difficult office market, in which market rents (and corresponding incentives) and the occupancy rate were under pressure. In the last two quarters of 2010, the Dutch retail portfolio already showed a minor increase in value of €1.8 million. This revaluation was negatively affected by the purchase costs of the Sterpassage and Zuiderterras in the second and fourth quarter of 2010 respectively, without which the actual increase in value of the retail portfolio would have been €4.5 million higher. The values in Switzerland increased as a result of positive market pressure caused by the wide availability of financial resources in Switzerland in combination with the limited availability of properties.

2009/2008

Within the Portfolio, the decline in value of the real estate investments was €52.3 million (2008: - €42.7 million). On the basis of the valuations, the market value of the real estate investments fell by approximately 4% compared to its value at the end of 2008. The downward valuations differed per segment. The effect of the credit crisis on the real economy and the investment market was clearly reflected in the revaluations, in particular in respect of the office properties within the Portfolio.

Results on sales of investments

The following table shows the Group's results on sales of investments (i.e. sales of real estate investments less book value of such investments at the time of sale) and the contribution of segments to results on sales of investments for the periods indicated:

(x € 1,000)	**Until end of Q1 2011**	**Until end of Q1 2010**	**2010**	**2009**	**2008**
The Netherlands	-	94	-191	100	-200
Switzerland	-	-53	-56	-1	-
Total		**-41**	**-247**	**99**	**-200**
Retail	-	134	134	148	-267
Offices	-	-40	-55	-47	11
Industrial		-	-270	-1	58
Residential	-	-53	-56	-1	-2
Total	**-**	**41**	**-247**	**99**	**-200**

Q1 2011 / Q1 2010

In the first three months of 2011, NSI sold no properties. In the first three months of 2010, NSI sold an office building and a DIY-market.

2010/2009

In 2010, NSI sold 6 properties in The Netherlands within the scope of the disposal programme of smaller, management-intensive properties, resulting in a negative result of €191 thousand (with positive results realised in respect of the sale of retail properties and negative results in respect of properties within the industrial portfolio).

2009/2008

The Group's results on sales of investments increased by €0.3 million to a profit of €0.1 million in 2009, compared to a loss of €0.2 million in 2008. A large number of smaller properties were sold in The Netherlands in 2009, with a total book value at the time of sale of €57.7 million. At the end of December 2009 the apartments located in Fribourg, Switzerland, with a book value of €9.2 million (CHF 13.7 million) were sold. The overall net result after costs of sales was €0.1 million. Compared to the historical cost of the properties, a profit of €13 million was realised.

Administrative expenses

Administrative expenses include advisory costs, office expenses, the remuneration of supervisory directors and the costs of fund management. The following table shows the Group's administrative expenses and the contribution of segments to administrative expenses for the periods indicated:

(€1,000)	Until end of Q1 2011	Until end of Q1 2010	2010	2009	2008
Management costs	1,636	1,450	5,694	4,793	4,701
Audit costs	90	78	165	212	159
Consultancy costs	101	116	529	758	775
Appraisal costs	75	71	241	201	190
Compensation of supervisory directors, members of the Investment Advisory Board and Stichting Prioriteit NSI	66	60	282	266	259
Other expenses	167	149	797	1,019	947
Total	**2,135**	**1,924**	**8,991**	**7,249**	**7,031**
Allocated to operating costs	-776	-837	-2,979	-2,404	-2,373
Allocated to real estate portfolio	-20	-	-80	-175	-100
Total	**1,339**	**1,087**	**4,649**	**4,670**	**4,558**

Net financing results

The financing income and expenses consist of the interest expenses on loans and debts and interest income on outstanding loans and receivables, including interest income and expenses based on interest-rate swaps. As a result of the valuation of interest-bearing debt on the basis of amortised cost, the financing expenses include the interest accrued on the interest-bearing debt on the basis of the effective interest rate for each loan. Financing income and expenses also include the profits and losses arising from changes in the fair value of the derivative instruments and results from other investments (i.e. NSI's shareholding in VastNed O/I). Exchange-rate profits and losses are recognised on a net basis. The following table shows the Group's net financing results for the periods indicated:

x €1,000	Q1 2011	Q1 2010	2010	2009	2008
Finance income					
Interest income	13	6	81	115	117
Capitalized interest	-	-	25	118	-
Exchange-rate differences	275	-	-	-	-
Total	**288**	**6**	**106**	**233**	**117**
Financing costs					
Interest charges	-8,084	-8,084	-32,943	-34,744	-34,869
Exchange-rate differences	-	-151	-905	-135	-231
Total	**-8,084**	**-8,235**	**-33,848**	**-34,879**	**-35,100**
Results from other investments					
Revaluation VastNed O/I Shares	-254	-	1,283	-	-
Merger costs	-217	-	-1,283	-	-
Total	**-471**	**-**	**0**	**-**	**-**

x €1,000	Q1 2011	Q1 2010	2010	2009	2008
Movement in value of financial derivatives					
Unrealised movement in fair value of swaps and caps..............	11,564	-5,510	328	-12,290	-26,721
Total..	**11,564**	**-5,510**	**328**	**-12,290**	**-26,721**
Total net financing results...	3,297	-13,739	-33,414	-46,936	-61,704

Q1 2011 / Q1 2010

Interest charges in Q1 2011 were the same as in Q1 2010. The revaluation of the interest-rate hedging instruments amounted to €11.6 million positive. In Q1 2010, this was €5.5 million negative. Negative revaluations of the financial derivatives decreased over the remainder of 2010 and turned positive in the last quarter. This trend continued in the first quarter of 2011. A negative revaluation of NSI's shareholding in VastNed O/I and Merger related costs accounted for a negative result from other investments of approximately €0.47 million.

2010/2009

Interest charges fell slightly from €34.7 million in 2009 to €32.9 million. The decrease in the interest costs in 2010 was due to redemption of loans due to sales in The Netherlands, the proceeds from the share issue in June 2010 and, later in the year, the purchase of two shopping centres and the refinancing of a large share of the outstanding debts at lower net interest rates. The average interest rate payable on all outstanding loans decreased in 2010 from 4.7% to 4.4%. Moreover, the interest surcharge decreased slightly in 2010, despite the fact that the banks continue to pass on the liquidity surcharge.

The negative revaluation of the financial instruments decreased in 2010, mainly as a result of a sharp increase in the swap rates. This eventually led to a positive revaluation in the fourth quarter of 2010. The negative value of the derivatives is a 'paper loss' only. When the derivative contracts expire in due course, the indirect investment result as a result of the negative revaluation will automatically revert to zero.

In 2010, the rate of the Swiss franc increased from €0.67404 on 31 December 2009 to €0.79974 as from 31 December 2010. On balance, this resulted in an exchange loss of €0.9 million.

2009/2008

The Group's net financing expenses decreased by €14.8 million, or 23.9%, to €47.0 million in 2009, compared to €61.7 million in 2008. The decrease was primarily due to a decrease in the movement of the fair value of derivatives.

Interest expenses fell slightly from €34.9 million in 2008 to €34.7 million. This was due to redemption of loans due to sales in The Netherlands and Switzerland, and the proceeds of the share issue. The interest surcharge rose sharply during 2009 as the banks passed on the higher cost of liquidity. The average interest rate payable on all outstanding loans was unchanged on the year at 4.7%.

Tax

Even though NSI qualifies as a FII under Dutch Law (see section "*Regulatory matters and tax status of the Group"*), the Group is subject to different tax regimes. The table below identifies the tax impact on the Group's consolidated results for the periods indicated:

	Q1 2011		Q1 2010		2010		2009		2008	
Result before tax.....................		18,776		-3,883		25,614		-14,230		-20,919
Tax at the rate in The Netherlands.........................	20%	3,755	25.5%	-990	25.5%	6,532	25.5%	-3,629	25.5%	-5,334
Exempt due to fiscal status		-3,749		997		-6,480		3,963		5,378
Tax of subsidiary companies under the Swiss tax regime .		93		111		478		32		377
Total Corporate Income Tax		**99**		**118**		**530**		**366**		**421**

The subsidiaries NSI Management B.V. and NSI Development B.V. do not qualify as an FII for Dutch corporation tax purposes and are, therefore, subject to Dutch corporation tax as regular taxpayers. In

Switzerland, the investments in properties are held by group companies which are regular Swiss taxpayers. The tax rate in Switzerland is between 17% and 24%, depending on the canton concerned. The taxable net income from real estate in Switzerland is reduced by depreciation and interest costs.

Deferred tax liabilities, particularly in respect of the Swiss investments, are recognized at nominal value.

Exchange-rate differences on foreign participations

The operating currency of the Swiss subsidiary companies is the Swiss franc. The assets and liabilities of the Swiss subsidiaries are converted into euros at the exchange rate prevailing on balance sheet date. The profit and loss statement is converted into euros at the average exchange rate. Conversion differences are accounted for as non-realised result and included in the exchange-rate differences reserve.

Other key performance indicators: direct and indirect investment result

NSI measures the Group's operating performance utilising the direct and indirect investment result measures. These are supplemental measures of the Group's performance which are used for management purposes and should not be considered in isolation or as an alternative to net result or any other performance measure derived in accordance with IFRS. In addition, such measures, as defined by the Group, may not be comparable to other similarly titled measures used by other companies.

NSI believes that using the direct investment result measure enables the Company to better assess the underlying operating performance of the Group, after adjusting principally for gains or losses on sales of investment property and revaluation effects (including on deferred taxes), which are driven by market conditions outside of the Group's control. We believe that this allows investors to measure and judge the ability of the business to generate underlying cash flows. The Group presents direct and indirect investment results in its ongoing financial reporting and intends to use these measures going forward.

The following table sets forth the calculation of direct and indirect investment result for the periods indicated:

Consolidated direct and indirect investment result (x 1,000)[6]

	Until end of Q1 2011	Until end of Q1 2010	2010	2009	2008
Gross rental income	**25,871**	**27,232**	**103,170**	**103,794**	**101,692**
Service costs not recharged	-407	-460	-1,738	-2,251	-1,195
Operating costs	-3,549	-3,139	-12,747	-11,984	-12,240
Net rental income	**21,915**	**23,633**	**88,685**	**89,559**	**88,257**
Financing income	13	6	106	233	117
Financing costs	-8,084	-8,084	-32,943	-34,744	-34,869
Administrative costs	-999	-761	-3,346	-3,258	-3,344
Direct investment result before tax	**12,845**	**14,794**	**52,502**	**51,790**	**50,161**
Corporate income tax	19	17	104	163	-124
Direct investment result	**12,826**	**14,777**	**52,398**	**51,627**	**50,037**
Revaluation of investments	-5,097	-4,965	-24,761	-52,282	-42,714
Net result on sales of investments	-	41	-247	99	-200
Result from other investments	-254	-	1,283	-	-
Merger costs	-217	-	-1,283	-	-
Movements in market value of financial derivates	11,564	-5,510	328	-12,290	-26,721
Exchange-rate differences	275	-151	-905	-135	-231
Allocated management costs	-340	-326	-1,303	-1,412	-1,214
Indirect investment result before tax	5,931	-10,911	-26,888	-66,020	-71,080
Corporate income tax	80	101	426	203	297
Indirect investment result	**5,851**	**-11,012**	**-27,314**	**-66,223**	**-71,377**
Total investment result	**18,677**	**3,765**	**25,084**	**-14,596**	**-21,340**

[6] This section contains financial information that has not been audited. This information has been prepared by NSI's management, on the basis of the Company's internal accounts.

Direct investment result

Q1 2011/Q1 2010

The Q1 2011 direct investment result amounted to €12.8 million. The Q1 2010 direct investment result amounted to €14.8 million including a one-off income item of €2.0 million. Adjusted for this one-off income item (related to the termination of a lease agreement by Ernst & Young in respect of the 'La Tour' offices in Apeldoorn) the direct investment result over the first quarter of 2010 is nearly identical to the direct investment result in Q1 2011. The direct investment result increased slightly (0.3%) compared to the last quarter of 2010 and therefore show a stable trend.

2010/2009

The direct investment result of €52.4 million in 2010 was 1.5% higher than in 2009 (€51.6 million). Net rental income decreased from €89.6 million in 2009 to €88.7 million in 2010. This decrease was largely caused by the increased vacancy and increased operating costs and partly compensated by lower non-recharged service charges. Financing costs decreased from €34.7 million in 2009 to €32.9 million in 2010.

2009/2008

Direct investment result increased by €1.6 million to €51.6 million in 2009, compared to €50.0 million in 2008. The increase was due primarily to the growth in gross rental income, which was in part offset by increased operational expenses (primarily service costs not recharged).

Indirect investment result

Q1 2011/Q1 2010

The indirect investment result for the first quarter of 2011 amounted to €5.9 million positive (Q1 2010: - €11.0 million). The indirect investment result consists of both realised revaluations (sales results on investments sold) and unrealised revaluations. These unrealised revaluations were caused by the changes in the market value of the property portfolio (€5.1 million negative) (Q1 2010: - €5.0 million) and the interest-rate hedging instruments (€11.6 million) (Q1 2010: decline of €5.5 million).

2010/2009

The indirect investment result in 2010 came to a decrease of €27.3 million (2009: - €66.2 million). This indirect investment result largely consists, in addition to realised revaluation (sales result on sold investments), of unrealised revaluations. This unrealised revaluations were caused by a decrease in the market value of the real estate portfolio by €24.8 million (2009: - €52.3 million) and an increase in the market value of the financial instruments by €0.3 million (2009: - €12.3 million).

2009/2008

The indirect investment result in 2009 came to a decrease of €66.2 million. The indirect investment result in 2009 was affected by a decline in the value of the real estate and of the interest-rate derivatives. Over 2009 as a whole, the value of the real estate decreased by €52.3 million (2008: - €42.7 million). The decline in value of the interest-rate derivatives was €12.3 million (2008: decline of €26.7 million)

Liquidity and capital resources

Working capital

The Group's main source of liquidity for its daily operations is net rental income. In addition, for the acquisition of new real estate properties and investments in properties, a combination of equity and debt financing is used.

The Company believes that its working capital is sufficient for its present requirements; that is, for at least 12 months following the date of this Prospectus.

Indebtedness

The Group's financial liabilities consist primarily of debt incurred in borrowing money. At 31 March 2011, the Group had €790.4 million of total liabilities, compared to €808.5 million at 31 December 2010 and €772.0 million at 31 December 2009 and €847.1 million at 31 December 2008.

Approximately €737.4 million of the total liabilities at 31 March 2011 was secured by mortgaging properties, compared to €744.2 million at 31 December 2010 and €715.6 million at 31 December 2009 and €806.8 million at 31 December 2008. The carrying amount of the mortgaged properties amounted to €1,287.8 million at 31 March 2011, compared to €1,297.3 million at 31 December 2010 and €1,298.4 million at 31 December 2009 and €1,325.4 million at 31 December 2008.

At 31 March 2011, the average maturity of the Group's debt was 2.1 years (31 December 2010: 2.3 years; 31 December 2009: 2.0 years; 31 December 2008: 2.7 years). Maturity dates on the Group's long-term debt are well spread over the future. The following table shows the contractual maturities of the Group's financial liabilities, including estimated interest payments and excluding the impact of netting agreements, at 31 March 2011:

	Fixed interest	Variable interest	Until end of Q1 2011	Fixed interest	Variable interest	Until end of Q1 20010
(€1,000)						
Up to 1 year	28,719	86,594	115,313	149,103	78,997	228,100
From 1 to 2 years	47,966	190,560	238,526	34,153	92,113	126,266
From 2 to 5 years	127,416	226,816	354,232	64,150	278,128	342,278
Total loans	**204,101**	**503,970**	**708,071**	**247,406**	**449,238**	**696,644**

The following tables show the periods in which the interest on the Group's debt will (or was to) reset, taking into account the effect of derivatives, at 31 March 2011, at 31 December 2010 and 31 December 2009:

At 31 March 2011	Effective interest	Total	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years
(€1,000)						
Fixed interest mortgage loans	4.0%	204,101	28,719	47,966	127,416	-
Variable interest mortgage loans	2.2%	37,745	37,745	-	-	-
Swaps (fixed interest paid)	4.8%	466,225	30,000	55,000	241,225	140,000
Total	**4.3%**	**708,071**	**96,464**	**102,966**	**368,641**	**140,000**
Redemption obligation		115,313	115,313	-	-	-
Balance on 31 December		**592,758**	**-18,849**	**102,966**	**368,641**	**140,000**

2010	Effective interest	Total	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years
(€1,000)						
Fixed interest mortgage loans	4.1%	243,278	5,438	28,915	208,925	-
Variable interest mortgage loans	2.0%	3,254	3,254	-	-	-
Swaps (fixed interest paid)	4.8%	467,075	10,000	50,000	227,075	180,000
Total	**4.4%**	**713,607**	**18,692**	**78,915**	**436,000**	**180,000**
Redemption obligation		44,109	44,109	-	-	-
Balance on 31 December		**669,498**	**-25,417**	**78,915**	**436,000**	**180,000**

2009	Effective interest	Total	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years
(€1,000)						
Fixed interest mortgage loans	5.0	267,457	38,572	137,612	91,273	-
Variable interest mortgage loans	1.5	19,986	19,986	-	-	-
Swaps (fixed interest paid)	4.8	403,605	25,000	35,000	155,000	188,605
Total	**4.7**	**691,048**	**83,558**	**172,612**	**246,273**	**188,605**
Redemption obligation		29,962	29,521	-	441	-
Balance on 31 December		**661,086**	**54,037**	**172,612**	**245,832**	**188,605**

Revolving credit facility and bank facilities

In addition to its mortgage loans, NSI has current account credit facilities of €70.0 million. In 2010, NSI extended the credit facility with GE Artesia and took out a new credit facility with ABN Amro. These credit facilities offer the company a large degree of flexibility in its financing. They are also used as bridging loans until such time shareholders' equity or long-term loan capital is raised. On 31 March 2011, €42.7 million of the credit facilities was taken up (2010: €45.3 million, 2009: €31.0 million).

Financial covenants; limitation on borrowings

The agreements governing the revolving credit facility and the bank facilities, outlined above include customary representations and warranties, covenants, notice provisions, negative pledges, restrictions on subsidiary debt and asset disposals and events of default. The agreements also contain certain financial covenants. At 31 March 2011, loan-to-value amounted to 54.4% (54.8% at 31 December 2010 and 54.9% at 31 December 2009). The Group periodically monitors its financial covenant compliance. To the date of this Prospectus, the Group has been in full compliance with its covenants.

Failure to comply with the financial and other covenants under these agreements may constitute default and allow the lenders to accelerate maturity of all indebtedness. If such acceleration were to occur, the Group may not have sufficient liquidity to repay the indebtedness. The Group would likely have to seek amendments under the agreements for relief from the covenants or repay the debt with proceeds from the issuance of new debt or equity or asset sales. The Group may not be able to amend the agreements or raise sufficient capital to repay the obligations in the event the maturities are accelerated.

The Company qualifies as an FII for Dutch corporation tax that caters for an effective tax rate of 0% on the investment profits realised on virtually the entire investment portfolio in The Netherlands. For additional information, see section "*Regulatory Matters and Tax Status of the Group*". Application of the FII regime is subject to certain conditions, including a limitation on externally borrowed funds, with which the Group must comply. Externally borrowed funds currently may not exceed a maximum amount corresponding to the sum of 60% of the tax book value of the Group's directly owned real estate assets. Borrowings that are subsequently lent to parties outside the Dutch fiscal unity are ignored for the purpose of calculating the limitation on borrowings.

Liabilities not appearing in the balance sheet

NSI did not have any material off-balance sheet commitments on 31 March 2011 and 31 December 2010.

Cash flow analysis

The following table is a summary of the Group's consolidated cash flow statements for the periods indicated. For a detailed presentation of the statement of cash flows for the periods indicated, please refer to the audited consolidated financial statements incorporated by reference in this Prospectus.

(€ 1,000)	Until end of Q1 2011	Until end of Q1 2010	2010	2009	2008
	(unaudited)			(audited)	
Cash flow from operations	9,413	26,166	49,244	48,109	53,218
Cash flow from investing activities	-6,951	1,821	-72,540	55,980	-240,317
Cash flow from financing activities	-902	-10,975	4,811	-69,298	165,653
Change in cash	1,560	17,012	-18,485	34,791	-21,446

Cash flow from operations

In the first three months of 2011, the Group's cash flow from operations decreased by €16.8 million, or 64%, to €9.4 million, compared to €26.2 million in the first three months of 2010. This decrease was due primarily to the payment of the 2009 final dividend of €12.6 million in 2010 as this dividend was paid out in Q1 2010 and therefore included in the cash flow from operations in Q1 2010. The final dividend over 2010, however, was paid out in Q2 2011 and does not form part of the cash flow from operations in Q1 2011 (but will be part of the cash flow from operations in Q2 2011).

In 2010, the Group's cash flow from operating activities decreased by €1.1 million, or 2.4%, to €49.2 million, compared to €48.1 million in 2009.

In 2009, the Group's cash flow from operating activities decreased by €5.1 million, or 9.6%, to €48.1 million, compared to €53.2 million in 2008.

Cash flow from investing activities

In the first three months of 2011, the Group's cash flows from investing activities amounted to €7.0 million negative, from €1.8 million positive over the first three months of 2010. This was due primarily to the acquisition of two retail units in shopping centre Zuidplein in Rotterdam in the first three months of 2011. In 2010, NSI sold an office building and a DIY market (€3.4 million).

In 2010, the Group's cash outflows from investing activities amounted to €72.5 million (compared to cash flows of €56.0 million positive in 2009). This was due primarily to acquisitions and investments in 2010, mainly consisting of the following properties: Sterpassage in Rijswijk (€38.7 million) and Zuiderterras in Rotterdam (€24.0 million).

In 2009, the Group's cash flows from investing activities amounted to €56.0 million (compared to cash outflows of €240.3 million in 2008. In 2009, NSI sold 22 properties in The Netherlands (proceeds of €57.9million) and as part of its sales programme of smaller management-intensive properties. NSI sold 56 apartments in Fribourg, Switzerland (proceeds of €9.4 million). An industrial complex in Gouda was purchased (proceeds of €7.4 million) in 2009.

Cash flow from financing activities

In the first three months of 2011, the Group's negative cash flow from financing activities was €0.9 million, compared to negative cash flow of €11.0 million in the first three months of 2010. The change resulted primarily from the payment of the 2009 final dividend in Q1 2010 in Q1 2010 (as explained in the section *'cash flow from operations'* above).

In 2010, the Group's positive cash flow from in financing activities was €4.8 million, compared to negative cash flow from financing activities of €69.3 million in 2009. The change resulted primarily from cash outflows from dividend and repayment of loans of €32.0 million in 2009 in part offset by proceeds of the share issue and draw-down of loans.

In 2009, the Group's cash flow was €34.8 million, compared to cash outflow of €21.4 million in 2008. The change in 2009 resulted primarily from cash outflows from dividends and repayment of loans of €73.2 million in part offset by proceeds of the share issue and draw-down of loans.

Qualitative and quantitative disclosure about market risk

Operating in the real estate market subjects the Group to various market risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall risk management is designed to minimise the potentially negative effects of the unpredictability of the financial markets on the company's business performance. The company monitors the financial risks associated with its business and the financial instruments it holds closely. The company is a long-term investor in real estate and therefore applies the principle that the financing of the investments should also be long-term in nature in accordance with the risk profile of its business. For additional qualitative and quantitative discussion of the market risks to which the Group is exposed in the normal course of its business, please refer to the Group's consolidated financial statements and related notes incorporated by reference in this Prospectus.

Credit risk

The Group's credit risk is defined as the risk of an unforeseen decline in the value of an asset as a result of counterparties failing to meet their obligations.

Banks

The risks associated with possible non-performance by counterparties are minimised by entering into transactions for loans and derivative instruments with various reputable banks. These banks have credit ratings of at least Standard & Poor's A1 or Moody's A. The management is actively involved in monitoring the credit ratings.

Tenants

The creditworthiness of tenants is closely monitored by careful screening in advance and active monitoring of debtor balances. In addition, rent is generally paid in advance and tenants are required to provide security for rent payments for a limited period in the form of guarantee payments or bank guarantees. Since the tenant base consists of a large number of different parties, there is no concentration of credit risk.

The 10 largest tenants as per 31 March 2011 are:

Retail / large scale retail	(x €m)	% of total rental income retail	offices	(x €m)	% of total rental income offices
Ahold	2.9	6.3%	Rijksgebouwendienst	4.5	8.8%
Eijerkamp	2.1	4.5%	Gemeente Rotterdam	3.1	5.9%
Blokker	1.0	2.3%	Stichting Icare	2.2	4.2%
Lidl	1.0	2.2%	Getronics Pink		
			Roccade Nederland B.V.	1.8	3.5%
Plus	1.0	2.2%	Imtech Projects West B.V.	1.8	3.5%
It's (Impact Retail)	1.0	2.1%			
Media Markt, Saturn	0.9	1.9%	Ziggo	1.7	3.4%
Jumbo	0.9	1.9%	Municipality Heerlen	1.5	2.9%
Kruidvat, Trekpleister					
(A.S. Watson Property					
Continental Europe)	0.9	1.8%	ROC Amsterdam	1.1	2.1%
Bas van der Heijden					
Dirk van der Broek					
(Detailconsult Supermarkten)	0.7	1.4%	Atos Origin	0.7	1.3%
			Oranjewoud Engineering	0.7	1.3%
Top 10 Retail tenants	12.4	26.6%	Top 10 Office tenants	19.1	36.9%

Liquidity risk

Managing the Group's liquidity risk involves ensuring the availability of adequate credit facilities. To diversify its liquidity risk, the company has funded its operations with various loans and with shareholders' equity. Furthermore, measures have been taken to ensure a higher occupancy rate and to prevent financial damages resulting from bankruptcies of tenants. Fluctuations in the liquidity requirement are absorbed by undrawn, committed credit facilities of €99.5 million at 31 March 2011 (2010: €97.4 million; 2009: €89.8 million). Based on these undrawn, committed facilities and lease agreements, interest obligations and redemption requirements are assured for 2011. Maturity dates are spread over time to limit liquidity risk. The average remaining maturity of the loans is 2.1 years at 31 March 2011 (2010: 2.3 years; 2009: 2.0 years).

Currency risk

Due to its investments in Switzerland, the Company is exposed to the risk relating to fluctuations in the valuation of the Swiss franc. Currency risks are reduced by funding investments with loans in the same currency.

Interest rate risk

NSI must also at all times meet its obligations under the mortgage loans, partly in terms of the interest-rate cover(age) ratio. The interest-rate cover(age) ratio is calculated as the net rental income divided by the interest costs, and may not fall below 2.0. In addition, NSI must comply with the requirements set in terms of its loan-to-value ratio (debts to credit institutions as a proportion of the investments). The total loans drawn down may not exceed 65% of the underlying real estate. If the loan to value ratio comes under pressure and exceeds the 65% hurdle, interest costs will rise. The ratios to which NSI has committed itself in the loan agreements are monitored on a regular basis at least once each quarter. At 31 March 2011, the interest-rate coverage ratio was 2.7 (31 December 2010: 2.7, 31 December 2009: 2.6), which is higher than the 2.0 level agreed with the banks. At 31 March 2011, the loan-to-value was 54.4% (31 December 2010: 54.8% 31 December 2009: 57.2%), which means that all the covenants in the outstanding loan agreements are complied with. Variable-interest loans expose NSI to uncertainty regarding interest expenses, whereas fixed-interest loans reduce this uncertainty. NSI uses derivative instruments to manage its interest-rate risk.

See section "*Operating and Financial Review – Liquidity and capital resources – Indebtedness*" for a discussion of the Group's exposure to interest rate risk, including information on debt maturities, fixed and variable rate debt and the use of derivatives to manage interest exposure and a sensitivity analysis.

Subsequent events

For additional information on events that have taken place after 31 March 2011, please refer to "*Business – Recent developments*".

Selected significant accounting policies

The following discussion relates to selected significant accounting policies that were used by NSI in preparing the consolidated financial statements incorporated by reference in this Prospectus. Certain of NSI's accounting policies are particularly important to the preparation and explanation of its results of operations. Both in selecting accounting policies for which alternative methods exist under IFRS and applying these accounting policies, NSI's management needs to make certain assumptions that require difficult, complex and subjective judgments, assumptions and estimates. NSI evaluates these judgments, assumptions and estimates based on an ongoing basis. These judgments, assumptions and estimates could subsequently prove to be incorrect, and thus lead to adjustments of the relevant financial information. For a discussion of these and additional accounting policies, see notes to the consolidated financial statements incorporated by reference in this Prospectus.

Portfolio valuation

Real estate investments consist of real estate in operation and held in order to generate rental income or value appreciation, or a combination thereof.

The real estate investments are included at fair value as at balance sheet date. The fair value is determined quarterly based on internal appraisals and regularly tested against appraisal values made by independent authorised experts: each quarter, NSI values the whole portfolio internally. A quarter of the portfolio is also valued by an external appraiser each quarter. The external valuation is primarily for comparison with and as a validation of the internal appraisals. All Swiss investments are valued by external, independent appraisers two times per year (on 30 June and 31 December). External valuations are performed in compliance with nationally and internationally recognised standards like the survey and valuation standards in the 'Red Book' of the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards of the International Valuation Standards Committee (IVSC). The Group publishes information regarding valuations of its properties in its periodic and annual reports.

The fair value is based on the market value (with costs to the purchaser, corrected for purchase costs, such as transfer tax) and is defined as the estimated price on the date of valuation at which a property could reasonably be exchanged between a seller and a purchaser willing to enter into a objective transaction preceded by sound negotiations by well informed parties.

The fair value is determined on the basis of a net initial yield calculation, whereby operating costs are deducted from the market rents and capitalised. The returns used are specific for the country, property type, location, state of repair and letting potential for each property. The returns are determined on the basis of comparable transactions, in conjunction with knowledge of the market and circumstances specific to the property.

The determination of value also takes account of future investment for maintenance. Assumptions are made for each tenant and for each vacant space regarding the probability of (re)letting and letting costs. Corrections are made for the cash value of the differences between the market rents and the contractual rents. Valuation is made after deduction of transaction costs paid by the buyer.

If an existing real estate investment is renovated and/or expanded for continued use as a real estate investment, valuation is also made at fair value. The renovation costs consist of all the directly attributable costs required to complete the project.

Changes in the fair value of the property investments are recognised in the total result statement in the period in which they occur. Realised profits or losses on the sale of a real estate investment are recognised in the period in which the sale takes place as the balance of the net sales proceeds and the most recently published fair value.

Real estate investments are included at the time of acquisition at the integral cost price (including all costs relating to the purchase, such as legal costs, transfer tax, estate agent costs, the costs of due diligence investigations and other transaction costs) until the first reporting date, after which the fair value is applied. Investments made in real estate subsequent to acquisition are included in the value until the first subsequent reporting date, from which time they are included at fair value. No depreciation is applied to the real estate investments, as they are included at fair value.

Depending on its extent, a revaluation loss or overvaluation may have a material adverse effect on the Group's financial condition and results of operations. See section "*Operating and Financial Review – Key Factors Affecting Results of Operations – Portfolio revaluations*", "*Risk Factors – The Group is exposed to the risk of revaluation losses with respect to its properties*" and "*Risk Factors – The valuation of the properties of the Group contained in the Valuation Reports is inherently subjective and uncertain*".

Direct and indirect investment result

In addition to the consolidated income statement, statements of the direct and indirect investment results are also included for clarification. This presentation is not required under IFRS.

Direct investment result - the direct investment result consists of the rental income less operating costs, non-recharged service costs, administrative costs, direct financing costs and the corporate income tax payable over the reporting period. The direct investment result is an important management tool.

Indirect investment result - the indirect investment result consists of the revaluation of the real estate investments, the net result on sales of investments, movements in the fair value of derivative instruments, exchange-rate differences, allocated management costs and movements in the deferred tax liabilities.

Financial derivatives

NSI uses derivative instruments to wholly or partially hedge the interest-rate risks associated with its operations, finance and investment activities. These financial derivatives are not held or granted for trading purposes.

Financial derivatives are initially included at cost. After initial inclusion, derivatives are valued at fair value. Profits or losses arising from changes in the fair value of derivatives are immediately recognised in the total result statement. Hedge accounting is not applied.

The fair value of derivatives is the amount the Group would expect to pay or receive if the derivative were to be liquidated at balance sheet date, taking account of the market interest rate on the balance sheet date and the current credit risk of the counterparties concerned. A derivative is reported as a current asset or account payable if its remaining life to maturity is less than one year, or it is expected that it will be liquidated or settled within one year.

At 31 March 2011, the Group held €486.2 million in derivatives for hedging purposes (net position) as compared to €424.3 million at 31 March 2010. At 31 December 2010, the Group held €487.1 million in derivatives for hedging purposes (net position) as compared to €423.6 million and €508.3

million at 31 December 2009 and 2008, respectively. The movements between fair values of the derivative instruments are caused by fluctuations in interest rates.

See section "*Risk Factors – The Group is exposed to interest rate risks*" for a discussion of the underlying risks to the Group.

Deferred tax

Deferred tax liabilities are included for tax on earnings payable in future periods relating to temporary differences between the fair value of the real estate and book value for tax purposes, which are considered to be long-term. In the valuation of the deferred tax liabilities, the rates of tax prevailing on the balance sheet date or rates chosen for substantive reasons which are expected to apply in the period in which the liability will be settled will be used. Deferred tax credits are included for deductible temporary differences up to the amount that can be offset in future against tax payable at the rates of tax prevailing on the balance sheet date or rates chosen for substantive reasons. Deferred tax relating to unrealised capital losses on real estate is capitalised if a sale is foreseen or set-off can occur by means of operating results. Deferred tax credits and debits are only netted off if a statutory right to set-off exists and the intention is to settle or realise on a net basis.

Deferred tax liabilities at 31 March 2011 totalled €1.0 million, compared to €0.7 million at 31 March 2010. Deferred tax liabilities at 31 December 2010 totalled €0.9 million, compared to €0.5 million and €0.3 million at 31 December 2009 and 2008. The Group's deferred tax liabilities are driven primarily by valuations of properties. Valuation above an asset's cost basis will lead to higher tax payments if the asset is sold in the future. In The Netherlands, the Group benefits from the FII regime for Dutch corporation tax purposes that caters for an effective tax rate of 0% on the investment profits realised on virtually the Group's entire investment portfolio and, as a result, property valuations do not generally affect deferred tax liabilities.

Income

Rental income - The rental income from property investments let on the basis of operating lease agreements is recognised in the income statement evenly over time over the duration of the lease agreement. Rent-free periods, rent rebates and other rent incentives are reported as an integral part of the total net rental income, and are amortised over the life of the rent agreement until the first moment on which the lease agreement can be terminated. The suspense balance sheet items thus created are recognised under prepayments and accrued income relating to rent incentives, and are corrected to the fair value of the real estate investments concerned.

Rents are generally payable in advance and part of the rental payable is secured by means of bank guarantees or guarantee deposits. For a discussion of the credit risk on unsecured rent payments, see section "*Risk Factors – The Group is exposed to credit risk on rent payments from its tenants*".

Net result on sales of investments - The profits or losses on the sale of real estate investments are measured as the difference between the net sale proceeds and the book value of the real estate investments as of the last-published (interim) balance sheet.

Service costs not recharged - Service costs relate to the costs of gas, water and electricity, cleaning, security and the like, which on the basis of the lease agreement can be recharged to tenants. The service costs not recharged relate to costs in the event of vacant premises and/or other uncollectible service costs as a result of contractual limitations or service costs not recoverable from tenants. The costs and recharges are not separately recognised in the income statement.

Basis of consolidation

The consolidated financial statements include NSI's accounts and those of its subsidiary companies. Subsidiary companies are companies over which NSI exercises decisive control. There is a situation of decisive control if NSI exercises direct or indirect control over the financial and operating policy of the subsidiary. In the determination of the degree of control, potential voting rights that can be exercised as of the balance sheet date are taken into consideration. The financial statements of subsidiary companies are included in the consolidated financial statements from the date of commencement of a controlling interest until the date on which this ends.

Impairment

The carrying amounts of the Group's non-financial assets, other than property investments and deferred tax credits, are reviewed as at every reporting date to determine whether there are indications of impairment. If any such indications exist, an estimate is made of the recoverable amount of the asset. For goodwill and intangible assets with an indefinite life or which are not yet usable, an estimate of the recoverable amount is made on every reporting date.

The recoverable amount for an asset or a cash flow generating entity is the higher amount of the value in use, or the fair value less selling costs. When calculating the value in use, the net present value of estimated future cash flows is calculated by applying a discount rate before tax that reflects both the current market valuations of the time value of money and the specific risks relating to the asset.

NSI's tangible fixed assets do not generate separate cash flows. When there is an indication that a tangible fixed asset is subject to impairment, the recoverable amount is determined of the cash-flow generating entity to which the tangible fixed asset belongs. An impairment loss is recognised if the carrying amount of an asset or the cash flow generating entity to which the asset belongs is greater than the estimated recoverable amount. Impairment losses are recognised in the total result.

No impairment losses are reversed for goodwill. For other assets, impairment losses recognised in prior periods are assessed on each reporting date for indications that the loss has decreased or no longer exists. An impairment loss can be reversed if the estimates used as the basis for calculating the recoverable amount have changed, An impairment loss is only reversed in so far as the carrying amount of the asset is not higher than the carrying amount – after deducting depreciation or amortisation – that would have been determined if no impairment loss had been recognised.

Intangible assets

Goodwill - Goodwill is the difference between the acquisition price of an acquired subsidiary company and the fair value of the identifiable assets and liabilities of the acquired subsidiary company. Negative goodwill is reported in the total result statement. After inclusion in the balance sheet, goodwill is reported as an intangible asset and valued at cost price, less any impairment losses. Goodwill is assessed for impairment loss annually, or in the interim if there is reason to do so.

Capitalised software - Development and implementation costs relating to purchased and/or developed software are capitalised on the basis of the costs of acquisition of the software and taking it into operation. The capitalised costs are written off over the estimated economic life (10 years).

BUSINESS

Introduction

This section provides for a stand-alone description of the current businesses of NSI and of VastNed O/I and a market overview. As a consequence of the Merger, the business of NSI will change. For a discussion of the changes, see section "*Merger – Creating a leading Dutch mixed real estate company*".

Business NSI

Overview

NSI is one of the leading property investment and management firms in The Netherlands. Focus of the investments lies in The Netherlands and Switzerland. The company's portfolio mainly comprises offices and retail properties. On 31 December 2010, NSI owned and managed a portfolio of shops, small office buildings and governmental buildings in two countries valued at approximately €1.4 billion. This portfolio resulted in an annual gross rent of €103.2 million and an annual direct investment result of €52.4 million.

NSI is a Dutch real estate investment company with a variable capital structure and operates under license of the AFM as an investment company under article 2:67 (1)(b) of the FMSA. As of 8 August 1995, NSI is subject to supervision by the AFM and DNB.

NSI qualifies as an FII for purposes of Dutch corporation tax. NSI Ordinary Shares are listed on Euronext Amsterdam. NSI's Ordinary Shares are incorporated on the ASCX (SmallCap)-index, de Global Property Research (GRR)-index and the European Real Estate Association (EPRA)-index.

NSI has its corporate seat (*statutaire zetel*) in Hoorn, The Netherlands, and its principal place of business at Kruisweg 661-665, 2130 KA Hoofddorp; NSI is registered with the trade register of the Chamber of Commerce under number 36040044.

NSI has the following subsidiaries, in each of which it holds 100% of the shares:

- NSI Bedrijfsgebouwen B.V.
- NSI Beheer B.V.
- NSI Development B.V.
- NSI Hoorn B.V.
- NSI International B.V.
- NSI Kantoren B.V.
- NSI Management B.V.
- NSI Monument B.V.
- NSI Volumineuze Detailhandel B.V.
- NSI Winkels B.V.
- NSI Woningen B.V.
- NSI Luxembourg Holding S. à.r.l.
- NSI Switzerland S. à.r.l.
- Nieuwe Steen Investments (Swiss) AG
- Nieuwe Steen Investments (Swiss) II AG
- Nieuwe Steen Investments (Swiss) III AG
- Nieuwe Steen Investments (Swiss) IV AG
- Nieuwe Steen Investments (Swiss) V AG
- NSI Management Switzerland GmbH

Recent developments

At NSI's annual general meeting of shareholders held on 27 April 2011, all proposed resolutions in respect of the adoption of the annual financial statements for 2010, the adoption of the final dividend distribution over 2010 as well the granting of discharge to the NSI Management Board and the NSI Supervisory Board for their respective responsibilities in respect of the financial year 2010, were adopted.

History

NSI was incorporated by notarial deed executed on 25 August 1992. NSI was granted a license to act as an investment company under the predecessor of the FMSA by the Dutch Central Bank (*De Nederlandsche Bank*) on 8 August 1995. This license was renewed on 13 July 2006 (article 2:65(1b) of the FMSA). The NSI Ordinary Shares are listed on Euronext Amsterdam since 3 April 1998. Until 2008, NSI invested exclusively in properties located in The Netherlands. NSI made its first foreign investment in 2008 in the form of real estate investments in Switzerland.

Operational activities

NSI has a strong focus on creating return for both its shareholders and its tenants. NSI's principal objective is to offer a continuous return to shareholders in the form of sustainable growth of the direct investment result per Share. NSI's dividend policy is to distribute more or less the entire direct investment result to shareholders on a quarterly basis. In an operational context, NSI tries to reach these goals through a number of activities.

The first operational activity is asset management, which means the acquisition and disposal of properties, including market analysis and hold/sell analysis. NSI does not invest in all types of real estate. NSI believes that specialisation and focus are essential in order to realise the best possible return from a real estate portfolio. NSI has therefore decided to concentrate on retail and offices: a combination of stability (retail) and opportunities (offices). With its retail portfolio NSI aims to create a platform for stable rental income and to offer the possibility to create additional value through extension, redevelopment and pro-active management. In the more volatile office market the objective is to create value by pursuing an active hold/sell policy.

The second and probably most important operational activity is property management. Property management encompasses both the commercial leasing department as well as the technical department. These departments are in a constant dialogue with the tenants (and potential tenants) to deal with the desires of the (potential) tenants and to make sure that the properties are in the best possible technical condition. Main focus point is the reduction of the vacancy rate through a sophisticated system of pipeline management.

Finally, the third operational activity is the construction & development department. This department is responsible for locating and creating added value in the portfolio. The activities range from the realisation of expansion opportunities in existing shopping centres or offices – in order to be able to provide a client with a tailor-made solution – to the complete revitalisation of existing locations. Sustainability is a key item in the operational activities of the construction and development department.

These operational activities are supported by a small staff of control & administration and legal affairs, HR, and PR employees.

NSI pursues a growth strategy. As indicated in its 2010 annual report, in the next three to five years, NSI intends to increase its portfolio to approximately €2.5 billion, which intention is, amongst others, illustrated by the Company's entering into of the Merger. There are well-founded reasons for this strategy. Growth is necessary because NSI wishes to generate increasing returns over the long term. NSI holds the view that size offers certain advantages regarding economics of scale, cost efficiency and business power.

It is ultimately to the benefit of the shareholders of NSI if tenants can successfully operate their businesses partly as a result of the premises that NSI can offer. NSI strives to cement relationships with existing and potential tenants by taking on the role of housing consultant. NSI intends to do more than simply offer floor space to let. NSI assists its tenants by considering how much space they need, what type of premises is best suited to their business, how sustainably they wish to operate, and what facilities they need. By doing this NSI and its tenants become interdependent and the success rate of finding new tenants is increased, both with the objective to increase rental income.

Furthermore, a larger portfolio might make it possible to purchase larger properties without negatively affecting the risk profile and a broader portfolio might also increase the diversification of risk. The rule applied by NSI holds that the purchase price of a single property should not exceed 5% of the total portfolio price. An increase in scale might also lead to more efficient portfolio management, funding and procurement of products and services.

For NSI, diversification of investments has always been one of the foundations of the Company’s results and risk profile. Diversification results from both investing in various real estate categories and across regions and countries. Diversification across a large number of tenants is also important for the continuity of the results. In combination with the diversification across the various real estate categories, NSI can avoid a situation in which rental income depends too heavily on one category in the rental market in the event of an economic downturn.

Key strengths

NSI believes that its key strengths comprise of:

- *Sizeable mixed portfolio*

  NSI has a sizeable EUR 1.4 billion as per 31 March 2010 mixed portfolio mainly consisting of offices and retail properties. The scale and mix of its portfolio offer NSI and its shareholders an optimal diversification of risk. While the scale of NSI's portfolio provides a recognisable profile and proposition towards larger tenants requiring solutions consisting of multiple properties, the mix between offices and retail properties provides a balance between more stable, defensive retail properties and more cyclical, higher-yielding offices. The competition in retail is relatively high, resulting in relatively low yields, but the stable character of this type of properties results in a high occupancy rate and constant cash flow. The yield in offices is higher as a result of its more direct relationship with the economic climate. Benefitting from its retail base, allows to actively anticipate the property cycle by buying and selling offices at the right time and exchanging them for a lower or higher exposure in retail. This offers NSI and its shareholders an optimal balance between stability and yield.

- *Full Dutch coverage with concentration in Randstad area*

  NSI has a portfolio of properties located across the Netherlands, with offices mainly concentrated in the Randstad area and other local growth centres. The full Dutch coverage offers tenants a broad offering and enables NSI to service tenants looking for multiple locations or to accommodate tenants looking to move their office to another location. Thereby tenants also benefit from NSI's regional focus, inroads and know-how. As the Randstad and other local growth centres are considered to be best positioned for economic activity and future growth, NSI puts its main focus on these areas resulting in the majority of Dutch rents being generated in there.

- *Strong and diversified tenant base*

  NSI has a strong and well-diversified tenant base with limited sector concentrations and strong focus on attractive loyal small and medium enterprises and government-linked institutions. The well-diversified portfolio of small and medium enterprises has a strong local/regional character and is characterized by underlying variations in duration and size of lease agreements. The select number of government-linked institutions constitutes a reliable tenant group with relatively large parties and characterized by long-term contracts. NSI's well-spread regional portfolio makes it the ideal partner for many local governments. The large company tenants support NSI's profile and provide further diversification, while being characterized by relatively long-term contracts.

- *Access to capital markets*

  NSI's size and positioning are considered to offer direct access to capital markets thereby enabling the funding of potential future growth by equity and/or debt instruments. NSI has an established track record of successfully raising capital, including the issue and placement of EUR 55 million in shares (9.99% of the outstanding shares) in 2010 and the refinancing of approximately EUR 400 million of debt in 2010.

Strategy

NSI aims to create a sustainable and increasing return for private and institutional investors by investing in high-quality offices and retail that offer tenants business accommodation that enables them to run their businesses successfully.

Business strategy

The key elements of NSI's business strategy are the following:

- *Value-added housing advice*

  Instead of being purely focused at straightforward renting out of square meters, NSI aims at optimizing its relationship with tenants by providing them with a broader service concept focusing on tailored housing advice. NSI takes a pro-active stance and thinks along with its tenants on the amount of surface, the facilities and the usage concept needed. This approach offers maximum service to tenants and increases the impact of NSI on the choice of tenants with the aim to increase the retention rate of current tenants and the success rate with new tenants, maximizing occupancy and rental income.

- *Focus on geographically diversified growth*

  NSI aims at geographically spreading its portfolio risks by realising European growth of its portfolio. International growth opportunities will however be compared to Dutch growth opportunities and only preferred when bringing clear merits. Currently, NSI's portfolio is located in the Netherlands and Switzerland. The entrance on the Swiss market in 2008 has proven successful based on the direct investment results realised and the economic stability in this country.

- *Focus on mixed portfolio*

  In the long term NSI has the goal of investing approximately 50% of its portfolio in retail and 50% in offices. This mix offers a balance between the defensive character and relative stability of retail properties and the cyclical character and relatively high yields of offices. With respect to retail, NSI will aim at properties with a surface area of at least 10,000 m^2 located throughout The Netherlands and Switzerland. With respect to offices, NSI focuses primarily on the Randstad area and other local growth centres. Residential and smaller industrial properties are not considered part of the focus anymore and will be divested in due course.

- *Active management and value creation in the portfolio*

  NSI targets value creation within the existing portfolio by investing in properties already owned, where necessary (re)developing these properties and by pursuing an active acquisition and disposal policy. The (re)development approach includes expanding retail properties, improving the profile of offices and retail properties, restructuring properties, investing in sustainability and more, all with the aim to increase satisfaction of tenants and secure maximum rental income. The active acquisition and disposal policy aims to optimally anticipate the property cycle and monetise active management achievements. NSI's recently established construction and development department plays a key role in active management and value creation and makes it possible to provide innovative solutions and act fast and effectively.

- *Focus on sustainability*

  NSI considers sustainability as one of its strategic priorities as sustainable investments in properties will result in lower variable costs (e.g. electricity, heating, lighting, cleaning) for tenants and thereby improve NSI's positioning and possibilities on tenant retention. In this perspective, NSI provides scans of energy usage and advice with respect to the potential of sustainable property adjustments.

See section "*The Merger - Key strategic principles of the Combined Group and implementation"* for a description of the key strategic principles of the Combined Group.

Financial strategy

The key elements of NSI's financial strategy are the following:

- *Conservative leverage*

  NSI targets a near-term loan-to-value of below 55% and a medium-term loan-to-value of below 50%. It considers a variety of deleveraging options, such as active portfolio management, disposal of assets and capital market transactions to achieve these targets. With respect to its interest-bearing debt, NSI aims to hedge the interest rate risk for at least 80% of the outstanding amount by making use of fixed-rate debt or interest-rate derivatives.

- *Limiting currency risk*

  NSI aims to limit currency risks by its geographic focus on the Eurozone. In case of occurrence of currency risk NSI aims to limit the exposure by carefully tuning assets and liabilities on the one hand to income and expenses on the other hand.

- *Providing transparent dividend*

  NSI's dividend policy aims at distributing nearly the entire direct investment result in cash to its shareholders by means of quarterly dividend payments.

See section "*The Merger - Key strategic principles of the Combined Group and implementation"* for a description of the key strategic principles of the Combined Group.

Profile of a typical investor

NSI's investments are diversified in asset classes (offices, retail and others) and geographically (The Netherlands and Switzerland, but also within these countries. Due to this diversified profile, NSI attracts a wide range of investors. NSI is attractive for an investor who wishes to invest in a closed-end investment company whose objective is to provide investors with a stable dividend and the potential for long-term capital appreciation from investing in offices and retail properties.

Overview of the Portfolio

NSI predominately invests in offices and retail in The Netherlands and Switzerland. Besides these core segments, NSI owns a number of residential and industrial properties. On 31 March 2011, NSI's real estate portfolio was as follows:

	Number	**Lettable m^2**	**Theoretical Annual Rent**	**Occupancy rate %**	**Market value**
			(x €1000)		
Retail	50	323,189	48,872	95.7%	661,447
Offices	86	408,281	61,225	86.3%	634,451
Industrial	11	77,961	5,122	86.9%	49,675
Residential	96	n.a.	725	n.a.	9,770
Total	**243**	**809,431**	**115,944**	**90.1%**	**1,355,343**

The Netherlands

On 31 March 2011, the Dutch portfolio represented to 92% of the total real estate portfolio. In The Netherlands, NSI's objective is to continue to invest in retail and offices. In retail, NSI's objective is to focus mainly on neighbourhood shopping centres for daily shopping needs with an area of between 5,000 m^2 and 20,000 m^2, located anywhere in The Netherlands.

With regard to offices, NSI aims to concentrate its investments on the "Randstad" area in The Netherlands (Amsterdam, Rotterdam The Hague, Utrecht and adjacent areas). In the large cities these offices are generally located outside the main business district, however at locations of sufficient quality and interesting for (potential) tenants. Outside the large cities, NSI's offices may also be located in the main business districts.

Retail - Retail real estate and shopping centres are an important part of NSI's real estate portfolio. This sector is seen as a strong investment category that retains its value. The location characteristics of retail real estate are important, including the catchment area served. The sector of peripheral and large-scale retail is experiencing difficulties as a result of declining consumer spending, and NSI if necessary will be temporary solutions in consultation with its tenants. Based on market value, Retail amounts to 47% of the total portfolio as per 31 March 2011.

Offices - Offices real estate rental income incurs a delayed effect from the economic downturn. In 2009, many companies postponed their expansion plans, abandoning their search for new premises and decided to remain in their current accommodation. In the more transparent rental markets in the large urban areas, NSI's experience is that there will always be demand. The demand is expected to come from companies looking for smaller premises and/or a better building or location. Based on market value Offices amounts to 49% of the total portfolio as per 31 March 2011.

Industrial - The proportion of industrial real estate in NSI's portfolio is limited. The Company does not consider this category to be a core activity and expects to divest these properties in due course. Based on market value Industrial amounts to 3% of the total portfolio as per 31 March 2011.

Expansions and redevelopment - NSI wishes to create value within its portfolio. This involves active portfolio property (re)developments, including extensions (for instance of retail outlets and supermarkets) in close consultation with the tenants, upgrades and preservation works on office buildings and shopping centres. This with the objective to generate higher rental income and increase property values.

Switzerland

In 2008, NSI made its first acquisitions in Switzerland with a value of around €100 million. At that time, management of the properties was outsourced. In 2009, NSI set up its own management organisation in Switzerland. NSI holds the view that property investments only receives the appropriate attention if one relies on its own management organisation and team. NSI is now in a position to offer a higher service level and to improve the quality of these properties. The first results are encouraging, with a decline in vacancy in both offices and retail. In Switzerland, NSI will mainly concentrate on retail.

Tenant profile

The retail portfolio mainly consists of smaller retail clients and national chains. In total the retail tenant group represents 42% of NSI's theoretical rent (as per 31 March 2011). The office segment is a diversified tenant group consisting of both small business service firms, semi-government bodies and large-corporate clients. In total the offices tenant group represents 53% of NSI's theoretical rent (as per 31 March 2011). The minor segments, industrial and residential, represent in total 5% of the theoretical rent (as per 31 March 2011) and mainly consist of clients active in the logistics sector area and private residential clients. These are however not considered as core client groups.

Leases and occupancy

NSI leases its real estate investments on the basis of operating leases with various maturities. The lease specifies the area, the rent, the other rights and obligations of the landlord and the tenant, including notice periods, options to extend the rental period and provisions relating to service costs. In general, the rent is indexed during the life of the rental agreement on an annual basis.

The occupancy level in the entire portfolio as per 31 March 2011 amounted to 90.1%. Occupancy levels per sector were: 95.7% in retail, 86.3% in offices and 86.9% in industrial premises. Besides the extension of existing leases, NSI has also been able to attract new tenants.

Material contracts

Other than the financing agreements described in "*Operating and Financial Review – Liquidity and capital resources – Indebtedness*" the Group is not party to agreements that are material to it outside the ordinary course of business.

Environmental matters

Corporate social responsibility

NSI's social responsibility is reflected in the fact that its buildings always form part of the built-up area and, as such, have a function in and for that environment. The most obvious example of this is the neighbourhood shopping centre, which not only serves to meet the everyday needs of local residents, but is also a meeting place and often ensures social security. On the basis of this concept, NSI takes an active interest in these centres with a view to the parties involved, e.g. shopkeepers, municipalities and residents' associations. Through such collaborations, NSI obtains a better shopping centre, which yields a higher return, both in the long and short term.

In 2010, the attention for sustainability only increased further. For instance, as from 1 January 2010, the central government will also tailor its purchasing policy to this theme. This trend can also be seen in semipublic institutions and private enterprises. An example of this is the collaboration between parties in the Dutch Green Building Council.

NSI is working on product improvement. NSI considers sustainability as one of the most important success factors in the real estate sector. By giving corporate social responsibility a prominent place, professionalism and entrepreneurship is linked – in a single effort – to NSI's social responsibility and its role in society, the reduction of the demand for energy and the use of scarce raw materials.

Objectives

NSI endorses the general objectives of the Association of Institutional Property Investors in The Netherlands, which largely concern the reduction of the vacancy rate and the preservation of the existing supply. The balance approach is used when new commercial real estate is purchased. Moreover, the positive and negative effects on the sustainability of the entire stock of offices are considered in investment decisions.

Furthermore, the user (in the case of NSI, the lessee) must be involved in the preservation of the building which it uses. This is done, for example, by informing the lessee about the opportunities which the lessee and lessor have for investing in sustainable solutions.

Specific objectives within the scope of sustainability are:

- To realise annual energy savings of on average 3%. NSI will therefore try to exceed the government objective of 2% per year.
- A CO2 reduction of 30% in 2020.
- To increase the share of sustainable energy to at least 20% in 2020.

Approach

The topic of sustainability is embraced by the entire NSI organisation. The employees who have to deal with the purchasing cycle through the lease, maintenance and (re)development of property are convinced of the importance of sustainability. This issue is felt to go beyond departmental interests, and is dealt with as such. NSI has all the ingredients to make this a success: proactive property management with attention for the lessee, the realisation that value can be added through preservation in combination with redevelopment and expansion and knowledge development in collaboration with market players and strategic partners, such as the Technical University Delft. NSI is a member of the Dutch Green Building Council, the Existing Buildings Advisory Group and the BREEAM consulting group.

Activities in 2010

The following activities were carried out in 2010:

With regard to NSI's business operations

- The carbon footprint of the NSI organisation was analysed in order to identify an objective reference point for the objectives that have been set.

- The head office which NSI took into use in December was upgraded from energy label G to energy label A, with the following results: 16% sustainable energy production, 40% lower power consumption and 60% CO_2 reduction.

NSI has recruited a staff member who will focus on the further implementation and professionalisation of the sustainability policy, and on rendering the portfolio sustainable.

- Several staff members are being trained to become BREEAM experts. BREEAM is an abbreviation of 'Building Research Establishment Environmental Assessment Method' and is an internationally accepted benchmark tool and sustainable certification standard, especially adapted for use in the Netherlands.

Property management

- In 2010, quick-win analyses of ways of saving energy were made in several locations, on the basis of which, in consultation with the lessee, improvement measures were implemented. The costs involved can often be recovered within the current lease term.

- In collaboration with lessees and market players, a number of pilot projects with LED lighting in offices were carried out. This resulted in comfort enhancement, energy savings and a CO_2 reduction by more than 50%. Talks are currently being held with several lessees to also introduce LED lighting in the buildings they lease.

- Energy management takes place at the portfolio level. Electricity and gas are purchased centrally from Eneco, the greenest (large) energy supplier of The Netherlands. Because almost all the electricity connections in the NSI portfolio are gauged digitally, the power consumption can be actively monitored. Every month, the energy consumption of the portfolio is compared to benchmark information. This allows buildings that obtain substandard scores to be identified.

- NSI concluded an agreement for the carbon-neutral disposal and treatment of waste.

Activities in 2011

In addition to continuing the activities which took place in 2010, the following activities will be carried out:

- A number of locations will be provided with ecological and environmentally friendly roofing materials, such as green roofs, which ensure CO_2 reduction, absorb fine dust, buffer rainwater and provide users with a pleasant view, and roofing material which consists of 100% recycled bitumen and contains constituents which, under influence of ultraviolet radiation, convert dangerous substances in the outside air into environmentally friendly salts that are drained off with rainwater.

- All the long-term maintenance plans of NSI will be examined for sustainability aspects, and will be amended if needed.

- NSI will examine the sustainability of the business operations of suppliers and contractors with said suppliers and contractors, and it will be agreed upon that they will be ISO 14001-certified within two years.

The ultimate aim of the actions described above is to create differentiation with respect to competing real estate and to increase NSI's acquisition power, so that added value is achieved at both user level and in terms of the investment value of NSI's sustainable portfolio.

Organisational Structure

On 31 December 2010, NSI had a total of 45 employees (40 fte) in The Netherlands and Switzerland. Apart from staff management, the Management Board and the Supervisory Board, the organisation is geographically organised. There are two main divisions, one for the Dutch assets and one for the Swiss assets. Each division has two departments, one responsible for Asset management and one for Portfolio management. The Dutch division also has a Corporate Social Responsibility department and a Construction & Development department.

The Management Board consists of two persons; Mr. J. Buijs as managing director and Mr. D.S.M van Dongen as financial director. The Supervisory Board consists of Mr. H. Habas (Chairman), Mr. A.P. van Lidth de Jeude, Mr. H.J. van den Bosch and Mr. G.L.B. de Greef. See section "*Management and Employees*".

As a consequence of the Merger, the organisation structure of NSI will change. For a discussion of the changes, see section "*The Merger – Corporate governance and organisation of the Combined Group*".

Risk Management

NSI has a long-term investment strategy for its real estate investments and actively monitors the risks arising from this investment policy. Based on this investment strategy the company has identified three main risks: Strategic, Operational and Compliance risks.

To reduce strategic risks, NSI formulates five year business plans which are discussed with and approved by the Supervisory Board. Furthermore, the company limited investments to two core countries with an overall equal mix between office and retail estates.

Mainly the asset management, property management and financing activities are exposed to operational risks. The Asset management department monitors and manages the effects of operational risks via investment analysis modelling and quarterly revaluations of the real estate portfolio. Property management is, amongst others, exposed to expirations of contracts and insurance and technical maintenance risks. Finally, financial risk comprises, amongst others, interest rate and liquidity risks.

As a publicly listed company, NSI has to manage compliance risks in terms of legislation, ethics and integrity. Furthermore NSI has a description of its administrative systems to comply with the Dutch Financial Supervision Act.

Market Overview

The Netherlands

Economy

In 2010, the Dutch economy grew by 1.7%. The economy still encountered some negative effects from the crises in the first half of 2010 but growth accelerated throughout the year and amounted to 2.4% in the fourth quarter. Export was the main engine of growth. In the fourth quarter of 2010, export volumes of goods and services were 11.3% higher compared to the same quarter of 2009. In addition households spent 1.5% more in the fourth quarter of 2010, compared to a year earlier. The Dutch ten year treasury bond dropped below 2.4%' in the first months of 2010 and subsequently increased to 3.6% in the first months of 2011. Inflation amounted to 1.3% in 2010 which represents a 0.1% increase compared to 2009. The inflation is to a large extent the result of higher fuel prices for cars (information in this paragraph based on data CBS).

Real Estate

After the financing difficulties in 2009 as a result of the financial crisis, the positive trend regarding real estate transactions further improved in 2010. In a growing number of transactions, real estate prices improved. This applies to both retail and offices. While the transaction market has already recovered, the rental market is still under pressure of the economic downturn. In particular the office market is not expected to recover before mid 2011. The slightly improved occupancy rate must therefore not be considered as a reversal of the underlying trend, but it confirms that it is possible to obtain good results through an active rental policy even in difficult market circumstances.

In the last quarter of 2010, there were signs of recovery in demand on the Dutch property market. Investors have a more positive attitude and once again view real estate as a solid investment, providing protection against inflation. Structurally speaking, the market is still characterised by a growing divide between high-quality and low-quality real estate and between centre and periphery, whereby there is a shortage in the inner city and a structural oversupply in the periphery.

Despite the high vacancy rate in the Netherlands, there continues to be a large demand for high-quality real estate. In 2010, a record number of high-quality office space was taken up on the Zuidas (Southern Axis) in Amsterdam.

Sustainability was also a current topic in 2010. The Dutch real estate sector is still working on the official Dutch certification of existing buildings (BREEAM- in-Use). BREEAM is an assessment method for determining the sustainability of buildings. It contains a standard for a sustainable building and gives an indication of the performance level of a building.

Offices

The Dutch office market is a challenging market. In 2010, approximately 6.0 million m² of the total stock of 47 million m² was vacant. This amounts to 13.0%. '(source: DTZ Zadelhoff Research, Nederland Compleet; factsheets kantoren- en bedrijfsruimtemarkt, januari 2011). There was nevertheless a demand for high-quality office space. In particular, users expressed a demand for locations in and around stations. Present-day users of office space have a need for properties which are located in or around centres, or in areas which have a large number of facilities. In 2010, over 1.2 million m² (source: CB Richard Ellis, Market view Dutch Office Market Q1 2011) of office space was taken up. This is an increase of 12% (source: CB Richard Ellis, Market view Dutch Office Market Q1 2011) in relation to 2009.

The confidence among investors increased in 2010. Due to a number of positive factors, such as the availability of capital and low interest rates, investments increased in 2010 in relation to 2009. In 2010, a total of €2.1 billion (source: Jones Lang LaSalle, Dutch Capital Markets Bulletin) was invested in Dutch offices, an increase of 24% (source: Jones Lang LaSalle, Dutch Capital Markets Bulletin) when compared with 2009. Interest was largely focused on long-lease properties in top locations. The investment volume is expected to increase further in 2011.

Retail

In the fourth quarter of 2010, the retail trade generated 1.0% more sales than in the same period a year earlier. When compared with the previous year, the prices were 1.5% higher. The volume therefore decreased in relation to 2009. The sales figures do not as yet point to a clear recovery of the retail trade. In December, the retail trade hardly achieved a higher turnover when compared with the previous year. In December, retail outlets for non-food items sold even less than a year ago. However, supermarkets clearly achieved a higher turnover. The sales figures of December were positively affected by December 2010 having a better composition of days open for business than December 2009 had. When adjustment is made for this effect, the retail trade actually shows a sales contraction of approximately 1% (information in this paragraph based on data CBS).

Switzerland

Economy

The Swiss economy continued to perform well in 2010. With the exception of financial services, all relevant industries contributed to the growth of the Gross Domestic Product (GDP), which amounted to 2.7% (source: Wüest & Partner, Property Market Switzerland 2011.1) in 2010. However, the 2011 outlook is slightly less optimistic. The latest economic forecast published by the Federal Department of Economic Affairs (SECO) estimates a GDP growth of 1.5% (source: Wüest & Partner, Property Market Switzerland 2011.1) in 2011. Uncertainties with regard to the global economic recovery, the government debts in parts of the Euro zone and the strength of the Swiss franc still constitute a risk. In 2010, the value of the Swiss franc increased by more than 16% (source: BeleggersBelangen) in relation to the euro. This appreciation is largely caused by the unrest surrounding the national debts in the Euro zone. Overall the Swiss economy experienced limited negative effects from the more expensive franc due to the fact that the global economy recovered in 2009 and 2010.

Real Estate

Despite structural changes in the market and the competition between retail companies, the demand for floor space is not in line with increased supply. As a result, the Swiss retail real estate price index has shown a year-on-year decrease of approximately 4.0% (source: Wüest & Partner, Property Market Switzerland 2011.1) (as per the fourth quarter of 2010). In view of the large number of development plans for the expansion of the retail floor space in all the important centres, it is unlikely that construction work in the retail market will decrease. The less favourable prospects for sales in the retail trade in 2011 do not rule out a further downward pressure on the average rents. The downward pressure on rents does not apply to floor space in top locations. Similar to the Swiss A1 office market, rents of first-class retail spaces are increasing.

Competition

NSI has identified the following listed peers in the retail and offices real estate markets: Corio, VastNed O/I, Wereldhave, VastNed Retail and Euro Commercial Properties. These peers are similar to NSI in terms of activities, though differ on size, and country and segment exposure. Besides these listed peers, there are numerous landlords (either private individuals or smaller groups) of commercial real estate that are competitors of NSI.

Business VastNed O/I

Overview

VastNed O/I makes long-term investments in a property portfolio with healthy occupancy levels, consisting of offices and semi-industrial properties, exclusively in the euro zone. At year-end 2010, the investments were concentrated in the three core countries: The Netherlands, Belgium and Germany. Broken down by these countries, the composition of the total property portfolio is as follows at year-end 2010: 42% in The Netherlands; 48% in Belgium and 10% in Germany.

At year-end 2010, VastNed O/I's property portfolio, including the total real estate portfolio of Intervest Offices, had a value of €1,030.0 million (year-end 2009: € 1,076.9 million). Its portfolio consists of two business segments: office buildings and semi-industrial property. The portfolio of office buildings and semi-industrial property resulted in a gross rent of €78.3 million and a direct investment result of €25.0 million in the financial year 2010.

VastNed O/I is a closed-end property investment company with variable capital structure and operates under license of the AFM as an investment company under article 2:67 (1)(b) of the FMSA. As of 20 October 2006, VastNed O/I is subject to supervision by the AFM and the DNB. VastNed O/I qualifies as an FII for Dutch corporation tax purposes. VastNed O/I Ordinary Shares are listed on Euronext Amsterdam and are included in the Amsterdam AScX (SmallCap)-index and the European Estate Association (EPRA)-index.

The VastNed O/I group retains a 54.7% stake in Intervest Offices. The remainder of the shares in Intervest Offices are listed on NYSE Euronext in Brussels.

VastNed O/I has its registered office in Rotterdam, The Netherlands, and its principal place of business at K.P. van der Mandelelaan 43a, 3062 MB; VastNed O/I is registered with the trade register of the Chamber of Commerce under number 24265100.

Recent developments

Despite its focus on liquid office markets during past years, VastNed O/I is faced with a slow letting market caused by the economic climate. The fall in demand for office space due to the crisis is exacerbated by reduced demand due to teleworking and new additions to the existing office stock (Source: DTZ Zadelhoff v.o.f., Availability is ageing, 2010) . This has created a surplus, and consequently a highly competitive letting market with strong pressure on rent levels and greater risk of vacancy (Sources: DTZ Zadelhoff v.o.f., Availability is ageing, 2010; Dynamis B.V. Vastgoedconsultants en Makelaars, Sprekende cijfers kantoormarkten, 2011) . VastNed O/I is fighting back with an active letting policy and additional capital expenditures in its office properties, partly in the area of sustainability. In spite of this, in 2010 the occupancy rate of VastNed O/ I's property portfolio has fallen to 83% and like-for-like rent development was negative.

In 2010 VastNed O/I has concluded new leases with 118 new and existing tenants representing € 13.4 million, or over 13% of the annual rental income. Effective retention of tenants is important for the occupancy rate. In 2010, 64 tenants left, representing € 7.8 million in annual rental income, which was offset to a reasonable extent by € 5.5 million in leases with new tenants. All in all, at year-end 2010 the occupancy rate was 83%. A relative big portion of the vacancy relates to a few number of relatively bigger properties. The clear focus is on improving the letting chances of these properties, which hopefully will result in some positive letting results in 2011. On the logistic property market in Belgium, VastNed O/I starts to see positive signs as a result of the improved trade activity with upcoming countries like China (Source: King Sturge LLP, Belgian Industrial Markets, 2011). As a result VastNed O/I has started to see some positive developments on the letting of the logistic properties in Belgium (representing approximately 25% of the Belgium portfolio), which developments VastNed O/I is confident to benefit in 2011.

Property values also remained under pressure in 2010, although the write-downs were considerably lower than in 2009.

VastNed O/I group's Belgian subsidiary Intervest Offices successfully issued a bond loan in the amount of €75 million. This has reduced Intervest Offices' dependency on banks. Furthermore, the extension option in the syndicated financing of VastNed O/I of its Dutch and German property portfolios, totalling approximately €200 million, was exercised, increasing the maturity by one year to the middle of 2013.

On 25 February 2011, VastNed O/I and VastNed Retail N.V. agreed in principle to terminate their existing joint cooperation for the management structure through VastNed Management B.V. as of 1 January 2012 or as of an earlier date in the event of a change of control of VastNed O/I or VastNed Retail N.V. The desire to terminate the management cooperation was the result of the more focussed governance on a supervisory board level of the two funds since 2006 and of a growing need from today's market conditions for a fully focussed day-to-day management. VastNed O/I contributes €2.3 million to the estimated total costs for the transitional period. Such contribution will be fixed to that amount if the Merger is effectuated. The resolution of the VastNed O/I management board, approved by the VastNed O/I supervisory board (the "**VastNed O/I Supervisory Board**"), to terminate the management cooperation was approved by the general meeting of shareholders of VastNed O/I on 4 May 2011.

After the termination of the management cooperation, VastNed O/I and VastNed Retail N.V. will each have a separate management (board of management and supervisory board). In relation thereto VastNed O/I resolved to reorganise and rationalise the organisational structure of its group as future standalone entity. As part of this reorganisation VastNed O/I's direct and indirect interests in properties in the Netherlands and Belgium (through the interest in Intervest Offices) will be split off by means of a legal demerger to a newly incorporated wholly owned subsidiary within the VastNed O/I group. The demerger proposal was deposited with the Dutch chamber of commerce on 29 June 2011. It is expected that the demerger will be completed latest beginning of August 2011.

On 6 July 2011 VastNed O/I announced it had signed an agreement to sell its German office portfolio to alstria office REIT-AG in Hamburg (Germany). The total base consideration for the sale amounts to approximately €85.6 million. Dependent on coming leasing activity an adjustment on top of the base consideration can be made with a maximum of €0.6 million. The book value as per end of March 2011 amounts to €102.9 million. The closing of the transaction is subject to, amongst other things, receipt of certain waivers from VastNed O/I's financing banks. Closing of the transaction is expected to take place within the third quarter of 2011.

History

VastNed O/I N.V., founded in 1984, is a (closed-end) property investment company with variable capital that makes long-term investments in a well let property portfolio, consisting of offices and semi-industrial properties, in the euro zone. The shares have been listed on Euronext Amsterdam since 23 June 1989.

Below a summary is provided with important steps in the history of VastNed O/I:

1984
Foundation Vaste Waarden Nederland N.V.

June 23, 1989
First listing of Vaste Waarden Nederland N.V. on the Amsterdam Stock Exchange as an open-end property fund.

1990
Vaste Waarden Nederland N.V. changes into a closed-end property fund due to a loss of confidence in listed open-end property funds.

1995/1996
Vaste Waarden Nederland N.V. changes its name to VastNed Offices/Industrial N.V. due to the collaboration with VastNed N.V. and acquires one third of the shares in VastNed Management B.V. VastNed N.V. is renamed VastNed Retail N.V. in the context of the collaboration with Vaste Waarden Nederland NV. VastNed Retail N.V. retains two thirds of the shares in VastNed Management BV.

1996
Acquisition of the Dutch property portfolio of Irish Life.

1997
Acquisition of Pays-Bas Property Fund N.V.
Acquisition of a portfolio of private investors.

2000
Acquisition of the Verelst portfolio, taking VastNed Offices/Industrial N.V. into the Belgian and French property markets.

2001
Acquisition of a majority stake in the listed company Perifund CVA in Belgium by contributing the Belgian property of VastNed Offices/Industrial. The name Perifund is changed to Intervest Offices N.V.

2002
Merger of Intervest Offices N.V. and Siref N.V.; the new company takes on the name Intervest Offices N.V.

2002-2004
In a number of phases, VastNed Offices Belgium NV exchanges the larger part of its portfolio with Intervest Offices NV against shares.
The property portfolio in France is divested.

2006
VastNed Offices/Industrial sets its first step in the German office market by acquiring an office property in Medienhafen in Düsseldorf.

2008
VastNed Offices/Industrial acquires its fifth property investment in Germany and opens an office in Frankfurt.

Mission and strategy

VastNed O/I offers institutional and private shareholders an investment product that focuses primarily on offices and semi-industrial properties. By taking advantage of the cyclical office market in a dynamic fashion, it is possible to profit from the increase in rents and values when the cycle is on the rise. When there is a downturn in the cycle, the aim is to limit investors' exposure. VastNed O/I uses active management, including an active acquisition and sales policy, to turn the office market cycle to its advantage in order to realise a relatively high investment result over the course of the entire office market cycle. The strategy is assessed ongoing by the VastNed O/I Supervisory Board and the VastNed O/I Board and is reviewed to possible changing surroundings.

VastNed O/I aims to realise its objective by focusing on the following investment products and by using the following investment methodology:

- a mix of offices and semi-industrial property (logistics centres and business premises). The aim is to have between 80% and 100% of invested capital in offices and between 0% and 20% in semi-industrial property;
- investments in large, liquid office markets, whereby VastNed O/I currently focuses on the large liquid office markets in The Netherlands, Belgium and, previously, Germany;

- investments in office markets where the legal and fiscal arrangements are favourable;
- investments in semi-industrial property;
- a balanced risk-return profile for the investments;
- minimising the investment risk during downturns in the office market cycle through active management of the office portfolio, including an active acquisition and divestment policy, and;
- focus on an optimum spread within the property portfolio, using the following spread criteria: countries, regions, cities, number of tenants, number of properties, spread in categories, a limit to the size of properties and a limit to the size of individual tenants.

Operational activities

VastNed O/I is faced with the consequences of the difficult letting market for offices. VastNed O/I is fighting back with an active letting policy and additional capital expenditures in its office properties, partly in the area of sustainability. The development of the occupancy rate in 2011 will partly depend on VastNed O/I's success in letting the properties De Rode Olifant at Zuid-Hollandlaan 7 in The Hague and Park Office at K.P. van de Mandelelaan 41-43 in Rotterdam. In 2010 various actions were taken to further improve these properties' letting chances.

VastNed O/I pursues an active acquisition and divestment policy. New investment opportunities are constantly being assessed. Acquisitions are only made if the market conditions are favourable, the risk-return profile is balanced and the capital ratios allow the acquisition in question. A review is carried out at least once every year to identify the properties in the property portfolio that no longer satisfy the desired risk-return profile. This can lead to divestment in some cases.

VastNed O/I will, directed by its management team, primarily and even more actively seek to achieve a growth in the results per share by means of a combination of hands on asset management and an active portfolio management. Prime focus will be on investments in small and medium-sized offices and industrial premises located in The Netherlands. In addition, alternative investment assets in the Dutch market may be considered, to the extent the risk-return profile and cash generating characteristics have a similar profile to the ones of the primary focus of VastNed O/I.

The VastNed O/I boards are convinced that the financial crisis offers opportunities to acquire real estate portfolios from owners that are affected by substantial debt obligations. In order to effectively seek to realise such opportunities, first creating a strong balance sheet will be essential. VastNed O/I aims at a target LtV ratio between 50-55 % – a rule which may be departed from temporarily in connection with the acquisition of property and an interest rate qualifying as acceptable compared with the return on property. A hands on asset management and an active portfolio management will target to reduce the current LtV. In addition to the LtV target, renewed focus on controlling operational management costs and operating expenditure is to be implemented. VastNed O/I targets to gradually reduce its cost-income ratio in the medium term.

Moreover, the combination of consolidating real estate portfolios and more active asset management might result in a decrease of VastNed O/I’s average funding rate due to its larger size and lower risk-profile, considering a constant LtV ratio. In the assessment of such opportunities VastNed O/I adheres to location, quality, initial return and longer-term lettability standards.

Competitive strengths

Keeping the management of properties in-house is the best way of ensuring optimum leasing to creditworthy tenants and proper care for the state in which the properties are kept. By carrying out as many of the commercial and administrative management tasks as possible in-house, the company comes into direct contact with the tenants and the property market, enabling it to respond effectively to market developments and to manage operating expenses in a responsible fashion. Technical management is largely subcontracted to local specialists. Care is taken to ensure the properties are in an optimum state with an optimum value in relation to the returns for shareholders. This is done by carrying out maintenance and renovations on property investments in the portfolio and by selling properties that are no longer appropriate for the portfolio. The property markets in the different countries are subject to the legislation and regulations applicable in the countries in question. Local networks together with specialist knowledge of the local culture give the company the edge in the commercial operation of the properties. VastNed O/I aims to carry out its activities in the country itself wherever possible.

Overview of the Portfolio

The property portfolio mainly consists of office properties and to a lesser extent semi-industrial property; the latter comprises both small industrial buildings and large logistics centres. At year-end 2010, the total property portfolio in operation comprised 155 properties (year-end 2009: 163). The properties are located in three countries and constitute a total lettable floor area of 897,812 m2 (year-end 2009: 909,662 m2). The book value of the property portfolio at year-end 2010 was €1,030.0 million (year-end 2009: €1,076.9 million).

On 31 December 2010, VastNed O/I's real estate portfolio was as follows:

	Number	Lettable m^2	Theoretical Annual Rent	Occupancy rate %	Market value
		(x1,000m^2)	*(x €1,000)*		*(EUR million)*
Offices	122	533.0	81.1	82.3%	0.838
Semi-Industrial	33	364.8	17.6	86.8%	0.192
Total	**155**	**897.8**	**98.8**	**83.1%**	**1.030**

The Netherlands

At year-end 2010, 42% of the total property portfolio is located in The Netherlands and is characterised by a relatively large number of properties (91) and a large number of tenants (292). The portfolio's largest segment comprises offices (91%), while the remaining segment consists of semi-industrial properties (9%). The offices are medium-sized (averaging approximately 3,400 *m2*), while the semi-industrial properties are industrial buildings averaging approximately 4,000 *m2*.

VastNed O/I's objective is to realize a relatively high result over the course on the entire office market cycle for its investors by taking advantage of the cyclical office market by profiting from an increase in rent when the cycle is on the rise and by limiting the investor's exposure during a downturn with an active sales and acquisitions policy.

Offices

The portfolio's largest segment comprises offices (91%), the occupancy rate of the office segment was 80.3%. The key office markets in The Netherlands are located in the four major cities of the Randstad conurbation, namely Amsterdam, Rotterdam, The Hague and Utrecht. In addition to the four major cities, Eindhoven is also an important office market.

Projections are that the four major cities in the Randstad conurbation, with the exception of The Hague, will outperform the national average in terms of office employment. The effect of the government cutbacks is expected to be rather evident in The Hague. Eindhoven is expected to benefit from the key focus on technology and the related office jobs. The office market is mature and has also become far more cyclic (Source: CB Richard Ellis Inc., Dutch office market view Q3 2011, 2011) on the demand side after decades of structural growth in office employment. As a result, the current vacancy rate has partially assumed a structural character. The vacancy is concentrated in less favourably situated office areas, generally office buildings at the region's periphery and office buildings that no longer meet the requirements of today's office user (Source: DTZ Zadelhoff v.o.f., Availability is ageing, 2010). If the economic recovery persists and the level of development of new office space remains low, the office market could exhibit a degree of recovery in the more centrally located office areas, but then only in relation to those office buildings that have been adapted to meet the requirements of today's office user.

The investment market for offices is to a large extent affected by the tightness of the financing by banks. Property financing, especially for office buildings, is significantly more difficult to attract than before the financial crisis. The highly cyclical aspect of the office market, the relatively high vacancy rate (Source: Dynamis B.V. Vastgoedconsultants en Makelaars, Sprekende cijfers kantoormarkten, 2011) and the, for the time being, moderate economic growth play a major role here as well. The risk premium for office property increased as a result. For a number of investors, the increased risk premium was reason enough for them to once again enter into the investor's market for offices. The interest of investors in the office market is focused on prime offices on central locations with long leases (Source: DTZ Zadelhoff v.o.f., Availability is ageing, 2010).

Semi-Industrial

The proportion of semi-industrial real estate in VastNed O/I's portfolio is limited, it makes up 9% of the total property portfolio. The occupancy rate of the semi-industrial segment was 95.6% at year-end 2010.

The logistics market also suffered heavily from the declining economy, but recovered in 2010 due to the favourable location of The Netherlands in relation to the sizeable import and export flows to and from Europe. Especially the import and export from and to emerging countries has sharply risen in volume. The sharp improvement in trade flows is not going unnoticed by the logistics market. In contrast to the office market, the logistics market is much more of an early cyclical market. The improvement in trade flows quickly translates into the need for additional space. The projections for the coming years are positive, provided that the economic recovery persists.

In the past few years, VastNed O/I reduced the share of semi-industrial assets by divesting to user/occupiers.

Belgium

As at year-end 2010, VastNed O/I held a 54.7% interest in Intervest Offices, the company that holds almost all Belgian properties. The Belgian property portfolio comprises 59 properties and a large number of tenants (298). The portfolio’s largest segment comprises offices (69%), while the remaining segment consists of semi-industrial properties (31%). The offices are medium-sized (averaging approximately 5,700 m2), while the semi-industrial properties are logistics centres averaging approximately 16,900 m2. The larger average floor areas compared to the Dutch property portfolio can be attributed mainly to the fact that the Belgian office portfolio includes four properties that provide floor areas in excess of 10,000 m2 and the semi-industrial property portfolio consists primarily of logistics centres that, due to their nature, have higher floor areas than (Dutch) industrial buildings. The occupancy rate of the office segment was 80.3%

Offices

Belgium’s three important office markets are located along the Antwerp-Mechelen-Brussels axis, in which Brussels has the largest office market and is one of Europe’s larger office cities. Business sector offices are located mainly at the periphery of Brussels and, furthermore, primarily in Mechelen and Antwerp. In addition, along the axis to Antwerp, there is a large concentration of offices in Mechelen, a location that has developed strongly in the past decade and where many companies have opted to base themselves. Antwerp is now likewise further developing as an office market, mainly around the new station for the high-speed line (HSL). The city’s aim is to attract more European head offices.

There was a greater level of activity in the Brussels office market in 2010 than in 2009 and the market is benefitting from the presence of the European Commission in this respect (Source: DTZ Zadelhoff v.o.f., Property Times, European Logistics, 2011) . Due to the relatively high vacancy rates, the letting market is highly competitive and just like other office cities in Europe, the structural vacancy phenomenon is growing in office areas that are less favourably located and in office buildings that no longer meet today’s requirements. At year-end 2010 the occupancy rate of the Belgian office segment was 85.0%.

The logistics market also suffered heavily from the declining economy (Source: King Sturge LLP, Belgian Industrial Markets, 2011), but recovered in 2010 due to the favourable location of Belgium in relation to the sizeable import and export flows to and from Europe. Especially the import and export from and to emerging countries has sharply risen in volume. The sharp improvement in trade flows is not going unnoticed by the logistics market. In contrast to the office market, the logistics market is much more of an early cyclical market. The improvement in trade flows quickly translates into the need for additional space. The projections for the coming years are positive, provided that the economic recovery persists (Source: CB Richard Ellis Inc., The Belgian logistic market, 2011).

Semi-Industrial

Following a slow start in 2010, there was an increased level of activity in the logistics market in Belgium. This is happening at a point in time where the speculative construction of logistics properties is virtually at a standstill. This means that the vacancy rate in this market is in any case no longer growing (Sources: DTZ Zadelhoff v.o.f., Property Times, European Logistics, 2011; King Sturge LLP, Belgian Industrial Markets, 2011). The letting market is competitive and there was little change in this respect in 2010. The increased activity in the logistics market during the course of 2010 is in direct relation to the increased trade flows throughout the world and Belgium's favourable location within Europe (Source: King Sturge LLP, Belgian Industrial Markets, 2011). At year-end 2010 the occupancy rate of the Belgian semi-industrial segment was 84.0%.

Germany

On 6 July 2011 VastNed O/I announced it had signed an agreement to sell its German office portfolio to alstria office REIT-AG in Hamburg (Germany). Reference is made to "*Recent Developments*". At the date of this Prospectus, the German property portfolio, which comprises 10% of the total property portfolio of VastNed O/I, consists of five offices with a total of 39 tenants. At approximately 8,500 m2 on average per property, the offices are larger than the average size of the offices in The Netherlands and Belgium. Three properties are located in Dusseldorf and two in Frankfurt. Both cities qualify as major liquid office markets. The occupancy rate at year-end 2010 was 81.1% (year-end 2009: 84.4%). The average occupancy rate of the German property portfolio was 83.9% in 2010 (2009: 88.9%).

Offices

The major office cities in Germany are Berlin, Düsseldorf, Frankfurt, Hamburg and Munich (Source: DTZ Zadelhoff v.o.f., Property Times, European Logistics, 2011). These cities have strong regional functions, considerable international projection and are all major European office cities. The office-based services sector is well-represented in Düsseldorf and Frankfurt. The vacancy rate in Düsseldorf's centrally located areas is still relatively low. Nevertheless, vacancy rates in outer areas of this city are also high. Relative to the other four large office cities in Germany, Düsseldorf developed best following the crisis of confidence in 2008. It was the only city in Germany that saw an increase in its prime rent. This does not mean that letting conditions have significantly improved, however. The letting market in its broadest sense remains highly competitive. It does mean that, from the relative perspective of the general malaise in the office markets in Europe, Düsseldorf is doing relatively well (Source: DTZ Zadelhoff v.o.f., Availability is ageing, 2010).

The office market in Frankfurt in comparison is not doing as well and is suffering a great deal from the shocks endured by the financial sector. Frankfurt's vacancy rate is clearly higher than that of Düsseldorf's, also with respect to its more centrally located office areas. Too much office space has been built in Frankfurt and surrounding regions than needed to accommodate the projected demand from here on in. There is clear evidence of a structural vacancy situation in this city that is in fact affecting entire office areas (Source: CB Richard Ellis Inc., Dutch office market view, 2011).

Portfolio valuations

VastNed O/I's property portfolio is appraised four times a year. The larger properties with a value or anticipated value of at least €4.5 million make up approximately 75% of the property portfolio and are appraised each quarter by appraisers of international standing (see the overview of the 2010 Property Portfolio below). The smaller properties (€4.5 million or less) are appraised once a year by an external appraiser and spread across the quarters for this purpose.

Following the external appraisal, these properties are internally appraised in the subsequent three quarters with due consideration to the discernable trends in the external appraisals. VastNed O/I ensures that all relevant information is made available to appraisers to enable them to issue well-considered opinions. The valuation methodology is based on international appraisal guidelines (RICS Appraisal and Valuation Standards). Gains and losses from changes in fair value are recognised in the profit and loss account and affect VastNed O/I's net result.

Portfolio valuations – accounting principles

Investment properties are properties held in order to realise rental income, value increases or both. Investment properties are classified as investment properties in operation when they are available for letting.

Acquisitions and disposals of property available for letting are included in the balance sheet as investment properties or designated as sold at the time when the obligation to buy or sell is entered into by means of a signed agreement, at which time the conditions of the transaction can be identified unequivocally and any contingent conditions included in the agreement can no longer be invoked, or the chance that they will be invoked is small. Upon first recognition, the investment properties are recognised at acquisition price plus costs attributable to the acquisition, including transfer tax, property agency fees, due diligence costs, and legal and civil-law notary costs.

Investment properties are classified as investment properties under renovation at such time when it is decided that for continued future use, an existing investment property must first be renovated and as a consequence is no longer available for letting during renovation.

Investment properties in operation and under renovation

Both investment properties in operation and under renovation are stated at fair value, with an adjustment for any balance sheet items in respect of lease incentives. The fair value is based on market value (costs borne by the buyer), i.e. the estimated value at which an investment property could be traded at the balance sheet date between well-informed and independent parties who are prepared to enter into a transaction, both parties operating prudently and without duress. Account is taken of differences between market rent and contractual rent, operating expenses, vacancy, state of repair and future developments.

All investment properties in operation and under renovation are appraised at least once a year by independent, certified appraisers.

The valuation methodology is based on international appraisal guidelines (RICS Appraisal and Valuation Standards).

In order to present the fair value at the relevant balance sheet date in (interim) financial statements as accurately as possible, the following system is used:

- All investment properties in operation and under renovation with an expected individual value exceeding € 4.5 million are appraised externally every quarter. An extensive appraisal report is drawn up by the external appraiser once a year. The schedule for the extensive appraisals ensures an even spread across the quarters. In the other three quarters an update of the most recent extensive report by the external appraiser is considered sufficient.

- External appraisals of investment properties with an expected individual value of € 4.5 million or less are carried out at least once per year, evenly spread across the different quarters. The outcome of these appraisals (approximately 25% each quarter of all the investment properties with an individual value of € 4.5 million or less) is used to determine internally the fair value of the properties not appraised externally in that quarter.

- Reputation, independence and relevant experience with the location and the type of investment property are taken into account when selecting the external appraisers. In principle, the external appraiser for an investment property is changed every three years. The remuneration of the external appraisers is based on a permillage of the value of the properties to be appraised.

Gains and losses resulting from a change in the fair value of an investment property in operation or under renovation are entered in the profit and loss account under ‘Value movements investment properties in operation/under renovation’ in the period in which they occur. Profits or losses resulting from the disposal of an investment property are determined as the difference between the net income from disposal and the most recent published book value of the investment property. They are recognised in the period in which the disposal takes place and entered under ‘Net result on disposals of investment properties’.

Investment properties in pipeline

Investment properties in pipeline concern properties under construction or development for future use as investment properties in operation. During development or construction, all directly attributable costs necessary for preparing the property for letting are recognised as the cost price of the investment property. Overhead costs are not capitalised.

Financing costs directly attributable to the acquisition or construction of the investment property are capitalised as part of the cost price of the investment property. Capitalisation of financing costs starts at the time when the preparations for construction or renovation have started, the expenditure is made and the financing costs are incurred. Capitalisation of financing costs is terminated at the time when construction or development is complete and the investment property in pipeline is recognised as investment property in operation. For the determination of financing costs, a capitalisation percentage is applied to the expenditure. The percentage is equal to the weighted average of the financing costs of the interest-bearing loans that are outstanding during the period concerned, excluding loans specifically taken out in connection with the investment properties in pipeline. Financing costs relating to these loans taken out specifically are capitalised in full.

The property under construction or in development is recognised at fair value as soon as it becomes possible to reliably determine the fair value. A reliable determination of the fair value is considered possible once substantial development risks have been eliminated. Any differences between the fair value and the cost price applicable at that time are recognised in the profit and loss account under 'Value movements investment properties in pipeline'.

Depending on its extent, a revaluation loss or overvaluation may have a material adverse effect on the Group's financial condition and results of operations. See section "*Operating and Financial Review – Key Factors Affecting Results of Operations – Portfolio revaluations*", "*Risk Factors – The Group is exposed to the risk of revaluation losses with respect to its properties"* and "*Risk Factors – The valuation of the properties of the Group is inherently subjective and uncertain*".

Valuation Q1 2011

Based on the above mentioned valuation methodology, as of the end of Q1 2011 the appraisal value of the then most recent available valuations reports of the properties in operation and under renovation, can be split as follows over the different appraisers:

Total value of properties based on the most recent valuation reports per appraiser (x €1000)							
Periode	**NL**			**BE**		**DE**	**Total**
	CBRE	**DTZ Zadelhoff**	**Jones Lang Lasalle**	**Cushman & Wakefield**	**Jones Lang Lasalle**	**Jones Lang Lasalle**	
Properties > 4,5 mln and smaller properties valued in Q1-2011	138.290	-	148.860	340.400	159.964	103.000	890.514
Smaller properties valued in Q4-2010	25.570	12.015	10.570	n/a	n/a	n/a	48.155
Smaller properties valued in Q3-2010	11.300	15.410	15.100	n/a	n/a	n/a	41.810
Smaller properties valued in Q2-2010	9.005	21.565	11.910	n/a	n/a	n/a	42.480
	184.165	**48.990**	**186.440**	**340.400**	**159.964**	**103.000**	**1.022.959**

The bookvalue as of the end of Q1 of properties in operation and under renovation as shown in the balance sheet was as follows:

(x €1000)	
Properties in operation	1.005.474
Properties under renovation	4.120
Accrued assets in respect of lease incentives	11.805
	1.021.399

Reconciliation with the appraisal values:	
Total value as per most recent appraisal reports	1.022.959
Revaluation of smaller properties based on internal valuations	-/- 1.002
Reclassification of capital expenditure commitments	-/- 558
Bookvalue Q1 2011	1.021.399

The difference of EUR 1,560,000 between the aggregate portfolio valuation by the external appraisers as per the most recent appraisal reports compared to the aggregate portfolio valuation as per Q1 2011 is caused by (i) a revaluation of smaller properties based on internal valuations, and (ii) an internal reclassification of capital expenditure commitments in respect of the properties.

Set out below is an overview of VastNed O/I properties per country and per property appraiser.

Netherlands

Properties with a bookvalue higher than €4,5 million valued by CB Richard Ellis in Q1 2011

Zuid-Hollandlaan 7	Den Haag
K.P. van der Mandelelaan 41-43	Rotterdam
Karel du Jardinstraat 65	Amsterdam
Europalaan 28	Den Bosch
Anthony Fokkerweg 1	Amsterdam
Parkstraat 101-109	Den Haag
Neptunusstraat 15-37	Hoofddorp
Max Euwelaan 1	Rotterdam
Rivium Boulevard 41 / Rivium Westlaan 42	Capelle a/d Ijssel
Neuhuyskade 92-94	Den Haag
Hogehilweg 12	Amsterdam ZO
Koningin Wilhelminaplein 18	Amsterdam
Wegalaan 2-8	Hoofddorp
Weg der Verenigde Naties 1	Utrecht
Antareslaan 10-26	Hoofddorp
Hanzeweg 5	Gouda

Properties with a bookvalue higher than €4,5 million valued by Jones Lang Lasalle in Q1 2011

Arthur van Schendelstraat 650-698 and 700-748	Utrecht
Burg. Stramanweg 102-108	Amsterdam Zo
Europaweg 205	Zoetermeer
Cessnalaan 1-33	Schiphol-Rijk
Stationsplein 21	Goes
Fellenoord 310-370	Eindhoven
Beemsterweg 19	Almere
Lage Mosten 13-23	Breda
Eleanor Rooseveltlaan 29-51	Zoetermeer
Leidsegracht 101-107	Amsterdam
Plein van de Verenigde Naties 11, 15	Zoetermeer
Archimedesweg 17	Leiden
Larixplein 5-7	Eindhoven
Krijtwal 1-15	Nieuwegein
Lage Mosten 1-11	Breda

Smaller properties valued by CB Richard Ellis in Q1 2011

Herengracht 499	Amsterdam
Antareslaan 65-81	Hoofddorp
Arnhemsestraatweg 348	Velp
Montaubanstraat 1 / Utrechtseweg 135	Zeist
Van Houten Industriepark 23	Weesp

Smaller properties valued by Jones Lang Lasalle in Q1 2011

Leidsevaart 574	Haarlem
Bezuidenhoutseweg 2	Den Haag
Laan Copes van Cattenburch 48-52	Den Haag
Herengracht 105-107	Amsterdam
Oudezijds Voorburgwal 282	Amsterdam
Pelmolenlaan 1	Woerden
Albert Plesmanweg 161	Rotterdam
Parklaan 81	Eindhoven

Smaller properties valued by CB Richard Ellis in Q4 2010

Mr. E.N. van Kleffensstraat 10	Arnhem
Cosunpark 1-5	Breda
Veerhaven 16-18	Rotterdam
Eleanor Rooseveltlaan 3-25	Zoetermeer
Koraalrood 50	Zoetermeer
Volmerlaan 7	Rijswijk
Zinkstraat 1-11	Breda

Smaller properties valued by DTZ Zadelhoff in Q4 2010

Max Euwelaan 31-49	Rotterdam
Marconibaan 42-42o	Nieuwegein
Graafsebaan 109-111/Eikenburglaan 3-11	Rosmalen
Pampuslaan 141-145	Weesp

Smaller properties valued by Jones Lang Lasalle in Q4 2010

Roermondstraat 37001-37003/Deventerweg	Deventer
Anthonie van Leeuwenhoekweg 5	IJsselstein
Kokermolen 10-16	Houten
Zaagmolenlaan 12	Woerden
Dr. Hub van Doorneweg 81, 85 and 89	Tilburg

Smaller properties valued by CB Richard Ellis in Q3 2010

Luchthavenweg 34	Eindhoven
Paasheuvelweg 15	Amsterdam ZO
Plesmanstraat 2	Leusden
De Lairessestraat 129	Amsterdam
Touwslagerstraat 17	Ridderkerk
Ravenswade 134	Nieuwegein

Smaller properties valued by DTZ Zadelhoff in Q3 2010

Cosunpark 20-24	Breda
Groningenhaven 18-20	Nieuwegein
Hardwareweg 15	Amersfoort
Cairostraat 2-4	Rotterdam
Kruisweg 765 and 765a	Hoofddorp
Tijnmuiden 5 and 73	Amsterdam

Smaller properties valued by Jones Lang Lasalle in Q3 2010

Hoofdweg 22-26	Capelle a/d IJssel
Adelbert van Scharnlaan 170-180	Maastricht
De Molen 82-92	Houten
Hoedemakerplein 2	Enschede
Zuideinde 10	Barendrecht

Smaller properties valued by CB Richard Ellis in Q2 2010

Schipholweg 68	Leiden
Antennestraat 2-26	Almere
Archimedesbaan 10	Nieuwegein

Smaller properties valued by DTZ Zadelhoff in Q2 2010

Hettenheuvelweg 12	Amsterdam ZO
Hettenheuvelweg 41-43	Amsterdam ZO
Hettenheuvelweg 14	Amsterdam ZO
Hettenheuvelweg 37-39	Amsterdam ZO
Prinsessesingel 30	Venlo
Strekkerweg 79	Amsterdam
Prinsessesingel 20-26	Venlo
Herenweg 103a	Heemstede
Beeldschermweg 3	Amersfoort

Smaller properties valued by Jones Lang Lasalle in Q2 2010

Osdorperban 1-33	Amsterdam
Geerstraat 105-111	Heerlen

Belgium

Properties valued by Cushman &Wakefield in Q1 2011

Kontichsesteenweg 54	Aartselaar
Brusselstraat 59	Antwerpen
Uitbreidingstraat 66	Berchem (Antwerpen)
Berkenlaan 6	Diegem
Berkenlaan 8a	Diegem
Berkenlaan 8b	Diegem
Woluwelaan 148-150	Diegem
Pontbeekstraat 2	Dilbeek
Pontbeekstraat 4	Dilbeek
Prins Boudewijnlaan 49	Edegem
Prins Boudewijnlaan 47	Edegem
Prins Boudewijnlaan 45	Edegem
Terhulpsesteenweg 6a	Hoeilaart
Generaal de Wittelaan 9/3-4	Mechelen
Generaal de Wittelaan 9/5-8	Mechelen
Generaal de Wittelaan 9/9-17	Mechelen
Generaal de Wittelaan 11a	Mechelen
Generaal de Wittelaan 11b	Mechelen
Generaal de Wittelaan 15	Mechelen
Generaal de Wittelaan 17	Mechelen
Generaal de Wittelaan 19	Mechelen
Generaal de Wittelaan 21	Mechelen
Blarenberglaan 2c	Mechelen
Schaliënhoevedreef 20a	Mechelen
Schaliënhoevedreef 20b	Mechelen
Schaliënhoevedreef 20c	Mechelen
Schaliënhoevedreef 20d	Mechelen
Schaliënhoevedreef 20e	Mechelen
Schaliënhoevedreef 20f	Mechelen
Schaliënhoevedreef 20g	Mechelen
Schaliënhoevedreef 20h	Mechelen

Schaliënhoevedreef 20i	Mechelen
Schaliënhoevedreef 20j	Mechelen
Schaliënhoevedreef 20t	Mechelen
Nijverheidslaan 3	Strombeek-Bever
Nijverheidslaan 1	Strombeek-Bever
Luchthavenlaan 25a	Vilvoorde
Luchthavenlaan 25b	Vilvoorde
Luchthavenlaan 1-3	Vilvoorde
Woluwedal 18-22	Woluwe
Zuiderlaan 91	Zellik

Properties valued by Jones Lang Lasalle in Q1 2011

Dijkstraat 1a	Aartselaar
Kaaien 218-220	Antwerpen
Industrieweg 18	Boom
Walemstraat 94	Duffel
Stocletlaan 23	Duffel
Atealaan 34b	Herentals
Atealaan 34b	Herentals
Atealaan 34c	Herentals
Gustave Demeurslaan 69/71	Huizingen
Jan-Baptist Vinkstraat 2	Kortenberg
Dellingstraat 57	Mechelen
Oude Baan 12	Mechelen
Riyadhstraat 21 / 23	Meer
Preenakker 20	Merchtem
Veurtstraat 91	Puurs
Molenberglei 8	Schelle
Technologiestraat 11,15,51,55,61 and 65	Sint-Agatha-Berchem
Eigenlostraat 23-27a	Sint-Niklaas
Boomsesteenweg 801-803, Kernenergiestraat 70/Geleegweg 1-7	Wilrijk (Antwerpen)
Koralenhoeve 25	Wommelgem

Germany

Properties valued by Jones Lang Lasalle in Q1 2011

Kaistraße 16-18	Düsseldorf
Emanuel-Leutze-Straße 11	Düsseldorf
Insterburgerstraße 16	Frankfurt
Mainzer Landstraße 33a	Frankfurt
Hans-Böckler-Straße 36	Düsseldorf

Tenant profile

VastNed O/I leases its properties to a large number of tenants. The total number of tenants in terms of leases, excluding leases for parking spaces, was 629 at year-end 2010 (2009: 609 unique tenants). None of the tenants is so dominant that the volume of the rental income constitutes an unacceptable risk to VastNed O/I.

PricewaterhouseCoopers is the largest tenant in terms of theoretical gross rental income, as its share amounts to 4.5% of the total theoretical gross rental income. The top 10 tenants as at 31 December 2010 was built up as follows:

	Tenants	Theoretical gross rental income (in €m)	Theoretical gross rental income (in %)	GLA (in m^2)
1	PricewaterhouseCoopers	4.0	4.5	23,712
2	Deloitte	3.4	3.8	19,927
3	EDS	2.4	2.7	12,917
4	Victoria Versicherung	2.1	2.4	7,898
5	Fiege	1.0	2.2	43,796
6	ProRail	1.8	2.1	9,326
7	Tibotec Virco	1.7	1.9	9,749
8	Rijksgebouwendienst	1.7	1.9	11,247
9	PGZ Retail Concept	1.2	1.4	24,719
10	A.C. Nielsen	1.2	1.3	7,383

Leases and occupancy

A total of 118 new leases were concluded with tenants in 2010. Leasing activities can be divided into new leases and lease renewals. The first category encompasses the lease of spaces that have become vacant or that will soon become vacant to new tenants, while the second category concerns the conclusion of new leases with existing tenants. New leases were concluded in the three countries in which VastNed O/I operates at a gross top-line rent that, on average, was 4.4% lower than the previous rent level (2009: 9.6% below the previous rent level). Taking the lease incentives into account, the new leases were concluded at a level that, on average, was 14.4% lower than the previous rent level (2009: 16.6% below the previous rent level). The total volume of leasing activity amounted to €13.4 million in new or renewed leases. As a percentage of the theoretical rental income, this was 13.5% (2009: 15.8%).

The occupancy rate in 2010 stood under pressure. The average occupancy rate at year-end was 83.1% (year-end 2009: 84.3%). The occupancy rate of the total property portfolio in operation in 2010 averaged 83.0% (year-end 2009: 87.0%). Movements in the occupancy rate are largely determined by the balance of gross rental income derived from leases signed with new tenants and the gross rental income from the leases of departing tenants. In 2010, 73 new contacts with tenants were signed representing €5.5 million in gross rental income and 64 tenants departed representing € 7.8 million in gross rental income. The occupancy rate at year-end 2010 is calculated by dividing the year-end passing rent plus the year-end contractual rental income from vacant units which are already let but not yet physically occupied by the year-end theoretical rental income from the property portfolio as at year-end.

Financing/interest

In 2010, VastNed O/I in the context of improving its financing structure took steps to broaden its financing sources and extend the term of its financing. As a result, in 2010 VastNed O/I's subsidiary Intervest Offices issued a 5.1% fixed-interest-rate coupon bond loan in the amount of €75 million and VastNed O/I exercised an extension option of the syndicate financing of the Dutch and German property portfolios to extend the term of an amount of approximately € 200 million by one year to mid-2013.

With due consideration to the above mentioned transactions, the financing structure at year-end 2010 was as follows:

- a solvency ratio, calculated as equity plus deferred tax liabilities divided by the balance sheet total, of 41.4% (year-end 2009: 43.3%);
- a consolidated loan-to- value ratio of 54.4% (year-end 2009: 53.6%);
- a loan-to- value ratio based on the syndicate's definition of 59.4% (maximum permitted: 70%);
- the total interest-bearing debt amounts to €560.4 million;

- 89.9% of the outstanding debt is long-term with a weighted average term based on contract expiry dates of 3.1 years;
- in 2011 only €51.0 million in long-term debt expires;
- almost 43% of the outstanding debt expires in 2013;
- 84.9% of the outstanding debt has a fixed interest rate, primarily due to the use of interest rate swaps with a term to maturity based on interest rate review dates of 3.8 years;
- taking into account the agreed interest-rate swaps, the average fixed interest-rate at year-end 2010 was 4.8%;
- 15.1% of the outstanding loans had a floating interest rate and is benefiting from the currently low short-term interest rate;
- due to the historically low interest-rate curve at year-end 2010, a negative net value of €18.6 million was recorded with respect to the interest-rate swaps, and;
- the unused facilities amounted to € 122.9 million (of which € 90.1 million for Intervest Offices).

With a loan-to-value ratio at year-end 2010 and an interest coverage ratio in the last quarter of 2010, according to the definition of the syndicate, of 59.4% (maximum 70%) and 2.3 (minimum 2.0) respectively, VastNed O/I fulfilled the covenants of the syndicate. Intervest Offices does not form part of the syndicate financing facility but, with a loan-to-value ratio of 43% and interest coverage ratio of 3.7, it is well within the covenants of the current financing agreements.

Material contracts

Partnership agreement

There is a long-term partnership agreement between VastNed O/I, VastNed Retail N.V. and VastNed Management B.V., as well as a long-term agreement for the allocation of costs, in which mutual rights and obligations are laid down. These agreements at the earliest terminate on 31 December 2015 with a 2-year term of notice prior to this date. In case of notice on the part of VastNed O/I or VastNed Retail N.V. the party terminating the agreement will owe an amount equal to two times the applicable share of the costs incurred related to the common account during the second year of the period of notice. A further agreement contains specific change-of-control clauses, including the stipulation that if a public offer for VastNed Retail N.V. is honoured, VastNed O/I will be compensated for the consequences of the early termination of these contracts, and vice versa. At the end of 2007, certain points in this agreement were clarified by VastNed O/I, VastNed Retail N.V. and VastNed Management B.V. As part of this, the compensation to be paid by VastNed Retail N.V. or VastNed O/I was estimated at between € 10 million and €25 million.

At the end of February 2011, the VastNed O/I Supervisory Board and VastNed Retail N.V.'s supervisory board have resolved in consultation with VastNed Management B.V., as sole member of the boards of management of the funds, to terminate their collaboration and therewith to end both abovementioned long-term partnership agreements as well as the further agreement which contains specific change of control clauses with effect as of 1 January 2012, subject - inter alia - to approval from the general meetings of shareholders and approval of an agreed termination plan by the supervisory boards of the funds. The shareholder approvals were granted in the annual general meetings of the funds held on 4 May 2011. After termination, VastNed O/I will have an independent management board and management organisation. The costs of the termination – budgeted at €2.3 million for VastNed O/I – will be charged to the 2011 financial year. Arrangements were made between VastNed O/I and VastNed Retail N.V. for an accelerated termination of the cooperation in the event of a change of control of one of the funds. In such event no implementation plan of the termination will be necessary and approval of the implementation plan by the supervisory boards is no longer required. This means that the cooperation will end with immediate effect upon Completion. The contribution to the separation costs by VastNed O/I subject to the change of control will in such event be fixed at the amount of the advance payment of €2.3 million.

Environmental matters

Corporate social responsibility

VastNed O/I intends to organise and carry out its activities in a sustainable way, in order to mitigate the negative impact of its activities on the environment as much as possible. A sustainable, increasingly farther-reaching, economically responsible method of work is being introduced on a phased basis, in which the basic premise is the satisfaction of the tenant. The objectives VastNed O/I has set itself regarding sustainability are:

- having buildings in the letting market that are competitive in terms of sustainability;
- minimising the impact of the activities of VastNed O/I on the surrounding area, and;
- achieving above-average performance when set against sustainability benchmarks.

The applicable preconditions are as follows:

- the satisfaction of the tenant and shareholder in terms of every sustainability initiative undertaken, and;
- the implementation of sustainability measures should at the very least have a neutral effect on the projected long-term total return on investment of the property investment.

The main areas of focus and actions during the 2010 reporting year consisted of developing communications with all stakeholders, reducing the impact of VastNed O/I's activities on the environment, implementing performance measurement systems, and developing and implementing the sustainability policy in 2011 and subsequent years. Several of these areas are discussed below, and include the follow-up actions for 2011.

Communication with stakeholders

Communication with all VastNed O/I stakeholders, such as tenants, shareholders and employees took further shape during 2010 on the basis of various publications. Communications focused on shareholders were primarily effected via press releases and VastNed's magazine 'Behind the Façade'. The information on VastNed O/I's website has been significantly expanded. The further development of communication to all stakeholders concerning the area of sustainability has also been a key area of attention in 2011.

Reducing the environmental impact

VastNed O/I has started looking for renewable energy sources for supplying the electricity that it purchases for its tenants, by analysing the purchasing conditions of electricity suppliers on the one hand and by investigating opportunities for generating renewable energy at the site of the retail properties held in VastNed O/I's portfolio on the other. In addition to the focus on renewable energy sources, VastNed has implemented a number of sustainability initiatives for its own organisation.

Organisational Structure

VastNed O/I has operations in three core countries: The Netherlands, Belgium and Germany. Each core country has its own organisation, accommodated in a so-called country team. These teams have a considerable degree of independence, but operate within the framework of a clear 'VastNed Group vision'. There are regular meetings between the teams in the various countries about subjects that affect all the countries, for example developments in sustainability, changes to accounting principles, developments relating to property valuations and the rental and investment markets.

In 2010, the people working for VastNed O/I in The Netherlands were employed by VastNed O/I's 33% affiliate VastNed Management B.V., of which 67% is owned by its listed sister fund VastNed Retail N.V. This group of employees consists of 11 people which are fully dedicated to VastNed O/I (and will join the combination after the Merger). The board and staff members (approximately 18 Ftes) employed by VastNed Management currently work for both VastNed O/I and VastNed Retail N.V. As a result of the above mentioned termination of the management cooperation between the two funds, as of the Merger becoming effective these board and staff members will in principle remain within VastNed Management, with VastNed Management becoming a wholly owned subsidiary of VastNed Retail N.V. The Belgium and German country teams were employed by wholly owned subsidiaries of VastNed O/I (approximately 18 people/Ftes). VastNed Management employed 109 people in The Netherlands, Belgium, Spain, France, Turkey and Germany. The majority of the employees work in The Netherlands and Belgium. The current management board of VastNed Management, being the director of VastNed Retail N.V. and VastNed O/I, consists of five people: Mr. R.A van Gerrevink, Mr. T.M. de Witte, Mr. T.T.J de Groot, Mr. A.G.H. du Pont and Drs. W. Fieggen. The VastNed O/I Supervisory Board consists of four members, namely Mr. W.M. Steenstra Toussaint, Mr. H.W. Breukink, Mr. R.K. Jacobson and Mr. H.R. Porte. As a consequence of the Merger, the organisation structure of VastNed O/I will change. For a discussion of the changes, see section "*Merger – Corporate governance and organisation of the Combined Group*".

Risk Management

An important element of the internal risk management and control system is the totality of internal control measures and administrative and organisational procedures as set out in the administrative organisation handbook. This handbook meets the requirements of the Financial Supervision Act and associated regulations.

A key point in the area of risk management was the financing of the property portfolio. VastNed O/I in 2010 took action on this point on the basis of the abovementioned placement of a €75 million bond loan by its subsidiary Intervest Offices and by exercising at the level of VastNed O/I an option to extend approximately €200 million in loans by one year to mid-2013.

Furthermore, extensive attention was devoted to the current letting market to which VastNed O/I is presently exposed and the actions that can be taken in this context to increase letting opportunities and limit the risk of vacancies. In this context, a number of changes was implemented to the organisation and the letting policy in September 2010, under the direction of the newly appointed Director, Mr. de Groot.

A start was made in 2010 to carry out a number of additional internal checks concerning the existence and operation of internal procedures. In this context, in the second half of 2010, attention was devoted to maintenance and investment procedures. In addition to these issues, a number of important risks were addressed by the Board of Management as well as in meetings of the audit committee and VastNed O/I supervisory board in accordance with the annually adopted work plan.

Market Overview

The Netherlands

Economy

The Netherlands' strong focus on global trade once again is evident from the record figures achieved by the Port of Rotterdam in 2010 (Source: Havenbedrijf Rotterdam N.V., Annual report 2010). The strong development of the German economy in 2010, as well as the solid performance of the Scandinavian economies in this respect significantly counteracted the inferior state of affairs elsewhere in Western Europe. The 3.9% contraction of the Dutch economy in 2009 was followed by an economic recovery of 1.7% in 2010 due to the recovery of stock levels (Source: NYSE Euronext, 2011) and the strong recovery of world trade (Source: Eurostat 2011). Domestic demand barely contributed to economic growth. By far the most positive contribution to domestic demand originated from government. Consumer spending failed to contribute in 2010 (Source: Central Bureau voor de Statistiek, 2011). Growth in the coming years will be strongly impacted by the sizeable cutbacks on the part of government. It remains to be seen whether consumer spending can compensate for this. Economic growth will therefore primarily have to be driven by world trade. Only once the impact of these cutbacks has worked its way through the system can the Dutch economy once again resume a higher growth pattern. The size of the economy is expected to be back to 2008 levels in 2012.

Office employment in general is not expected to resume growth any time soon. After the crisis of confidence in 2008, many companies downsized their staff complements as a means of adjusting cost levels. Government's announcement that it will be forced to undertake significant cutbacks will impact office employment from 2010 onwards (Source: Dutch Government, Coalition agreement (*regeerakkoord 2010*), 2010). Assuming continued economic recovery, office employment is expected to exhibit only moderate growth during the initial upcoming years.

Belgium

Economy

The central focus of attention in Belgium is the political stalemate. The formation of a new government is dominated by the linguistic conflict between French and Dutch speaking citizens in the country. Holding new elections does not seem to offer a way out because the expectation is that the results would only serve to further sharpen existing contrasts. The current government can only act in an observing capacity and is unable to implement structural reforms designed to implement sustainable improvements in government finances. Until the present time, this has not really done the country any harm. The economy appears to be doing relatively well.

The Belgian economy shrunk by 2.7% in 2009 and is projected to grow by 2.1% in 2010 (Source: Eurostat, 2011). Prospects for the coming years also appear to be relatively good. The size of the Belgian economy could well reach 2008 levels by the beginning of 2012. Exports are picking up and private consumption, as well as government spending, is growing. It is particularly in relation to this last point where, once a new government has been formed, there could very well be some changes. Government budget cutbacks could then reverse the government's positive contribution to economic growth into a negative contribution. Indeed, a debt crisis is looming in the background in Belgium as well, if it proves impossible to form a government. Standard and Poor's lowered Belgium's credit rating in mid-December 2010.

Germany

Economy

The German economy includes industries strongly oriented towards exports and that sell high-quality products throughout the world. The crisis of confidence in 2008 had a major impact on the German economy in 2009, causing it to shrink by 4.7%. Postponements of purchases concerned mainly cars and capital goods, both areas in which Germany has a very strong position. Germany's strong position in this domain resulted in 2010 in the powerful recovery of economic growth projected at 3.6% (Source: Eurostat, 2011). As such, Germany turned into the leading country in the euro zone in terms of economic growth, because it is primarily Germany that is well-positioned to benefit from the export to the strongly growing emerging economies throughout the world.

In addition to significant increases in export by no less than 14%, domestic demand also exhibited positive growth, on the part of government, as well as on the part of the private sector. For example, investments rose by almost 10%. In view of the forceful recovery of the German economy in 2010, the projections for economic growth in 2011 are also relatively favourable. The size of the German economy is expected to revert to 2008 levels by the end of 2011.

The strong growth of the German economy also had a positive impact on the labour market. The working population grew to 40.5 million, a record high in German history (Source: Statistisches Bundesambt Deutschland, German economy in 2010: rapid upturn after the crisis, 2011). The improved labour market has a positive impact on consumer confidence and consequently on consumer spending. The German government also has better control over government spending than most other euro countries. With a budget deficit of 3.5% (Source: Eurostat, 2011), it is still not meeting the 'Maastricht Standard' of 3%. However, 3.5% is markedly better than the performance of the governments in many other euro countries. Germany has taken the lead in 2010 within the euro zone in this respect as well.

Competition

Competition

The office letting market is fairly scattered in terms of competitors. However, VastNed O/I has identified a selection of comparable companies in the Dutch and Belgian market: Cofinimmo, Befimmo, Uni-invest, ING Dutch Office Fund. These companies are similar to VastNed O/I in terms of their exposure to offices, but differ on country exposure and/or segment exposure. In addition, Uni-invest and ING Dutch Office Fund are non-listed companies, whereas Cofinimmo, Befimmo and VastNed O/I are listed companies.

Geography

VastNed O/I is focussed on The Netherlands, Belgium and, previously, Germany, whereas Befimmo and Cofinimmo are purely focussed on Belgium. On the other hand, Uni-invest and ING Dutch Office Fund are purely focussed on The Netherlands.

Asset class

VastNed O/I is focussed on offices, which is similar to the before mentioned companies. However, VastNed O/I has an additional focus on the industrial market. Cofinimmo has an additional focus on nursing homes. Uni-invest also has exposure to the industrial market, which makes the company more comparable to VastNed O/I. Befimmo and ING Dutch Office Fund are solely focussed on offices.

In the current market it is of importance to outperform competitors in terms of asset quality. Furthermore, the ability to finance capital expenditure is essential.

THE MERGER

Introduction

On 20 April 2011, NSI and VastNed O/I published a joint announcement that they reached agreement on a combination of their businesses to create a new leading Dutch mixed real estate investment fund through the Merger. Certain terms of the Merger Agreement are reflected or otherwise incorporated in this Prospectus. Reference is also made to *The Merger – The Merger Agreement.*

The Merger will be effected through a triangular demerger (*zuivere driehoekssplitsing*) in accordance with Section 3:334(ii) of the DCC. Upon Completion, (i) the assets and liabilities of VastNed O/I will, by operation of law, be transferred to two of NSI's subsidiaries, NSI German Holding B.V. and NSI Beheer II B.V., (ii) VastNed O/I will cease to exist and (iii) VastNed O/I shareholders will be allocated the New NSI Ordinary Shares.

Pursuant to the Merger, the existing VastNed O/I Shareholders will receive 0.897 New NSI Ordinary Shares in exchange for every 1 VastNed O/I Ordinary Share held by it on the Record Date. The Share Exchange Ratio valued each VastNed O/I Ordinary Share at EUR 11.60 based on the closing price of NSI Ordinary Shares on 10 December 2010. If a holder of VastNed O/I Ordinary Shares is entitled to a number of New NSI Ordinary Shares that does not equal a round number, such number shall be rounded downwards to the nearest round number of shares. The rounding difference will be compensated by a payment in cash, calculated as a *pro rata* portion of the closing price of the NSI Ordinary Shares on the Record Date. In addition, this Prospectus contains information in respect of the Warrant each VastNed O/I Shareholder will receive for each VastNed O/I Ordinary Share it holds at Completion. For more details on the Warrant, see section "*The Warrant*".

Existing VastNed O/I Shareholders will own approximately 28% of the issued ordinary share capital of the Combined Group and existing NSI Shareholders will own approximately 72% of the issued ordinary share capital of the Combined Group, assuming the Merger has been approved by both the NSI Shareholders and the VastNed O/I Shareholders.

Strategic rationale for the Merger

Combining NSI and VastNed O/I is based on the following strategic rationale:

- *Creating a leading Dutch mixed real estate company*

With a combined portfolio valued at EUR 2.4 billion as per 31 March 2011, the Combined Group constitutes a leading diversified Dutch real estate company which is well-positioned to benefit from increases in scale as a result of joining forces. The portfolio consists of more than 300 properties resulting in a theoretical rental income of over EUR 200 million as per 31 March 2011 and in leading market positions in various local real estate markets. As such, the Combined Group is the third largest Dutch mixed real estate company listed on Euronext Amsterdam, offering multiple scale benefits as detailed below.

- *Creating an attractive and well balanced asset portfolio in three geographical markets*

The Combined Group has a regional focus based on local know-how resulting in an attractive mixed portfolio of mid-market assets. The in-depth knowledge of local real estate markets makes the Combined Group well-positioned to focus on offices, retail and other segments of real estate in the selected regions.

The Combined Group benefits to a certain extent from enhanced geographical diversification with main focus on the Benelux region. As a relatively populous, export driven region, the Benelux constitutes an important European economic zone.

The portfolio of the Combined Group is mainly located in The Netherlands, representing approximately 70% of theoretical rent and approximately 70% of portfolio value as per 31 March 2011, making the portfolio of the Combined Group located in The Netherlands the second largest listed Dutch mixed portfolio. The Dutch portfolio mainly targets attractive locations like the Randstad area and other local centres of growth, where the majority of Dutch rents are generated. Approximately 60% of the theoretical office rent of the Combined Group is generated in the Randstad area as per 31 March 2011.

In addition the Combined Group holds a sizable and attractive position in Belgium, representing approximately 23% of theoretical rent and approximately 21% of portfolio value as per 31 March 2011. The Belgian portfolio includes the attractive Antwerp-Mechelen-Brussels axis.

With five properties in Switzerland, the Swiss market must also be considered as a foothold, characterised by attractive market dynamics and representing approximately 3% of theoretical rent and approximately 5% of portfolio value as per 31 March 2011.

Table: Combined Group pro forma breakdown per country as per 31 March 2011

EURm	NL	BE	DE	CH	Total
Number of objects	235	57	5	4	**301.0**
% of total	*78.1%*	*18.9%*	*1.7%*	*1.3%*	
Theoretical rent	149.2	48.0	8.3	6.9	**212.5**
% of total	*70.2%*	*22.6%*	*3.9%*	*3.3%*	

The Combined Group focuses on higher yielding offices and retail. With offices representing approximately 67% of the Combined Group's theoretical rent and retail representing approximately 22% of the Combined Group's theoretical rent as per 31 March 2011, the Combined Group has a highly diversified real estate portfolio thereby capitalizing on its in-depth knowledge of local property markets.

Table: Combined Group Pro forma breakdown per segment as per 31 March 2011

EURm	Office	Industrial	Retail	Residential	Total
Number of objects	205	45	49	2	**301.0**
% of total	*68.1%*	*15.0%*	*16.3%*	*0.7%*	
Theoretical rent	142.3	23.7	45.7	0.7	**212.5**
% of total	*67.0%*	*11.2%*	*21.5%*	*0.3%*	

Combining higher yielding offices with stable retail assets offers an improved combined risk / return profile. The increased weighting on offices offers relatively high yield perspectives and upside from a property cycle timing perspective, while a more dedicated focus and active management are needed to unlock this upside potential. The exposure to retail offers relative stability in current challenging property market circumstances.

In the medium term strategic focus will be on rebalancing the property portfolio towards 50% offices and 50% retail through an active acquisitions and disposal strategy.

- *Creating a strong and well-diversfied tenant base*

With an increased scale and concentration of properties in various local office markets, the Combined Group constitutes an improved platform for leasing activities. This results in more flexibility for new and existing tenants and enhances the possibilities of being able to provide (potential) tenants with a suitable property solution fulfilling their needs, which enhances the position of the Combined Group to increase occupancy.

The joining of forces further results in a more diversified tenant base with improved perspectives. The tenant base consists mainly of SME tenants, government-linked institutions and to a lesser degree of large companies with limited sector concentration. The SME portfolio is well-diversified, resulting in substantial variations in duration and size of tenant contracts. The various local governments and government-linked institutions must also be considered an important part of the tenant base: relatively large parties with long-term contracts, constituting a relatively loyal and reliable group of tenants. Adding a selection of large companies will further support the tenant profile and variety of the Combined Group.

- *Creating immediate synergy benefits*

Due to its enlarged size the Combined Group is well-positioned to benefit from enhanced buying power to acquire larger properties without increasing concentration risk in the portfolio. Additionally, the scope of the asset sourcing network will be enhanced by the Combined Group which is expected to lead to more attractive leads in the future.

The Combined Group is expected to benefit from revenue synergies of approximately EUR1.0 million (pre tax) based on an increase of occupancy, a retention of tenants and resulting (additional) rental income. Additional synergies are expected as a result of a pooled asset development and combined property management.

Combining NSI and VastNed O/I is also expected to result in various operating synergies. One of the potential synergies of the Combined Group are holding and operational costs savings (e.g. housing expenses, auditing expenses, IT, advertising, advisory, management and supervisory board costs) which are partly overlapping. This is expected to result in approximately EUR 2.5 million annually (pre tax) cost synergies.

Full realisation of the synergies is expected in 2013.

- *Offering an attractive proposition to both shareholder groups*

The Combined Group will benefit from an improved public market footprint. Its increased scale and market capitalization with a more diversified shareholder base are expected to result in improved free float and share liquidity. In addition, the enlarged scale of the Combined Group is likely to increase analyst' coverage and hence visibility of the shares. The Combined Group could potentially be included in the Euronext Amsterdam AMX Index. All these aspects are likely to result in improved access to capital markets.

The Combined Group is also expected to have improved access to debt markets as its enlarged scale will improve its overall credit profile and its ability to diversify debt funding sources.

The improved access to capital markets and strengthened credit profile of the Combined Group constitutes an attractive proposition for both shareholder groups.

Key strategic principles of the Combined Group and implementation

A joining of forces between NSI and VastNed O/I would create a more sizeable and attractive platform for value creation through vacancy reduction, portfolio rebalancing, creation of synergies and maintaining a strong financial profile.

- *Vacancy reduction*

By combining forces in the current turbulent property market circumstances, the Combined Group intends to put substantial focus on optimising the leasing activities to reduce the vacancy rate.

Main focus will be on retaining tenants through a tailored approach of increased scale and offering more flexibility in leasing types and options. The focus on flexible leasing solutions, such as office sharing, short-term renting and office 'hotels', is set to increase. Especially the concentration in the Randstad area offers an efficient platform for optimizing leasing activities. Active and dedicated property management based on a local / decentralized concept will play an important role in this respect.

The Combined Group will also focus on an enhanced branding to improve the profile towards potential tenants, thereby capitalizing on the branding approach of Intervest Offices. Increasing the focus on sustainability will be one of the components to realize an improved profile towards potential tenants.

- *Portfolio rebalancing*

The Combined Group intends to rebalance offices and retail towards a long term 50:50 target through a strategy of selected acquisitions of retail properties. There will be a focus on larger properties to enable a more efficient property management, and, in line with NSI's current strategy, the Combined Group will continue with the disposals of smaller and industrial real estate.

- *Create synergies*

The Combined Group is expected to realise various revenue and costs synergies. Revenue synergies are based on an increase of occupancy, a retention of tenants and resulting (additional) rental income. Additional synergies are expected as a result of a pooled asset development and combined property management. Revenue synergies are estimated at approximately €1.0 million (pre tax).

Combining NSI and VastNed O/I is also expected to result in various operating synergies, including holding and operational costs savings (e.g. housing expenses, auditing expenses, IT, advertising, advisory, management and supervisory board costs). This is expected to result in approximately €2.5 million annually (pre tax) cost synergies.

Full realisation of the synergies is expected in 2013.

- *Maintaining a strong financial profile*

The Combined Group aims to maximise shareholder value and focus on optimizing direct and indirect investment results, generating an attractive dividend yield and maintaining a strong financial profile.

The dividend distribution policy of the Combined Group will be based, among other things on the group's financial results, its financial structure, its investment policy as well as the distribution requirements of the tax regimes applicable to the Combined Group. See section "*Dividends and Dividend Policy*"

The proposed dividend target for the Combined Group is a pro forma dividend policy, with a dividend pay-out of the entire or nearly entire direct investment result. The Combined Group intends to ensure shareholders benefit from a recurring and growing income over the long term and will be subject to specific distribution requirements under the FII requirements. Reference is made to section "*Regulator Matters and Tax Status of the Group*" for a description of the FII requirements.

The Combined Group will follow a conservative financing strategy, with an unchanged near-term Loan-to-Value ("**LtV**") target of <55% and a medium-term LtV target of <50%. These LtV targets will be achieved through a variety of deleveraging options to improve LtV, including active portfolio management, disposal of assets and capital market transactions.

- *Tax status of the Combined Group*

Both the Group as well as VastNed O/I and most of its Dutch group companies currently qualify as an FII for Dutch corporation tax purposes. See section "*Regulator Matters and Tax Status of the Group*" for a description of the FII regime. Following consummation of the Merger, NSI's current FII status for itself, its relevant current Dutch group companies as well as the relevant VastNed O/I group companies will be preserved. Under the FII regime, the relevant Dutch group companies of the Combined Group will be subject to Dutch corporation tax levied at a rate of 0%.

Investment policy

In the long-term NSI has the goal of investing approximately 50% of its portfolio in retail and 50% in offices. This long-term goal will remain unchanged, as the Combined Group intends to rebalance offices and retail towards a long term 50:50 target through a strategy of selected acquisitions of retail properties. There will be a focus on larger properties to enable a more efficient property management, and, in line with NSI's current strategy, the Combined Group will continue with the disposals of smaller and industrial real estate. By combining forces in the current turbulent property market circumstances, the Combined Group intends to put substantial focus on optimising the leasing activities to reduce the vacancy rate.

Financial analysis of the Share Exchange Ratio

The purpose of this section is not to provide a stand-alone valuation of VastNed O/I, but to assess the Share Exchange Ratio based on a multi-criteria financial analysis.

Description of the Share Exchange Ratio

Based upon the Share Exchange Ratio, each holder of VastNed O/I Ordinary Shares will receive 0.897 New NSI Ordinary Share for each VastNed O/I Ordinary Share held by it on the Record Date. In addition, upon Completion, each holder of VastNed O/I Ordinary Shares will receive for each VastNed O/I Ordinary Share held by it on the Record Date one Warrant in respect of VastNed O/I's shareholding in Intervest Offices. For the principle terms and conditions of the Warrant, see section "*Warrant*".

Valuation Methodology

The analysis of the financial terms of the Merger is based on the following methodologies:

- Historical share price development;
- Trading multiples of selected comparable listed companies (premium of share price to NAV per share and price to direct investment result multiple per share).

Historical share price development

The analysis of the premium over stock market prices is based on historical stock market prices of NSI and VastNed O/I ending on 10 December 2010. This is the last trading day prior to the public announcement of the combination between NSI and VastNed O/I, after which date both share prices have been affected by the terms of the transaction and have no longer traded independently from one another.

NSI and VastNed O/I Share prices are defined as being the volume-weighted share prices provided daily by Bloomberg.

The table below summarizes the premiums implied by the Share Exchange Ratio as compared to the exchange ratio derived from the share prices of NSI and VastNed O/I as of 10 December 2010, as well as to the exchange ratios based on the average share prices of each company for the selected periods ending on that date:

	NSI Share Price (Euro)	VastNed O/I Share Price (Euro)	Implied Exchange Ratio	Premium / (Discount) implied by Share Exchange Ratio of 0.897
Last day closing price before public announcement of Merger (10 December 2010)...	14.97	11.60	0.77	**15.8%**
One-month average[1]	14.62	11.20	0.77	**17.1%**
Three-month average[1]	14.74	11.71	0.79	**12.9%**
Six-month average[1]	14.42	11.21	0.78	**15.4%**

Source: Bloomberg

1 Volume-weighted average share prices for the selected periods ending 10 December 2010.

The Share Exchange Ratio per VastNed O/I Ordinary Share represents:

(i) a 15.8% premium based on the closing price of the NSI Ordinary Shares of EUR 14.97 and VastNed O/I Ordinary Shares of EUR 11.60 on 10 December 2010, the last Business Day prior to NSI confirming that it had invited VastNed O/I to discuss a possible combination;

(ii) a 17.1% premium based on NSI’s and VastNed O/I’s volume-weighted average share prices over the one-month period ending 10 December 2010;

(iii) a 12.9% premium based on NSI’s and VastNed O/I’s volume-weighted average share prices over the three-month period ending 10 December 2010; and

(iv) a 15.4% premium based on NSI’s and VastNed O/I’s volume-weighted average share prices over the six-month period ending 10 December 2010.

Corporate governance and organisation of the Combined Group

Amendment Articles of Association and future composition of NSI's boards

At the NSI EGM, the NSI shareholders will be asked, conditional upon Completion, to vote on certain proposed amendments to the Articles of Association, *inter alia*, to update and align its corporate governance structure in connection with and following Completion. See section "*Management and Employees* and *Description of Share Capital and Corporate Governance*".

Legal structure of NSI post-Merger

NSI will be the holding company of the Combined Group and will have a two-tier board operating in accordance with governance principles and best practice prevailing in The Netherlands from time to time and clear governance and management structures.

Management Board

The Management Board will consist of the same members as at the date of the Merger Agreement. See section "*Management and Employees – Members of the Management Board*".

Supervisory Board

In order to achieve the objective of an adequate corporate governance structure and a balanced representation of NSI and VastNed O/I in the governance structure to be adopted in respect of the Combination, the Supervisory Board will, conditional upon Completion, consist of six members including the four existing members at the date of the Merger Agreement and two additional members designated thereto by VastNed O/I prior to the Merger Proposal Publication Date out of the current four members of the VastNed O/I Supervisory Board (the "**Continuing VastNed O/I Directors**").

The Continuing VastNed O/I Directors will be:

- Mr. W.M. Steenstra Toussaint; and
- Mr. H.W. Breukink

Subject to the approval of NSI's general meeting of shareholders, which is a condition to Completion, the Continuing VastNed O/I Directors shall be appointed, subject to Completion, for a period ending at the later of (i) the NSI annual general meeting of shareholders to be held in or around April 2013 (the "**NSI 2013 AGM**") and (ii) the final maturity date of the Warrants. The size and composition of the Supervisory Board thereafter will be discussed by the Supervisory Board in due course.

Any vacancy on the Supervisory Board resulting from the incapacity of a Continuing VastNed O/I Director or a Continuing VastNed O/I Director ceasing to be a member of the Supervisory Board, in either case prior to the NSI 2013 AGM, shall not be filled.

Following their appointment to the Supervisory Board, the affirmative vote of the Continuing VastNed O/I Directors shall be required for (any approvals of the Supervisory Board in relation to): (i) any amendment of the terms and conditions of the Warrants; and (ii) any determinations that must be made in respect of the Warrants in accordance with their terms and conditions, including confirmation of the amount of transaction costs that may be withheld from distribution of net proceeds on the Warrants (if any) and adjustments to the Warrants further to anti-dilution protection.

Headquarters

The headquarters of the Combined Group will be Hoofddorp. The Combined Group will retain an office in Rotterdam during at least three to five years following Completion.

Employees

Upon termination of the existing cooperation agreements between VastNed O/I, VastNed Retail N.V. and VastNed Management B.V. (the "**Cooperation Agreement**"), as per Completion, certain employees of VastNed Management B.V., each of whom is dedicated to the activities of VastNed O/I (the "**VastNed**

O/I Employees") (and any associated rights, duties, liabilities or obligations) shall transfer to NSI together and simultaneously with the transfer of the services performed by the VastNed O/I Employees. NSI shall procure that all VastNed O/I Employees are offered as of Completion, participation in a pension scheme which is at least equivalent to the current pension scheme which applies to such VastNed O/I Employees of the Merger.

Priority foundation

The NSI Foundation and the VastNed O/I Foundation have concurrently with the Merger Agreement entered into the NSI priority undertaking agreement (the "**NSI Priority Undertaking**") and the VastNed O/I priority undertaking agreement (the "**VastNed O/I Priority Undertaking**"), respectively. Pursuant to the NSI Priority Undertaking, the NSI Foundation irrevocably undertakes to table the proposal for the Merger in the general meeting(s) of shareholders of NSI and to exercise its rights relating to the NSI Priority Shares to support the governance arrangements set out in the Merger Agreement. See section "*Management and Employees* and *Description of Share Capital and Corporate Governance*". Pursuant to the VastNed O/I Priority Undertaking, the VastNed O/I Foundation irrevocably undertakes to table the proposal for the Merger in the general meeting of shareholders of VastNed O/I and to cooperate with the repurchase by VastNed O/I of the VastNed O/I Priority Shares on terms and conditions agreed in the Merger Agreement. No New NSI Ordinary Shares will be granted for VastNed Priority Shares upon Completion. New NSI Ordinary Shares will be granted for VastNed Ordinary Shares held by the Group upon Completion.

The Merger Agreement

General

In relation to the Merger, NSI and VastNed O/I have entered into the Merger Agreement. Pursuant to the Merger Agreement, NSI and VastNed O/I have undertaken to merge their respective businesses, subject to certain conditions being fulfilled. The Merger Agreement also deals with certain arrangements post Completion between NSI and VastNed O/I, such as the future corporate governance and reorganisation of the Combined Group (see section "*The Merger - Corporate Governance and organisation of the Combined Group*"), as well as certain other arrangements which are summarised in this section.

Financing arrangements

As at the date of this Prospectus, All lenders to NSI and VastNed O/I have agreed, subject to a limited number of conditions, to continue their financing of the Combined Group and have, on this basis, approved waiver requests from NSI and VastNed O/I and, where relevant, changes in the respective loan agreements in relation to the Merger.

Dutch tax confirmations

The Dutch tax authorities have confirmed that, subject to conditions, the consummation of the Merger (i) in itself will not invalidate the application of the FII regime by NSI and VastNed O/I (and certain of their respective Dutch group companies), that (ii) the Merger will qualify for a deferral of Dutch corporation tax for the Group and VastNed O/I and that (iii) the (indirect) transfer of Dutch real estate by VastNed O/I to the Group by operation of the Merger will qualify for an exemption from Dutch real estate transfer tax. Furthermore, the Dutch tax authorities have confirmed that, subject to conditions, the consummation of the Merger (including the issuance of Warrants as a consequence thereof) will not be subject to Dutch dividend withholding tax and that a VastNed O/I Shareholder who is liable to Dutch income tax or Dutch corporation tax with regard to VastNed O/I Ordinary Shares, can apply a roll over relief on the basis of which the recognition of benefits or deemed benefits for Dutch income tax or corporation tax may be deferred to the extent VastNed O/I Ordinary Shares are replaced by New NSI Ordinary Shares and Warrants. See also section "*Shareholder taxation*".

FSMA confirmation

The Merger Agreement includes, amongst others, a condition with respect to a confirmation of the FSMA to the effect that the Merger does not result in a requirement for NSI to make a mandatory offer for Intervest Offices, taking into account the contemplated transaction structure. Against this background, the contemplated transaction structure has been discussed with the FSMA.

On 28 June 2011, NSI received a letter from the FSMA (the "**FSMA Letter**") in which it was confirmed that, based on a pro forma completion of the Merger as of 31 May 2011, the VastNed O/I entity holding the shares in Intervest Offices upon completion of the internal restructuring (see also under "Business VastNed O/I – Recent Developments") does not qualify as a holding company (*houdsteronderneming*) as set out in article 1 §2, 6° of the Belgian Royal Decree on public takeover offers of 27 April 2007. Therefore, if the Merger had been completed as of 31 May 2011, the transaction would not have resulted in a requirement for NSI to make a mandatory offer for the shares in Intervest Offices. VastNed O/I and NSI have obtained a confirmation from a Dutch external auditor confirming that the pro forma financial information which formed the basis of the FSMA Letter has been properly compiled and has been prepared on a basis that is consistent with VastNed O/I's accounting principles (the "**Auditor's Statement**"). In relation to the above, certain conditions precedent have been agreed between NSI and VastNed O/I, including the condition precedent that immediately prior to completion of the Merger, the "net assets" test, which is applied under the Belgian Royal Decree to a possible holding company, continues to have a positive outcome with reference to the envisaged date of completion of the Merger. See also under "*Merger Conditions"* below.

Competition filings

NSI and VastNed O/I have notified the transactions as contemplated in the Merger Agreement with the Dutch competition authority, the NMa (*Nederlandse Mededingingsautoriteit*). Completion is subject to clearance from the NMa.

Merger Conditions

Completion shall be subject to the satisfaction or waiver, if permitted, of the following conditions prior to 23 December 2011 (the "**Completion Long-Stop Date**"):

Corporate Action

- The general meeting of Shareholders of VastNed O/I at the VastNed O/I EGM has approved (i) the Merger, (ii) the measures to implement the Merger.
- The general meeting of Shareholders of NSI (at the NSI EGM or the second NSI EGM, as the case may be) has approved (i) the Merger, including the granting (*toekenning*) of the New NSI Ordinary Shares in connection with the Merger, (ii) the measures to implement the Merger and (iii) the transactions resulting from the Merger, including the proposed amendments to VastNed O/I's articles of association and the appointments to Supervisory Board as per Completion, in the latter case subject to Completion.

MAC and MAC related events

- No NSI or VastNed O/I material adverse change has occurred or has become known to VastNed O/I or NSI, respectively, between the date of the Merger Agreement and Completion, such that VastNed O/I or NSI, respectively, cannot reasonably be expected to continue with the Merger.
- Until Completion no government or governmental, quasi governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") has decided to, or indicated any intention to, take, institute, implement or threaten any Frustrating Action, such that the NSI and VastNed O/I cannot be reasonably be expected to continue with the Merger.
- No circumstance, occurrence or development has occurred since the date of this Merger Agreement that will constitute or constitutes:
    - suspension of or limitation in trading in the VastNed O/I Ordinary Shares (other than on a temporary basis in the ordinary course of trading); or
    - suspension of or limitation in trading in the NSI Ordinary Shares (other than on a temporary basis in the ordinary course of trading).

Regulatory approvals and consents

- On or prior to Completion, all approvals and clearances (including the expiration or termination of all waiting periods and extensions thereof) under Antitrust Laws applicable to the consummation of the Merger shall have been obtained.
- No order, stay, judgment or decree is issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority and is in effect, or any statute, rule, regulation, governmental order or injunction shall have been enacted, enforced or deemed applicable to VastNed O/I, NSI or the Merger, any of which restrains, prohibits or delays, or is reasonably likely to restrain, prohibit or delay consummation of the Merger in any material respect.
- On or prior to Completion, (i) no litigation or other legal, governmental or regulatory proceedings or investigations by a third party (including any regulatory body or governmental authority) has or have been instituted or threatened and is or are continuing and/or (ii) no judgment, settlement, decree or other agreement relating to litigation or other legal, governmental or regulatory proceedings or investigations instituted by a third party (including any regulatory body or governmental authority) is in effect, which (in either case) might, individually or in the aggregate, reasonably be expected to adversely affect the ability of VastNed O/I and/or NSI to consummate the Merger or operate the business of the Combined Group following Completion.
- No comments by the FSMA have been received following receipt by the FSMA of the Auditors Statement that have the effect of altering or revoking the FSMA Letter, and the FSMA Letter has not, whether as a result of such comments or otherwise, been altered or revoked and remains in full force and effect.
- The confirmations issued by the Dutch tax authorities as referred to above have not been altered or revoked and are in full force effect.
- To the extent relevant, a certain restructuring of the investments in German properties has been completed.

Listing

- Confirmation has been given by Euronext Amsterdam that, subject to Completion, the New NSI Ordinary Shares, shall have been authorised or approved, as the case may be, for listing and trading on Euronext Amsterdam.

Other

- On or prior to Completion no Third Party has decided to, or indicated any intention to, take, institute, implement or threaten any Frustrating Action, such that the NSI and VastNed O/I cannot be reasonably be expected to continue with the Merger.
- The internal restructuring by way of a legal demerger as referred to under "*Business Vastned O/I – Recent developments*" has been completed
- The Merger Agreement has not been terminated.
- Each of NSI and VastNed O/I has complied in all material respects with applicable rules and obligations set out in the Wft and any rules promulgated thereunder and with the terms and conditions of any regulatory permit held by it, except where non-compliance does not, or could reasonably be expected not to, adversely affect the ability of VastNed O/I and NSI to consummate the Merger or operate the business of the Combined Group following the Settlement date.
- Each of NSI and VastNed O/I qualifies as an FII for Dutch corporation tax and they both have complied with all rules and regulations to the extent required to preserve FII status.
- The agreement relating to the Cooperation Agreement has become unconditional and is in full force and effect.

- A so-called "declaration of no objection" has been obtained from Dutch Ministry of Justice in respect of the amendments to the Articles of Association as per Completion.
- The creditor opposition period referred to in Section 2:334(l)(1) DCC has expired without a formal application (*verzoekschrift*) having been filed, or, to the extent any such application has been filed, the opposition referred to in Section 2:334(l) DCC has been withdrawn or the relevant court has ordered that the termination of such opposition is enforceable, as the case may be, in each case in accordance with Section 2:334(l)(3) DCC.
- The VastNed O/I Priority Undertaking has not been altered or revoked and is in full force and effect;
- The NSI Priority Undertaking has not been altered or revoked and is in full force and effect.
- Deloitte has rendered a bring down confirmation of the Auditor's Statement, which is dated on the date of Completion and which is substantially in the form of the Auditor's Statement.
- The market value of the shares in Intervest Offices based on the volume weighted average of the Intervest Offices shares during the 30 trading days on NYSE Euronext in Brussels, the regulated market of the Brussels stock exchange, prior to the date on which Completion is to occur in accordance with the terms of this Agreement, is less than 50% of the value of the net assets of Benelux Holding B.V. as presented in Benelux Holding B.V's pro forma balance sheet as of 31 December 2010, as adjusted for the market value of the Intervest Offices in accordance with the FSMA Letter, such that the "net asset value test" as set out in the Belgian Royal Decree on public takeover offers of 27 April 2007 is not met, and accordingly Benelux Holding B.V. does at the time of Completion not qualify as a holding company (houdsteronderneming) as set out in article 1 §2, 6° of the Belgian Royal Decree on public takeover offers of 27 April 2007, and accordingly no requirement exists for NSI to make a mandatory offer for the shares in Intervest Offices.
- All conditions to confirmations and waivers for the continuation of the financing of the Combined Group following Completion provided by lenders to NSI and VNOI prior to the date of this Prospectus have been satisfied or waived, such that all such confirmations and waivers have become unconditional, and none of such confirmations and waivers has been revoked and all such confirmations and waivers remain in full force and effect.

Interim Dividends 2011

NSI and VastNed O/I have agreed that the economic benefit and burden of the VastNed O/I Shares and of VastNed O/I's business and all its assets and liabilities shall be for the risk and the account of NSI as of 1 January 2011, provided that: (i) NSI will pay out to the NSI shareholders before Completion all dividends in respect of the six months ending 30 June 2011, which dividends shall be capped at EUR 0.60 per NSI Ordinary Share; and (ii) VastNed O/I will pay out to the VastNed O/I shareholders before Completion all dividends in respect of the six months ending 30 June 2011, which dividend shall be equal to sixty (60) per cent. of VastNed O/I's direct investment result over such period, with a maximum of EUR 0.32 per VastNed O/I Ordinary Share. NSI's shareholders may have the right to opt for a stock dividend in relation to the dividends as meant under (i) above. NSI and VastNed O/I have also agreed that to the extent any dividends as meant under (i) above are declared payable in the form of stock dividend, the relevant party shall ensure that the countervalue of such stock dividend in cash does, on the date such dividends are declared payable, not exceed the capped amounts referred to under (i) above.

Recommendation of the Merger

After having duly considered the strategic, financial and other aspects and consequences of the Merger, the respective supervisory and management boards of both NSI and VastNed O/I have reached the conclusion that the Merger is in the best interest of NSI and VastNed O/I, respectively, and their respective shareholders. Both the supervisory board and the management board of NSI have approved the Merger Agreement and unanimously recommend that shareholders of NSI vote in favour of the resolutions to be proposed at the NSI EGM. Both the supervisory board and the management board of VastNed O/I have approved the Merger Agreement and unanimously recommend that shareholders of VastNed O/I vote in favour of the resolutions to be proposed at the VastNed O/I EGM.

EGM

At the VastNed O/I EGM, the Shareholders shall be requested (i) to vote for the resolution that resolves to approve the Merger and measures to implement the Merger and (ii) to grant discharge to the members of the Board of Management and VastNed O/I Supervisory Board.

At the NSI EGM, Shareholders shall be requested to vote for the resolutions that approve (i) the Merger, (ii) the granting (*toekenning*) of the New NSI Ordinary Shares in connection with the Merger, (iii) the proposed amendments to the Articles of Association and (iv) the appointments of the VastNed Continuing Directors as members of the Supervisory Board as per Completion.

To the extent any quorum requirements in respect of the agenda items for the NSI EGM are not met, NSI shall, as soon as possible and in accordance with the provisions of the DCC, convene a second extraordinary general meeting of its shareholders (the "**Second NSI EGM**"), for which those items, in respect of which the relevant quorum requirements were not met at the NSI EGM, will be put on the agenda.

Competing Offers

In the Merger Agreement NSI and VastNed O/I have agreed that both NSI and VastNed O/I are permitted to engage in discussions and negotiations in relation to certain unsolicited serious approaches by bona fide third parties with respect to a bona fide offer for a substantial part of the issued share capital of NSI or VastNed O/I, respectively. The party receiving the offer must notify the other party promptly thereof in writing.

If either party receives an unsolicited *bona fide* proposal from a third party involving an attempt to acquire a substantial part of its issued share capital or all or substantially all of its assets, undertakings or business, which proposal is binding on the third party and which proposal is determined in the reasonable opinion of the respective management and supervisory boards, after having considered the advice of outside legal counsel and financial advisers, acting in good faith and observing their fiduciary duties under applicable law and specifically taking into account the overall terms set out in the Merger Agreement, to be a more beneficial offer than the Merger, whereby the consideration per share offered under such offer exceeds the consideration offered under the Merger by at least 12.5% in case of a share exchange offer and by at least 7.5% in case of a cash offer, then such offer shall be considered a **Superior Offer**. If VastNed O/I receives a Superior Offer, then NSI will be granted the possibility to communicate a revised merger proposal to VastNed O/I. If VastNed O/I concludes, after considering the advice of its outside legal counsel and financial adviser, that a Superior Offer for it is more beneficial than the Merger (or the revised merger proposal, as the case may be), then either party shall be entitled to terminate the Merger Agreement. If NSI concludes, after considering the advice of its outside legal counsel and financial adviser, that a Superior Offer for it is more beneficial than the Merger, then either party shall be entitled to terminate the Merger Agreement.

Offer for Intervest Offices before Completion

An unsolicited written bona fide proposal from a third party for all or a substantial part of the shares that VastNed O/I holds in Intervest Offices (i) from a third party that is reputable in the market; (ii) that is binding on such third party; (iii) that is not subject to any financing conditions and is, in terms of deal certainty and conditionality, otherwise at least equal to terms of the Merger, (iv) that is in cash and offers a consideration in cash per Intervest Offices Share of at least EUR 22.00 (twenty-two euros), and which proposal is determined in the reasonable opinion of the VastNed Board and VastNed O/I supervisory board, after having considered the advice of outside legal counsel and financial advisors, acting in good faith and observing their fiduciary duties owed to VastNed O/I and the VastNed O/I shareholders under applicable laws and specifically taking into account the overall terms set out in the Merger Agreement, to be in the interest of VastNed O/I and VastNed O/I shareholders, shall be considered an "**Offer for Intervest Offices**". If VastNed O/I receives an Offer for Intervest Offices, then VastNed O/I shall inform NSI thereof promptly. Within ten Business Days from informing NSI, VastNed may decide to sell, transfer, encumber or otherwise transfer the Intervest Shares it holds to the third party, of which decision it will give notice to NSI. Within five Business Days following such notice, NSI will have the option to require VastNed O/I not to enter into such transaction, provided that NSI offers VastNed O/I in exchange a compensation that is equal to the proceeds of the Offer for Intervest Offices (the "**Compensation Offer**"). The Compensation Offer consists of a payment in cash or the issue of NSI Shares (to be decided by NSI in its sole discretion) in each case to be effected on the Completion Long-Stop Date (the "**Compensation Consideration**"). The number of NSI Shares to be issued will be equal to the Intervest Offices Sale Proceeds divided by the volume weighted average price of the NSI Shares during the 30 days prior to the Completion Long-Stop Date. If the Merger completes, the Compensation Consideration will be distributed by way of the issue of the Warrants and whereby the Maturity Date will be the Completion Long-Stop Date. If the Merger does not complete by the Completion Long-Stop Date, the Compensation Consideration will be paid to VastNed O/I on the Completion Long-Stop Date.

If the steps in the preceding paragraph have been completed, VastNed O/I may accept an Offer for Intervest Offices if, having consulted financial and legal advisors, acting in good faith and observing their fiduciary duties under applicable law and specifically taking into account the overall terms set out in the Merger Agreement, it is determined to be in the interest of VastNed O/I and its shareholders.

Such a sale of shares must result in the immediate receipt by VastNed O/I of a consideration in cash per Intervest Offices Share of at least EUR 22.00. If an offer is made of less than EUR 22.00 but higher than EUR 18.90, VastNed O/I may only accept this offer with NSI's prior written consent, which will not be unreasonably withheld.

The terms of the Warrants shall apply to the Intervest Offices Sale as if the sale had occurred after Completion. The value of the Warrant is calculated by multiplying (i) the number of shares sold by (ii) the difference between the average price received for each Intervest Offices share sold and €18.90, and multiplying this number by 33 1/3%. For the calculation of this number, the average price received is capped at €24.00. The proceeds of any sale of shares in Intervest Offices shall not be distributed by VastNed O/I to shareholders prior to Completion. For more details on the Warrant, see section "*The Warrant"*.

Termination events

The Merger Agreement may be terminated if (i) the parties so agree in writing, (ii) on or before the Completion Long-Stop Date any of the Conditions have not been satisfied or waived by the relevant party or parties in accordance with the Merger Agreement in writing, provided that the non-satisfaction of the relevant Condition(s) is not due to a breach by the terminating party of any of its obligations under the Merger Agreement or any agreement resulting therefrom, (iii) by notice in writing given by the terminating party to the other party in the event of a material breach of the Merger Agreement by the other party, to the extent that such breach has or can reasonably be expected to have material adverse repercussions on the Merger or the operation of the Combined Group in accordance with the Merger Agreement, unless such breach is remedied by the breaching party within five Business Days after receipt of a written notice of such breach; or (iv) either one of the parties terminates the Merger Agreement in writing pursuant to a binding Superior Offer.

Cost reimbursement

To induce the parties to proceed with the Merger as set out in this Prospectus and the Merger Agreement, NSI and VastNed O/I have agreed to the following indemnification arrangements.

VastNed O/I shall promptly reimburse all reasonable fees, costs and out-of-pocket expenses incurred by NSI in connection with the Merger for a fixed amount by way of liquidated damages (including VAT) of EUR 3,500,000 (three million five hundred thousand euros) upon termination of the Merger Agreement:

(a) by NSI pursuant to a material breach of the Merger Agreement by VastNed O/I as set out above (*Termination events*); or

(b) by VastNed O/I or NSI (i) following non-fulfilment of any Condition where the main cause of such non-fulfilment is a breach by VastNed O/I of the Merger Agreement or (ii) as a result of a Superior Offer for VastNed O/I.

NSI shall promptly reimburse all reasonable fees, costs and out-of-pocket expenses incurred by VastNed O/I in connection with the Merger for a fixed amount by way of liquidated damages (including VAT) of EUR 3,500,000 (three million five hundred thousand euros) upon termination of the Merger Agreement:

(a) by VastNed O/I pursuant to a material breach of the Merger Agreement by NSI as set out above (*Termination events*) under (iii); or

(b) by VastNed O/I or NSI following non-fulfilment of any Condition where the main cause of such non-fulfilment is a breach by NSI of the Merger Agreement.

NSI shall promptly reimburse all reasonable fees, costs and out-of-pocket expenses incurred by VastNed O/I in connection with the Merger for a fixed amount by way of liquidated damages (including VAT) of EUR 7,000,000 (seven million euros) upon termination of the Merger Agreement by VastNed O/I or NSI as a result of a Superior Offer for NSI.

Indicative timetable of the Merger

Expected date and time	*Event*
25 August 2011	Extraordinary general meeting of VastNed O/I Shareholders (the "**VastNed O/I EGM**"), at which meeting the proposed Merger, among other matters, will be discussed.
26 August 2011	Extraordinary general meeting of NSI Shareholders (the "**NSI EGM**"), at which meeting, among other matters, (i) the proposed Merger and (ii) appointment of new members of the Supervisory Board will be discussed.
1 September 2011 (after close of business)	Record Date.
1 September 2011 (evening)	Execution of the Notarial Deed of Demerger
2 September 2011: 00h01	Completion: NSI will allot to each VastNed O/I Shareholder 0.897 New NSI Ordinary Share and one Warrant for each VastNed O/I Ordinary Share held by it at close of business on the Record Date. If a holder of VastNed O/I Ordinary Shares is entitled to a number of New NSI Ordinary Shares that does not equal a round number, such number shall be rounded downwards to the nearest round number of shares. The rounding difference will be compensated by a payment in cash, calculated as a *pro rata* portion of the closing price of the NSI Ordinary Shares on the Record Date.
2 September 2011	Settlement date; admission to trading of the New NSI Ordinary Shares.

Merger Documentation - Demerger Proposal

The Merger will be effected through a triangular demerger (*zuivere driehoekssplitsing*) in accordance with Section 3:334(ii) of the DCC.

The management boards of VastNed O/I, NSI, NSI Beheer II B.V. and NSI German Holding B.V. have jointly prepared a demerger proposal. The demerger proposal forms the basis for the notarial deed by which the legal demerger is actually executed. All members of the management board VastNed O/I, NSI, NSI Beheer II B.V. and NSI German Holding B.V. and the supervisory board members of VastNed O/I and NSI have signed the demerger proposal. The demerger proposal describes in detail the proposed actions and includes the articles of association of NSI as applicable before the legal demerger and after the legal demerger, a description of the assets and liabilities of VastNed O/I that will be acquired under universal title of succession by NSI Beheer II B.V. and NSI German Holding B.V. including their value, benefits (if any) granted to members of the management boards and/or supervisory boards members in connection with the legal demerger and the composition of the management board and supervisory board of NSI and to the management boards of NSI Beheer II B.V. and NSI German Holding B.V. after the legal demerger.

According to article 2:334aa subsection 4 DCC, the opinion confirming whether the proposed exchange ratio for the shares is reasonable (article 2:334aa subsection 1 DCC) and the assurance report stating that the explanatory notes to the demerger proposal meet the requirements or article 2:334z DCC, should be rendered by two independent auditors if the company is a public company (*naamloze vennootschap*). For that reason, KPMG Accountants N.V. and Deloitte Accountants B.V. provided these opinions and assurance reports on 14 July 2011.

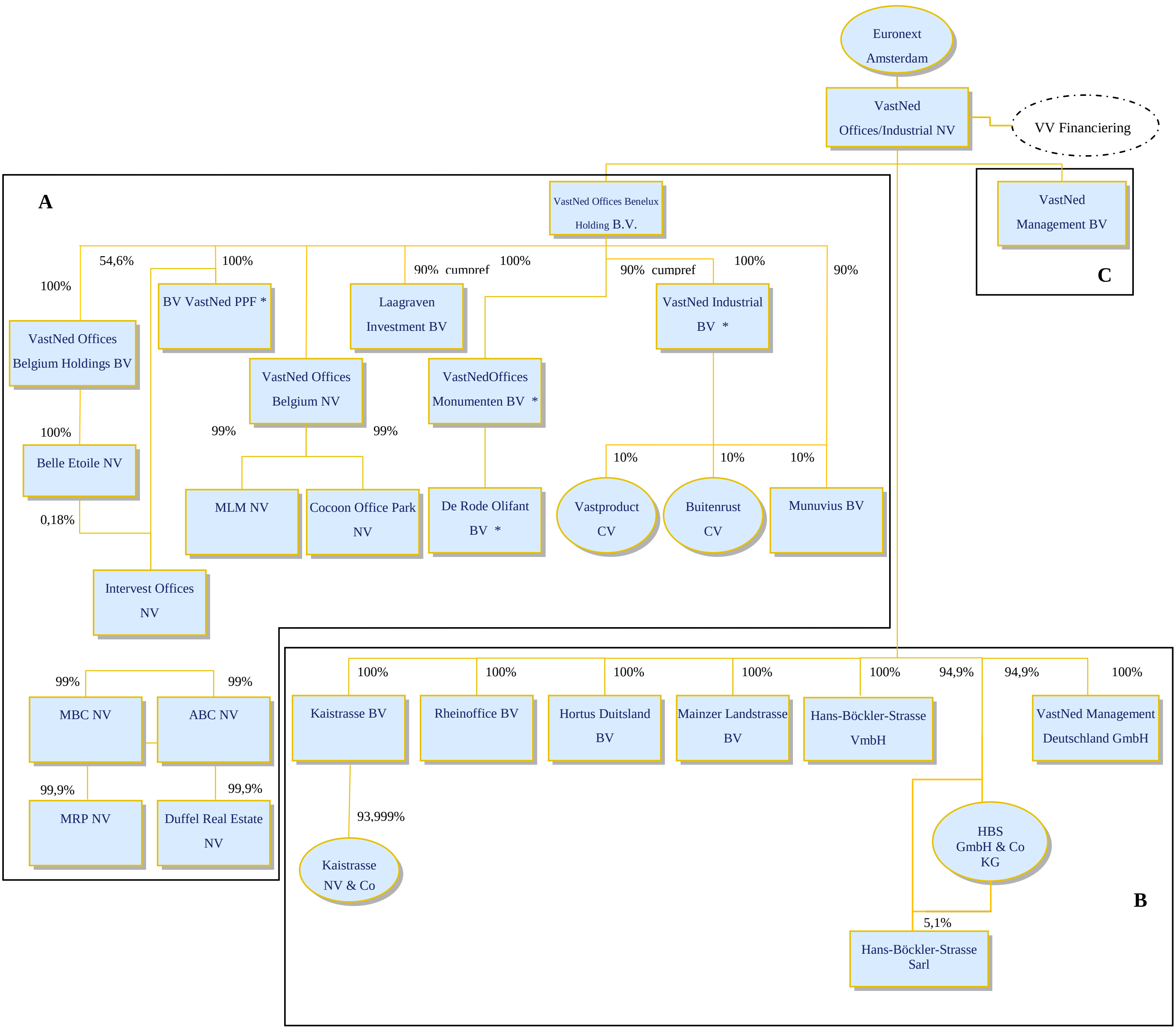
In addition, KPMG Accountants N.V. has certified on 14 July 2011 that as of 1 April 2011 the value of the part of the assets and liabilities of VastNed O/I that will be transferred by universal title of succession to NSI Beheer II B.V. and NSI German Holding B.V. is at least equal to the nominal value of the shares allotted by NSI by virtue of the legal demerger (article 2:334bb, subsection 1 DCC in conjunction with article 2:334ii paragraph 3 DCC and in conjunction with article 2:94b subsection 2 DCC)

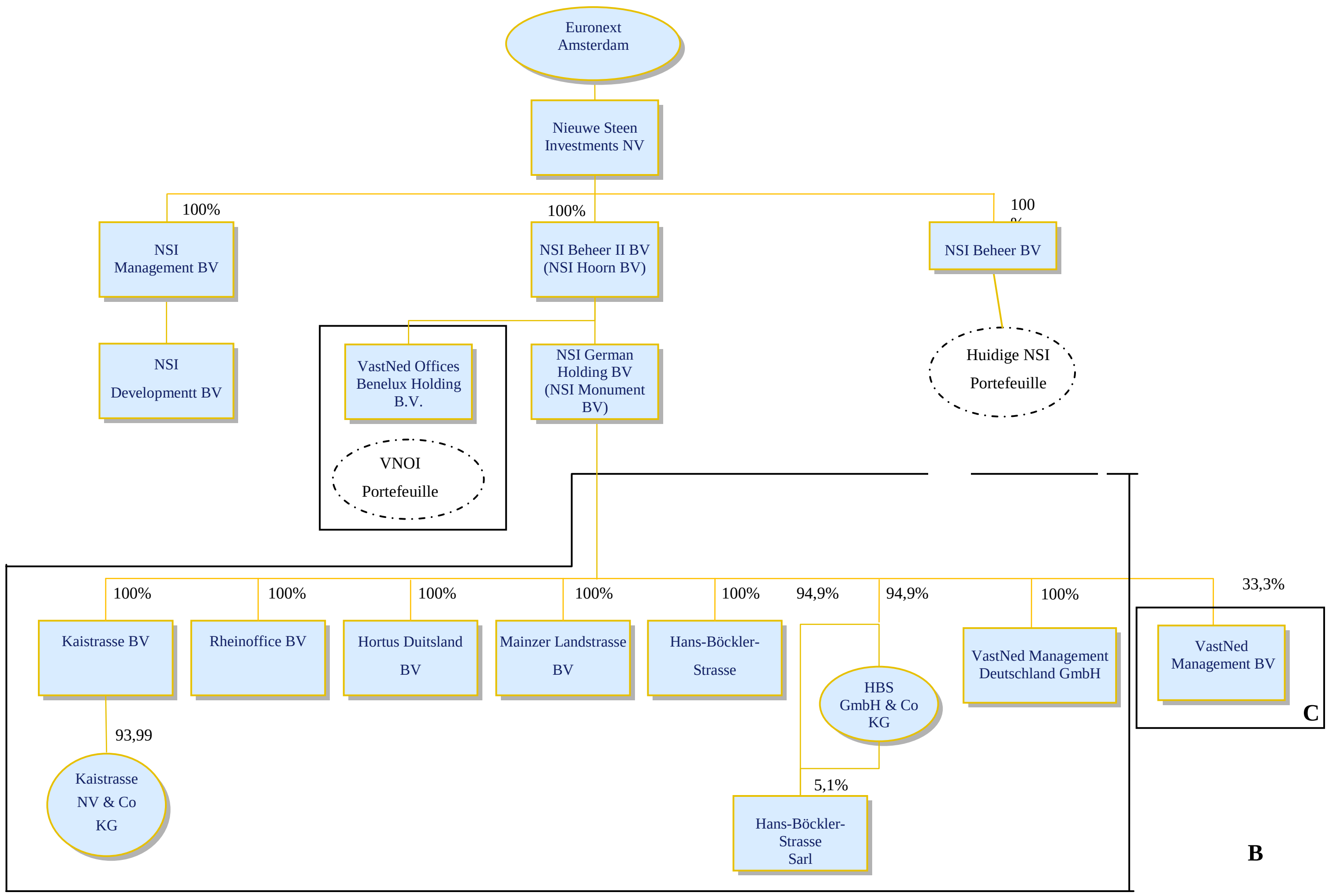
VastNed O/I, NSI, NSI Beheer II B.V. and NSI German Holding B.V. have filed the demerger proposal at the Chamber of Commerce and at their offices. Upon request of a creditor of, or a party to a contract with VastNed O/I, at least one of them must provide security for or otherwise guarantee the payment of the creditor's claim. This is not required if the payment of the creditor's, or third party's claim is sufficiently secured or if the financial condition of the company that will be the debtor of the claim after the legal demerger does not provide less security for the payment of the creditor's claim. During a one-month period following the notice of the filing of the demerger proposal, any creditor or party to a contract with VastNed O/I can oppose the demerger proposal by filing a petition with the Amsterdam District Court. The demerger proposal can only be opposed on the grounds that following the legal demerger proposal the contractual relationship between the respective contract party and VastNed O/I will not be transferred in accordance with the law or that the security or guarantee, requested by the creditor, was not given. A copy of the demerger proposal and the explanatory notes is attached to this Prospectus as **Annex 1** "*Demerger Proposal and Explanatory Notes*".

Upon Completion, (i) the assets and liabilities of VastNed O/I will, by operation of law, be transferred to two of NSI's subsidiaries, NSI German Holding B.V. and NSI Beheer II B.V., (ii) VastNed O/I will cease to exist and (iii) VastNed O/I shareholders will be allocated the New NSI Ordinary Shares. The shareholders of NSI and VastNed O/I must approve the Merger and are therefore encouraged to carefully read the demerger proposal and the explanatory notes in their entirety. The demerger proposal and the explanatory notes thereto (without annexes) are attached to this Prospectus as Annex 1 "*Demerger Proposal and Explanatory Notes*". A copy of the demerger proposal and the explanatory notes thereto including all annexes can be obtained through the websites of NSI and VastNed O/I.

Legal structure

The legal structure of the Group immediately before and after Completion is presented in the charts below:


Euronext
Amsterdam
VastNed
Offices/Industrial NV
VV Financiering
A
VastNed Offices Benelux
Holding B.V.
VastNed
Management BV
C
54,6%
100%
100%
90% cumpref
100%
90% cumpref
100%
90%
VastNed Offices
Belgium Holdings BV
BV VastNed PPF *
Laagraven
Investment BV
VastNed Industrial
BV *
VastNed Offices
Belgium NV
VastNedOffices
Monumenten BV *
100%
99%
99%
Belle Etoile NV
10%
10%
10%
MLM NV
Cocoon Office Park
NV
De Rode Olifant
BV *
Vastproduct
CV
Buitenrust
CV
Munuvius BV
0,18%
Intervest Offices
NV
99%
99%
MBC NV
ABC NV
99,9%
99,9%
MRP NV
Duffel Real Estate
NV
100%
100%
100%
100%
100%
94,9%
94,9%
100%
Kaistrasse BV
Rheinoffice BV
Hortus Duitsland
BV
Mainzer Landstrasse
BV
Hans-Böckler-Strasse
VmbH
VastNed Management
Deutschland GmbH
93,999%
Kaistrasse
NV & Co
HBS
GmbH & Co
KG
B
5,1%
Hans-Böckler-Strasse
Sarl


Euronext Amsterdam
Nieuwe Steen Investments NV
100%
NSI Management BV
NSI Developmentt BV
100%
NSI Beheer II BV (NSI Hoorn BV)
VastNed Offices Benelux Holding B.V.
VNOI Portefeuille
NSI German Holding BV (NSI Monument BV)
100
%
NSI Beheer BV
Huidige NSI Portefeuille
100%
Kaistrasse BV
93,99
Kaistrasse NV & Co KG
100%
Rheinoffice BV
100%
Hortus Duitsland BV
100%
Mainzer Landstrasse BV
100%
Hans-Böckler-Strasse
94,9%
94,9%
HBS GmbH & Co KG
5,1%
Hans-Böckler-Strasse Sarl
100%
VastNed Management Deutschland GmbH
33,3%
VastNed Management BV
C
B

THE WARRANT

General

In connection with the Merger - and in addition to the allotment of the New NSI Ordinary Shares - each VastNed O/I Shareholder will receive a Warrant for each VastNed O/I ordinary share it holds upon Completion. This section of the Prospectus lists the terms and conditions of the Warrant and contains other important information for Warrant holders.

The Warrant is related to VastNed O/I's 54.7% shareholding in its subsidiary Intervest Offices listed on NYSE Euronext in Brussels. The purpose of the Warrant is to retain part of the potential surplus value of VastNed O/I's subsidiary Intervest Offices for VastNed O/I Shareholders, should shares in Intervest Offices be sold by NSI during the period between Completion and 18 months following Completion.

Issuance of the Warrants

The Warrants will be issued by NSI at Completion (the "**Warrant Issue Date**"). The total number of Warrants to be issued will equal the total number of VastNed O/I Ordinary Shares at Completion, whereby each VastNed O/I Shareholder will receive one Warrant for each VastNed O/I Ordinary Share owned at Completion. The Warrants will be issued simultaneously with the New NSI Ordinary Shares.

The Warrant has been accepted by Euroclear Nederland B.V. for delivery and settlement through its systems. The issuance of the Warrant will be effected through the book-entry systems of Euroclear Nederland B.V. and will be credited on the securities account at the Admitted Institution where the VastNed O/I Shareholder holds its VastNed O/I Ordinary Shares at Completion.

Exercise of Warrants

Exercise period and expiration of Warrants

The Warrants will be exercisable at any time during a period of 30 business days commencing on the date that is 18 months after Completion (such period, the "**Warrant Exercise Period**", and such date 18 months after Completion, the "**Warrant Expiration Date**"). Warrants not exercised during the Warrant Exercise Period will become automatically void at the end of the Warrant Exercise Period.

Exercise procedure

The Warrants may be exercised by deposit of an exercise notice via the authorised financial intermediary where the holder of the Warrant holds its Warrants. Upon exercise of a Warrant, it is at the sole discretion of NSI whether the Warrant will be settled in either NSI Ordinary Shares or in cash.

Should NSI elect to settle the Warrant in NSI Ordinary Shares, NSI may, at its discretion, decide: (i) to issue to the holder of the Warrant newly issued NSI Ordinary Shares (such new NSI Ordinary Shares issued upon the exercise of the Warrants, the "**New NSI Warrant Shares**"): (ii) transfer to the holder of the Warrant existing NSI Ordinary Shares; (iii) to settle the Warrant through a combination of New NSI Warrant Shares and existing NSI Ordinary Shares. Any NSI Ordinary Shares issued upon the exercise of the Warrants will be in bearer book entry form.

Listing and admission to trading of New NSI Warrant Shares

If any exercised Warrants are settled through the issuance of New NSI Warrant Shares, such New NSI Warrant Shares will be listed and admitted to trading on Euronext Amsterdam. NSI will apply for a listing and admission to trading of such New NSI Warrant Shares on Euronext Amsterdam upon the Warrant Settlement Date, and in any event within ten Business Days following the expiration of the Warrant Exercise Period. The New NSI Warrant Shares will trade *pari passu* with the existing NSI Ordinary Shares and carry full dividend rights.

The Warrant Consideration

One Warrant will entitle its holder to receive, subject to adjustment upon the occurrence of certain events described below, a consideration, in accordance with the procedures as described above and calculated on the basis of the formula below (such consideration, the "**Warrant Consideration**").

$$\frac{\underline{(A) \times (B) \times (C)}}{(D)}$$

Whereby;

A. Represents the number of Intervest Offices shares sold during the period from the Warrant Issue Date until the Warrant Expiration Date (the "**Divestment Period**"), not taking into account (i) the sale of an initial fixed number of shares equal to the number of shares in Intervest Offices representing 4.7% of the issued share capital of Intervest Offices at the Warrant Issue Date, and (ii) the sale of any new Intervest Offices shares issued by Intervest Offices to NSI during the Divestment Period against fair market value (both (i) and (ii) together the "**Exempted Shares**").

B. Represents an amount equal to the lower of on the one hand the average consideration received by NSI for each Intervest Offices share sold during the Divestment Period (net of costs related to the sale of such Intervest Offices share) and on the other hand EUR 24.00 (not taking into account any consideration received in connection with a sale of the Exempted Shares during the Divestment Period) (such amount, the "**Warrant Gross Divestment Proceeds**"), minus EUR 18.90 (such result, the "**Warrant Net Divestment Proceeds**"). If the consideration received by NSI in connection with a sale of Intervest Offices shares is non-cash, the monetary value of the Warrant Gross Divestment Proceeds will be calculated on the basis of the fair market value of such non-cash consideration at the time of the relevant sale (as defined by a fairness opinion by an independent party (if necessary)).

C. Represents a fixed percentage of 33 1/3% (*thirty-three and one-third per cent.*).

D. Represents the total number of Warrants issued and outstanding as at the Warrant Expiration Date.

Should the above formula result in a negative value for the Warrant Consideration, the Warrant Consideration shall be regarded zero.

If NSI elects to settle the Warrant in NSI Ordinary Shares, the number of NSI Ordinary Shares that the Warrant holder is entitled to receive for each Warrant is calculated by dividing the Warrant Consideration by the volume weighted average share price of NSI Ordinary Shares over the 30 calendar days preceding the Warrant Expiration Date (such price, the "**NSI VWAP**").

Fractions Arising on Exercise

If NSI elects to settle the Warrant in NSI Ordinary Shares and the entitlement of a holder of Warrants to NSI Ordinary Shares on exercise includes a fraction of a NSI Ordinary Share, the fraction will not be issued but the holder will be entitled, at his option, to receive in respect of the fraction either:

- payment by NSI of an amount in euro equal to the appropriate fraction of the NSI VWAP; or
- one additional NSI Ordinary share, subject to the holder having paid to NSI an amount in euros equal to the NSI VWAP, minus the appropriate fraction of the NSI VWAP.

No Listing of the Warrants

The Warrants will not be listed or admitted to trading on any regulated stock exchange. The Warrant can be traded in the 'Over The Counter' market. In the 'Over The Counter' Market, trading occurs via a network of dealers who facilitate the buy and sell orders of investors, as opposed to on a centralised exchange.

Holders of the Warrants willing to purchase additional Warrants or sell (part of) their Warrants should contact the Admitted Institution through which they hold their Warrants.

Application will be made for the Warrants and will be accepted for settlement through Euroclear Nederland under the name Intervest Offices Value Retention Warrant, ISIN code NL0009842509.

Settlement

The Warrant can be exercised only in the period starting as of the Warrant Expiration Date until 17.00 hours CET on the last day of the Warrant Exercise Period (such date, the "**Final Exercise Date**"). If applicable, settlement will take place as soon as practicably possible after the Final Exercise Date, yet at least within ten Business Days following the Final Exercise Date (such date, the "Warrant Settlement Date").

NSI will undertake to keep available a sufficient reserve out of the proceeds of any potential sale of the Intervest Offices shares to pay the nominal value of the number of NSI shares underlying the Warrants from time to time. At the NSI EGM, the NSI Articles of Association will, to the extent required, be amended to facilitate the payment of the nominal value for the underlying New NSI Warrant Shares out of the reserve upon settlement of the Warrants.

Form and Transfer of the Warrants

The Warrants will be delivered only in bearer form and will be held on behalf of their holders by an authorised financial intermediary. In accordance with applicable law the rights of a holder of a Warrant will be evidenced by an inscription in his or her name in an account maintained by an authorised financial intermediary. Each authorised financial intermediary will maintain a record of Warrants held through it and will issue confirmations in respect of such Warrants. A holder of Warrants will be able to transfer Warrants by giving instructions to his authorised financial intermediary.

The New NSI Ordinary Shares and the Warrants will be separately transferable immediately after Completion.

Notices to holders of the Warrants

Where any operation results in an adjustment to the rights of holders of Warrants, the holders will be notified of such event by a notice published in a Dutch national newspaper and the Daily Official List of Euronext Amsterdam.

Anti-dilution protection holders of Warrants

In the event that, at any time or from time to time during the Divestment Period or Warrant Exercise Period, Intervest Offices pays out a dividend above its direct investment result, then, for calculation of the Warrant Consideration, the amounts of EUR 18.90 and EUR 24.00 used to calculate the Warrant Gross Divestment Proceeds and/or the Warrant Net Divestment Proceeds shall be reduced by the difference between (i) the dividend per share as paid out by Intervest Offices and (ii) the direct investment result of Intervest Offices over the corresponding period.

In the event that, at any time or from time to time during the Divestment Period or Warrant Exercise Period, Intervest Offices:

- subdivides or splits its shares;
- consolidates or reverse splits its shares;
- issues new shares;
- carries out a demerger; or
- any similar recapitalisation, reclassification, combination, or other corporate transaction resulting in a structural change relating to the shares in Intervest Offices takes place,

then, for the calculation of the Warrant Consideration, the amounts of EUR 18.90, EUR 24.00 and the number of Exempted Shares used to calculate the Warrant Gross Divestment Proceeds, the Warrant Net Divestment Proceeds and/or the Warrant Consideration shall be adjusted such that a potential Warrant Consideration immediately following such event is the same as the Warrant Consideration that would have resulted immediately prior to such event.

Miscellaneous

No individual, firm, company, or any joint venture, association or partnership (whether or not having separate legal personality) (each a "**Person**"), whether alone or acting in concert with one or more other

Persons, is allowed to hold more than 15% of the total number of outstanding Warrants. In case a Person nevertheless, alone or acting in concert with another person, holds more than 15% of the total number of outstanding Warrants, NSI will at the Warrant Settlement Date only settle with such Person for a maximum of 15% of the total number of Warrants issued and outstanding at the Warrant Expiration Date.

The Warrants do not confer upon the holders of Warrants any of the rights of the NSI Ordinary Shares, any voting or pre-emption rights, or any rights otherwise attributable to NSI Shareholders. The only right conferred by the Warrants is the right to exercise such Warrants, subject to the terms, conditions, restrictions and adjustments set out above.

The Warrants will be governed by Dutch law.

Taxation

See section "*Shareholder taxation*" for information about the Dutch tax consequences of the issuance, ownership, disposal, settlement or conversion of the Warrants.

REGULATORY MATTERS AND TAX STATUS OF THE GROUP

Regulatory matters

The Group is subject to various laws and regulations in the countries in which it operates.

Investment institution license

In The Netherlands, NSI qualifies as a closed-end investment institution. It has no obligation to redeem or to issue New NSI Ordinary Shares. NSI has held an investment institution licence from the AFM since 2006. For the purposes of the FMSA, NSI is self-managed and therefore does not have a separate management company (*beheerder*). NSI is supervised by the AFM with regard to conduct of business and by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) with regard to prudential rules.

On 30 April 2009, the European Commission proposed an EU Directive on Alternative Investment Fund Managers with the objective to create a framework for the direct regulation and supervision of alternative investment fund managers at the European level. This directive may come into force in 2011 and could affect the investment institution supervision framework in The Netherlands. It could also affect NSI's regulatory position. However, since the directive is still in its initial stage, it is uncertain whether or to what extent this will be the case.

Investment policy

NSI may amend its investment policy only in compliance with the FMSA. This means that, in principle, a proposal to change this policy must be published in a Dutch newspaper with a nationwide circulation and on NSI's website. The AFM must be separately notified of any such proposal. The change may, in principle, not be given effect until three months have passed after the date of publication of the proposed change.

Tax status

NSI and its relevant Dutch group companies are included in a tax consolidation for Dutch corporation tax purposes (*fiscale eenheid*, "**Fiscal Unity**"), as provided for by article 15 et seq. of the Dutch 1969 Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*, "**DCITA**"). For Dutch corporation tax purposes, under a Fiscal Unity the activities, profits and gains and estate of Group companies included in the Fiscal Unity are deemed to be part of the activities, profits and gains and estate of NSI. Each of the Group companies included in the Fiscal Unity is jointly and severally liable for the Dutch corporation tax liabilities of the entire Fiscal Unity.

NSI and its relevant Dutch group companies apply the status of FII, as provided for by article 28 DCITA. The paragraphs below provide a general description of the main aspects of the FII regime.

FII regime

General

Pursuant to the FII regime, an FII is subject to corporation tax in The Netherlands at a rate of zero per cent. The taxable profits of an FII are in principle determined on the basis of the same tax accounting principles which apply to taxpayers which are regularly liable to Dutch corporation tax. Without being exhaustive, the main exceptions are:

- certain particular items which are not deductible for taxpayers which are regularly liable to Dutch corporation tax are taken into account in calculating the taxable profit of an FII;
- subject to conditions and limitations, an FII can elect to apply a so-called reinvestment reserve (*herbeleggingsreserve*) as described in article 4 Investment Institutions Decree (*Besluit beleggingsinstellingen*). If the FII has applied for the reinvestment reserve, the net balance of realised and unrealised gains on securities and gains realised on other investments, reduced with a proportionate amount of expenses incurred by the FII, will be added to such reinvestment reserve by way of an allowable charge against its taxable profits;

- subject to conditions and limitations, an FII can elect to apply a rounding-off reserve (*afrondingsreserve*) as described in article 5 Investment Institutions Decree;
- the participation exemption as described in article 13 DCITA does not apply to investments in entities made by the FII.

Within eight months following the end of the relevant financial year, an FII must annually distribute its taxable profits determined in accordance with the principles briefly summarised above by way of a regular dividend distribution (*doorstootverplichting*). If an FII does not meet this requirement, the FII will lose its status as from the start of the accounting year the profits of which should have been duly distributed under this requirement. By applying the reinvestment reserve as summarised above, the FII effectively achieves that items attributed to the reinvestment reserve are excluded from its taxable profits and, therefore, excluded from its annual profit distribution obligation.

In view of the fact that an FII is in principle liable to Dutch corporation tax (albeit at a rate of zero per cent.) and that an FII must annually distribute its ‘taxable’ profits to its shareholders, an FII is generally considered as 'resident' for the purposes of the Dutch double tax treaties.

Given that an FII is liable to Dutch corporation tax at a rate of zero per cent., the FII is effectively unable to credit Dutch or foreign withholding taxes suffered against its Dutch corporation tax liability. Neither is the FII entitled to a refund of Dutch dividend withholding tax upon request. However, subject to certain conditions and limitations, the FII is allowed to apply a rebate to its obligation to remit the amount of Dutch dividend withholding tax which it has withheld in respect of its annual profit distribution in an amount equal to the amount of taxes suffered by the FII by way of withholding (*afdrachtvermindering*).

Distributions of profits made by an FII are subject to Dutch dividend withholding tax at a statutory rate of 15%. The reinvestment reserve is deemed to be paid-in capital recognised for Dutch dividend withholding tax, which in principle allows the FII, subject to certain conditions and restrictions to make distributions from the reinvestment reserve free of Dutch dividend withholding tax.

The FII acts as the withholding agent for Dutch dividend withholding tax purposes for and on behalf of its shareholders who are entitled to such distribution of profits. The FII must report the amount of Dutch dividend withholding tax and, subject to the rebate which it is allowed to apply as briefly summarised above, the FII must remit the amount of tax withheld to the Dutch tax authorities. As a matter of practice, under specific circumstances non-Dutch shareholders may be entitled to a reduction of Dutch dividend withholding tax pursuant to Dutch domestic law or pursuant to an applicable double tax treaty. Taxpayers who are liable to Dutch income tax or corporation tax are generally able to credit the Dutch dividend tax withheld against their Dutch income liability or corporation tax liability in full, any excess of Dutch dividend withholding tax over such Dutch income tax liability or corporation tax liability being refundable. Upon request, certain Dutch tax-exempt entities may be entitled to a refund of Dutch dividend withholding tax in whole.

Conditions in order to apply for FII regime

In order to maintain the status as an FII, NSI and its relevant Dutch Group companies, and after the Merger, the Combination, must uninterruptedly observe a number of conditions, failure of which will cancel the FII status as from the start of the accounting year during which such failure occurred:

- Conditions as to the statutory object and actual activities of the FII. The statutory object and the actual activities of an FII must be that of making portfolio investments, in that it is prohibited to be engaged in activities which go beyond those of making passive, portfolio investments. As a matter of practice, this means the investments must have the objective of realising a return in terms of yield derived from investment and appreciation in value which one reasonably may expect from regular investment management. Dutch tax law provides for certain deeming provisions pursuant to which, subject to requirements and limitations, an FII is permitted to renovate and improve its properties, to be indirectly engaged in the development (management inclusive) of properties for its own portfolio, to guarantee obligations in the framework of such development for own portfolio and to be engaged in group financing activities.
- Leverage restrictions. The FII is prohibited from financing its investments by raising indebtedness in excess of 60% of the book value for Dutch corporation tax purposes of actual or

deemed investments in real estate and 20% of the book value for Dutch corporation tax purposes of all other investments. For purposes of this requirement, indebtedness which has been applied to extend loans to group companies the assets of which comprises almost entirely of real estate is excluded.

- Shareholder requirements. By reason of NSI Ordinary Shares being listed on a recognised stock exchange, as well as by reason of NSI holding a license as an investment institution from the AFM, it is prohibitive for NSI's FII status if (a) an individual holds a twenty-five per cent. or greater interest in NSI, and/or (b) if an entity which in itself is liable to a tax on profits (including an entity the profits of which are taxed in the hands of its participants), other than an FII which itself meets these very shareholder requirements, holds (including shares in respect of which such person can cast control whether or not on the basis of voting arrangements) alone or together with certain affiliates a forty-five per cent. or greater interest in NSI. Further, it prohibitive for FII status if Dutch resident entities hold a twenty-five per cent. or greater interest in NSI through the interposition of a non-Dutch entity or mutual fund with a capital divided into shares. Even though NSI's relevant Group companies are not listed on a recognised stock exchange, and even though such Group companies in themselves do not hold a license as an investment institution from the AFM, nonetheless they also qualify as an FII by reason of all shares being owned by NSI which qualifies as an FII.

- Requirements on governance. Certain conditions apply to ascertain a certain degree of independence for the Management Board and Supervisory Board from shareholders which, alone or together with certain affiliates, hold a twenty-five per cent. or greater interest in NSI.

Cancellation of FII regime

If at any point in time an FII fails to meet any of the requirements to qualify as an FII, such FII status will be cancelled as from the start of the accounting year during which such failure occurred, except for a failure of the compulsory distribution which will cancel the FII status as from the start of the accounting year the profits of which should have been duly distributed under this requirement. The main consequence of a loss of FII status is that the relevant entity will become a regular taxpayer for Dutch corporation tax so that its profits and gains determined in accordance with Dutch tax accounting principles will be subject to Dutch corporation tax at the regular rates (current main rate: 25%). A cancellation of the FII status does not in itself trigger a revaluation of its assets to market value so that any unrealised capital gains at the time of cancellation become regularly liable to tax upon realisation. Furthermore, where it regards a cancellation of FII status of a Group company of NSI, such Group company can no longer be included in a Fiscal Unity with NSI.

MANAGEMENT AND EMPLOYEES

Set out below is a summary of certain information concerning the Management Board, the Supervisory Board and NSI's employees and a summary of certain provisions of the Articles of Association in respect of the Management Board and Supervisory Board. The summary of the above-mentioned provisions of the Articles of Association is based on, and qualified in its entirety by reference to, the full text of the Articles of Association, which are incorporated by reference herein. In connection with the Merger it is envisaged that certain changes to the Articles of Association will be made upon Completion (subject, *inter alia*, to the approval thereof at the NSI EGM). Explanatory footnotes have been included in this summary to identify and clarify the proposed changes.

Two-tier board structure

Every Dutch company is required to have a management board (*raad van bestuur*). NSI has a two-tier board structure consisting of the Management Board and the Supervisory Board (*raad van commissarissen*).

Management Board

Powers, composition and function

The Management Board is responsible for the day-to-day management of NSI's operations, as well as the operations of the Group, under the supervision of the Supervisory Board. In performing its duties, the Management Board is required to act in the interests of NSI and its affiliated enterprise, taking into consideration the interests of NSI's stakeholders (which include but are not limited to NSI's Shareholders). The Management Board is required to provide the Supervisory Board in a timely manner with all information necessary for the Supervisory Board to carry out its duties. The Management Board must also submit certain resolutions to the Supervisory Board for approval, as more fully described below.

The Management Board as a whole, as well as one member of the Management Board acting solely are entitled to represent NSI in the conduct of its business. In addition, a proxy holder has been appointed by NSI who may bind NSI for lease agreements up to an amount of EUR 200,000 and for other type of agreements up to an amount of EUR 100,000.

Pursuant to the Articles of Association, in the event of a conflict of interest between NSI and one of the members of the Management Board, NSI shall be represented by the other member. In the event of a conflict of interest between NSI and the entire Management Board, NSI shall be represented by a member of the Supervisory Board that has been designated by the entire Supervisory Board. In addition, the General Meeting should at all times have the power to appoint a person to represent NSI in the event of a conflict of interest. Under Dutch law, the absence of such approval will not affect the representative authority of the Management Board or its members as set forth in the Articles of Association. The Management Board Rules (as defined below) provide for further rules regarding conflicts of interest between NSI and a member of the Management Board. A member of the Management Board shall not participate in the discussion and decision-making on any business or transaction in which that Management Board member has a (potential) conflict of interest. Whether in such case a conflict of interest exists will be determined by the Supervisory Board. Any resolutions to enter into transactions involving conflicting interests of officers which are of material importance for NSI and/or the officers involved shall require the approval of the Supervisory Board.

Pursuant to the Articles of Association, the meeting of holders of priority shares (the "**Meeting of Holders of Priority Shares**") determines the number of members of the Management Board. The Management Board consists of at least two members.

The General Meeting appoints the members of the Management Board upon binding nomination as brought forward by the Meeting of Holders of Priority Shares. The binding nomination can be set aside by the General Meeting by means of a resolution adopted by at least two-thirds (2/3) of the valid votes cast, such two-third (2/3) majority representing more than half of the issued share capital. If in the event of a vacancy within the Management Board, the Meeting of Holders of Priority Shares has not brought forward its binding nomination within two months after the vacancy was notified to the Meeting of

Holders of Priority Shares, the General Meeting may appoint any person as member of the Management Board.

The General Meeting has the power to suspend or dismiss a member of the Management Board, **provided that** the resolution is adopted by at least two-thirds (2/3) of the valid votes cast, such two-third (2/3) majority representing more than half of the issued capital.

Pursuant to the Articles of Association, the Management Board may adopt rules regarding the functioning and internal organisation of the Management Board, as well as regarding the allocation of its tasks. Such rules require the approval of the Supervisory Board. In accordance with the Articles of Association, the Management Board has adopted the *Management Board Rules* (the "**Management Board Rules**"), approved by the Supervisory Board on 25 October 2010. The Management Board Rules apply to NSI and to all companies affiliated with it. The Management Board Rules can be downloaded from NSI's website (www.nsi.nl). By signing the Management Board Rules, each member of the Management Board has declared to adhere to the rules as set out therein.

Pursuant to the Management Board Rules, the members of the Management Board are charged with and are responsible for the management of NSI. According to the Articles of Association the Management Board must follow general guidelines provided by the Supervisory Board on its financial, social and economic policies. The Management Board shall consist of a general director (CEO), who is also the chairman of the Management Board, and a financial director (CFO). The CEO is amongst others responsible for NSI's strategy, purchase and sale policy, communications and legal matters. The CFO is amongst others responsible for finance, taxes, reporting and management information, investor relations, compliance, risk management corporate finance and banking. In the performance of the Managements Board's duties, the Management Board Rules set out that it shall be authorised to execute any and all (legal) acts as it may deem fit. Within the framework of risk management the Management Board shall (i) carry out a risk analysis regarding the operational and financial risks, (ii) publish a code of conduct on NSI's website and (iii) implement and maintain a financial reporting system. The Management Board shall report to the Supervisory Board at regular intervals and shall report to the General Meeting each year. The Management Board should provide the Supervisory Board with any and all information which they deem necessary to be able to perform adequately. The Management Board will provide the Supervisory Board with certain (financial) information at least every three months. This financial information will at least encompass a balance sheet, a profit & loss account, purchases / disposals of assets, refurbishing and (re)development projects, letting developments and vacancy and a financing scheme.

According to the Articles of Association, the Management Board will hold a meeting as often as a member of the Management Board so requires. In the Management Board Rules, this has been further defined as having a meeting once every two weeks and further as often as a Management Board member so requires. Resolutions are adopted by an absolute majority. The matters discussed in any event in the Management Board meetings are amongst others financial affairs, administrative business, fiscal matters, purchase and sale of real property, (re)development projects, communication policies, IR and legal matters.

Pursuant to the Articles of Association and the Management Board Rules, the Management Board must obtain the approval of the Supervisory Board for resolutions:

(i) to enter into agreements to acquire or dispose of real property or, as the case may be, any entitlements thereto[7];

(ii) to enter into legal proceedings, other than legal proceedings within the framework of NSI's normal business operations and to make preservation measures (attachments) (*conservatoire maatregelen*);

(iii) to bind NSI for debts of third parties other than its subsidiaries (*dochtervennootschappen*);

[7] Upon Completion, the Articles of Association will be amended such that the approval under this sub-clause will be required: (i) to the extent the relevant actions exceed an amount as determined by the Supervisory Board from time to time; and (ii) in circumstances where the relevant actions meet certain criteria as may be determined by the Supervisory Board and communicated to the Management Board in writing. The requirement that approval of the Supervisory Board must be sought can never be made dependent on the advice of the Investment Advisory Board to the Management Board or on whether or not the Management Board follows the advice of the Investment Advisory Board.

(iv) to perform any (legal) acts and/or specific (legal) acts involving a financial interest for NSI which exceeds the amount determined by the Supervisory Board;

(v) to grant or withdraw powers of attorney;

(vi) to grant pension entitlements;

(vii) to establish and close down branches and/or satellite offices, to cooperate with, participate in or accept or give up the management of other enterprises; and

(viii) to exercise voting rights attached to shares in the issued capital of group companies (*groepsmaatschappijen*) in respect of any subject referred to above under (i) through (vii), the appointment and removal of managing directors and the adoption of the annual accounts.

In addition, the Management Board must obtain approval from the Supervisory Board if it wishes to pay out an interim dividend.

The item (iv), mentioned above (to perform any (legal) acts and/or specific (legal) acts involving a financial interest for NSI which exceeds the amount determined by the Supervisory Board) has been elaborated on in the Management Board Rules as well as in the Supervisory Board Rules as follows:

the Supervisory Board determined that the Management Board requires the Supervisory Board's approval for resolutions where article 14 section 5 of the Articles of Association are not applicable and that exceed a financial interest of €1,500,000, except in situations as described below in which case the thresholds mentioned below are applicable:

(a) The Management Board is authorised to pass all resolutions regarding the day-to-day operational business of the Company, for example (but not limited to) technical matters or matters related to service, maintenance, rent and rental agreements, debtors control etc., regardless of the financial interest involved, without that the Supervisory Board's approval is required.

(b) The Management Board is authorised to pass resolutions regarding the entering into or extension of debt financing, related instruments like derivatives and other associated resolutions for a capital amount below € 75 million without that the Supervisory Board's approval is required.

(c) The Management Board is not authorised to pass resolutions regarding the issuing of bonds and/or other debt capital market instruments, regardless of the financial interest involved, without the prior approval of the Supervisory Board.

(d) The Management Board is not authorised to pass resolutions regarding the issuing of shares without the prior approval of the Supervisory Board, but the Management Board is authorised to pass all following resolutions related to a share issue without that the Supervisory Board's approval is required.

(e) The Management Board is not authorised to pass resolutions in which commitments are made towards one or more members of the Management Board, the Supervisory Board and/or its committees and the Board of the Stichting Prioriteit, regardless of the financial interest involved, without the prior approval of the Supervisory Board.

(f) The Management Board is not authorised to pass resolutions regarding the entering into or amending collective pension arrangements without the prior approval of the Supervisory Board, but the Management Board is authorised to grant pension rights based on these collective pension arrangements without the approval of the Supervisory Board.

According to the Articles of Association the Management Board will be assisted by an investment advisory board (*beleggingsraad*) ("**Investment Advisory Board**") in its approval of the resolution set out under (i) above. The Management Board Rules further specify that the Management Board requires the Investment Advisory Board's approval for the resolutions as set out under (a) (i.e. the Supervisory Board has delegated its powers in this respect to the Investment Advisory Board) and any investment in premises forming a part of NSI's portfolio and that exceeds EUR 1,500,000. According to the Articles of Association, the Investment Advisory Board comprises of at least one member of the Supervisory Board. The members of the Investment Advisory Board will be appointed and dismissed by the Supervisory

Board. Further rules governing the Investment Advisory Board have been established by the Supervisory Board on 24 October 2008 and are set out in more detail below in the section on the Supervisory Board's committees.[8]

Members of the Management Board

At the date of this Prospectus, the Management Board is composed of the following two members:

Name	Date of birth	Position	Member as of	Term
Mr. J.Buijs	15 September 1965	Chief Executive Officer	25 September 2008	31 December 2012
Mr. D.S.M. van Dongen	11 March 1971	Chief Financial Officer	1 November 2009	31 December 2013

NSI's registered address serves as the business address for all members of the Management Board (see section "*Description of Share Capital and Corporate Governance – General*").

Mr. J. Buijs	
Education	Civil Engineering at the Delft University of Technology
Career	
2006	Statutory Director of Wereldhave N.V.
2000	Head of the Construction Department and (since January 2005) Statutory Director of Wereldhave Management Holding B.V.
1994	Project Manager and Managing Director of D3BN Rotterdam and Managing Director of D3BN Infrastructure
1991	Structural Engineer/Project Manager at Royal Haskoning
1989	Structural Engineer at D3BN Civil Engineers Consultancy

Mr. D.S.M. van Dongen	
Education	Business school, specialisation corporate finance, at the universities of Groningen and Salamanca (Spain) Post graduate education Certified Controller, University of Amsterdam
Career	
2007	Group controller Wereldhave N.V.
2005	Senior controller Wereldhave N.V.
2003	Finance manager TNT Logistics France
2000	Financial controller TNT Logistics Netherlands & TNT Italy
1998	Corporate finance manager TNT Post Group
1995	Corporate finance advisor KPN

[8] Upon Completion, the NSI internal regulations will be amended such that the Investment Advisory Board will not have any approval rights, but an advisory role: (i) to the Management Board, if the relevant actions do not exceed an amount as determined by the Supervisory Board from time to time; and (ii) to the Supervisory Board if the relevant actions exceed an amount as determined by the Supervisory Board from time to time. Upon Completion, the Articles of Association will be amended such that the approval of the Supervisory Board will be required: (i) to the extent the relevant actions exceed an amount as determined by the Supervisory Board from time to time; and (ii) in circumstances where the relevant actions meet certain criteria as may be determined by the Supervisory Board and communicated to the Management Board in writing. The requirement that approval of the Supervisory Board must be sought can never be made dependent on the advice of the Investment Advisory Board to the Management Board or on whether or not the Management Board follows the advice of the Investment Advisory Board.

Supervisory Board

Powers, composition and function

The Supervisory Board supervises the policies of the Management Board and the general course of affairs of NSI and its business enterprise. The Supervisory Board also provides advice to the Management Board. In performing their duties, the members of the Supervisory Board are required to act in the interests of NSI and its affiliated enterprises, taking into consideration the interests of NSI's stakeholders (which includes but is not limited to the Shareholders).

Pursuant to the Articles of Association, the Meeting of Holders of Priority Shares determines the number of the members of the Supervisory Board. The Supervisory Board consists of at least three members. The Supervisory Board may appoint a delegated member with an absolute majority of votes.

The General Meeting appoints the members of the Supervisory Board upon binding nomination as brought forward by the Meeting of Holders of Priority Shares. The binding nomination can be set aside by the General Meeting by means of a resolution adopted by at least two-thirds (2/3) of the valid votes cast, such two-third (2/3) majority representing more than half of the issued capital. If in the event of a vacancy within the Supervisory Board the Meeting of Holders of Priority Shares has not brought forward its binding nomination within two months after the vacancy was notified to the Meeting of Holders of Priority Shares, the General Meeting may appoint any person as member of the Supervisory Board.

The General Meeting has the power to suspend or dismiss a member of the Supervisory Board, **provided that** the resolution is adopted by at least two-thirds (2/3) of the valid votes cast, such two-third (2/3) majority representing more than half of the issued capital.

The members of the Supervisory Board are appointed for a maximum term of four years. A retiring member of the Supervisory Board may be re-appointed only twice. The Supervisory Board shall draw up a rotation schedule, which in accordance with the Articles of Association has been composed in such a way that each year a member of the Supervisory Board steps down from his or her appointment. Such schedule is accessible through NSI's website (www.NSI.nl) and is incorporated in the 2010 annual report. According to the Supervisory Board Rules (as defined below) the Supervisory Board may not include more than one former member of the Management Board and when proposing to appoint a former Management Board member, consideration must be given to what influence such member has on the Supervisory Board and its operations and the Management Board's operations.

According to the Articles of Association the Supervisory Board will hold a meeting as often as a member of the Supervisory Board so requires. Resolutions are adopted by an absolute majority of votes. Furthermore, the Supervisory Board may decide among themselves how meeting are held and convened. In this regard the Supervisory Board has adopted the *Supervisory Board rules of Nieuwe Steen Investments N.V.* (the "**Supervisory Board Rules**"). The Supervisory Board Rules amongst others include rules on the Supervisory Board's composition, duties, remuneration, supervision of the Management Board, conflicts and dealings with shareholders and accountants. The Supervisory Board Rules, adopted on 25 October 2010, can be downloaded from NSI's website (www.NSI.nl).

Pursuant to the Supervisory Board Rules the Supervisory Board holds a meeting at least once in three months and otherwise as often as a member of the Supervisory Board so requires. The Supervisory Board meets without the Management Board members being present whenever the Supervisory Board members so require. The Supervisory Board can only take decisions if at least two-thirds (2/3) of the Supervisory Board members are present in a meeting. Decisions must be taken by a simple majority of the votes cast. In case of a tie as second meeting must be held; if the vote is then still tied, the chairman of the Supervisory Board will have a decisive vote.

The Supervisory Board adopted a profile of the size and composition of the Supervisory Board on 13 December 2007. According to the Supervisory Board Rules, the Supervisory Board is responsible for outlining its own profile, in which the nature of the business of NSI, its activities and the relevant background expertise required as Supervisory Board members are taken into account. The outline is subject to the consent of the Meeting of Holders of Priority Shares.

Members of the Supervisory Board

At the date of this Prospectus, the Supervisory Board is composed of the following four members[9]:

Name	Date of birth	Position	Member as of	Term
Mr. H. Habas	31 October 1960	Chairman	27 September 2007	To 2015
Mr. A.P. van Lidth de Jeude	1 January 1942	Vice-chairman	26 March 2009	To 2013
Mr. H.J. van den Bosch	26 April 1949	Secretary	23 March 2006	To 2014
Mr. G.L.B. de Greef	27 April 1959	Member	27 March 2008	To 2012

NSI's registered address serves as the business address for all members of the Supervisory Board (see section "*Description of Share Capital and Corporate Governance – General*").

Mr. H. Habas (1960)
Chairman

Nationality: *Israeli*
Current position: *Chairman of the Board of the Habas Group.*
First appointed: *2007*
Current term: *to 2015*

Mr. A.P. van Lidth de Jeude (1942), *Vice-Chairman*

Nationality: *Dutch*
Current position: *independent consultant and member of the board of Stichting Prioriteit NSI*
Previous positions: *civil-law notary and partner at Loyens & Loeff*
Additional position: *Director of the Valbonne Group*
Supervisory Board positions: *Depa Holding B.V., member of the Advisory Board of Nieuwe Borg Holding B.V.*
First appointed: *2007*
Current term: to *2013*

Mr. H.J. van den Bosch (1949)
Secretary

Nationality: *Dutch*
Current position: *independent management consultant*
Previous position: *financial director of Blokker B.V.*
Additional position: *director of Maatschap Alliance*
Supervisory Board positions: *Terberg Group B.V., Terberg Leasing B.V., Rabobank Rijn en Veenstromen, Antea Participaties IV, Stichting Woonzorg Nederland, Stichting Espria, Bugaboo International B.V.*
First appointed: *2006*
Current term: *to 2014*

Mr. G.L.B. de Greef (1959)

Nationality: *Dutch*
Current position: *independent entrepreneur in the field of real estate investments and project development and Partner in Gemini Development B.V.*
Previous positions: *Various board level positions with real estate developers Multi Development, Willimas Properties and Fortis Vastgoed*

9 Upon Completion, the Supervisory Board will consist of six members as the Continuing VastNed O/I Directors shall be appointed as members of the Supervisory Board. See "*The Merger – Corporate Governance and organisation of the Combined Group*".

First appointed: *2008*
Current term: *to 2012*

Supervisory Board committees

According to the Supervisory Board Rules it may, if it so desires, appoint an audit committee, a remuneration committee (the "**Remuneration Committee**") and/or a selection and appointments committee from amongst its members. In that respect the Supervisory Board has established an Audit committee, a Remuneration Committee and an Investment Advisory Board to optimize its operations. According to the Supervisory Board Rules, the role of these committees is to prepare the foundations for the Supervisory Board's decisions. The Supervisory Board is still responsible for its own decisions, even if the groundwork for them is prepared by the committees. The Supervisory Board has laid down rules for each committee, stating what the respective committee in question's role and responsibilities are, its composition and how it performs its duties.

The members of the committees consist of Supervisory Board members and other persons with relevant expertise. The Audit committee was established in December 2008 due to the introduction of the Audit Committee Decree and the resulting increasing workload. Its rules were adopted by the Supervisory Board on 21 April 2009. The Remuneration Committee was established to among others propose remuneration policies for the Supervisory Board and Management Board. Its rules were adopted by the Supervisory Board on 2 March 2010. In accordance with the Articles of Association, the Supervisory Board established an Investment Advisory Board and adopted its rules on composition and decision making process on 24 October 2008.

Audit committee

The duty of the Audit Committee is to support the Supervisory Board in the exercise of its supervisory duties in the following areas:

(a) the operation of the internal risk management and control systems, including supervision of the enforcement of relevant primary and secondary legislation and supervision of the operation of the codes of conduct;

(b) the provision of financial information by NSI (choice of accounting policies, application of and assessment of the effects of new rules, information about the treatment of estimated items in the financial statements, forecasts, the related work of internal and external auditors, etc.);

(c) compliance with recommendations and observations made by external auditors;

(d) company policy with regard to tax planning;

(e) the relationship with the external auditor, including in particular their independence and compensation and any non-audit work carried out for NSI;

(f) NSI's funding and treasury policy; and

(g) the application of information and communication technology.

According to its rules, the Audit committee meets as often as it considers necessary, but at least once a year without the Management Board members or the external auditor being present. The Audit committee consists of at least two members. At least one of its members must have relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities. The Audit committee appoints a chairman from among its members. The Audit committee may not be chaired by the chairman of the Supervisory Board or a former member of the Management Board. The current members of the Audit committee are Mr. H.J. van den Bosch (chairman) and Mr. A.P. van Lidth de Jeude.

Remuneration committee

The Remuneration Committee advises the Supervisory Board in the exercise of its duties regarding the remuneration of the members of the Management Board and prepares decisions of the Supervisory Board in this regard. The duties of the Remuneration Committee include proposing NSI's remuneration policy to the Supervisory Board, proposing the remuneration of the individual members of the Management Board and preparing the annual remuneration report.

According to its rules, the Remuneration Committee meets as often as it considers necessary, but at least twice a year. The Remuneration Committee consists of three members. At least two members of the Remuneration Committee must be a member of the Supervisory Board. The Remuneration Committee appoints a chairman of the Remuneration Committee from among its members. The Remuneration Committee may not be chaired by the chairman of the Supervisory Board or a former member of the Management Board, nor can a member of the Remuneration Committee be chairman if he or she is on a management board of another Dutch listed company. The current members of the Remuneration Committee are Mr. A.P. van Lidth de Jeude (chairman), Mr. H.J. van den Bosch and Mr. J. Timmer.

Investment Advisory Board

The Investment Advisory Board assists the Supervisory Board in relation to the assessment of acquisition or divestment of real estate or rights thereto and thus oversees the implementation of NSI's investment policy. In practice, this means that the Investment Advisory Board discusses and evaluates purchases and sales and investments in properties with the Management Board. In performing its duties, the Investment Advisory Board is guided by a policy composed by the Management Board and the interest of NSI and its group companies. [10]

According to its rules, the Investment Advisory Board meets as often as the Management Board, the Supervisory Board or one or more members of the Investment Advisory Board so require. The Investment Advisory Board consists of three members. At least one member of the Investment Advisory Board must be a member of the Supervisory Board (as specified in the Articles of Association and the Supervisory Board Rules). While these conditions are not met, all transactions require the approval of the entire Supervisory Board. The members of the Investment Advisory Board are appointed and dismissed by the Supervisory Board. Decisions can only be taken by the Investment Advisory Board unanimously at meetings at which all members are present in person or by proxy. Members are selected on the basis of their real estate expertise. The current members of the Investment Advisory Board are Mr. Th. C. Dijksman, (Chairman), Mr. De Greef and Mr. A. Nitzani.

Conflicts of interest

As of the date of this Prospectus and other than as set out below, NSI is not aware of any potential conflict of interest between the private interests or other duties of the members of the Management Board or the members of the Supervisory Board and their duties and responsibilities to NSI.

During the 2009 financial year, a transaction took place within the context of the rules relating to conflicts of interest. In the sale of the property on De Lairessestraat in Amsterdam, NSI was assisted by EPAC Property Counsellors BV. One of the directors of EPAC is Mr Th.C. Dijksman, the chairman of the Investment Advisory Board of NSI. Although Mr Dijksman was not the advising real estate agent in this transaction, NSI decided to apply the conflict of interest rules anyway to avoid any appearance of a conflict of interest. Mr Dijksman did not participate in the discussion and decision-making regarding the transaction, and the transaction was evaluated and approved by the Supervisory Board and not the Investment Advisory Board, thus meeting provisions III.6.1 to III.6.3 and III.6.5 of the Dutch corporate governance code (the "**Dutch Corporate Governance Code**").

[10] Upon Completion, the NSI internal regulations will be amended such that the Investment Advisory Board will not have any approval rights, but an advisory role: (i) to the Management Board, if the relevant actions do not exceed an amount as determined by the Supervisory Board from time to time; and (ii) to the Supervisory Board if the relevant actions exceed an amount as determined by the Supervisory Board from time to time. Upon Completion, the Articles of Association will be amended such that the approval of the Supervisory Board will be required: (i) to the extent the relevant actions exceed an amount as determined by the Supervisory Board from time to time; and (ii) in circumstances where the relevant actions meet certain criteria as may be determined by the Supervisory Board and communicated to the Management Board in writing. The requirement that approval of the Supervisory Board must be sought can never be made dependent on the advice of the Investment Advisory Board to the Management Board or on whether or not the Management Board follows the advice of the Investment Advisory Board.

Remuneration

Management Board remuneration information

A policy on remuneration of the Management Board was adopted by the General Meeting on 25 September 2008 (the "**Remuneration Policy**"). The Remuneration Committee is responsible for preparing the proposal to the General Meeting on the remuneration policy and preparing a proposal for adoption by the Supervisory Board on the remuneration of individual members of the Management Board. After advice of the Remuneration Committee, the Supervisory Board submits the remuneration policy to the General Meeting for approval. The Supervisory Board determines the remuneration of the individual members of the Management Board in accordance with the remuneration policy. The Company does not allocate shares in the Company or options to acquire shares in the Company.

In brief, the objective of NSI's compensation policy is the ability to attract, retain and motivate qualified people in order to realise NSI's objectives, to provide a compensation such that the members of the Management Board are paid a remuneration that are aligned with the responsibilities of their position and to encourage value creation for the Company and its stakeholders.

The compensation of the Management Board members consists of a fixed annual salary, a variable payment and secondary conditions of employment. The variable payment consists of a short-term and a long-term element. The short-term variable payment is established annually in April, and is capped at 15% of the fixed salary. Criteria are established prior to the start of a calendar year which have to be met to a certain degree. These may vary from year to year and are published by NSI on its website.

For the CEO for calendar year 2009, the quantitative criteria for the assessment will be: the direct investment result per share, the like-for-like growth and the total expense ratio. These criteria count for 80% of the payment. The development and implementation of an investor relations policy has been established as the qualitative criterion for calendar year 2009, which has a weight of 20%. For calendar year 2010, the quantitative criteria for the assessment are the same as in 2009. The way NSI is perceived externally has been established as the qualitative criterion for calendar year 2010, which has a weight of 20%.

For the CFO, for calendar year 2010, the same quantitative criteria as for the CEO are applicable. The qualitative criterion for the CEO is the restructuring of NSI's debt funding.

The long-term variable payment is established on the basis of the performance of NSI over a four year period. The payment is capped at 40% of the fixed annual salary of the CEO and 20% for the CFO. The quantitative criteria used for the long-term variable payment in case of the CEO are: the amount of the dividend per share on 31 December 2012, the expansion of the international portfolio and the loan-to-value ratio. These criteria count for 80% of the payment. The qualitative criteria are the development and execution of the investor relations policy and risk management. In case of the CFO, the qualitative criteria are the direct investment result per share on 31 December 2013, the expansion of the portfolio and the loan-to-value ratio. The qualitative criteria are the development and execution of the investor relations policy, the international image of NSI and risk management, including corporate governance.

The Remuneration Policy sets out certain "*ultimum remedium*" and claw-back possibilities for the Supervisory Board in relation to the Management Board's remuneration, thereby following best practice provisions II.2.10 and II.2.11 of the Dutch Corporate Governance Code. If a variable payment is allocated on the basis of incorrect (financial) data, the Supervisory Board may adjust the payment and NSI is entitled to claim the part of the payment incorrectly allocated to that member. The Supervisory Board may make changes to new allocations of variable pay to members of the Management Board in relation to the level paid in previous years if in their opinion this would lead to an unreasonable outcome, taking into account the provisions of the remuneration policy. Furthermore, the Supervisory Board is entitled to make changes to existing conditional allocations of variable pay with quantified performance if in their opinion allocation without such change would lead to an unreasonable or unintended outcome. In such cases, the Supervisory Board may adjust the amount of the variable payment upwards or downwards prior to payment. However, the Supervisory Board only exercises such authority as a last resort.

According to the Remuneration Policy, NSI does not allocate shares in NSI or options to acquire shares in NSI, nor does it provide personal loans, guarantees or other similar financial instruments to Management Board members other than in the ordinary course of business, on conditions that apply to all employees and with the prior approval of the Supervisory Board. NSI's 2009 financial statements state that the Management Board members do not own any options or rights to shares in NSI, nor have any loans, advances or guarantees been granted to them. Reference is also made to note number 21 to NSI's 2009 consolidated financial statements

Remuneration and benefits for the Management Board

The table below shows the remuneration of each member of the Management Board for the 2010 financial year. Reference is also made to note number 21 to NSI's 2010 consolidated financial statements.

Name	Fixed Salary	Variable payment	Pension	Social security	Total	Shareholding end 2010
	(€1000)					
Mr. J.Buijs	343	46	30	15	434	25.100
Mr. D.S.M. van Dongen	200	n/a	21	9	230	1.050

Supervisory Board remuneration information

Pursuant to the Articles of Association, the Meeting of Holders of Priority Shares determines the remuneration of the members of the Supervisory Board. The compensation of Supervisory Board members is not related to the results of NSI.

The Supervisory Board members do not own any options or rights to shares in NSI, nor have any loans, advances or guarantees been granted to them. Reference is also made to note number 23 to NSI's 2010 consolidated financial statements

Remuneration and benefits for the Supervisory Board

The table below provides the remuneration of each member of the Supervisory Board for the financial year 2010.

Name	Annual Remuneration
	(€1000)
Mr. H. Habas	35
Mr. G.L.B. de Greef	49
Mr. H.J. van den Bosch	36
Mr. A.P. van Lidth de Jeude	61

The compensation of the Supervisory Board members includes the payment they receive as a director of Stichting Prioriteit NSI (as defined below), as a member of the Investment Advisory Board or as a member of the Audit or the Remuneration Committee. Reference is also made to note 23 of the 2010 financial statements of NSI.

Employment agreements and severance agreements

According to the Remuneration Policy, the remuneration structure of NSI amongst others exists of a severance scheme in the event of termination of employment. Members of the Management Board are in principle offered an employment contract for a definite term of 4 years. This rule can be deviated from with the approval of the General Meeting but solely applies to directors from within the organisation who already have an existing employment contract for an indefinite term. Contracts with a definite term of 4 years can be continued for a period of 4 years with the approval of the General Meeting. In the event of premature dismissal the Management Board members will receive a maximum payment of one fixed annual salary, including in the event of a change of control.

The departure of Mrs J.J.M. Reijnen, the former CFO, was a special item of attention for the Supervisory Board in the 2009 financial year. With the arrival of Mr Buijs in September 2008, Mrs Reijnen, who until then was the CEO, accepted the position of CFO. It was further agreed that the Supervisory Board and Mrs Reijnen would reach agreement in May 2009 regarding a new appointment term for Mrs Reijnen and the conditions of employment appropriate to the position of CFO. Mrs Reijnen and the Supervisory Board were unable to reach agreement with regard to these conditions of employment. In view of Mrs Reijnen's long service and her efforts on the Company's behalf, the Supervisory Board decided to grant Mrs Reijnen a severance arrangement in the amount of one year's salary.

Indemnification and insurance

Members of the Management Board, Supervisory Board and certain other officers may be held liable for damages in the event of improper or negligent performance of their duties. Under Dutch law, they may also be held jointly and severally liable for damages to NSI and to third parties for infringement of the Articles of Association or of certain provisions of the DCC. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Management Board, Supervisory Board and certain other officers are insured under an insurance policy taken out by NSI that covers the risks and costs when such members perform their duties within reasonable limits. The policy compensates for losses incurred due to a claim regarding an error (*fout*) of the officer in question. Furthermore, the policy insures the loss of an NSI legal entity if this legal entity has to compensate an officer in case of an error by this officer. Defence costs are also covered.

Other information relating to the Management Board or Supervisory Board

During the last five years, none of the members of the Management Board or the Supervisory Board (i) has been convicted in relation to fraudulent offences, (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of affairs of any issuer.

Employees

Throughout 2010, NSI employed an average of 42 full time equivalents ("**Fte**") (including the members of the Management Board). As of 31 December in each of the last three years, NSI employed the following numbers of Fte:

Country	As at 31 December 2008 (Fte)	As at 31 December 2009 (Fte)	As at 31 December 2010 (Fte)
Netherlands	27.4	31.5	39
Switzerland	n/a	2.5	3
Total	27.4	33	42

Stichting Prioriteit NSI

Stichting Prioriteit NSI was incorporated on 27 February 1998. According to its articles of association of the foundation, its corporate purpose (*doel*) is to promote a responsible and balanced policy of the Management Board and preservation of the continuity of the business carried out by NSI. It achieves this objective by holding all issued Priority Shares and obtaining any of such shares to be issued in the future, by exercising the rights pertaining to such shares and furthermore by performing all acts that are necessary or useful in achieving its main objective, save that it will not carry on any business that would lead to a commercial risk for the Stichting Prioriteit NSI.

As currently the Stichting Prioriteit NSI owns all Priority Shares. According to the Articles of Association, the Meeting of Holders of Priority Shares has the following rights:

(i) it should give its prior approval to any proposal of the Management Board in relation to the reduction of NSI's share capital before it is submitted to the General Meeting;

(ii) it determines the number of members of the Management Board and Supervisory Board;

(iii) it determines the remuneration of the Supervisory Board;

(iv) it makes binding nominations for the appointment of members of the Management Board and the Supervisory Board;

(v) it may suspend a member of the Management Board at any time;

(vi) it may annually appoint a person who will be responsible for the management of NSI in case of permanent incapacity (*onstentenis of belet*) of the Management Board or of its sole member (as the case may be);

(vii) it has the authority to decide that in the event of dissolution of NSI the liquidation will be carried out and/or supervised by other bodies than the Management Board and Supervisory Board;

(viii) it is the sole body that may make a proposal to amend the Articles of Association or to dissolve NSI; and

(ix) it may decide on all matters that are not foreseen by the Articles of Association or under Dutch law.

According to the Supervisory Board Rules, the outline of the Supervisory Board's profile should be approved by the Meeting of Holders of Priority Shares.

Members of the management board of Stichting Prioriteit NSI

The members of the management board of Stichting Prioriteit NSI are appointed by the current management board of Stichting Prioriteit NSI and comprises of three members. Each of the Management Board and Supervisory Board have the right to appoint one member by binding nomination. If in case of a vacancy a board member is not appointed within two months, the current board may appoint any person as new board member. The board members are dismissed by the board itself. At the date of this Prospectus, the management board of Stichting Prioriteit NSI is composed of the following members:

Name	**Date of birth**	**Position**	**Member as of**	**Term**
Mr. A.P. van Lidth de Jeude	1 January 1942	Chairman	2008	2011
Mr. R. Moeijes	24 April 1968	Treasurer	2009	2012
Mr. J. Timmer	5 August 1943	Secretary	2007	2013

MAJOR SHAREHOLDER AND RELATED PARTY TRANSACTIONS

Share ownership

Pursuant to the FMSA, members of the Management Board and the Supervisory Board must notify the AFM of their interest in NSI's share capital and voting rights within two weeks of their appointment as a member of the Management Board or the Supervisory Board. Any subsequent change of their interest in NSI's share capital and voting rights must be notified to the AFM without delay.

The number of Shares owned by members of the Management Board and the Supervisory Board according to the latest notifications with the AFM are as follows:

Name	Notification date	Shareholding Total
Mr. J. Buijs	25 September 2009	25,100
Mr. H. Habas (through Habas-H.Z. Investments (1960))	10 June 2010	9,015,000
Mr. D.S.M. van Dongen	19 May 2010	1,050

Share option plans

NSI currently does not have any share option plans and NSI's current remuneration policy is not to grant options or shares to employees.

Loans to members of the Management Board and Supervisory Board

There are currently no outstanding loans from NSI to the members of the Management Board and Supervisory Board and NSI is not allowed to grant loans to Management Board members or Supervisory Board members.

Major Shareholder

NSI has one major investor in the meaning of the Dutch Investment Institutions Supervision Decree (*Besluit toezicht beleggingsinstellingen*), Stichting Prioriteit NSI, holder of all 5,000 Priority Shares.

As far as NSI is aware, Habas-H.Z. Investments (1960) is the only shareholder owning more than 5% of the issued NSI Shares. No different voting rights are attached to the shares held by Habas-H.Z. Investments (1960).

Related party transactions

There were no transactions between NSI and a shareholder owning 10% or more of NSI Shares in the 2008, 2009 and 2010 financial years and 2011 to date, other than those set out below. The members of the Supervisory Board and Management Board have no personal interest in the investments made by NSI, nor did they have such an interest at any time in 2009. NSI is not aware of any real estate investment or other transactions with persons or institutions that could be considered to have a direct relationship with the Company in the 2008, 2009 and 2010 financial years and 2011 to date, except for:

(i) the sale of the property on de Lairessestraat in Amsterdam, in respect of which advice was provided by Epac Property Counselors B.V. Mr Th. C. Dijksman, member of the Company's Investment Advisory Board, is a director in this firm. The brokerage fee charged was in line with market practice (0.75% of the purchase price); and

(ii) NSI’s major shareholder's (Habas-H.Z. Investments) commitment towards the Company to subscribe, for 20.8% of the shares issued during NSI's share offering in June 2010 (*pro rata* its shareholding at that time) and to vote in favour of the Merger at the NSI EGM.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

General

NSI is a closed-end investment company with variable capital (*beleggingsmaatschappij met veranderlijk kapitaal)* and has the legal form of a limited liability company (*naamloze vennootschap*). NSI was incorporated under the laws of The Netherlands on 25 August 1992. The corporate seat of NSI is in Hoorn, The Netherlands and its registered office is at 2132 NC Hoofddorp, Kruisweg 661-665, The Netherlands with the following telephone number: +31 (0) 20 76 30300. NSI is registered in the Commercial Register of the Chamber of Commerce for Amsterdam (*handelsregister van de Kamer van Koophandel voor Noordwest-Holland*) under number 36040044. The Articles of Association were last amended by notarial deed on 19 April 2004 before R. Einarson, civil law notary in Heemstede. The certificate of no objection of the Minister of Justice to that amendment was issued on 22 March 2004, number N.V. 437.073.

Set forth below is a summary of certain provisions of the Articles of Association and of Dutch law. This summary does not purport to be complete, and is qualified in its entirety by reference to the full text of the Articles of Association, which are incorporated by reference herein, Dutch law and the Dutch Corporate Governance Code. In connection with the Merger it is envisaged that certain changes to the Articles of Association will be made upon Completion (subject, *inter alia*, to the approval thereof at the NSI EGM). Explanatory footnotes have been included in this summary to identify and clarify the proposed changes.

Corporate purpose

Pursuant to the Articles of Association, NSI is an investment company with variable capital (*beleggingsmaatschappij met veranderlijk kapitaal)*. Pursuant to article 3 of the Articles of Association, the corporate purpose (*doel*) of NSI is to invest capital in securities, (mortgage) claims and real estate in such a way that the risk thereof is spread, all with the aim to have Shareholders participate in NSI's revenues.

Share capital

Authorised and issued share capital of NSI

NSI's authorised capital comprises of (i) 74,995,000 NSI Ordinary Shares with a nominal value of €0.46, of which 43,286,677 NSI Ordinary Shares were placed and fully paid up on 31 March 2011 and (ii) 5,000 NSI Priority Shares with a nominal value of €0.46, all of which are placed and fully paid up.. Immediately prior to the announcement of the Merger, 43,286,677 NSI Ordinary Shares and 5,000 NSI Priority Shares were issued and outstanding.

The following table sets forth NSI's issued share capital as at 31 December 2008, 31 December 2009, 31 December 2010 and 31 March 2011.

	Number of shares issued at 31 December 2008	Number of shares issued at 31 December 2009	Number of shares issued at 31 December 2010	Number of shares issued at 31 March 2011	Nominal value per share (€)
NSI Ordinary Share(s)	35,774,117	39,351,527	43,286,677	43,286,677	0.46
NSI Priority Share(s)	5,000	5,000	5,000	5,000	0.46

The total number of issued NSI Ordinary Shares over the financial year ended 31 December 2009 increased by 9.99% from 35,774,117 NSI Ordinary Shares to 39,351,527, reflecting the issue of NSI Ordinary Shares by an accelerated book-building offering in June 2009.

The total number of issued NSI Ordinary Shares over the financial year 2010 increased by 9.99% from 39,351,527 NSI Ordinary Shares to 43,286,677, reflecting the issue of NSI Ordinary Shares by an accelerated book-building offering in June 2010.

Immediately prior to the date of this Prospectus, all issued and outstanding NSI Ordinary Shares were listed on Euronext Amsterdam.

Currently, none of the issued NSI Ordinary Shares are held by NSI or any of its subsidiaries. All NSI Ordinary Shares that are outstanding at the date of this Prospectus are fully paid up.

Issue of NSI Ordinary Shares / NSI Priority Shares

NSI is a closed-end investment company with variable capital (*beleggingsmaatschappij met veranderlijk kapitaal*). This means that the Management Board has authority to issue NSI Ordinary Shares and/or NSI Priority Shares, without prior approval of the General Meeting. This also applies to the granting of rights to subscribe for shares, such as options. Under the Articles of Association, NSI may acquire fully paid up NSI Ordinary Shares and/or NSI Priority Shares in its own capital, **provided that** the issued capital, less the amount of shares NSI holds itself, amounts to at least one-tenth of the authorised capital. No corporate action is required for an issue of NSI Ordinary Shares or NSI Priority Shares pursuant to the exercise of a previously granted right to subscribe for NSI Ordinary Shares or NSI Priority Shares.

Stichting Prioriteit NSI is the holder of the 5,000 NSI Priority Shares. According to the Articles of Association, special controlling rights are allocated to NSI Priority Shares. NSI Priority Shares are placed with Stichting Prioriteit NSI at par. Reference is further made to *Stichting Prioriteit NSI* under the section on Management and Employees as set out above.

Pre-emption rights

Shareholders do not have a pre-emption right (*voorkeursrecht*) with respect to any issue of shares or the granting of rights to subscribe for shares.

Capital reduction

Subject to the provisions of Dutch law and the Articles of Association, the General Meeting may resolve to reduce the issued share capital by (i) cancelling NSI Ordinary Shares or NSI Priority Shares or (ii) reducing the nominal value of the New NSI Ordinary Shares or NSI Priority Shares through an amendment of the Articles of Association. A resolution to cancel New NSI Ordinary Shares or NSI Priority Shares may only relate to New NSI Ordinary Shares and NSI Priority Shares held by NSI itself or with respect to New NSI Ordinary Shares and NSI Priority Shares of which it holds the depositary receipts. If the Management Board proposes to the General Meeting to reduce the issued share capital, such proposal is subject to the approval of the Meeting of Holders of NSI Priority Shares.

A resolution of the General Meeting to reduce the share capital requires a majority of two thirds (2/3) of the votes cast if less than half of the issued share capital is represented in the meeting. Under Dutch law, each group of shareholders whose rights are negatively affected, should approve the proposed capital reduction.

Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution. The provision in the DCC (Section 2:100 DCC) with respect to legal recourse of the creditors against the resolution to reduce the issued capital does not apply in case of a cancellation of NSI Ordinary Shares or NSI Priority Shares, as referred to above.

Acquisition and disposal by NSI of its own shares

The Management Board may acquire NSI Ordinary Shares or NSI Priority Shares on behalf of NSI. The acquisition of NSI Ordinary Shares or NSI Priority Shares for valuable consideration is not permitted if, and to the extent that, the nominal issued capital less the amount of NSI Ordinary Shares or NSI Priority Shares which NSI holds would thereby be reduced to less than one-tenth of the authorised capital. Own NSI Ordinary Shares or NSI Priority Shares acquired by NSI may be disposed of by the Management Board at such times and on such terms as the Management Board may determine.

Form and transfer of NSI Ordinary Shares

NSI Ordinary Shares are in bearer or registered form, at the holder's option. Bearer shares will be embodied in a single share certificate, which share certificate is currently held in custody with Euroclear Nederland on behalf of the holders of these bearer shares. NSI Priority Shares are in registered form.

For shares in registered form, no share certificates will be issued. The names and addresses of the holders of shares in registered form and usufructuaries (*vruchtgebruikers)* and pledgees (*pandhouders*) in respect of such shares are recorded in the register of shareholders of NSI and any other information prescribed by Dutch law.

The transfer of a share in registered form shall be effected by means of a deed and, if NSI is not a party to the transfer, a written acknowledgment by NSI of the transfer. Currently, NSI has 43,286,677 NSI Ordinary Shares and 5,000 NSI Priority Shares in registered form issued and outstanding

Dividends and other distributions

Distribution of profits only takes place following the adoption of the annual accounts if the shareholders' equity exceeds the sum of the paid-up share capital plus the statutory reserves required to be maintained by Dutch law. Pursuant to the Articles of Association, the profits and the freely distributable reserves will be available to the General Meeting.

The Management Board is authorised to decide to make interim distributions subject to the prior approval of the Supervisory Board, subject to Dutch law and the Articles of Association. Dividends and other distributions shall be made payable not later than the date determined by the Management Board. Entitlement to a distribution lapses five years from the date on which the distribution became payable.

Dissolution and liquidation; amendment of the Articles of Association

The General Meeting may resolve to dissolve (*ontbinden*) NSI or amend the Articles of Association. Such proposal must be included in the convening notice prior to a General Meeting. In the event of dissolution of NSI, it will be liquidated by the Management Board under the supervision of the Supervisory Board, unless the Meeting of Holders of NSI Priority Shares decides otherwise.

A decision to amend the Articles of Association or to dissolve NSI can only be taken upon proposal of the Meeting of Holders of NSI Priority Shares and with a majority of two-thirds (2/3) of the votes cast during a meeting in which at least two-thirds (2/3) of the issued share capital of NSI is present. During liquidation (*liquidatie*), the Articles of Association will remain in force to the extent possible.[11]

Any balance remaining after payment of all debts and liquidation expenses will be distributed to the Shareholders and others entitled thereto in proportion to their entitlement.

[11] Upon Completion, the Articles of Association will be amended such that a simple majority of the votes cast in a meeting with at least 50% of the issued and outstanding share capital being present or represented, is required for a resolution to amend the Articles of Association or to dissolve NSI. Such resolutions would still be subject to a proposal of the holders of priority shares. In the event that the quorum of 50% cannot be met in the first meeting, a second meeting can be organized without the requirements of the 50% quorum to be met. The second meeting should be held within 7 weeks after the first.

General Meetings and voting rights[12]

General Meetings

According to the Articles of Association an annual general meeting of Shareholders is to be held within six months after the end of the financial year of NSI in Hoorn or Amsterdam. The matters considered at the annual General Meeting include: (a) the annual report; (b) the adoption of the annual accounts; (c) discharge of members of the Management Board and the Supervisory Board; (d) notification of intended appointments of members of the Supervisory Board and members of the Management Board and of anticipated vacancies in the Supervisory Board; (e) instruct an auditor to verify the annual accounts and (f) any other proposal put forward by the Management Board or the Supervisory Board. Any decisions that affect NSI and its risk profile require the approval of the shareholders. Extraordinary general meetings of NSI Shareholders will be held (i) as often as the Management Board or the Supervisory Board deems necessary or (ii) upon the written request of those persons entitled to attend the General Meeting who represent at least one tenth of NSIs's issued share capital, which request must be submitted to the Management Board and/or the Supervisory Board and set out in detail the matters to be considered.

NSI will provide notice of each Meeting of Shareholders in accordance with the provisions of the DCC, i.e. by publishing a notice on the website and – as long as legally required – in at least one national daily newspaper distributed in The Netherlands and in the Official Bulletin (*Officiele Prijscourant*) of Amsterdam Exchanges N.V. as long as NSI Shares are listed in Amsterdam. General Meetings may be convened by the Management Board or the Supervisory Board. All notices on the convocation of the General Meeting shall be in accordance with applicable stock exchanges regulations. Such notice shall be published no later than the fifteenth day before the day of the General Meeting. The agenda for the annual General Meeting must contain certain subjects as specified in the Articles of Association, including, among other things, the adoption of the annual accounts, the discharge of the members of the Management Board for the relevant financial year and the appropriation of the profits of NSI.

In addition, the agenda shall include such items as have been included therein by the Management Board. The agenda shall also include such items as one or more Shareholders and others entitled to attend General Meetings, have requested the Management Board to include in the agenda, at least sixty days before the day of the convocation. The Management Board may decide not to place items so requested on the agenda if they are of the opinion that doing so would be detrimental to vital interests of NSI. No resolutions shall be adopted on items other than those which have been included in the agenda. The convocation of the General Meeting will contain the time, the place of meeting and the procedures for registration and/or notification.

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[12] This paragraph describes certain provisions in NSI's current Articles of Association. However, legislation implementing the Shareholders Directive (EC Directive 2007/36/EC) entered into effect on 1 July 2010. Under the new legislation, new rules in respect of shareholder meetings are introduced. These new rules will be incorporated in the relevant sections of Articles of Association upon Completion. Until that date, the following rules apply to NSI's shareholders meeting and, in case of a deviation, will prevail over the current wording in the Articles of Association:

- the minimum convocation period for all annual and extraordinary shareholders meetings is 42 (forty two) calendar days before the date of the meeting;
- the mandatory record date for all annual and extraordinary shareholders meetings is fixed at 28 (twenty eight) calendar days before the date of the meeting;
- NSI must publish, at least 42 (forty two) calendar days before a shareholders' meeting, and maintain during one year thereafter, certain information in respect of the meeting (e.g. resolutions, convocation notice, agenda, minutes and share information) on its website;
- NSI has to publish ultimately 15 (fifteen) calendar days after the date of the shareholders meeting, and maintain during one year thereafter, certain information in respect of the meeting (e.g total number of votes and votes cast per resolution) on its website; and
- shareholder requests to put items on the agenda of a shareholders meeting have to be submitted together with an explanation. Until 30 June 2010, NSI could refuse a request on the basis of a substantial interest of the company (zwaarwichtig belang), but this ground is no longer available. However, in specific circumstances, in particular in case of abuse of shareholder rights, an agenda item may still be refused on the basis of the principle of fairness and reasonableness (redelijkheid en billijkheid).

The General Meeting is chaired by the chairman of the Supervisory Board or, in his absence, by another member of the Supervisory Board. If the chairman is not appointed as referred to above, the meeting appoints a chairman itself. The chairman appoints the secretary. Members of the Management Board and the Supervisory Board may attend a General Meeting. In these meetings, they have an advisory vote. The chairman of the meeting may decide at its discretion to admit other persons to the meeting.

All holders of NSI Ordinary Shares, NSI Priority Shares and others entitled to attend General Meetings are authorised to attend the General Meeting, to address the meeting and, in so far as they have such right, to vote.

The draft minutes of the General Meeting will be placed on NSI's website within three months of the meeting taking place. Shareholders will be invited to submit comments on the draft minutes during a three month period. After this period, the minutes will be confirmed by the Supervisory Board at its next meeting, taking account of any comments made. The Management Board and the Supervisory Board will provide the General Meeting with all the required information, unless this would be seriously against NSI's interest.

Meetings of Holders of NSI Priority Shares

A Meeting of Holders of NSI Priority Shares may be convened by the Management Board, the Supervisory Board or the holder of a NSI Priority Share. A Meeting of Holders of NSI Priority Shares must be convened at least five days prior to such meeting.

Voting rights

Each Shareholder is entitled to one vote. Subject to certain exceptions provided by Dutch law or the Articles of Association, resolutions of the General Meeting are passed by an absolute majority of votes cast. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of NSI Ordinary Shares or NSI Priority Shares which are held by NSI. Nonetheless, the holders of a right of usufruct and the holders of a right of pledge in respect of NSI Ordinary Shares or NSI Priority Shares held by NSI are not excluded from any right they may have to vote on such shares, if the right of usufruct or the right of pledge was granted prior to the time such share became held by NSI. NSI may not cast votes in respect of an NSI Ordinary Share or NSI Priority Share in respect of which it holds a right of usufruct or a right of pledge. NSI Ordinary Shares or NSI Priority Shares which are not entitled to voting rights pursuant to the preceding sentences will not be taken into account for the purpose of determining the number of Shareholders that vote and that are present or represented, or the amount of the share capital that is provided or that is represented at a General Meeting.

Holders of a material number of NSI Ordinary Shares or NSI Priority Shares do not have other voting rights than other holders of NSI Ordinary Shares or NSI Priority Shares.

Financial reports and rules on ongoing disclosure and filing requirements

NSI prepares consolidated annual financial statements and consolidated semi-annual financial statements in accordance with IFRS. The financial statements are prepared by the Management Board. NSI's annual financial statements are audited by an independent accounting firm under International Auditing Standards. The financial year of NSI coincides with the calendar year.

On 1 January 2009, the Dutch Act implementing the remainder of European Directive 2004/109/EC relating to transparency requirements (the "**Dutch Transparency Act**") came into force. The majority of the provisions of the Dutch Transparency Act are included in the FMSA. Pursuant to the FMSA, NSI is required to make the following periodic financial information generally available:

- its annual reports, within four months after the end of each financial year;
- its semi-annual reports, within two months after the end of the first six months of each financial year; and
- interim management statements during the first and the second half of each financial year between ten weeks after the beginning and six weeks before the end of the relevant six-month period.

NSI may publish this periodic information by means of a press release that refers to NSI's website where the information is available in full.

In practice, NSI publishes its annual result, half year result and quarterly results on the last Friday in the month following the period referred, in other words within 30 days of the reporting period. A financial calendar is published on the website of NSI.

NSI must also make public certain inside information by means of a press release. Pursuant to the Financial Supervision Act, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not been made public and publication of which could significantly affect the trading price of the securities. The Financial Supervision Act contains specific rules intended to prevent insider trading.

Rules governing obligations of Shareholders to make a public offer

European Directive 2004/25/EC of 21 April 2004 (the "**Takeover Directive**") relating to public takeover bids has been implemented in the FMSA and rules promulgated thereunder and in Book 2 of the DCC.

Pursuant to the FMSA, any shareholder who (individually or when acting in concert with others) directly or indirectly obtains control of a Dutch listed company is required to make a public offer for all issued and outstanding shares or depositary receipts of shares in that company's capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of such listed company.

Furthermore, it is prohibited to launch a public offer for shares of a listed company, such as NSI Ordinary Shares, unless an offer document has been approved by the AFM. A public offer will be launched by way of publication of the approved offer document. The public offer rules are intended to ensure, among other things, that in the event of a public offer, sufficient information will be made available to the holders of NSI Ordinary Shares, the holders of NSI Ordinary Shares will be treated equally and that there will be a proper and timely offer period.

Squeeze out procedures

Pursuant to Section 2:92a DCC, a shareholder who for his own account provides at least 95% of NSI's issued capital may institute proceedings against NSI's minority shareholders jointly for the transfer of their shares to him or her. The proceedings are held before the Dutch enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) (the "**Enterprise Chamber**") and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim to buy out all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value of the shares. Once the order to transfer becomes final, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he shall also publish this information in a daily newspaper with a national circulation.

With the implementation of the Takeover Directive, the rules for squeeze out procedures have been supplemented. Section 2:359c DCC provides that NSI under a public offer is also entitled to start a squeeze out procedure if, following the public offer, NSI holds shares for at least 95% of the share capital and at least 95% of the total voting rights. The claim of a takeover squeeze out needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim to buy out all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value of the shares. In principle, the offer price is considered reasonable as long as 90% or more of the shares have been acquired at that price.

Section 2:359c DCC also entitles those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to NSI, **provided that** NSI has acquired shares for at least 95% of the share capital and at least 95% of the total voting rights. As there are different classes of shares, the claim may only be instituted with regard to the class of ordinary shares for which NSI alone or jointly with group companies holds at least 95% of the issued capital and 95% of the voting rights. As regards price, the same procedure as for takeover squeeze out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

Obligations to disclose holdings

Shareholding disclosure obligations under Dutch law

Shareholders may be subject to notification obligations under the FMSA. Shareholders are advised to seek professional advice on these obligations.

Shareholders

Pursuant to the FMSA, any person who, directly or indirectly, acquires or disposes of an interest in the capital or voting rights of NSI must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in NSI reaches, exceeds or falls below any of the following thresholds: 5% (a bill is being prepared to reduce this threshold to 3%), 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of the voting rights or capital interests in the issued capital of NSI.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the abovementioned thresholds as a result of a change in NSI's total share capital or voting rights. Such notification has to be made no later than the fourth trading day after the AFM has published NSI's notification as described below.

NSI is required to notify the AFM immediately of the changes to its total share capital or voting rights if its share capital or voting rights changes by 1% or more since NSI's previous notification. NSI must notify the AFM, in the event its share capital or voting rights have changed by less than 1% in that quarter, within eight days after the relevant quarter.

Furthermore, every holder of 5% or more of NSI's share capital or voting rights whose interest at 12 midnight on 31 December differs from a previous notification to the AFM, as a result of certain acts (including but not limited to the exchange of NSI Ordinary Shares for depository receipts and the exercise of a right to acquire NSI Ordinary Shares) must notify the AFM within four weeks.

Controlled entities, within the meaning of the FMSA, do not have notification obligations under the FMSA, as their direct and indirect interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the FMSA, including an individual. A person who has a 5% or larger interest in NSI's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the FMSA will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, among other elements, the following interests must be taken into account: (i) NSI Ordinary Shares or NSI Priority Shares or voting rights on the New NSI Ordinary Shares or NSI Priority Shares directly held (or acquired or disposed of) by a person; (ii) NSI Ordinary Shares or NSI Priority Shares voting rights on NSI Ordinary Shares or NSI Priority Shares held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement (including a discretionary power of attorney); and (iii) NSI Ordinary Shares or NSI Priority Shares or voting rights on NSI Ordinary Shares or NSI Priority Shares which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (including, but not limited to, convertible bonds).

Special rules apply with respect to the attribution of NSI Ordinary Shares or NSI Priority Shares or voting rights on NSI Ordinary Shares or NSI Priority Shares which are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct (*vruchtgebruik*) in respect of the New NSI Ordinary Shares can also be subject to the notification obligations of the FMSA, if such person has, or can acquire, the right to vote on NSI Ordinary Shares or NSI Priority Shares or, in the case of depository receipts, the underlying NSI Ordinary Shares or NSI Priority Shares. The acquisition of (conditional) voting rights by a pledgee or usufructuary may also trigger the FMSA notification obligations as if the pledgee or beneficial owner were the actual legal holder of NSI Ordinary Shares or NSI Priority Shares or voting rights on NSI Ordinary Shares or NSI Priority Shares.

Management Board, Supervisory Board and certain others

Pursuant to the FMSA, any member of the Management Board or Supervisory Board must give immediate written notice of any change in NSI Shares or voting rights on NSI Shares which it has at its disposal, to the AFM by means of a standard form.

Any other person who has (co)managerial responsibilities in respect of NSI or who has the authority to make decisions affecting NSI's future developments and business prospects and who may have regular access to inside information relating, directly or indirectly, to NSI, must give written notice to the AFM by means of a standard form of any transactions conducted for his own account relating to NSI Shares or in financial instruments the value of which is also based on the value of NSI Shares. Furthermore, in accordance with the FMSA and the regulations promulgated thereunder, certain persons who are closely associated with members of the Management Board, Supervisory Board or any of the other persons as described above, are required to notify the AFM of any transactions conducted for their own account relating to NSI Shares or in financial instruments the value of which is also based on the value of NSI Shares.

The FMSA and the regulations promulgated thereunder determine the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership whose, among other things, managerial responsibilities are discharged by a person referred to under (i), (ii) or (iii) above or by the relevant member of the Management Board, Supervisory Board or other person with any authority in respect of NSI as described above. The AFM must generally be notified within five days following the relevant transaction date. Under certain circumstances, notification may be postponed until the date the value of the transactions amounts to €5,000 or more per calendar year.

Non-compliance

Non-compliance with the notification obligations under the FMSA could lead to criminal fines, administrative fines, imprisonment or other sanctions being imposed. In addition, non-compliance with some of the notification obligations under the FMSA may lead to civil sanctions, including suspension of the voting rights relating to NSI Shares held by the offender for a period of not more than three years and a prohibition applicable to the offender to obtain any NSI Shares or voting rights on NSI Shares for a period of not more than five years.

Public registry

The AFM does not issue separate public announcements of notifications received by it. It does, however, keep a public register of all notifications under the FMSA on its website (www.afm.nl). Third parties can request to be notified automatically by e-mail of changes to the public register in relation to a particular company's shares or a particular notifying party.

Market abuse regulation

The FMSA provides for specific rules intended to prevent market abuse, such as insider trading, tipping and market manipulation. These rules are applicable to NSI, the members of its Management Board and the Supervisory Board, other insiders and persons performing or conducting transactions in NSI's securities. Certain important market abuse rules set out in the FMSA that are relevant for investors are described hereunder.

NSI is required to make inside information public. Inside information is information that is specific and pertains directly or indirectly to NSI or its shares or the trading thereof: (a) which information has not been made public and (b) where disclosure of such information could have a significant effect on the price of its shares or derivatives of its shares. NSI must also provide the AFM with this inside information at the time of publication. Furthermore, NSI must without delay publish the inside information on its website and keep it available on its website for at least one year.

It is prohibited for any person to make use of inside information within or from The Netherlands or a non-European Union member state by conducting or effecting a transaction in NSI Shares. In addition, it is prohibited for any person to pass on inside information to a third party or to recommend or induce, on the basis of inside information, any person to conduct a transaction. Furthermore, it is prohibited for any person to manipulate the market, for instance by conducting transactions which could lead to an incorrect or misleading signal of the supply of, the demand for or the price of the securities.

NSI's insiders within the meaning of the FMSA are obliged to notify NSI when they carry out or cause to be carried out, for their own account, a transaction in NSI Shares or in securities the value of which is at least in part determined by the value of NSI Shares. Insiders within the meaning of the FMSA in this respect are: (i) members of the Management Board and the Supervisory Board, (ii) other persons who have a managerial position and in that capacity are authorised to make decisions which have consequences for NSI's future development and business prospects and who, on a regular basis, can have access to inside information relating, directly or indirectly, to NSI, and (iii) certain persons closely associated with the persons mentioned under (i) and (ii) designated by the Dutch Market Abuse Decree (*Besluit marktmisbruik Wft*).

This notification must be made no later than the fifth business day after the transaction date on a standard form drawn up by the AFM. This notification obligation does not apply to transactions based on a discretionary management agreement as described in section 8 of the Dutch Market Abuse Decree. Under certain circumstances, the notification may be delayed until the date on which the value of the transactions amounts to €5,000 or more in the calendar year in question.

NSI has adopted an internal code on inside information in respect of the holding of and carrying out of transactions in NSI Shares by the members of its Management Board and Supervisory Board and its employees. Further, NSI has drawn up a list of those persons working for NSI who could have access to inside information on a regular or incidental basis and NSI has informed the persons concerned of the rules on insider trading and market manipulation including the sanctions which can be imposed in the event of a violation of those rules.

Corporate governance

The Management Board and the Supervisory Board acknowledge the importance of good corporate governance. For many years NSI has maintained a clear dividing line between the responsibilities of the Management Board and those of the Supervisory Board. Disclosures to Shareholders and other stakeholders are as transparent as possible. NSI considers recommendations by Shareholders and acts upon these, **provided that** such recommendations promote NSI's interest and take into account the interests of all stakeholders.

In 2003, the Dutch Corporate Governance Committee, also known as the *Tabaksblat* Committee, released the Dutch Corporate Governance Code. The Dutch Corporate Governance Code contains a number of principles and best practice provisions for listed companies in respect of their managing boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards and uses a "comply or explain" approach. In December 2008, The Netherlands Corporate Governance Code Monitoring Committee (*Frijns Committee*) proposed an amended and updated Dutch Corporate Governance Code. The Corporate Governance Code is applicable for annual reports of listed companies, including NSI, in connection with the financial year starting on or after 1 January 2009.

NSI is therefore required under Dutch law to disclose in its annual report whether or not it applies the provisions of the Corporate Governance Code and, if it does not apply those provisions, to explain why it does not. NSI has disclosed in its annual report relating to the financial year ended 31 December 2010 that it has complied with all the applicable principles and best-practice provisions of the Corporate Governance Code, with the exception of the last sentence of best practice provision III.6.5 of the Corporate Governance Code.

NSI acknowledges the importance of good corporate governance and generally agrees with its basic provisions. NSI fully supports the principles and best practice provisions of the Code and applies with the relevant best practice provisions of the Code.

NSI's business ethics are embedded in the Compliance Code and the Code of Conduct for NSI and its employees which were adopted by the Management Board and are published on NSI's website *www.nsi.nl*.

Non-compliance with the Corporate Governance Code

NSI complies with all but one of the best practice provisions of the Corporate Governance Code. NSI is not in compliance with the last sentence of best-practice provision III.6.5 of the Corporate Governance Code which reads:

"The company shall draw up regulations governing ownership of and transactions in securities by management or supervisory board members, other than securities issued by their "own" company."

In deviation from best-practice provision of Section III 6.5 of the Code, NSI has decided not to implement a separate regulation for members of the Management Board and the Supervisory Board regarding ownership of or transactions in securities other than those issued by NSI. NSI holds the view that the relevant provisions of the Financial Supervision Act provide for sufficient regulations in this respect.

SHAREHOLDER TAXATION

The following is a general summary and the tax consequences as described here may not apply to a Holder of VastNed O/I Ordinary Shares or New NSI Ordinary Shares. Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of shares in VastNed O/I or NSI in his particular circumstances.

This taxation summary solely addresses the principal Dutch tax consequences of the disposal of VastNed O/I Ordinary Shares pursuant to the Merger and the acquisition, the ownership and disposal of New NSI Ordinary Shares and the Warrant. It does not consider every aspect of taxation that may be relevant to a particular holder of shares in VastNed O/I or NSI under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this taxation summary the terms "the Netherlands" and "Dutch" are used, these terms refer solely to the European part of the Kingdom of the Netherlands. This summary also assumes that VastNed O/I and NSI are organised, and that their businesses will be conducted, in the manner outlined in this Prospectus. A change to such organisational structure or to the manner in which VastNed O/I or NSI conduct their businesses may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of The Netherlands (unpublished case law not included) as it stands at the date of this Prospectus. The law upon which this summary is based is subject to change, perhaps with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

Where in this Shareholder taxation paragraph reference is made to a holder of Shares, whether a Holder of VastNed O/I Ordinary Shares or a Holder of New NSI Shares, or a holder of Warrants that concept includes, without limitation:

1. an owner of one or more of such Shares or Warrants who in addition to the title to such Shares or Warrants, has an economic interest in such Shares or Warrants;

2. a person who or an entity that holds the entire economic interest in one or more of such Shares or Warrants;

3. a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more of such Shares or Warrants, within the meaning of 1. or 2. above; or

4. a person who is deemed to hold an interest in such Shares or Warrants, as referred to under 1. to 3, pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), with respect to property that has been segregated, for instance in a trust or a foundation.

Taxes on income and capital gains

Resident holders of Shares and/or Warrants

General

The summary set out in this section "Taxes on income and capital gains - Resident holders of Shares and/or Warrants" applies only to a Holder of VastNed O/I Ordinary Shares, a Holder of New NSI Ordinary Shares and a Holder of Warrants, respectively, who is a "Dutch Individual" or a "Dutch Corporate Entity".

For the purposes of this section a Holder of VastNed O/I Ordinary Shares, a Holder of New NSI Ordinary Shares and a Holder of Warrants, respectively, is a "Dutch Individual" if it satisfies the following tests:

a) he is an individual;

b) he is resident, or deemed to be resident, in The Netherlands for Dutch income tax purposes, or he has elected to be treated as a resident of The Netherlands for Dutch income tax purposes;

c) his VastNed O/I Ordinary Shares and/or his New NSI Ordinary Shares and/or his Warrants and any benefits derived or deemed to be derived therefrom have no connection with his past, present or future employment, if any; and

d) his VastNed O/I Ordinary Shares and/or his New NSI Ordinary Shares and/or his Warrants do not form part of a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Generally, if a person holds an interest in VastNed O/I or NSI, as the case may be, such interest forms part of a substantial interest, or a deemed substantial interest, in VastNed O/I or NSI if any one or more of the following circumstances is present:

1. Such person – either alone or, in the case of an individual, together with his partner (*partner*), if any, or pursuant to article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) – owns or is deemed to own, directly or indirectly, either a number of shares representing five per cent. or more of VastNed O/I's or NSI's (as the case may be), total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five per cent. or more of VastNed O/I's or NSI's (as the case may be), total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or profit participating certificates (*winstbewijzen*) relating to five per cent. or more of VastNed O/I's or NSI's annual profit or to five per cent. or more of VastNed O/I's or NSI's (as the case may be), liquidation proceeds.

2. Such person's shares, profit participating certificates or rights to acquire shares in VastNed O/I or NSI (as the case may be), are held by him or deemed to be held by him following the application of a non-recognition provision.

3. Such person's partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner has a substantial interest (as described under 1. and 2. above) in VastNed O/I or NSI (as the case may be).

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person's entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

If a Holder of VastNed O/I Ordinary Shares or a Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be), is an individual and if he satisfies test b., but does not satisfy test c. and/or test d., his Dutch income tax position is not discussed in this Prospectus. If a Holder of VastNed O/I Ordinary Shares or a Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be), is an individual who does not satisfy test b., please refer to the section "Taxes on income and capital gains – Non-resident holders of Shares and/or Warrants".

For the purposes of this section a Holder of VastNed O/I Ordinary Shares or a Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be), is a "Dutch Corporate Entity" if it satisfies the following tests:

i. it is a corporate entity (*lichaam*), including an association that is taxable as a corporate entity, that is subject to Dutch corporation tax in respect of benefits derived from its VastNed O/I Ordinary Shares or its New NSI Ordinary Shares or its Warrants (as the case may be);

ii. it is resident, or deemed to be resident, in The Netherlands for Dutch corporation tax purposes;

iii. it is not an entity that, although in principle subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax; and

iv. it is not an investment institution (*beleggingsinstelling*) as defined in article 28 of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

If a Holder of VastNed O/I Ordinary Shares or a Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be), is not an individual and if it does not satisfy any one or more of these tests, with the exception of test ii., its Dutch corporation tax position is not discussed in this Prospectus. If a Holder of VastNed O/I Ordinary Shares or a Holder of NSI Ordinary Shares or a Holder of Warrants (as the case may be), is not an individual that does not satisfy test ii., please refer to the section "Taxes on income and capital gains – Non-resident holders of Shares and/or Warrants".

Dutch Individuals deriving profits or deemed to be deriving profits from an enterprise

If the VastNed O/I Ordinary Shares are attributable to an enterprise from which the Dutch Individual derives profits or is deemed to derive profits, any benefits (the issue of Warrants inclusive) derived or deemed to be derived by a Dutch Individual from VastNed O/I Ordinary Shares on the disposal of such VastNed O/I Ordinary Shares pursuant to the Merger are generally subject to Dutch income tax at progressive rates. Pursuant to article 3.56, paragraph 2 of the Dutch Income Tax Act 2001 *(Wet inkomstenbelasting 2001*), subject to certain conditions a roll over relief may apply in respect of the Merger and the recognition of benefits or deemed benefits for Dutch income tax may be deferred. On the basis of article 3.57, paragraph 7 of the Dutch Income Tax Act 2001 *(Wet inkomstenbelasting 2001*), the competent tax inspector for VastNed O/I has confirmed that the Merger is not predominantly driven by tax avoidance motives.

If the New NSI Ordinary Shares and/or Warrants (as the case may be) are attributable to an enterprise from which the Dutch Individual derives profits or is deemed to derive profits, any benefits derived or deemed to be derived from New NSI Ordinary Shares and/or Warrants (as the case may be), including any capital gain realised on the disposal of such New NSI Ordinary Shares and/or Warrants (as the case may be), are generally subject to Dutch income tax at progressive rates.

Dutch Individuals deriving benefits from miscellaneous activities

Any benefits (the issue of Warrants inclusive) derived or deemed to be derived by a Dutch Individual from VastNed O/I Ordinary Shares on the disposal of such VastNed O/I Ordinary Shares pursuant to the Merger that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), are generally subject to Dutch income tax at progressive rates. Pursuant to article 3.56, paragraph 2 of the Dutch Income Tax Act 2001 *(Wet inkomstenbelasting 2001*), subject to certain conditions a roll over relief may apply in respect of the Merger and the recognition of benefits or deemed benefits for Dutch income tax may be deferred. On the basis of article 3.56, paragraph 7 of the Dutch Income Tax Act 2001 *(Wet inkomstenbelasting 2001*), the competent tax inspector for VastNed O/I has confirmed that the Merger is not predominantly driven by tax avoidance motives.

Any benefits derived or deemed to be derived by a Dutch Individual from New NSI Ordinary Shares and/or the Warrants (as the case may be), including any gain realised on the disposal of such New NSI Ordinary Shares and/or the Warrants (as the case may be), that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), are generally subject to Dutch income tax at progressive rates.

A Dutch Individual may, *inter alia*, derive, or be deemed to derive, benefits from VastNed O/I Ordinary Shares and/or New NSI Ordinary Shares and/or the Warrants (as the case may be), that are taxable as benefits from miscellaneous activities in the following circumstances:

a. if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge (*voorkennis*) or comparable forms of special knowledge; or

b. if any benefits to be derived from his VastNed O/I Ordinary Shares and/or New NSI Ordinary Shares and/or Warrants (as the case may be), whether held directly or indirectly, are intended, in whole or in part, as remuneration for activities performed by him or by a person who is a connected person to him as meant by article 3.92b, paragraph 5, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Other Dutch Individuals

If a Holder of VastNed O/I Ordinary Shares or a Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be), is a Dutch Individual whose situation has not been discussed before in this section "Taxes on income and capital gains – Resident holders of Shares and/or Warrants", benefits from his VastNed O/I Ordinary Shares and/or his New NSI Ordinary Shares and/or his Warrants (as the case may be), are taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be 4 per cent. per annum of the average of his "yield basis" (*rendementsgrondslag*) generally at the beginning of the year, to the extent that such average exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at a rate of 30 per cent. The value of his VastNed O/I Ordinary Shares and/or his New NSI Ordinary Shares and/or Warrants (as the case may be), forms part of his yield basis. Actual benefits derived from his VastNed O/I Ordinary Shares, and/or New NSI Ordinary Shares and/or Warrants (as the case may be), including any gain realised on the disposal of such VastNed O/I Ordinary Shares, and/or of New NSI Ordinary Shares and/or of the Warrants (as the case may be), are not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate Entities

Benefits, including any gains (the issue of Warrants inclusive) derived or deemed to be derived by a Dutch Corporate Entity from VastNed O/I Ordinary Shares, including any gain realised on the disposal of such VastNed O/I Ordinary Shares pursuant to the Merger, are generally subject to Dutch corporation tax. Pursuant to article 8 of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) in conjunction with article 3.56, paragraph 2 of the Dutch Income Tax Act 2001 *(Wet inkomstenbelasting 2001*), subject to certain conditions a roll over relief may apply in respect of the Merger and the recognition of benefits or deemed benefits for Dutch corporation tax may be deferred. On the basis of article 3.56, paragraph 7 of the Dutch Income Tax Act 2001 *(Wet inkomstenbelasting 2001*), the competent tax inspector for VastNed O/I has confirmed that the Merger is not predominantly driven by tax avoidance motives.

Any benefits derived or deemed to be derived by a Dutch Corporate Entity from New NSI Ordinary Shares or the Warrants (as the case may be), including any gain realised on the disposal thereof, are generally subject to Dutch corporation tax.

Non-resident holders of Shares or Warrants

The summary set out in this section "Taxes on income and capital gains – Non-resident holders of Shares and/or Warrants" applies only to a Holder of VastNed O/I Ordinary Shares, a Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be), who is a Non-resident holder of Shares and/or Warrants.

For the purposes of this section, a Holder of VastNed O/I Ordinary Shares, a Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be), is a "Non-resident holder of Shares or Warrants" if it satisfies the following tests:

a. it is neither resident, nor deemed to be resident, in The Netherlands for purposes of Dutch income tax or corporation tax, as the case may be, and, if he is an individual, he has not elected to be treated as a resident of The Netherlands for Dutch income tax purposes;

b. its VastNed O/I Ordinary Shares, and/or its New NSI Ordinary Shares and/or its Warrants (as the case may be), and any benefits derived or deemed to be derived from such VastNed O/I Ordinary Shares, and/or New NSI Ordinary Shares and/or Warrants (as the case may be), have no connection with its past, present or future employment or membership of a management board (*bestuurder*) or a supervisory board (*commissaris*);

c. its VastNed O/I Ordinary Shares, and/or its New NSI Ordinary Shares and/or its Warrants (as the case may be), do not form part of a substantial interest or a deemed substantial interest in VastNed O/I or NSI (as the case may be), within the meaning of Chapter 4 of the Dutch Income.

See the section "Taxes on income and capital gains – Resident holders of Shares and/or Warrants" for a description of the circumstances under which VastNed O/I Ordinary Shares, and/or New NSI Ordinary Shares and/or Warrants (as the case may be), form part of a substantial interest or a deemed substantial interest in VastNed O/I or NSI (as the case may be).

If a Holder of VastNed O/I Ordinary Shares, a Holder of New NSI Ordinary Shares or a Holder of Warrants satisfies test a., but does not satisfy any one or more of tests b., c., and d., its Dutch income tax position or corporation tax position, as the case may be, is not discussed in this Prospectus.

A Non-resident holder of Shares and/or Warrants will not be subject to any Dutch taxes on income or capital gains (other than the dividend withholding tax described below) in respect of any benefits, including any gains (the issue of Warrants inclusive) derived or deemed to be derived from its VastNed O/I Ordinary Shares on the disposal of such VastNed O/I Ordinary Shares as a result of the Merger, or any benefits derived or deemed to be derived from its New NSI Ordinary Shares and/or Warrants (as the case may be), including any capital gain realised on the disposal of New NSI Ordinary Shares and/or Warrants (as the case may be), except if

1. it derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, if he is an individual, or other than as a holder of securities, if it is not an individual, such enterprise is either managed in The Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in The Netherlands, and its VastNed O/I Ordinary Shares, and/or its New NSI Ordinary Shares and/or its Warrants (as the case may be), are attributable to such enterprise; or

2. he is an individual and he derives benefits from VastNed O/I Ordinary Shares, and/or New NSI Ordinary Shares and/or Warrants (as the case may be), that are taxable as benefits from miscellaneous activities in The Netherlands.

See the section "Taxes on income and capital gains – Resident holders of Shares and/or Warrants" for a description of the circumstances under which the benefits derived from VastNed O/I Ordinary Shares and/or New NSI Ordinary Shares and/or Warrants (as the case may be), may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in The Netherlands only if such activities are performed or deemed to be performed in The Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dividend withholding tax

General

Dividend withholding tax in connection with the Merger

The Merger is not subject to Dutch dividend tax.

The Merger would give rise to a fictitious distribution of dividend subject to dividend tax if the Merger is considered to be predominantly driven by tax avoidance motives. The Dutch tax authorities have confirmed that the Merger is not predominantly aimed at the avoidance of taxation.

Dividend withholding tax after consummation of the Merger

NSI is generally required to withhold Dutch dividend withholding tax at a rate of 15% from dividends distributed by NSI.

The concept "dividends distributed by NSI" as used in this section "Dutch Taxation" includes, but is not limited to, the following:

- distributions in cash or in kind, deemed and constructive distributions and repayments of capital not recognised as paid-in for Dutch dividend withholding tax purposes;

- liquidation proceeds and proceeds of repurchase or redemption of New NSI Ordinary Shares and/or Warrants in excess of the average capital recognised as paid-in for Dutch dividend withholding tax purposes;
- except for the New NSI Ordinary Shares issued as a result of the Merger, the par value of NSI Ordinary Shares issued by NSI to a Holder of NSI Ordinary Shares or an increase of the par value of New NSI Ordinary Shares, as the case may be, to the extent that it does not appear that a contribution, recognised for Dutch dividend withholding tax purposes, has been made or will be made; and
- partial repayment of capital, recognised as paid-in for Dutch dividend withholding tax purposes, if and to the extent that there are net profits (*zuivere winst*), unless (a) the general meeting of NSI's shareholders has resolved in advance to make such repayment and (b) the par value of the New NSI Ordinary Shares concerned has been reduced by an equal amount by way of an amendment to the Articles of Association.

By reason of the fact that NSI qualifies as an FII, subject to conditions and restrictions it is noted that NSI is permitted to maintain a reinvestment reserve (*herbeleggingsreserve*), the amount of which reinvestment reserve qualifies as capital recognised as paid-in for Dutch dividend withholding tax purposes.

Dutch Individuals and Dutch Corporate Entities

A Dutch Individual (other than an individual who has elected to be treated as a resident of The Netherlands for Dutch income tax purposes) or a Dutch Corporate Entity, can generally credit Dutch dividend withholding tax against his Dutch income tax or its Dutch corporation tax liability, as applicable, and is generally entitled to a refund in the form of a negative assessment of Dutch income tax or Dutch corporation tax, as applicable, insofar as such dividend withholding tax, together with any other creditable domestic and/or foreign taxes, exceeds his aggregate Dutch income tax or its aggregate Dutch corporation tax liability, as applicable.

Pursuant to domestic rules to avoid dividend stripping, Dutch dividend withholding tax will only be creditable by or refundable to the beneficial owner (*uiteindelijk gerechtigde*) of dividends distributed by NSI. A Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be) who receives proceeds therefrom shall *not* be recognised as the beneficial owner of such proceeds if, in connection with the receipt of the proceeds, it has given a consideration, in the framework of a composite transaction including, without limitation, the mere acquisition of one or more dividend coupons or the creation of short-term rights of enjoyment of shares (*kortlopende genotsrechten op aandelen*), whereas it may be presumed that (i) such proceeds in whole or in part, directly or indirectly, inure to a person who would not have been entitled to an exemption from, reduction or refund of, or credit for, dividend withholding tax, or who would have been entitled to a smaller reduction or refund of, or credit for, dividend withholding tax than the actual recipient of the proceeds; and (ii) such person acquires or retains, directly or indirectly, an interest in New NSI Ordinary Shares, the Warrants or similar instruments, comparable to its interest in New NSI Ordinary Shares or Warrants (as the case may be) prior to the time the composite transaction was first initiated.

An individual who is not resident or deemed to be resident in The Netherlands, but who has elected to be treated as a resident of The Netherlands for Dutch income tax purposes, may be eligible for relief from Dutch dividend withholding tax on the same conditions as an individual who is a Non-resident Holder of New NSI Ordinary Shares or a Non-resident Holder of Warrants, as discussed below.

See the section "Dividend withholding tax – General" for a description of the concept "dividends distributed by NSI".

See the section "Taxes on income and capital gains – Resident holders of Shares or Warrants" for a description of the terms Dutch Individual and Dutch Corporate Entity.

Non-resident Holders of New NSI Ordinary Shares or Warrants

Relief

If a Non-resident Holder of New NSI Ordinary Shares or a Non-resident holder of Warrants (as the case may be) is resident in the non-European part of the Netherlands or in a country that has concluded a double taxation treaty with The Netherlands, such holder may be eligible for a full or partial relief from Dutch dividend withholding tax, provided such relief is timely and duly claimed. Pursuant to domestic rules to avoid dividend stripping, dividend withholding tax relief will only be available to the beneficial owner of dividends distributed by NSI. The Dutch tax authorities have taken the position that this beneficial-ownership test can also be applied to deny relief from dividend withholding tax under double tax treaties, the Tax Arrangement for the Kingdom (*Belastingregeling voor het Koninkrijk*) and the Tax Arrangement for the country of the Netherlands **(***Belastingregeling voor het land Nederland*).

Credit

If a Non-resident Holder of New NSI Ordinary Shares or a Non-resident Holder of Warrants (as the case may be) is subject to Dutch income tax or Dutch corporation tax in respect of any benefits derived or deemed to be derived from its New NSI Ordinary Shares or Warrants (as the case may be), including any capital gain realized on the disposal thereof, it can generally credit Dutch dividend withholding tax against his Dutch income tax or its Dutch corporation tax liability, as applicable, and is generally entitled to a refund pursuant to a negative tax assessment if and to the extent the dividend withholding tax, together with any other creditable domestic and/or foreign taxes, exceeds his aggregate Dutch income tax or its aggregate Dutch corporation tax liability, respectively.

See the section "Dividend withholding tax – Dutch Individuals and Dutch Corporate Entities" for a description of the term beneficial owner.

See the section "Dividend withholding tax – General" for a description of the concept "dividends distributed by NSI".

See the section "Taxes on income and capital gains – Non-resident holders of Shares and/or Warrants" for a description of the term Non-resident holder of Shares and/or Warrants.

See the section "Taxes on income and capital gains – Non-resident holders of Shares and/or Warrants" for a description of the circumstances under which a Non-resident holder of Shares and/or Warrants is subject to Dutch income tax or Dutch corporation tax.

Gift and inheritance taxes

If a Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be) disposes of New NSI Ordinary Shares or Warrants by way of gift, in form or in substance, or if a Holder of New NSI Ordinary Shares or a Holder of Warrants (as the case may be) who is an individual dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

(i) the donor is, or the deceased was, resident or deemed to be resident in The Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or

(ii) the donor made a gift of New NSI Ordinary Shares or Warrants, then became a resident or deemed resident of The Netherlands, and died as a resident or deemed resident of The Netherlands within 180 days of the date of the gift.

For purposes of the above, a gift of New NSI Ordinary Shares or Warrants made under a condition precedent (*opschortende voorwaarde*) is deemed to be made at the time the condition precedent is satisfied.

Other taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in The Netherlands by the Holder of New NSI Ordinary Shares or the Holder of Warrants in respect of or in connection with (i) the subscription, issue, placement, allotment, delivery of New NSI Ordinary Shares or Warrants, (ii) the delivery and/or enforcement by way of legal proceedings (including the enforcement of any foreign judgment in the courts of The Netherlands) of the documents relating to the Merger or the performance by NSI of its obligations under such documents, or (iii) the transfer of New NSI Ordinary Shares or Warrants, unless such Holder, together with the Shares and Warrants already owned and those to be acquired under the Merger or a related transaction (including those Shares and Warrants acquired within an uninterrupted period of two years), acquires, alone or together with certain related entities and individuals, a substantial interest (*aanmerkelijk belang*) in NSI within the meaning of article 4 of the Dutch Registration Taxes Act (*Wet op belastingen van rechtsverkeer*), or such person extends an existing interest in NSI, substantial interest (*aanmerkelijk belang*) or not, to become an (increased) substantial interest (*aanmerkelijk belang*) in NSI.

DISTRIBUTION RESTRICTIONS

Notice to Shareholders

The Merger is being completed - and in connection with the Merger, the New NSI Ordinary Shares and the Warrants are allotted - with due observance of such statements, conditions and restrictions as are included in this Prospectus and the Merger Agreement. The New NSI Ordinary Shares and the Warrants will not be allotted and the VastNed O/I Ordinary Shares will not be accepted for exchange from or on behalf of any VastNed O/I Shareholder, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Prospectus.

Persons obtaining this Prospectus are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither NSI nor any of its advisers accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intends to forward this Prospectus or any related document to any jurisdiction outside The Netherlands should carefully read this Section (*Distribution Restrictions*) before taking any action. The release, publication or distribution of this Prospectus and any documentation regarding the allotment of the New NSI Ordinary Shares and the Warrants, or the issuance and allotment of the New NSI Ordinary Shares in jurisdictions other than The Netherlands may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction.

United States of America

The allotment of the New NSI Ordinary Shares and the Warrants is not being made and will not be made directly or indirectly in, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the US. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. Accordingly, copies of this Prospectus and any related offering documents are not being, and must not be, mailed or otherwise transmitted, distributed or forwarded in or into the US.

This Prospectus has not been submitted to or reviewed by the United States Securities and Exchange Commission (SEC) or any state securities commission and neither the SEC nor any such state securities commission has (a) approved or disapproved the allotment of the New NSI Ordinary Shares and the Warrants, (b) passed upon the merits or fairness of the allotment, or (c) passed upon the adequacy or accuracy of the disclosure in this Prospectus. Any representation to the contrary is a criminal offence in the US.

The allotment of the New NSI Ordinary Shares and the Warrants is being made by a Dutch company, the shares allotted are shares in a Dutch company and this Prospectus and other information in relation to the allotment of the New NSI Ordinary Shares and the Warrants comply with Dutch disclosure requirements, as well as Dutch format and style, which may differ from US disclosure requirements, format and style. NSI Ordinary Shares and the Warrants have not been (and will not be) registered under the US Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the US, and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of that Act. There will be no public offer of shares in the US. NSI's and VastNed O/I's consolidated financial statements have been prepared in accordance with IFRS and thus may not be comparable to financial statements of US companies or companies whose financial statements are prepared in accordance with US generally accepted accounting principles. Each of NSI and VastNed O/I is incorporated under the laws of The Netherlands. Most of the officers and directors of each of NSI and VastNed O/I are residents of countries other than the US and all or a substantial proportion of the assets of NSI and VastNed O/I are located outside the US. As a result, it may not be possible for US Shareholders to effect service of process within the US upon VastNed O/I or NSI or such persons or to enforce against any of them judgments of US courts predicated upon the civil liability provisions of the federal securities laws of the US.

Australia, Canada and Japan

The allotment of the New NSI Ordinary Shares and Warrants is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, telephone, facsimile, telex or electronic transmission) of interstate or foreign commerce of, or of any facility of a securities exchange of Australia, Canada or Japan, and the allotment of the New NSI Ordinary Shares and the Warrants cannot be accepted by any such use, means, instrumentality or facility or from within Australia, Canada or Japan. Accordingly, this Prospectus and any related documents are not being and must not be mailed or otherwise distributed or sent in or into Australia, Canada or Japan and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not distribute or send them into such jurisdictions.

INDEPENDENT AUDITORS

NSI's consolidated financial statements as of and for the years ended 31 December 2010 and 31 December 2009 incorporated by reference in this Prospectus have been audited, and NSI's consolidated financial statements as of and for the three months ended 31 march 2011 and 31 March 2010, incorporated by reference in this Prospectus, have been reviewed by KPMG Accountants N.V., independent auditors with their address at Laan van Langerhuize 1, 1186 DS, Amstelveen, The Netherlands, as stated in their reports thereon appearing in such financial statements. Such auditors have given, and not withdrawn, their written consent to the incorporation by reference in this Prospectus of their auditor's reports. The auditor signing the auditor's reports on behalf of KPMG Accountants N.V. is a member of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*).

NSI's consolidated financial statements as of and for the two years ended 31 December 2008 incorporated by reference in this Prospectus have been audited by BDO CampsObers Audit & Assurance B.V., independent auditors with their address at Geert Scholtenslaan 12, 1687 CL, Wognum, The Netherlands, as stated in their reports thereon appearing in such financial statements. Such auditors have given, and not withdrawn, their written consent to the incorporation by reference in this Prospectus of their auditor's reports. The auditor signing the auditor's report on behalf of BDO CampsObers Audit & Assurance B.V. is a member of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*).

GENERAL INFORMATION

Corporate resolutions

The Management Board of NSI is expected to adopt a resolution for the issuance of the New NSI Ordinary Shares unless the Merger is terminated. No approval of the General Meeting is necessary for the issue of the New NSI Ordinary Shares, but the General Meeting will have to approve the Merger itself.

Legal and arbitration proceedings

Neither NSI nor any of its group companies are, or during the 12 months preceding the date of this Prospectus have been, involved in any governmental, legal or arbitration proceedings, which may have, or have had in the recent past significant effects on NSI and/or the Group's financial position or profitability, nor is NSI aware of any such proceedings being pending or threatened.

Significant changes in NSI's financial or trading position or in the value of the Portfolio

No significant change in the financial or trading position of NSI or its group companies has occurred since Q1 2011. Furthermore, no material change in the value of the Portfolio has occurred since the date of valuation of the Group's properties included in the Valuation Reports.

Expenses

The expenses of the Merger of NSI and VastNed O/I are estimated to amount up to EUR 11.1 million including, amongst others, the commission for the financial institutions and managers, fees payable to the AFM and Euronext Amsterdam and legal, audit and administrative expenses as well as publication costs and applicable taxes.

Availability of documents

Subject to applicable laws, the following documents (or copies thereof) may be obtained free of charge from NSI's website (www.nsi.nl) :

- this Prospectus;
- the Articles of Association;
- the audited consolidated financial statements, including the notes thereto, for the financial years ended 31 December 2010, 2009 and 2008; and
- the reviewed consolidated financial statements as of and for the three months ended 31 March 2011 and 31 March 2010.

In addition, copies of NSI's audited consolidated financial statements including the notes thereto, for the financial years ended 31 December 2010, 2009 and 2008 and the Articles of Association are available free of charge at NSI's offices during normal business hours.

Company's contact details:

NSI
Kruisweg 661-665
2132 NC Hoofddorp
Postbus 3044
2130 KA Hoofddorp

Appraisal entities

The Portfolio was valued by appraisers mentioned in "*Valuation Reports*" beginning on page V-1 and they have given their written consent to the inclusion of their Valuation Reports in this Prospectus. The appraisers are:

Cushman & Wakefield
43-45 Portman Square

London, W1A 3BG
United Kingdom

DTZ Zadelhoff vof, Chartered Surveys
Apollolaan 150
1077 BG Amsterdam
The Netherlands

Troostwijk Taxaties B.V.
Anderlechtlaan 181
1066 HM Amsterdam
The Netherlands

Colliers International Zurich AG
Klausstrasse 20
8034 Zurich
Switzerland

Credit rating agency

Standard & Poor's Financial Services LLC and Moody's Investors Service Limited assign ratings to various banks. These ratings are made public in separate communications by the rating agencies.

As of the date of this Prospectus, each of the rating agencies is established in the EU and has applied for registration under Regulation (EU) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. In general, European-regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

DEFINITIONS

The following definitions are used in this Prospectus:

"**Admission**"	means admission of the New NSI Ordinary Shares to trading on Euronext Amsterdam
"**AFM**"	means The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
"**Annual Rent**"	means annualised contractual rent (*i.e.* not including turnover based rent and other income) with current market rent being added in case of unlet space/vacancy.
"**Articles of Association**"	means the articles of association of NSI
"**Auditor's Statement**	means the confirmation NSI obtained from a Dutch external auditor confirming that the pro forma financial information which formed the basis of the FSMA Letter has been properly compiled and has been prepared on a basis that is consistent with VastNed O/I's accounting principles
"**Combined Group**"	means NSI, VastNed O/I and their respective group companies together
"**Company**"	means NSI
"**Completion**"	means completion of the Merger
"**Completion Long-Stop Date**"	has the meaning ascribed thereto in section *The Merger – The Merger Agreement*
"**Continuing VastNed O/I Directors**"	has the meaning ascribed thereto in section *The Merger – Corporate governance and organisation of the Combined Group*
"**Cooperation Agreement**"	means cooperation agreements between VastNed O/I, VastNed Retail N.V. and VastNed Management B.V.
"**DCC**"	means the Dutch Civil Code (*Burgerlijk Wetboek*)
"**DCITA**"	means the Dutch Corporate Income Tax Act (Wet op de Vennootschapsbelasting 1969)
"**Divestment Period**"	means the period from the Warrant Issue Date until the Warrant Expiration Date
"**DNB**"	means the Dutch central bank (*De Nederlandsche Bank*)
"**Dutch Corporate Entities**"	means the entities that are resident or deemed to be resident in The Netherlands for the purposes of the DCITA
"**Dutch Corporate Governance Code**"	means the Dutch corporate governance code issued on 9 December 2003, as amended on 1 January 2009
"**Dutch Transparency Act**"	means the Dutch act effective as of 1 January 2009 implementing the remainder of European Directive 2004/109/EC relating to transparency requirements
"**EEA State**"	means a state which is party to the agreement relating to the

	European Economic Area
"**Enterprise Chamber**"	means the Dutch enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*)
"**EPRA**"	means European Public Real Estate Association
"**EU**"	means the European Union
"**Euros**"	has the meaning ascribed thereto in section *Important Information - Currency*
"**Euroclear Nederland**"	means Centraal Instituut voor Giraal Effectenverkeer B.V.
"**Euronext Amsterdam**"	means stock exchange in Amsterdam on which NSI`s Ordinary Shares are traded
"**Eurozone**"	means Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union
"**FII**"	means fiscal Investment Institution under Dutch law (*fiscale beleggingsinstelling*)
"**Final Exercise Date**"	has the meaning ascribed thereto in section *The Warrant - Settlement*
"**Fiscal Unity**"	has the meaning ascribed thereto in section *Regulatory Matters and tax status of the group*
"**FMSA**"	means Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*)
"**FSMA**"	means the Belgian Banking, Finance and Insurance Commission (*Commissie voor het Bank-, Financie- en Assurantiewezen*) (currently known as the Financial Services and Market Authority
"**FSMA Letter**"	means the letter from the FSMA as received by NSI on 28 June 2011
"**Fte**"	means full-time equivalent
"**GDP**"	means gross domestic product
"**General Meeting**"	means the general meeting of NSI Shareholders
"**Group**"	means NSI and its group companies
"**IFRS**"	means International Financial Reporting Standards as adopted in the European Union
"**Investment Advisory Board**"	means an investment advisory board assisting the Management Board
"**Lettable Floor Area**"	means the total floor area (expressed in m^2) in a property available for exclusive use and occupancy by a tenant
"**LtV**"	means loan to value
"**Management Board**"	means the management board (*raad van bestuur*) of NSI

"**Management Board Rules**"	means the rules adopted by the Management Board regarding its functioning and internal organisation
"**Meeting of Holders of Priority Shares**"	means the meeting of holders of NSI Priority Shares
"**Merger**"	the triangular demerger (*zuivere driehoekssplitsing*) in accordance with Section 2:334ii DCC between NSI, NSI German Holding B.V., NSI Beheer B.V. and VastNed O/I (as disappearing entity) as described in the section "*The Merger*".
"**Merger Agreement**"	means the merger agreement between NSI and VastNed O/I dated 20 April 2011
"**New NSI Ordinary Shares**"	means the newly issued NSI Ordinary Shares in connection with the Merger
"**New NSI Warrant Shares**"	means new NSI Ordinary Shares issued upon the exercise of the Warrants
"**Non-resident holder of Shares**"	has the meaning ascribed thereto in section *Shareholder Taxation – Non-resident holder of Shares*
"**NSI**"	means Nieuwe Steen Investments N.V. (to be renamed NSI N.V. following Completion), a closed end investment company with variable capital (*beleggingsmaatschappij met veranderlijk kapitaal*) incorporated under Dutch law, with its corporate seat in Hoofddorp, The Netherlands
"**NSI EGM**"	means the extraordinary general meeting of NSI Shareholders, at which meeting (i) the proposed Merger and (ii) appointment of new members of the Supervisory Board, among other matters, will be discussed
"**NSI Foundation**"	means Stichting Prioriteit NSI
"**NSI Ordinary Shares**"	means the ordinary shares in the capital of NSI, each with a nominal value of EUR 0.46
"**NSI Priority Shares**"	means the priority shares in the capital of NSI, each with a nominal value of EUR 0.46
"**NSI Priority Undertaking**"	means the priority undertaking agreement between the NSI Foundation and NSI dated 19 April 2011
"**NSI Shareholders**"	means the holders of NSI Shares
"**NSI Shares**"	means the NSI Ordinary Shares and NSI Priority Shares together
"**NSI VWAP**"	has the meaning ascribed thereto in section *The Warrant – The Warrant Consideration*
"**NSI 2013 AGM**"	means the NSI annual general meeting of shareholders which is to be held in or around April 2013
"**Portfolio**"	means the portfolio of the Group
"**Prospectus**"	means this prospectus dated 14 July 2011
"**Prospectus Directive**"	means Directive 2003/71/EC

"**Record Date**"	means 1 September 2011 (after close of business)
"**Regulation S**"	means Regulation S under the US Securities Act
"**Relevant Implementation Date**"	means in relation to a Relevant Member State, the date on which the Prospectus Directive is implemented in that Relevant Member State
"**Relevant Member State**"	means each EEA State which has implemented the Prospectus Directive
"**Remuneration Committee**"	has the meaning ascribed thereto in section *Management and Employees – Supervisory Board*
"**Remuneration Policy**"	means the policy on remuneration of the Management Board which was adopted by the General Meeting on 25 September 2008
"**Settlement Date**"	means the date on which Settlement is expected, being on or about 2 September 2011, subject to acceleration or extension of the timetable for the Merger
"**Share Exchange Ratio**"	means the exchange ratio pursuant to which each existing VastNed O/I Shareholder will receive 0.897 New NSI Ordinary Share in exchange for each VastNed O/I Ordinary Share validly tendered
"**Superior Offer**"	has the meaning ascribed thereto in section *The Merger Agreement – Competing Offers*
"**Supervisory Board**"	means the supervisory board (*raad van commissarissen*) of NSI
"**Supervisory Board Rules**"	means the rules adopted by the Supervisory Board regarding its functioning and internal organisation
"**Takeover Directive**"	means European Directive 2004/25/EC of 21 April 2004
"**Third Party**"	means government or governmental, quasi governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, or any other body or person whatsoever in any jurisdiction
"**US Securities Act**"	means the United States Securities Act of 1933, as amended
"**VastNed O/I**"	means VastNed Offices / Industrial N.V., a closed end investment company with variable capital (*beleggingsmaatschappij met veranderlijk kapitaal*) incorporated under Dutch law,, incorporated under the laws of The Netherlands with its corporate seat in Rotterdam, The Netherlands
"**VastNed O/I Board**"	means the management board of VastNed O/I
"**VastNed O/I EGM**"	means the extraordinary general meeting of VastNed O/I Shareholders at which meeting the proposed Merger, among other matters, will be discussed
"**VastNed O/I Foundation**"	means Stichting Prioriteit VastNed O/I
"**VastNed O/I Ordinary Share**"	means the ordinary shares in the capital of VastNed O/I,

	each with a nominal value of EUR 5.00
"**VastNed O/I Priority Share**"	means the priority shares in the capital of VastNed O/I, each with a nominal value of EUR 5.00
"**VastNed O/I Shares**"	means the VastNed O/I Ordinary Shares and VastNed O/I Priority Shares
"**VastNed O/I Shareholders**"	means the existing holders of VastNed O/I Shares
"**VastNed O/I Supervisory Board**"	means the Supervisory Board (*raad van commissarissen*) of VastNed O/I
"**VastNed O/I Employees**"	means the employees dedicated to the activities of VastNed O/I
"**VastNed O/I Priority Undertaking**"	means the priority undertaking agreement between the VastNed O/I Foundation and VastNed O/I dated 20 April 2011
"**Valuation Reports**"	means the valuation reports included in this Prospectus in "*Valuation Reports*"
"**Warrant**"	means value retention warrant issued for each VastNed O/I Ordinary Share that is being held by a VastNed O/I Shareholder on the Record Date, which warrant relates to benefits from a subsequent sale of shares in the capital of Intervest office (subsidiary of VastNed O/I)
"**Warrant Consideration**"	has the meaning ascribed thereto in section *The Warrant*
"**Warrant Exercise Period**"	has the meaning ascribed thereto in section *The Warrant*
"**Warrant Expiration Date**"	has the meaning ascribed thereto in section *The Warrant*
"**Warrant Gross Divestment Proceeds**"	has the meaning ascribed thereto in section *The Warrant*
"**Warrant Issue Date**"	has the meaning ascribed thereto in section *The Warrant*
"**Warrant Net Divestment Proceeds**"	has the meaning ascribed thereto in section *The Warrant*
"**Warrant Settlement Date**"	has the meaning ascribed thereto in section *The Warrant*

DOCUMENTS INCORPORATED BY REFERENCE

The information on the pages mentioned below of the following documents which have previously been published is incorporated in this Prospectus by reference and, as such, forms part of this Prospectus. The incorporation by reference extends only to the pages indicated below only. Non-incorporated parts of the documents listed below are either not relevant for the investor or covered elsewhere in this Prospectus. For the availability of these documents, see section "*General Information – Availability of documents*".

- NSI's consolidated financial statements prepared in accordance with IFRS as of and for the fiscal year ended 31 December 2008, and the Auditor's Report dated 19 February 2009 relating thereto, attached as pages 66-97, respectively page 101-102, to NSI's 2008 annual report as filed with the AFM;

- NSI's consolidated financial statements prepared in accordance with IFRS as of and for the fiscal year ended 31 December 2009, and the Auditor's Report dated 2 March 2010 relating thereto, attached as pages 82-128, respectively page 136-137, to NSI's 2009 annual report as filed with the AFM;

- NSI's consolidated financial statements prepared in accordance with IFRS as of and for the fiscal year ended 31 December 2010, and the Auditor's Report dated 3 March 2011 relating thereto, attached as pages 86-132, respectively page 136-137, to NSI's 2010 annual report as filed with the AFM;

- NSI's consolidated financial statements prepared in accordance with IFRS as of and for the three months ended 31 March 2011 attached as pages 14-23 to NSI's Interim Report dated 31 March 2011;

- NSI's consolidated financial statements prepared in accordance with IFRS as of and for the three months ended 31 March 2010 attached as pages 13-23 to NSI's Interim Report dated 31 March 2010; and

- NSI's Articles of Association as at the date of this Prospectus.

- VastNed O/I's consolidated financial statements prepared in accordance with IFRS as of and for the fiscal year ended 31 December 2008, and the Auditor’s Report dated 6 March 2009 relating thereto, attached as page 62-100, respectively pages 106-107, to the Company’s 2008 annual report as filed with the AFM;

- VastNed O/I's consolidated financial statements prepared in accordance with IFRS as of and for the fiscal year ended 31 December 2009, and the Auditor’s Report dated 10 March 2010 relating thereto, attached as pages 74-112, respectively pages 118-119, to the Company’s 2009 annual report as filed with the AFM;

- VastNed O/I's consolidated financial statements prepared in accordance with IFRS as of and for the fiscal year ended 31 December 2010, and the Auditor’s Report dated 21 March 2011 relating thereto, attached as pages 86-119, respectively pages 125-126, to the Company’s 2010 annual report as filed with the AFM;

- VastNed O/I's consolidated financial statements prepared in accordance with IFRS as of and for the three months ended 31 March 2011 attached as pages 8-15 to VastNed O/I's Interim Report dated 12 May 2010;

- VastNed O/I's consolidated financial statements prepared in accordance with IFRS as of and for the three months ended 31 March 2010 attached as pages 8-16 to VastNed O/I's Interim Report dated 2 May 2011; and

- VastNed O/I's Articles of Association as at the date of this Prospectus.

INDEX TO VALUATION REPORTS

Cushman & Wakefield
Atrium 3e verdieping
Strawinskylaan 3125
1077 ZX Amsterdam
Postbus 75456
1070 AL Amsterdam
Tel 020 800 2000
Fax 020 800 2140
www.cushmanwakefield.com

Nieuwe Steen Investments N.V.
Attn mr. C. Busscher
Kruisweg 661-665
2132 NC Hoofddorp
The Netherlands

8 July 2011

Dear Sir,

Valuation of Freehold and Long Leasehold Properties owned by Nieuwe Steen Investments N.V.

Introduction

We, Cushman & Wakefield, Chartered Surveyors, have considered the properties owned by Nieuwe Steen Investments N.V. ("NSI") referred to in the attached schedule (the "**Schedule**"), in order to advise you of our opinion of the Market Value (as defined below) as at their respective valuation dates, of the freehold or leasehold interests (as appropriate) of NSI in each of these properties (the "**Properties**" and each a "**Property**") (the "**Valuation**").

The effective dates of the valuations are 30 September 2010 or 31 December 2010 or 31 March 2011 or 30 June 2011.

Purpose of Valuation

We understand that this valuation report and schedule (together, the "**Valuation Report**") are required for inclusion in the prospectus (the "**Prospectus**") that has been prepared in connection with the admission to trading of new ordinary shares in the Company (the "**New Ordinary Shares**") and on which prospectus investors will rely on in making their investment decision. We hereby give our consent to such inclusion.

We can confirm that we have prepared our Valuation as independent external valuers as defined *in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.*

Basis of Valuation and Assumptions

We set out below the basis and assumptions we have used in preparing our Valuation followed by a summary of the aggregate values of the freehold and leasehold interests in the Properties described in the Schedule and located in the Netherlands. Attached to this Valuation Report is a schedule of the individual Properties.

We confirm that the value of the Properties has been assessed on the basis of Market Value in accordance with the appropriate sections of both the current Practice Statements ("**PS**"), and United Kingdom Practice Statements ("**UKPS**") contained within the RICS Valuation Standards, 6th Edition (the "**Red Book**"). This is an internationally accepted method of valuation.

Market Value is defined as:
"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We can confirm that Market Value is entirely consistent with the normal valuation basis followed in the Netherlands. Our Valuation has also been undertaken in accordance with the relevant provisions of the Prospectus Directive (2003/71/EC) and related guidance and has been undertaken by us as External Valuers as defined in the RICS Valuation Standards. The Properties are held as investments and we have therefore used the appropriate property investment valuation methodology to calculate the Market Values.

Valuation approach

We have valued the properties using the so called ´BAR/NAR´ method. In this type of valuation we use the estimated rental value, of which we deduct the yearly expected operating costs. The result is the total net rental value. By using a Net Yield (Incl. PC) before corrections, we calculate the Market Value (Incl. PC) before corrections. Then possible corrections can be made for e.g. void period or renovation costs, as well as the purchaser´s costs. The result is the Market Value (Excl. PC).

Valuation

On the basis outlined in this Valuation Report, we are of the opinion that the individual Market Values as at 30 September 2010 or 31 December 2010 or 31 March 2011 or 30 June 2011 of the freehold and long leasehold interests subject to and with the benefit of various occupational leases, as summarised in the attached Schedule is:

Valuation date		**Total market value per quarter**	
30-9-2010		€	160.220.000
31-12-2010		€	54.070.000
31-3-2011		€	95.740.000
30-6-2011		€	80.930.000
Total		**€**	**390.960.000**

An overview of the aggregate value of the properties is attached in Schedule 1.

Realisation Costs

Our Valuation is exclusive of VAT and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of any Property. Our net valuation is, however, net of purchaser's acquisition costs which vary between countries.

Assumptions and Sources of Information

An assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("**assumption**"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. We believe that the assumptions we have made are reasonable, taking into account our knowledge of the Properties, and the contents of reports made available to us. However, in the event that any of these assumptions prove to be incorrect then our valuations should be reviewed. The assumptions we have made for the purposes of our valuations are referred to below.

Inspections

We have valued the Properties in the past for accounts purposes and have inspected them internally in the three weeks before each respective valuation date.

We have been advised by the Directors of the Company that there have been no material changes to any of the Properties since our inspections.

Information

We have made an assumption that the information which Nieuwe Steen Investments N.V. and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Title

We have had no access to the title deeds of the Properties. We have considered the available information in the valuation of the Properties. We have assumed that there has been no new information with regard to the title deeds and that when title deed information was not made available the title is marketable and that the Properties are free from encumbrances, mortgages and charges.

Floor Areas

We have not measured the Properties and we have relied on the areas which have been supplied to us and on measured surveys which have been carried out on certain Properties to verify floor areas.

Plant and Machinery

Landlords' fixtures such as lifts, escalators, air-conditioning and other normal service installations have been treated as an integral part of each Property and are included within our valuations. Plant and machinery, tenant's fixtures and specialist trade fittings have been excluded from our Valuations.

No specialist tests have been carried out on any of these service systems and for the purposes of our valuations we have assumed that all are in good working order and in compliance with any relevant statute bye-law or regulation.

Environmental Investigations and Ground Conditions

We were not instructed to carry out site surveys or environmental assessments nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we have assumed that the Properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future use of the Properties.

We were not instructed to carry out structural surveys of the Properties but we have reflected any apparent wants of repair in our opinion of the value as appropriate. Properties have been valued on the basis of the Company's advice that, save where we have been specifically advised to the contrary, no deleterious materials have been used in the construction of any of the subject buildings.

Planning

We have not seen planning consents and have assumed that the Properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We have assumed that all buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations.

Tenure and Tenancies

We have read no copies of the leases and have relied on the tenancy summaries provided by the Company for the purposes of our valuation.

We have not conducted credit enquires into the financial status of any of the tenants. However, in undertaking our valuations we have reflected our understanding of the market perception of the financial status of the tenants. We have also assumed that each tenant is capable of meeting its leasehold obligations and that there are no undisclosed breaches of covenant.

Defined Terms
In the Valuation Report:

"Huurinkomsten" means Rental Income; and
"Markthuurwaarde" means Estimated Rental Value; and
"Marktwaarde k.k." means Market Value.

headings are for ease of reference only and shall not affect its interpretation.

Responsibility
This Valuation and the Schedule are provided to the addressees as set out on the first page of this certificate for the specific purpose to which they refer. This Valuation Report forms part of the Prospectus and may be referred to in supplementary offer documents. The addressees of the Valuation Report may rely on it, and the general public who inter alia rely on the Valuation Report in the form that it is incorporated in the Prospectus for the purposes of determining whether or not to purchase shares in The Company.

Neither the whole nor any part of this Valuation Report nor any reference thereto may be included in any other published document, circular or statement, nor published in any way without our written approval of the form and context in which it is to appear.

For the avoidance of doubt, such approval is required whether or not Cushman & Wakefield are referred to by name and whether or not the contents of our Valuation Report are combined with other reports.

Nothing in this paragraph shall prevent the addressees of this Valuation Report from quoting from, referring to or disclosing this Valuation Report in communications with its professional advisers duly bound by obligations of confidentiality or as may be required by law, regulation, or upon designation by Euronext Amsterdam, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) and the Netherlands Central Bank (*De Nederlandsche Bank N.V.*), or any other competent authority or judicial authority. Disclosure of this Valuation Report in full by the addressees of this Valuation Report is not prohibited if reasonably required (i) in any legal proceedings or for the purpose of resolving any actual dispute or (ii) in communications to insurers in connection with an actual dispute or claim, or (iii) in connection with the addressees' due diligence enquiries of the contents of the Prospectus.

Yours faithfully,

Cushman & Wakefield VOF

mr. F.L. Adema MSRE MRICS
associate

CUSHMAN & WAKEFIELD®

Schedule 1 – Valued properties

	Valuation date	City	Address	nr	
NSI Winkels B.V.	30-9-2010	Amsterdam Z.O.	WC Ganzenpoort	Div	leasehold
NSI Kantoren BV	30-9-2010	Assen	Balkendwarsweg	3	freehold
NSI Kantoren BV	30-9-2010	Assen	Industrieweg	14-16	freehold
NSI Winkels B.V.	30-9-2010	Beverwijk	Breestraat/Raadhuisstraat/Meerstraat	37-41, 1 a-c, 56	freehold
NSI Bedrijfsgebouwen B.V.	30-9-2010	Dedemsvaart	Marconistraat	5	freehold
NSI Bedrijfsgebouwen B.V.	30-9-2010	Eersel	Meerheide	29-35, 39-51	freehold
NSI Winkels B.V.	30-9-2010	Heerlen	Homeruspassage, Apollolaan	Div	freehold
NSI Winkels B.V.	30-9-2010	Oldenzaal	WC De Driehoek	Div	freehold
NSI Volumineuze Detailhandel B.V.	30-9-2010	Veenendaal	Einsteinstraat (Grote Beer)	1	freehold
NSI Bedrijfsgebouwen B.V.	30-9-2010	Zeewolde	Edisonweg	24	freehold
Aggregate market value					**€ 160.220.000**
	Valuation date	**City**	**Address**	**nr**	
NSI Winkels B.V.	31-12-2010	Almelo	Hagenborgh	Div	freehold
NSI Kantoren B.V.	31-12-2010	Amersfoort	Uraniumweg, Argonweg, Heliumweg	23, 10, 5	freehold
NSI Winkels B.V.	31-12-2010	Deventer	T.G. Gibsonstraat	6-18	freehold
NSI Kantoren B.V.	31-12-2010	Deventer	Keulenstraat	6	freehold
NSI Kantoren B.V.	31-12-2010	Groningen	Zernikepark	10-12	freehold
NSI Kantoren B.V.	31-12-2010	Hengelo	Demmersweg	140	freehold
NSI Kantoren B.V.	31-12-2010	Hoevelaken	De Wel	18-22	freehold
NSI Kantoren B.V.	31-12-2010	Hoorn	Nieuwe Steen	27	freehold
NSI Kantoren B.V.	31-12-2010	Lelystad	Meentweg	14-16	freehold
NSI Kantoren B.V.	31-12-2010	Zutphen	Piet Heinstraat (Vijverstaete)	11	freehold
Aggregate market value					**€ 54.070.000**
	Valuation date	**City**	**Address**	**nr**	
NSI Kantoren B.V.	31-3-2011	Dordrecht	Burg de Raadtsingel	93a-c	freehold
NSI Bedrijfsgebouwen B.V.	31-3-2011	Duiven	Impact	1 t/m 15	freehold
NSI Winkels B.V.	31-3-2011	Zutphen	Rudolf Steinerlaan	45-53, 125-141	freehold
NSI Volumineuze Detailhandel B.V.	31-3-2011	Roosendaal	Oostplein	1-15, 19	freehold
NSI Winkels B.V.	31-3-2011	Purmerend	Leeuwerikplein	1-29, 59-63, 100-109a	freehold
NSI Volumineuze Detailhandel B.V.	31-3-2011	Alphen aan den Rijn	Euromarkt	1-101 & 105-117	freehold
NSI Kantoren B.V.	31-3-2011	Gouda	Groningenweg	6	freehold
NSI Kantoren B.V.	31-3-2011	Houten	De Molen	8,10,12	freehold
NSI Kantoren B.V.	31-3-2011	Meppel	Blankenstein	560-400	freehold
NSI Kantoren B.V.	31-3-2011	Zwolle	Dr. Van Deenweg	140 - 150	freehold
Aggregate market value					**€ 95.740.000**
	Valuation date	**City**	**Address**	**nr**	
NSI Winkels B.V.	30-6-2011	Den Haag	Torenstraat / Nobelstraat / Kerkplein	27 / 3 / 4-12	freehold
NSI Kantoren B.V.	30-6-2011	Den Haag	Oude Middenweg	3-19	freehold
NSI Kantoren BV	30-6-2011	Deventer	Zutphenseweg, Gotlandstraat	ongenummerd	freehold
NSI Kantoren B.V.	30-6-2011	Doetinchem	Terborgseweg	136 II	freehold
NSI Kantoren B.V.	30-6-2011	Ede	Copernicuslaan	35	freehold
NSI Kantoren B.V.	30-6-2011	Eindhoven	Beukenlaan	143	freehold
NSI Winkels B.V.	30-6-2011	Harderwijk	Bleek / Luttekepoortstraat	2, 100, 102 / 57, 59-65, 67	freehold
NSI Kantoren B.V.	30-6-2011	Heerhugowaard	Gildestraat	1-3	freehold
NSI Kantoren B.V.	30-6-2011	Leiden	Haagse Schouwweg	8	leasehold
NSI Kantoren B.V.	30-6-2011	Naarden	Gooimeer	1	freehold
Aggregate market value					**€ 80.930.000**

Nieuwe Steen Investments N.V.
Mr J. Buijs, CEO
Kruisweg 661-665
2132 NC Hoofddorp
The Netherlands

Re Reliance valuation properties NSI	**Our ref.** JBO/Adr/T34359	**Date** 11 July 2011
Telephone +31(0)20 6 644 644	**Client manager** Jacques Boeve	**E-mail** JBoeve@dtz.nl

Dear Sirs,

Valuation of Freehold and Long Leasehold Properties owned by Nieuwe Steen Investments N.V.

Introduction

We, DTZ Zadelhoff v.o.f., Chartered Surveyors, have considered the properties owned by Nieuwe Steen Investments N.V. (**"NSI"**) referred to in the attached schedule (the **"Schedule"**), in order to advise you of our opinion of the Market Value (as defined below) as at their respective valuation dates, of the freehold or leasehold interests (as appropriate) of NSI in each of these properties (the "**Properties**" and each a "**Property**") (the "**Valuation**").

The effective dates of the valuations are:

- Q3 2010 : 01-10-2010
- Q4 2010 : 31-12-2010
- Q1 2011 : 31-03-2011
- Q2 2011 : 30-06-2011

Purpose of Valuation

We understand that this valuation report and schedule (together, the **"Valuation Report"**) are required for inclusion in the prospectus (the **"Prospectus"**) that has been prepared in connection with the admission to trading of new ordinary shares in NSI (the **"New Ordinary Shares"**) and on which prospectus investors will rely on in making their investment decision. We hereby give our consent to such inclusion.

We can confirm that we have prepared our Valuation as independent external valuers as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standard.

Basis of Valuation and Assumptions

We set out below the basis and assumptions we have used in preparing our Valuation followed by a summary of the aggregate values of the freehold and leasehold interests in the Properties described in the Schedule and located in the Netherlands. Attached to this Valuation Report is a schedule of the individual Properties.

We confirm that the value of the Properties has been assessed on the basis of Market Value in accordance with the appropriate sections of the current Practice Statements (**"PS"**) within the RICS Valuation Standards, 6th Edition (the **"Red Book"**). This is an internationally accepted method of valuation. The Valuation is also executed in line with the ROZ/IPD Property Index Valuation Guidelines.

Market Value is defined as:
"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We can confirm that Market Value is entirely consistent with the normal valuation basis followed in the Netherlands. Our Valuation has been undertaken by us as External Valuers as defined in the RICS Valuation Standards. The Properties are held as investments and we have therefore used the appropriate property investment valuation methodology to calculate the Market Values.

Valuation approach

For the Valuation the following methods are being used:

Comparative method
The comparative method compares sales and/or letting transactions of similar properties. This method is used for immovable properties of which sufficient transaction data are known. The comparative method is based on assessments of the market, the location and the immovable property itself and is based on factors that include the following:

Market

- market supply and demand
- trends in yields
- expected inflation
- level and trend of interest rates

Location

- locational factors
- parking facilities
- infrastructure
- accessibility by private and public transport
- facilities such as shops, housing, catering establishments, banks and schools
- (building) developments of comparable immovable properties

Immovable property

- property charges and other charges
- type of construction and quality standard
- state of repair
- age
- location
- possibilities of use

Rental value capitalization method

The value when sold by private treaty was determined on the basis of the gross market rental value of the lettable floor areas of the buildings and/or grounds, minus the property-related charges and other charges provided by the client and/or estimated by us, and related to a net yield which is considered realistic in the current market circumstances. This yield is based on assessments of the market, the location and the immovable property itself and is based, inter alia, on the factors described above.

Any difference between the actual rental income and the market rent is discounted over the remaining term of the lease(s) (cash value).

Costs of vacancy, including loss of rent, service costs payable by the owner, letting costs, as well as the costs of marketing, publicity, supervision, maintenance and modification and/or renovation have been taken into account.

The value of the land available for extending the company's premises has been determined on the basis of the realistic market value in relation to the potential use under the zoning plan.

Transfer tax, notary costs and land registry charges have been deducted.In line with the ROZ/IPD Property Index Valuation Guidelines these costs are calculated as a fixed percentage of 7,00%.

If business space as referred to in Article 7:290 of the Dutch Civil Code is valued to determine its fair value with continuation of the current leases, the level of capitalisation is not determined by the current market rent value, but instead by the rent value pursuant to Article 7:303. It is explicitly noted that this valuation is not based on an extensive examination by experts, but is limited to an estimate of the average rent level of comparable local business spaces.

Valuation

On the basis outlined in this Valuation Report, we are of the opinion that the aggregate of the individual Market Values as at Q3 2010, Q4 2010, Q1 2011 and Q2 2011, of the freehold and long leasehold interests subject to and with the benefit of various occupational leases, as summarised in the attached Schedule is:

EUR 297,560,000.- **purchasing costs payable by the purchaser**

In words: *Two hundred ninety seven million and five hundred sixty thousand euros, purchasing costs payable by the purchaser*

Breakdown freehold and long lease hold	No of properties	Value in EUR
▪ Freehold properties	40	297,560,000.-
▪ Long lease hold properties	0	-.-
▪ **Total**	**40**	**297,560,000.-**

Specified per effective valuation date:	No of properties	Value in EUR
▪ Q3 2010, reference date 01-10-2010	10	88,370,000.-
▪ Q4 2010, reference date 31-12-2010	10	43,560,000.-
▪ Q1 2011, reference date 31-03-2011	10	95,740,000.-
▪ Q2 2011, reference date 30-06-2011	10	69,890,000.-
▪ **Total**	**40**	**297,560,000.-**

There are no negative values to the report.

Realisation Costs

Our Valuation is exclusive of VAT and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of any Property. Our net valuation is, however, net of purchaser's acquisition costs which vary between countries.

Assumptions and Sources of Information

An assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" (**"assumption"**). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. We believe that the assumptions we have made are reasonable, taking into account our knowledge of the Properties, and the contents of reports made available to us. However, in the event that any of these assumptions prove to be incorrect then our valuations should be reviewed. The general assumptions we have made for the purposes of our valuations are referred to below.

Inspections

In 2007 DTZ Zadelhoff v.o.f. has made a full valuation including internal inspections. If there were no material changes to the building in comparison to 2007, DTZ Zadelhoff v.o.f. inspected the Properties only externally. Newly acquired buildings and buildings with material changes were inspected externally as well as internally. With regards to the properties that were not inspected internally, DTZ Zadelhoff v.o.f. assumed that there have been no internal changes compared to the last internal inspection. Each valued property mentioned in this report has been inspected by DTZ Zadelhoff v.o.f. approximately 3 weeks before determination of the respective report.

We have been advised by the Directors of NSI that there have been no material changes to any of the Properties since our last inspections.

Information

We have made an assumption that the information which NSI and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Title

We have only had access to the title deeds of the Properties for the previous full valuation in 2007. For this Valuation DTZ Zadelhoff v.o.f. was not instructed to investigate the title deeds. With regard to the title deeds and the land registry information we have assumed that there are no impediments that affect the value and that the title is marketable and the Properties are free from encumbrances, mortgages and charges.

Floor Areas

We have not measured the Properties and we have relied on the areas which have been supplied to us by NSI and on the provided measured surveys which have been carried out on certain Properties to verify floor areas. All provided area specifications are assumed to be in line with NEN 2580.

Plant and Machinery

Landlords' fixtures such as lifts, escalators, air-conditioning and other normal service installations have been treated as an integral part of each Property and are included within our valuations. Plant and machinery, tenant's fixtures and specialist trade fittings have been excluded from our Valuations.

No specialist tests have been carried out on any of these service systems and for the purposes of our valuations we have assumed that all are in good working order and in compliance with any relevant statute by-law or regulation.

Maintenance

The state of repair of the immovable property and the essential systems has been assessed only within the framework of a value assessment. This report is not a technical survey, and we do not accept any liability with respect to the state of repair itself and/or possible hidden defects.

It has been assumed for the purpose of this valuation that, unless stated otherwise, the building services function properly and are in a good state of repair such that no unforeseen expenditure will be incurred in connection with any required permits, including the statutory permits. Such systems include central heating, climate control, electrical systems and facilities in accordance with the requirements of the local fire brigade. The non-essential building systems have not been taken into consideration.

Environmental Investigations and Ground Conditions

We were not instructed to carry out site surveys or environmental assessments nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we have assumed that the Properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future use and/or value of the Properties.

We were not instructed to carry out structural surveys of the Properties but we have reflected any apparent wants of repair in our opinion of the value as appropriate. The valuation is not a technical survey, and we do not accept any liability with respect to the state of repair itself and/or possible hidden defects.

Properties have been valued on the basis that no deleterious materials have been used in the construction of any of the subject buildings.

No investigation was carried out into whether materials had been used during its construction which according to current insights and standards could be harmful to the environment and/or the health of people and animals, such as in particular asbestos and materials containing asbestos. It has been assumed that such materials have not been used.

Planning

We have not investigated planning consents (including zoning plans) and have assumed that the Properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We have assumed that all buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations.

Tenure and Tenancies

We have not been instructed to read copies of the leases. The valuations are only based on the provided rent roll information by NSI. We have relied on these tenancy summaries for the purposes of our valuation.

We have not conducted credit enquires into the financial status of any of the tenants. However, in undertaking our valuations we have reflected our understanding of the market perception of the financial status of the tenants. We have also assumed that each tenant is capable of meeting its leasehold obligations and that there are no undisclosed breaches of covenant.

No survey has been undertaken of any regulations, conditions and/or permits required that may concern the (specific) use of the property. Unless stated otherwise, it is assumed that use in accordance with the designated use is permitted without further impediments.

Retail

From a legal perspective, the rent can be revised immediately on expiry of the first contractual lease term of at least five years. The provided rent roll by NSI does not include the expiry date of this first period. For the purpose of the valuation we assumed that the contracts can only be revised after the stated expiry date in the rent roll.

Assumptions per property
Besides above ‘general’ assumptions for all properties there may be additional specific assumptions applicable per individual property. These ‘specific’ assumptions together with all the provided appendices form an integral part of the Valuation.

Timing of the valuation(s)
In the event that the reference date is later than (i) the date of the survey of the property, and/or (ii) the date on which the model is finalised (**"Finalisation Date"**), and/or (iii) the sending date of a draft calculation model containing a provisional establishment of the value of the property, it has been assumed that no changes have occurred during the period between those dates, such as possible market developments, developments in legislation or regulations and/or actual changes, in, to, or around the building, which could affect the value of the property.

Responsibility

This Valuation and the Schedule are provided to the addressees as set out on the first page of this certificate for the specific purpose to which they refer. The Valuation is not to be used for any purpose other than the defined purpose. This Valuation Report forms part of the Prospectus and may be referred to in supplementary offer documents. The addressees of the Valuation Report may rely on it, as may investors in the New Ordinary Shares.

Neither the whole nor any part of this Valuation Report nor any reference thereto may be included in any other published document, circular or statement, nor published in any way without our written approval of the form and context in which it is to appear.

For the avoidance of doubt, such approval is required whether or not DTZ Zadelhoff v.of. are referred to by name and whether or not the contents of our Valuation Report are combined with other reports.

Nothing in this paragraph shall prevent the addressees of this Valuation Report from quoting from, referring to or disclosing this Valuation Report in communications with its professional advisers duly bound by obligations of confidentiality or as may be required by law, regulation, or upon designation by Euronext Amsterdam, the Netherlands Authority for the Financial Markets (StichtingAutoriteitFinanciëleMarkten) and the Netherlands Central Bank (De Nederlandsche Bank N.V.), or any other competent authority or judicial authority.

Disclosure of this Valuation Report in full by the addressees of this Valuation Report is not prohibited if reasonably required (i) in any legal proceedings or for the purpose of resolving any actual dispute or (ii) in communications to insurers in connection with an actual dispute or claim, or (iii) in connection with the addressees' due diligence enquiries of the contents of the Prospectus.

The Valuation Report has been prepared for our client based on the instruction(s) given by our client, and is subject to all the terms, conditions and assumptions as agreed between DTZ Zadelhoff v.o.f. and the client with respect to each quarterly valuation report by DTZ Zadelhoff v.o.f.

Yours faithfully,

G.J.H. Boeve MRE MRICS RT
Partner

For and on behalf of
DTZ Zadelhoff v.o.f.

Continuation of the letter to : Reliance valuation properties NSI
Our ref. : JBO/Adr/T34359
Date : 11 July 2011

Appendix: schedule of considered properties of NSI

Overview properties Q3 2010 – reference date 01-10-2010

Breakdown individual values / DTZref : T32294_Update

Prop. no.	City	Address	Type of real estate	Ownership	Sqm LFA
1	Amersfoort	Stationsplein 28	Office	Freehold	958
2	Apeldoorn	De Linie 500-518	Office	Freehold	3.310
3	De Meern	Rijnzathe 7	Office	Freehold	4.566
4	Ede	Bennekomseweg 41-43	Office	Freehold	10.112
5	Ede	Horapark 4,6,7 en 9	Office	Freehold	15.505
6	Nieuwegein	Villawal 2-25	Office	Freehold	5.884
7	Utrecht	Kobaltweg 23-29/ Reactorweg 247-279	Office	Freehold	9.769
8	Vianen	Lange Dreef 9	Office	Freehold	2.355
9	Almere	Palmpolstraat 27-31	Office	Freehold	1.744
10	Hoorn	BetjeWollfplein 39,104/119, 164/169, AagjeDekenplein 1/31	Retail	Freehold	6.555

Overview properties Q4 2010 – reference date 31-12-2010

Breakdown individual values / DTZref : T32294_Update

Prop. no.	City	Address	Type of real estate	Ownership	Sqm LFA
1	Elst	Aamsestraat 84	Office	Freehold	1.587
2	Emmen	Boermarkeweg 58a	Office	Freehold	2.115
3	Utrecht	Kanaalweg 94-95	Office	Freehold	3.280
4	Zwaagdijk-Oost	Graanmarkt 3	Office	Freehold	2.220
5	Moordrecht	Westbaan 120	Office/industrial	Freehold	4.873
6	Wormerveer	Vrijheidweg 34-40	Office/industrial	Freehold	2.600
7	Apeldoorn	Brinklaan 30-32	Retail	Freehold	1.033
8	Maastricht	De Roserije	Retail	Freehold	3.536
9	De Meern	Mereveldplein	Retail	Freehold	4.382
10	De Meern	Mereveldplein (residential)	Residential	Freehold	n.a.

Continuation of the letter to : Reliance valuation properties NSI
Our ref. : JBO/Adr/T34359
Date : 11 July 2011

Overview properties Q1 2011 – reference date 31-03-2011

Breakdown individual values / DTZref : T33668_Update

Prop. no.	City	Address	Type of real estate	Ownership	Sqm LFA
1	Apeldoorn	Boogschutterstraat	Office	Freehold	14.298
2	Capelle a/d IJssel	Rivium Boulevard 82-100	Office	Freehold	1.845
3	Deventer	Karel de Groteplein 1-26	Retail	Freehold	6.973
4	Heerlen	Geleenstraat 21	Office	Freehold	10.072
5	Middelburg	Torenweg/Mortiereboulevard	Retail	Freehold	20.363
6	Nieuwegein	Weverstede 15-27	Office	Freehold	6.501
7	Den Bosch	Ertveldweg 31	Office	Freehold	10.682
8	Den Bosch	Ertveldweg 33	Office	Freehold	14.215
9	Ulft	Kerkstraat 12-40/82-88	Retail	Freehold	4.852
10	Woerden	Pelmolen 12-14	Office	Freehold	2.231

Overview properties Q2 2011 – reference date 30-06-2011

Breakdown individual values / DTZref : T34179_Update

Prop. no.	City	Address	Type of real estate	Ownership	Sqm LFA
1	Arnhem	Delta 1	Office	Freehold	5.774
2	Delft	Delftechpark 35-37	Office	Freehold	2.819
3	Den Haag	Koninginnegracht 20-21	Office	Freehold	2.464
4	Deventer	Snipperlingsdijk 10-20	Office	Freehold	1.237
5	Eindhoven	Keizersgracht/Hooghuisstr. 1-30	Office/retail	Freehold	10.821
6	Roosendaal	Bovendonk 29	Office	Freehold	3.361
7	Leiderdorp	Meubelplein 7, 11 t/m 15	Retail	Freehold	5.807
8	Heerlen	Geleenstraat 21	Retail	Freehold	1.847
9	Laren	De Brink	Retail	Freehold	1.979
10	Winterswijk	Kloetenseweg 58-70	Retail	Freehold	1.502

TROOSTWIJK

Ondertekend door: Elkabas Geola H.
Reden: Dit document is door mij goedgekeurd
Datum ondertekening: 11/07/2011 17:31:41 GMT +02:00
Locatie: Amsterdam

CONFIDENTIAL
Nieuwe Steen Investments N.V.
P. O. Box 3044
2130 KA Hoofddorp

Attn.: Mr. J. Buijs

Amsterdam, 11 July 2011
Ref.:KS/KE

Re: **Valuation of Freehold and Long Leasehold Properties owned by Nieuwe Steen Investments N.V.**

Dear Mr. Buijs,

In accordance with our engagement letter with Nieuwe Steen Investments N.V. (the "*Company*" or "*Nieuwe Steen Investments*"), we, Troostwijk Taxaties B.V., Chartered Surveyors, have considered the properties referred to in the attached schedule (the "*Schedule*"), in order to advise you of our opinion of the Market Value (as defined below) as at their respective valuation dates, of the freehold or leasehold interests (as appropriate) of Nieuwe Steen Investments in each of these properties (the "*Properties*" and each a "*Property*") (the "*Valuation*").

The effective dates of the valuations are **30 September 2010, 31 December 2010, 31 March 2011 and 30 June 2011**.

Purpose of Valuation

We understand that this valuation report and schedule (together, the "*Valuation Report*") are required for inclusion in the prospectus (the "*Prospectus*") that has been prepared in connection with the admission to trading of new ordinary shares in the Company (the "*New Ordinary Shares*") and on which prospectus investors will rely on in making their investment decision. We hereby give our consent to such inclusion.

We can confirm that we have prepared our Valuation as independent external valuers as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.

Basis of Valuation and Assumptions

We set out below the basis and assumptions we have used in preparing our Valuation followed by a summary of the aggregate values of the freehold and leasehold interests in the Properties described in the Schedule and located in The Netherlands. Attached to this Valuation Report is a detailed schedule of the individual Properties.

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We confirm that the value of the Properties has been assessed on the basis of Market Value in accordance with the RICS Valuation Standards, 6th Edition (the "*Red Book*") and International Valuation Standards (IVS). These are internationally accepted methods of valuation.

Market Value is defined as:
"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We can confirm that Market Value is entirely consistent with the normal valuation basis followed in The Netherlands. Our Valuation has also been undertaken in accordance with the relevant provisions of the Prospectus Directive (2003/71/EC) and related guidance and has been undertaken by us as External Valuers as defined in the RICS Valuation Standards. The Properties are held as investments and we have therefore used the appropriate property investment valuation methodology to calculate the Market Values.

Valuation approach
The starting point for the Market Value on the basis of the rental value capitalization method is the gross market lettable value of the Property's lettable floor area. The value of the Property is determined by capitalization of the net lettable value (gross lettable value less expenses for property).

The lettable value is determined by comparing the supply and/or effected transactions of similar properties (comparing method) and can be found in evaluation of the market, the location and Property itself and is based on market conditions (supply and demand), economic conditions (interest, inflation, etc), location (environment, facilities and developments) and the Property's quality (structural features, state of repair and possibilities for use).

The capitalization factor is the reciprocity of a market-compliant net return demand. This return depends on certain aspects, such as market conditions, location and the Property itself and is based on, among others, the equal factors as described before.

Possible differences between rental and lettable value are reflected on the basis of the remaining term of the leases.
The valuation is taken into account the potential vacancy, letting costs, costs of maintenance modifications or refurbishment, transfer tax and notarial charges.

The lettable value capitalization is supported by a discounted-cash-flow-method. The future income and expenditure to be expected, are calculated at present value according to the reference date.
The valuation is taken into account the lettable value trends, inflation and exit value.
The discount rate is estimated and based on the return on long-term government bonds, and is raised by a risk premium. This risk premium depend on the extent of investment risk of the Property itself.

TROOSTWIJK

Valuation
On the basis outlined in this Valuation Report, we are of the opinion that the aggregate of the individual Market Values as at **30 September 2010, 31 December 2010, 31 March 2011 and 30 June 2011** of the freehold and long leasehold interests subject to and with the benefit of various occupational leases, as summarised in the attached Schedule is:

€ 523,435,000.00 (five hundred twenty-three million four hundred and thirty-five thousand Euro's)

This total aggregate amount is comprised as follows:
- 30 September 2010 : € 73,415,000.00
- 31 December 2010 : € 107,145,000.00
- 31 March 2011 : € 122,240,000.00
- 30 June 2011 : € 147,845,000.00
- 30 June 2011 : € 73,060,000.00

Realisation Costs
Our Valuation is exclusive of VAT and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of any Property. Our net valuation is, however, net of purchaser's acquisition costs which vary between countries.

Assumptions and Sources of Information
An assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("*assumption*"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. We believe that the assumptions we have made are reasonable, taking into account our knowledge of the Properties, and the contents of reports made available to us. However, in the event that any of these assumptions prove to be incorrect then our valuations should be reviewed. The assumptions we have made for the purposes of our valuations are referred to below.

Inspections
We have valued the Properties in the past for accounts purposes and have inspected them at various intervals internally, but at least in the period 3 weeks preceding the respective valuation dates mentioned in the attachments to this report.

We have been advised by the Directors of the Company that there have been no material changes to any of the Properties since our inspections.

Information
We have made an assumption that the information which Nieuwe Steen Investments N.V. and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Title
We haven't had access to the title deeds of the Properties if not provided by Nieuwe Steen Investments N.V. for the purpose of the accounts. We have considered the available information in the valuation of the Properties. We have assumed that there has been no new information with regard to the title deeds and that when title deed information was not made available the title is marketable and that the Properties are free from encumbrances, mortgages and charges.

TROOSTWIJK

Floor Areas
We have not measured the Properties and we have relied on the areas which have been supplied to us and on measured surveys which have been carried out on certain Properties to verify floor areas.

Plant and Machinery
Landlords' fixtures such as lifts, escalators, air-conditioning and other normal service installations have been treated as an integral part of each Property and are included within our valuations. Plant and machinery, tenant's fixtures and specialist trade fittings have been excluded from our Valuations.

No specialist tests have been carried out on any of these service systems and for the purposes of our valuations we have assumed that all are in good working order and in compliance with any relevant statute bye-law or regulation.

Environmental Investigations and Ground Conditions
We were not instructed to carry out site surveys or environmental assessments nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we have assumed that the Properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future use of the Properties.

We were not instructed to carry out structural surveys of the Properties but we have reflected any apparent wants of repair in our opinion of the value as appropriate. Properties have been valued on the basis of the Company's advice that, save where we have been specifically advised to the contrary, no deleterious materials have been used in the construction of any of the subject buildings.

Planning
We have made verbal Town Planning enquiries only. In the course of our enquiries, we are advised by the Local Planning Authority that there are no adverse Town Planning, Highway or other schemes or proposals. Information supplied to us by Planning Officers is, however, given without liability on their part and we cannot therefore accept responsibility for incorrect information or material omissions in the information supplied.

We have not seen planning consents and have assumed that the Properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We have assumed that all buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations.

Tenure and Tenancies
We have relied on the tenancy summaries provided by the Company for the purposes of our valuation.

We have not conducted credit enquires into the financial status of any of the tenants. However, in undertaking our valuations we have reflected our understanding of the market perception of the financial status of the tenants. We have also assumed that each tenant is capable of meeting its leasehold obligations and that there are no undisclosed breaches of covenant.

Responsibility
This Valuation and the Schedule are provided to the addressees as set out on the first page of this certificate for the specific purpose to which they refer. This Valuation Report forms part of the Prospectus and may be referred to in supplementary offer documents. The addressees of the Valuation Report may rely on it, as may investors in the New Ordinary Shares.

Neither the whole nor any part of this Valuation Report nor any reference thereto may be included in any other published document, circular or statement, nor published in any way without our written approval of the form and context in which it is to appear.

For the avoidance of doubt, such approval is required whether or not [*name valuer*] are referred to by name and whether or not the contents of our Valuation Report are combined with other reports.

Nothing in this paragraph shall prevent the addressees of this Valuation Report from quoting from, referring to or disclosing this Valuation Report in communications with its professional advisers duly bound by obligations of confidentiality or as may be required by law, regulation, or upon designation by Euronext Amsterdam, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) and the Netherlands Central Bank (*De Nederlandsche Bank N.V.*), or any other competent authority or judicial authority. Disclosure of this Valuation Report in full by the addressees of this Valuation Report is not prohibited if reasonably required (i) in any legal proceedings or for the purpose of resolving any actual dispute or (ii) in communications to insurers in connection with an actual dispute or claim, or (iii) in connection with the addressees' due diligence enquiries of the contents of the Prospectus.

Yours faithfully,
Troostwijk Taxaties B.V.

J.M.N.R. Zegger
Senior Consultant

K.K. Sauerborn RT
Registered Valuer

Appendices: quarterly overviews

TROOSTWIJK

City	Address	Freehold/Leasehold	Postal code	Valuation/Reference date	Lettable area	Parking	Market value (with costs for the purchaser's account)
Amsterdam	Cruquiusweg 111	freehold	1019 AG	30/09/10	3,250	32	
Amsterdam	Delflandlaan 15	leasehold	1026 EA	30/09/10	7,441	147	
Hoofddorp	Kruisweg 577	freehold	2132 NA	30/09/10	1,580	28	
Zoetermeer	Europalaan 121 - 149	freehold	2711 EP	30/09/10	2,972	20	
Rotterdam	Max Euwelaan 55	leasehold	3062 MA	30/09/10	1,134	27	
Rotterdam	Hoofdweg 230 - 236	leasehold	3067 GJ	30/09/10	2,047	36	
Rotterdam	Mariniersweg 301 - 397	leasehold	3011 NM	30/09/10	823	0	
Rotterdam	Samuel Esmeyerplein 16, 17, 19, 21, 25-40	freehold	3067 AP/HP	30/09/10	2,731	0	
Spijkenisse	Het Plateau 2 - 38	freehold	3202 GM	30/09/10	5,264	0	
Son en Breugel	Ekkersrijt 7005 - 7049	freehold	5692 HB	30/09/10	4,359	105	
Eindhoven	Strijpsestraat 133 - 137 e.a.	freehold	5616 GM	30/09/10	3,404	0	
Utrecht	Vasco da Gamalaan 1-27 e.a.	freehold	3526 ER	30/09/10	3,279	0	
Woerden	Korenmolenlaan 2	freehold	3447 GG	30/09/10	3,630	93	
Hoogeveen	Dr. G.H. Amshoffweg 1	leasehold	7909 AA	30/09/10	2,222	55	
Groningen	Zernikepark 6	freehold	9747 AN	30/09/10	1,107	20	
			accumulated as per 30 september 2010				€ 73,415,000

TROOSTWIJK

City	Address	Freehold/Leasehold	Postal code	Valuation/Reference date	Lettable area	Parking	Market value (with costs for the purchaser's account)
s-Hertogenbosch	Pettelaarpark 20	freehold	5216 PD	31/12/10	2,455	75	
s-Hertogenbosch	Ervtveldweg 29	freehold	5231 XA	31/12/10	5,258	85	
Rotterdam	Westblaak 180	freehold/leasehold	3012 KN	31/12/10	8,597	123	
Rotterdam	Oude watering 159 - 290, Rhijnauwensingel 225 - 271	leasehold	3077 RA/RG	31/12/10	6,810	0	
Oss	De Wal 2- 22 e.a.	freehold	5341 EH	31/12/10	1,728	0	
Rotterdam	Folkert Elsingastraat 3 - 9	leasehold	3067 NW	31/12/10	1,941	54	
Nieuwerkerk a/d	Kleinpolderlaan 2 - 16	freehold	2911 PA	31/12/10	3,513	63	
Spijkenisse	Rozemarijndonk 33 - 47	leasehold	3206 PW	31/12/10	3,088	0	
Vlaardingen	Churchillsingel 400 - 470	leasehold	3137 XB	31/12/10	2,174	0	
Maarssen	Industrieweg 54 - 68	freehold	3606 AS	31/12/10	3,292	46	
Gouda	Hanzeweg 15 - 19 e.a.	freehold	2803 MC	31/12/10	3,923	101	
Gouda	Stavorenweg 8 - 10 e.a.	freehold	2803 PT	31/12/10	5,588	78	
Zwolle	Dr. Klinckertweg 22 - 30	freehold	8025 BS	31/12/10	3,384	53	
Apeldoorn	Het Rietveld 2 t/m 40	freehold	7321 CT	31/12/10	23,890	0	
Raalte	Marktstraat 22 - 24 e.a.	freehold	8102 CK	31/12/10	2,784	0	
Deurne	Dukaat 21	freehold	5751 PW	31/12/10	2,772	39	
Son en Breugel	Ekkersrijt 5110	freehold	5692 DR	31/12/10	2,072	101	
		freehold					
			accumulated as per 31 december 2010				€ 107,145,000

City	Adress	Freehold/Leasehold	Postal code	Valuation/Reference date	Lettable area	Parking	Market value (with costs for the purchaser's account)
Rotterdam	Zevenkampse Ring 767-863	leasehold	3069 MD	31/03/11	3,840	0	
Rotterdam	Zevenkampse Ring Diverse	leasehold	3069 MD	31/03/11	1,937	0	
Amersfoort	Printerweg 1 - 49	freehold	3821 AP	31/03/11	8,937	141	
Amersfoort	Spaceshuttle 22 - 68	freehold	3824 ML	31/03/11	3,790	88	
Amsterdam	Arlandaweg 94 - 98	leasehold	1043 EX	31/03/11	4,204	36	
Amsterdam	Donauweg 2b	leasehold	1043 AJ	31/03/11	4,605	119	
Amsterdam	Van Diemenstraat 20 - 200	leasehold	1013 CN	31/03/11	10,474	0	
Ridderkerk	Nikkelstraat 7	freehold	2984 AM	31/03/11	2,650	45	
Rotterdam	Vaste Land 42 - 110	freehold	3011 BM	31/03/11	25,075	135	
Gorinchem	Techniekweg 11	freehold	4207 HC	31/03/11	2,143	40	
Diemen	Stammerhove 1	freehold	1112 VH	31/03/11	8,144	66	
s-Gravenhage	Hildo Kroplaan 20 - 106	freehold	2552 XS	31/03/11	2,488	0	
Rotterdam	Rijnwaterstraat 28	leasehold	3063 HC	31/03/11	1,888	0	
Rotterdam	Strijensestraat 61-81, 89, 91, 97	leasehold	3074 HC	31/03/11	4,379	0	
			accumulated as per 31 march 2011				€ 122,240,000

City	Address	Freehold/Leasehold	Postal code	Valuation/Reference date	Lettable area	Parking	Market value (with costs for the purchaser's account)
Rotterdam	Hoofdweg 216-228	leasehold	3067 GJ	30/06/11	2,439	47	
Rotterdam	Vareseweg 105 - 109	leasehold	3047 AT	30/06/11	6,306	148	
Rotterdam	Veerkade 1-9	freehold	3016 DE	30/06/11	5,649	85	
Rotterdam	Haringvliet 72	freehold	3011 TG	30/06/11	2,962	24	
Ridderkerk	Sint Jorisplein 50 - 92	freehold	2981 GD	30/06/11	7,840	157	
Capelle aan den Ij	Schermerhoek 523-525	freehold	2905 TW	30/06/11	1,822	24	
Zoetermeer	Engelandlaan 270-340	freehold	2711 DZ	30/06/11	2,681	0	
Zwolle	Dr. Spanjaardweg 2-8	freehold	8025 BT	30/06/11	2,304	45	
Zwolle	Dr. Deenweg 96 - 104	freehold	8025 BJ	30/06/11	2,337	53	
Utrecht	Amsterdamsestraatweg 271 - 287	freehold/Leasehold	3551 CE	30/06/11	6,585	0	
Schiedam	Nieuwpoortweg 11	leasehold	3125 AP	30/06/11	2,715	48	
Schiedam	Mgr. Nolenslaan 414-426, 512-524, 598-612, 686-700, 747-776	leasehold	3119 EM	30/06/11	5,627	0	
Rotterdam	Zuidplein 480-546, 616-626	leasehold	3083CX	30/06/11	8,351	65	
Rotterdam	Ambachtplein e.a.	leasehold	3068 GV	30/06/11	10,037	0	
Rotterdam	Voermanweg 888-900, Kreeftstraat 32-42	leasehold	3067 JW - 3067 JV	30/06/11	1,810	0	
			accumulated as per 30 june 2011				€ 147,845,000

City	Address	Freehold/Leasehold	Postal code	Valuation/Reference date	Lettable area	Parking	Market value (with costs for the purchaser's account)
Rotterdam	Zuidplein Zuiderterras	leasehold	3083 BZ	30/06/11	10,420	162	
Rotterdam	Zuidplein Hoog 605	leasehold	3083 BH	30/06/11	2,246	0	
Rijswijk	Pr. Johan Friso Promenade "Sterpassage"	freehold	2284 EJ	30/06/11	10,516	0	
			accumulated as per 30 june 2011				€ 73,060,000

Nieuwe Steen Investments N.V.
Mr J. Buijs, CEO
Kruisweg 661-665
2132 NC Hoofddorp
The Netherlands

24 June 2011

Dear Sirs,

Valuation of Freehold and Long Leasehold Properties owned by Nieuwe Steen Investments N.V. (via subsidiaries: Nieuwe Steen Investment (Swiss) I, II, III, IV AG) in Switzerland

Introduction

We, Colliers International CRA AG, Chartered Surveyors, have considered the properties owned by Nieuwe Steen Investments (Swiss) I, II, III and IV AG **("NSI")** and described further below in this letter, in order to advise you of our opinion of the Market Value (as defined below) as at their respective valuation dates, of the freehold or leasehold interests (as appropriate) of NSI in each of these properties (the "**Properties**" and each a "**Property**") (the "**Valuation**").

The effective dates of the valuations are either 30 September 2010 or 30 November 2010.

Purpose of Valuation

We understand that this valuation report (the "**Valuation Report**") is required for inclusion in the prospectus (the "**Prospectus**") that has been prepared in connection with the admission to trading of new ordinary shares in NSI (the "**New Ordinary Shares**") and on which prospectus investors will rely on in making their investment decision. We hereby give our consent to such inclusion.

We can confirm that we have prepared our Valuation as independent external valuers as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standard.

Basis of Valuation and Assumptions

We set out below the basis and assumptions we have used in preparing our Valuation followed by a summary of the aggregate values of the freehold and leasehold interests in the Properties described in this letter and located in Switzerland.

We confirm that the value of the Properties has been assessed on the basis of Market Value in accordance with the appropriate sections of the current Practice Statements ("**PS**") within the RICS Valuation Standards, 6th Edition (the "**Red Book**"). This is an internationally accepted method of valuation. The Valuation is also executed in line with the IPD Property Index Valuation Guidelines.

Market Value is defined as:
"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We can confirm that Market Value is entirely consistent with the normal valuation basis followed in Switzerland. Our Valuation has also been undertaken in accordance with the relevant provisions of the Prospectus Directive (2003/71/EC) and related guidance and has been undertaken by us as External Valuers as defined in the RICS Valuation Standards. The Properties are held as investments and we have therefore used the appropriate property investment valuation methodology to calculate the Market Values.

Valuation approach
The starting point for the Market Value on the basis of the rental value capitalization method is the gross market lettable value of the Property's lettable floor area. The value of the Property is determined by capitalization of the net lettable value (gross lettable value less expenses for property).

The lettable value is determined by comparing the supply and/or effected transactions of similar properties (comparing method) and can be found in evaluation of the market, the location and Property itself and is based on market conditions (supply and demand), economic conditions (interest, inflation, etc), location (environment, facilities and developments) and the Property's quality (structural features, state of repair and possibilities for use).

The capitalization factor is the reciprocity of a market-compliant net return demand. This return depends on certain aspects, such as market conditions, location and the Property itself and is based on, among others, the equal factors as described before.

Possible differences between rental and lettable value are reflected on the basis of the remaining term of the leases.
The valuation is taken into account the potential vacancy, letting costs, costs of maintenance modifications or refurbishment, transfer tax and notarial charges.

The lettable value capitalization is supported by a discounted-cash-flow-method. The future income and expenditure to be expected, are calculated at present value according to the reference date.

The valuation is taken into account the lettable value trends, inflation and exit value.
The discount rate is estimated and based on the return on long-term government bonds, and is raised by a risk premium. This risk premium depend on the extent of investment risk of the Property itself.

Valuation

On the basis outlined in this Valuation Report, we are of the opinion that the aggregate of the individual Market Values at 30 September 2010 and 30 November 2010 of the freehold and long leasehold interests subject to and with the benefit of various occupational leases is:

CHF 146,950,000 purchasing costs payable by the purchaser

In words: *One hundred forty six million and nine hundred fifty thousand Swiss francs, purchasing costs payable by the purchaser*

This regards the following properties:

Property	Address	Property type	Valuation date	Inspection date	Lease/Free hold
Hertizentrum	Hertizentrum 6/10, 6300 Zug	Shopping centre with offices	30-9-2010	12-08-10	Leasehold
Silvergate	Zürcherstrasse 66/68, 8800 Thalwil	Office building	30-9-2010	08-12-09	Leasehold
Pérolles 2000	Boulevard de Pérolles 18A, 1700 Fribourg	Office building and residential	30-11-2010	03-11-10	Freehold
Pérolles Centre	Boulevard de Pérolles 21, 1700 Fribourg	Shopping mall and offices	30-11-2010	03-11-10	Freehold

Realisation Costs

Our Valuation is exclusive of VAT and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of any Property. Our net valuation is, however, net of purchaser's acquisition costs which vary between countries.

Assumptions and Sources of Information

An assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("**assumption**"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. We believe that the assumptions we have made are reasonable, taking into account our knowledge of the Properties, and the contents of reports made available to us. However, in the event that any of these assumptions prove to be incorrect then our valuations should be reviewed. The general assumptions we have made for the purposes of our valuations are referred to below.

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We have valued the Properties in the past for accounts purposes and have inspected them at various intervals internally.
We have been advised by the Directors of the Company that there have been no material changes to any of the Properties since our inspections.

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We have made an assumption that the information which NSI and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Title

We have had full access to the title deeds of the Properties.

Floor Areas

We have not measured the Properties and we have relied on the areas which have been supplied to us by NSI and measured surveys which have been carried out on certain Properties to verify floor areas.

Plant and Machinery

Landlords' fixtures such as lifts, escalators, air-conditioning and other normal service installations have been treated as an integral part of each Property and are included within our valuations. Plant and machinery, tenant's fixtures and specialist trade fittings have been excluded from our Valuations.

No specialist tests have been carried out on any of these service systems and for the purposes of our valuations we have assumed that all are in good working order and in compliance with any relevant statute bye-law or regulation.

Maintenance

The state of repair of the immovable property and the essential systems has been assessed only within the framework of a value assessment. This report is not a technical survey, and we do not accept any liability with respect to the state of repair itself and/or possible hidden defects.

It has been assumed for the purpose of this valuation that, unless stated otherwise, the building services function properly and are in a good state of repair such that no unforeseen expenditure will be incurred in connection with any required permits, including the statutory permits. Such systems include central heating, climate control, electrical systems and facilities in accordance with the requirements of the local fire brigade. The non-essential building systems have not been taken into consideration.

Environmental Investigations and Ground Conditions

We were not instructed to carry out site surveys or environmental assessments nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we have assumed that the Properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future use and/or value of the Properties.

We were not instructed to carry out structural surveys of the Properties but we have reflected any apparent wants of repair in our opinion of the value as appropriate. The valuation is not a technical survey, and we do not accept any liability with respect to the state of repair itself and/or possible hidden defects.

Properties have been valued on the basis that no deleterious materials have been used in the construction of any of the subject buildings.

No investigation was carried out into whether materials had been used during its construction which according to current insights and standards could be harmful to the environment and/or the health of people and animals, such as in particular asbestos and materials containing asbestos. It has been assumed that such materials have not been used.

Planning

We have not investigated planning consents (including zoning plans) and have assumed that the Properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We have assumed that all buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations.

Tenure and Tenancies

We have not conducted credit enquires into the financial status of any of the tenants. However, in undertaking our valuations we have reflected our understanding of the market perception of the financial status of the tenants. We have also assumed that each tenant is capable of meeting its leasehold obligations and that there are no undisclosed breaches of covenant.

Responsibility

This Valuation is provided to Nieuwe Steen Investments (Swiss) I, II, III and IV AG for the specific purpose to which they refer. This Valuation Report forms part of the Prospectus and may be referred to in supplementary offer documents. The addressees of the Valuation Report may rely on it, as may investors in the New Ordinary Shares.

Neither the whole nor any part of this Valuation Report nor any reference thereto may be included in any other published document, circular or statement, nor published in any way without our written approval of the form and context in which it is to appear.

For the avoidance of doubt, such approval is required whether or not Mr. Roland Baumann is referred to by name and whether or not the contents of our Valuation Report are combined with other reports.

Nothing in this paragraph shall prevent the addressees of this Valuation Report from quoting from, referring to or disclosing this Valuation Report in communications with its professional advisers duly bound by obligations of confidentiality or as may be required by law, regulation, or upon designation by Euronext Amsterdam, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) and the Netherlands Central Bank (*De Nederlandsche Bank N.V.*), or any other competent authority or judicial authority.
Disclosure of this Valuation Report in full by the addressees of this Valuation Report is not prohibited if reasonably required (i) in any legal proceedings or for the purpose of resolving any actual dispute or (ii) in communications to insurers in connection with an actual dispute or claim, or (iii) in connection with the addressees' due diligence enquiries of the contents of the Prospectus.

Yours faithfully,

Roland Baumann
Head of Valuation

For and on behalf of
COLLIERS INTERNATIONAL
ZURICH AG

ANNEX 1 - DEMERGER PROPOSAL AND EXPLANATORY NOTES

14 JULY 2011

VASTNED OFFICES/INDUSTRIAL N.V.

NIEUWE STEEN INVESTMENTS N.V.

NSI BEHEER II B.V.

NSI GERMAN HOLDING B.V.

DEMERGER PROPOSAL

DEMERGER PROPOSAL (the "**Proposal**") dated 14 July 2011 drawn up by the Management Boards of:

VastNed Offices/Industrial N.V., a public company *(naamloze vennootschap)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Rotterdam, The Netherlands, and its registered office at K.P. van der Mandelelaan 43 A, 3062 MB Rotterdam, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 24265100 ("**VastNed O/I**" of "**Demerging Company**");

Nieuwe Steen Investments N.V., a public company *(naamloze vennootschap)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Hoorn, The Netherlands, and its registered office at Kruisweg 661-665, 2132 NC Hoofddorp, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 36040044 ("**NSI**");

NSI Beheer II B.V., a private company with limited liability *(besloten vennootschap met beperkte aansprakelijkheid)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Kruisweg 661-665, 2132 NC Hoofddorp, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 20037094 ("**NSI Beheer II**"); and

NSI German Holding B.V., a private company with limited liability *(besloten vennootschap met beperkte aansprakelijkheid)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Kruisweg 661-665, Hoofddorp, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 53043731 ("**NSI German Holding**"),

(each a "**Party**" and jointly also referred to as: the "**Parties**").

RECITALS:

(A) The Management Boards of VastNed O/I, NSI, NSI Beheer and NSI German Holding deem a demerger within the meaning of Section 2:334a paragraph 2 in conjunction with 2:334ii Dutch Civil Code ("**DCC**") of VastNed O/I desirable as a consequence whereof (i) to each of NSI Beheer II and NSI German Holding a part of the assets and liabilities of VastNed O/I shall be transferred under universal title of succession (*onder algemene titel*), (ii) VastNed O/I shall cease to exist and (iii) the holders of ordinary shares in VastNed O/I will become holders of ordinary shares in NSI (the "**Demerger**").

(B) The Demerger shall occur by the execution of a notarial deed of demerger and shall enter into force as from the day following the day on which the notarial deed of demerger has been executed (the "**Completion**").

THE MANAGEMENT BOARDS OF THE PARTIES HEREBY PROPOSE:

to effect the Demerger within the meaning of Section 2:334a paragraph 2 DCC as a consequence whereof (i) to each of NSI Beheer II and NSI German Holding a part of the assets and liabilities of VastNed O/I shall be transferred under universal title of succession (*onder algemene titel*), (ii) VastNed O/I shall cease to exist and (iii) the holders of ordinary shares in VastNed O/I will become holders of ordinary shares in NSI;

DATA TO BE MENTIONED PURSUANT TO SECTION 2:334F PARAGRAPHS 2 AND 4 AND SECTION 2:334Y OF THE DCC:

Set out below are the data that are required to be included in the Proposal pursuant to Section 2:334f paragraphs 2 and 4 and Section 2:334y DCC. The annexes B.1 and B.2 of this Proposal are considered to be part of the Proposal.

(a) **Legal Form, Name and Seat (*statutaire zetel*) of the Parties.**

VastNed Offices/Industrial N.V., a public company *(naamloze vennootschap)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Rotterdam, The Netherlands, and its registered office at K.P. van der Mandelelaan 43 A, 3062 MB Rotterdam, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 24265100;

Nieuwe Steen Investments N.V., a public company *(naamloze vennootschap)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Hoorn, The Netherlands, and its registered office at Kruisweg 661-665, 2132 NC Hoofddorp, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 36040044;

NSI Beheer II B.V., a private company with limited liability *(besloten vennootschap met beperkte aansprakelijkheid)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Kruisweg 661-665, 2132 NC Hoofddorp, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 20037094;

NSI German Holding B.V., a private company with limited liability *(besloten vennootschap met beperkte aansprakelijkheid)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Kruisweg 661-665, Hoofddorp, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 53043731.

(b) **Articles of Association NSI.**

The articles of association of NSI have last been amended by execution of a notarial deed of amendment to the articles of association dated 19 April 2004 before R. Einarson, civil law notary in Heemstede, The Netherlands. The articles of association of

NSI will be amended in connection with the Demerger (the "**Proposed NSI Articles**"). The text of the articles of association of NSI as they currently stand and the articles of association as they will read after the amendment thereof in connection with the Demerger are attached to this Proposal as **Annex A.1** and **Annex A.2**;

(c) **Transfer under universal title of assets and liabilities of VastNed O/I.**

All assets and liabilities of VastNed O/I will be transferred under universal title to NSI Beheer II and NSI German Holding; see further under (d) below.

(d) **Accurate description of the parts of the assets and liabilities that will be transferred – under universal title of succession – to NSI Beheer II and NSI German Holding, as well as pro forma profit and loss accounts of NSI Beheer II and NSI German Holding respectively.**

The description of the assets and liabilities to be transferred to NSI Beheer II is attached to this Proposal as **Annex B.1**.

The description of the assets and liabilities to be transferred to NSI German Holding is attached to this Proposal as **Annex B.2**.

Pro forma profit and loss accounts of NSI Beheer II and NSI German Holding for the period starting on 1 January 2011 up to and including 31 March 2011 are attached to this Proposal as **Annex C.1** en **Annex C.2** respectively.

(e) **Value of part of the assets and liabilities to be transferred under universal title of succession to NSI Beheer and part of the assets and liabilities to be transferred under universal title of succession to NSI German Holding.**

The value of the part of assets and liabilities to be transferred to NSI Beheer II amounts to: €.302,402,060.00, as per 1 April 2011.

The value of the part of assets and liabilities to be transferred to NSI German Holding amounts to: € 14,164,411.00, as per 1 April 2011.

(f) **Rights and compensations, to be granted at the expense of NSI, NSI Beheer II or NSI German Holding, pursuant to Section 2:344p DCC.**

There is no person who has, other than as a shareholder, special rights towards VastNed O/I, such as a right to receive dividends or to acquire shares and therefore no special rights will be granted and no compensation will be paid at the expense of NSI, NSI Beheer II or NSI German Holding.

(g) **Benefits to be granted to the members of the Management Boards and the Supervisory Boards of the Parties or others, in connection with the Demerger.**

No benefits shall be granted to the members of the Management Boards and Supervisory Boards of the Parties or others who are involved in the Demerger, in connection with the Demerger.

(h) **Intentions regarding the composition of the Management Boards of NSI Beheer II and NSI German Holding and the Supervisory Board of NSI, after the Demerger.**

NSI

The Management Board of NSI currently consists of Mr J. Buijs and Mr D.S.M. van Dongen.

The Supervisory Board of NSI currently consists of Mr H.J. van den Bosch, Mr A.P. van Lidth de Jeude, Mr H. Habas and Mr G.L.B. de Greef.

There is no intention to change the composition of the Management Board of NSI in connection with the Demerger.

It is the intended to change the composition of the Supervisory Board of NSI in connection with the Demerger. The current members of the Supervisory Board will remain in office. The meeting of priority shares has nominated Mr W.M. Steenstra Toussaint and Mr H.W. Breukink for appointment as members of the Supervisory Board of NSI in accordance with the provisions of article 13 paragraph 5 of the articles of association of NSI.

NSI Beheer II

The Management Board of NSI Beheer II currently consists of NSI. There is no intention to change the composition of the Management Board of NSI Beheer II in connection with the Demerger.

NSI German Holding

The Management Board of NSI German Holding currently consists of NSI Beheer II. There is no intention to change the composition of the Management Board of NSI German Holding in connection with the Demerger.

(i) **Point in time on which the financial data of the assets and liabilities of VastNed O/I shall be accounted for in the annual accounts of NSI, NSI Beheer II and NSI German Holding.**

As from 1 January 2011 NSI Beheer II shall account for the financial data of the assets and liabilities of VastNed O/I that it will acquire.

As from 1 January 2011 NSI German Holding shall account for the financial data of the assets and liabilities of VastNed O/I that it will acquire.

As from 1 January 2011 NSI shall account for the financial data in its annual accounts as a consequence of the transfer of the assets and liabilities of VastNed O/I Company to NSI Beheer II and NSI German Holding.

(j) **Intended measures in connection with the acquisition of shares in NSI by the holders of ordinary shares in VastNed O/I.**

The outstanding ordinary shares in the capital of VastNed O/I are, at the choice of the shareholders, either bearer shares or registered shares. The bearer ordinary shares are represented by one single share certificate (the Necigef global certificate) of VastNed O/I. The registered ordinary shares are registered in VastNed O/I's shareholders register.

The shares allotted in connection with the Demerger by NSI to the holders of bearer shares in VastNed O/I are bearer shares included in the deposits system of the Securities Giro Transactions Act (*girale aandelen*). These shares are allotted and tradable subject to due observance of the Proposed NSI Articles and in accordance with the Securities Giro Transactions Act (*Wet giraal effectenverkeer*). NSI. The bearer shares will be added to the one single share certificate (the Necigef global certificate) for NSI.

The shares to be allotted by NSI to the holders of registered shares in VastNed O/I in connection with the Demerger, will be registered ordinary shares (*aandelen op naam*) and will be registered in the shareholders register of NSI.

(k) **Intentions relating to continuation or termination of activities.**

The activities of VastNed O/I which as a consequence of the Demerger are transferred to NSI Beheer II shall be continued by NSI Beheer II as from Completion.

The activities of VastNed O/I which as a consequence of the Demerger are transferred to NSI German Holding shall be continued by NSI German Holding as from Completion.

(l) **Approval of the resolution to demerge.**

The Supervisory Board of VastNed O/I approved this Proposal by resolution on 8 July 2011. The approval of the Supervisory Board of VastNed O/I is also evidenced by the co-signing of this Proposal by all members of the Supervisory Board of VastNed O/I.

The resolution for VastNed O/I to effect the Demerger will be adopted by its general meeting. The Demerger resolution of the general meeting of VastNed O/I does not require any separate approval.

The Supervisory Board of NSI approved this Proposal by resolution on 8 July 2011. The approval of the Supervisory Board of NSI is also evidenced by the co-signing of the Proposal by all members of the Supervisory Board.

The resolution for NSI to participate in the Demerger will be adopted by its general meeting. This resolution of the general meeting shall include (i) the resolution in respect of the Demerger and (ii) the resolution in respect of the allotment of ordinary shares pursuant to the Demerger. In addition, the general meeting will adopt a resolution to amend the articles of association of NSI in conformity with the Proposed NSI Articles. The resolution to participate in the Demerger of the general meeting of NSI does require the separate approval of the meeting of holders of priority shares.

The resolution for NSI Beheer II to effect the Demerger will be adopted by its general meeting. The Demerger resolution of the general meeting of NSI Beheer II does not require any separate approval.

The resolution for NSI German Holding to effect the Demerger will be adopted by its general meeting. The Demerger resolution of the general meeting of NSI German Holding does not require any separate approval.

(m) **Influence of the Demerger on the size of the goodwill of Beheer II and NSI German Holding.**

The Demerger shall not influence the size of the goodwill of NSI Beheer II.

The Demerger shall not influence the size of the goodwill of NSI German Holding.

(n) **Influence of the Demerger on the size of the distributable reserves of NSI Beheer II and NSI German Holding.**

Pursuant to the Demerger the size of the distributable reserves of NSI Beheer II will increase with € 316,565,685.00.

Pursuant to the Demerger the size of the distributable reserves of NSI German Holding will increase with € 14,164,411.00.

(o) **Exchange ratio.**

The exchange ratio of the shares is such that for each ordinary share (bearer or registered respectively) in the capital of VastNed O/I 0.897 shares in the capital of NSI are allotted.

Payments shall be made within the meaning of Section 2:334x paragraph 2 DCC. If a holder of ordinary shares in VastNed O/I will be entitled on the basis of the exchange ratio to a number of NSI ordinary shares which does not equal a round number of NSI ordinary shares, such number shall be rounded downwards to the nearest round number of shares. The rounding difference will be compensated by payment in cash and the payment is calculated as a pro rata portion of the closing price at record date of a NSI ordinary share. The record date is the day of execution of the notarial deed of demerger, one day prior to the Demerger becoming effective.

(p) **The point in time as of which and the extent to which the shareholders of VastNed O/I will share in the profits of NSI.**

The holders of ordinary shares in VastNed O/I will become shareholders of NSI as of Completion. They will share in the profits of NSI as of 1 July 2011 in proportion to the aggregate nominal value of ordinary share held by them and subject to due observance of article 21 of the Proposed NSI Articles.

(q) **Cancellation of shares upon application of Section 2:334x paragraph 3 DCC. Priority Shares VastNed O/I**

NSI does not own shares in its capital. Hence, NSI will not cancel shares by the application of Section 2:334x paragraph 3 DCC. The issued priority shares VastNed O/I will be repurchased by VastNed O/I before Completion.

(r) **Warrants**

NSI will allot, in addition to ordinary shares NSI, at Completion warrants to the holders of ordinary shares in VastNed O/I who hold such shares at Completion. The allotment of these warrants are not a part of the exchange ratio mentioned in section (o) of this Proposal and this Demerger.

Mr. H. Grönloh of KPMG Accountants N.V. in Amstelveen has issued:

(1) an auditor's report referred to in Section 2:334aa paragraphs 1 DCC regarding the reasonableness of the exchange ratio, which is attached to this Proposal as **Annex D.1**.

(2) an auditor's report referred to in Section 2:94b in conjunction with Section 2:334bb in conjunction with 2:334ii paragraph 3 DCC, regarding the value of the part of the assets and liabilities of VastNed O/I that is transferred by universal title of succession to NSI Beheer II and NSI German Holding and the nominal value of the NSI shares to be allotted, which is attached to this Proposal as **Annex D.2**.

Mr. W.H.E. van Ommeren of Deloitte Accountants B.V. in Amsterdam has issued an auditor's report referred to in Section 2:334aa paragraphs 1 DCC regarding the reasonableness of the exchange ratio, which is attached to this Proposal as **Annex E**.

Signed and dated per 14 July 2011

Appendix B.1 to the Proposal

DESCRIPTION

Description in the sense of article 2:334f paragraph 2 of the Dutch Civil Code based on which it is determined what assets and liabilities of VastNed Offices/Industrial N.V. will transfer to NSI Beheer II B.V.

1. ASSETS AND LIABILITIES THAT WILL BE TRANSFERRED TO NSI BEHEER II B.V.

This concerns assets and liabilities existing at the time of the Demerger, as well as all income and expenses, rights and obligations related to it, which will be for the account and risk of NSI Beheer II B.V. from 1 January 2011.

(A) The following assets and liabilities:

<u>Participations</u>

VastNed Offices Benelux Holding B.V.

<u>Other</u>

(a) all agreements, contracts, (pre-contractual) legal relationships etc. with third parties and/or the participation referred to under A, which VastNed Offices/Industrial N.V. is/will be party to at the time the Demerger enters into force and that directly or indirectly relate to or can be attributed to the participation referred to under A.

(b) the bank account held at Kempen & Co. with number 032517.

(c) the bank account held at ABN Amro Bank N.V. with number 24.60.28.238.

(d) the bank account held at ABN Amro Bank N.V. with number 24.02.68.768.

(e) the bank account held at ABN Amro Bank N.V. with number 64.23.30.840.

(f) the bank account held at ING Bank N.V. with number 66.44.00.612.

(g) the rights that VastNed Offices/Industrial N.V. can derive from the insurance policies in the name of VastNed Management B.V. related to (i) the assets and liabilities to be transferred to or already transferred to VastNed Offices Benelux Holding B.V. in connection with the demerger of assets and liabilities by VastNed Offices/Industrial N.V. to VastNed Offices Benelux Holding B.V. and/or (ii) the assets and liabilities that will be transferred to NSI Beheer II B.V.

(h) all registered and non-registered intellectual property rights.

(i) finance documents of all finance existing at the time of the Demerger, including the (i) EUR 345 million Facility Agreement dated 30 June 2009 and all documents that are defined as Finance Documents therein, with the exception of the two documents which embody a legal relationship which will be transferred or already has been transferred in connection with the demerger of assets and liabilities by VastNed Offices/Industrial N.V. to VastNed Offices Benelux Holding B.V. being (a) the share pledge agreement governed by Belgian law referred to as Intervest Security Agreement in the EUR 345 million Facility Agreement, where VastNed Offices/Industrial N.V. pledged, among others, the shares in the Belgian company Intervest Offices N.V, and (b) The Mortgage and Pledge (first ranking) Deed executed on 9 July 2009, before J.L.F. Bakker, civil law notary (*notaris*) in Amsterdam, where among others, VastNed Offices/Industrial N.V. mortgaged various registered property to ING Real Estate Finance BV (currently ING Bank NV), and (ii) EUR 23,304,373.64 Loan Agreement for a Secured Loan dated 29 May 2009, between VastNed Offices/Industrial N.V. as Borrower and Eurohypo AG as Bank and all documents referred to as Finance Documents and Financieringsdocumenten therein, with the exception of of the document which embodied the legal relationship which will be transferred or already has been transferred in connection with the demerger of assets and liabilities by VastNed Offices/Industrial N.V. to VastNed Offices Benelux Holding B.V. being the Mortgage and Pledge Deed executed on 29 May 2009, before A.A. van Velten, civil law notary (*notaris*) in Amsterdam, where among others, VastNed Offices/Industrial N.V. mortgaged various registered property to Eurohypo AG.

(B) the assets and liabilities replacing those referred to under sub (A) will also be transferred to NSI Beheer II B.V.

(C) if there are assets and liabilities that are not included in this description as assets and liabilities that will be transferred to NSI Beheer II B.V. or NSI German Holding B.V., these will be transferred to NSI Beheer II B.V.

2. VALUATION.

This description concerns the situation as per 1 April 2011.

The value of the assets and liabilities which will be transferred to NSI Beheer II B.V., amounts to € 302,402,060.00 on said date.

The valuation method used was:

valuation in accordance with in the Netherlands generally accepted principals for valuation and determination of results, as per the situation at 1 April 2011.

This description of the assets and liabilities that will be transferred to NSI Beheer II B.V. is also applicable as the required description based on article 2:334bb juncto article 2:94b of the Dutch Civil Code.

Appendix B.2 to the Proposal

DESCRIPTION

Description in the sense of article 2:334f paragraph 2 of the Dutch Civil Code based on which it is determined what assets and liabilities of VastNed Offices/Industrial N.V. will transfer to NSI German Holding B.V.

1. COMPANY ASSETS THAT WILL BE TRANSFERRED TO NSI GERMAN HOLDING B.V.

This concerns assets and liabilities existing at the time of the Demerger, as well as all income and expenses, rights and obligations related to it, which will be for the account and risk of NSI German Holding B.V. from 1 January 2011.

(A) The following assets and liabilities:

Participations

(a) VastNed Management B.V.;

(b) Kaistrasse B.V.;

(c) Rheinoffice B.V.;

(d) Hortus Duitsland B.V.;

(e) Mainzer Landstrasse B.V.;

(f) Hans-Böckler-Straße GmbH & Co K.G.;

(g) Hans-Böckler-Straße S.à r.l.;

(h) Hans-Böckler-Straße Verwaltungsgesellschaft mbH

(i) HBS GmbH & Co K.G.;

(j) VastNed Management Deutschland GmbH.

Other

(a) All agreements, contracts, (pre-contractual) legal relationships etc. with third parties and/or the participations referred to under A, which VastNed Offices/Industrial N.V. is/will be party to at the time the

Demerger comes into force and that directly or indirectly relates to or can be attributed to the participations referred to under A.

(b) All insurance policies in the name of VastNed Management B.V. except insofar as VastNed Offices/Industrial N.V. can derive rights from such insurance policies which are related to (i) the assets and liabilities to be transferred to or already transferred to VastNed Offices Benelux Holding B.V. in connection with the demerger of assets and liabilities by VastNed Offices/Industrial N.V. to VastNed Offices Benelux Holding B.V. and/or (ii) the assets and liabilities that will be transferred to NSI Beheer II B.V.

(B) The assets and liabilities replacing those referred to under sub (A) will also be transferred to NSI German Holding B.V.

2. VALUATION.

This description concerns the situation as per 1 April 2011.

The value of the assets and liabilities which will be transferred to NSI German Holding B.V., amounts to € 14,164,411.00 on said date.

The valuation method used was:

valuation in accordance with in the Netherlands generally accepted principals for valuation and determination of results, as per the situation at 1 April 2011.

The possible impact of the intended sale of the German portfolio has not been taken into account as the sale is legally not yet effected as per 1 April 2011.

This description of the assets and liabilities that will be transferred to NSI German Holding B.V. is also applicable as the required description based on article 2:334bb juncto article 2:94b of the Dutch Civil Code.

CLIFFORD CHANCE

CLIFFORD CHANCE LLP

14 JULY 2011

VASTNED OFFICES/INDUSTRIAL N.V.

NIEUWE STEEN INVESTMENTS N.V.

NSI BEHEER II B.V.

NSI GERMAN HOLDING B.V.

EXPLANATORY NOTES TO DEMERGER PROPOSAL

EXPLANATORY NOTES TO DEMERGER PROPOSAL (the "**Explanatory Notes**") dated 14 July 2011 drawn up by the Management Boards of:

1. **VastNed Offices/Industrial N.V.**, a public company *(naamloze vennootschap)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Rotterdam, The Netherlands and its registered office at K.P. van der Mandelelaan 43 A, 3062 MB Rotterdam, The Netherlands and registered with the Dutch Commercial Register (*Handelsregister*) under number 24265100 ("**VastNed O/I**");

2. **Nieuwe Steen Investments N.V.**, a public company *(naamloze vennootschap)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Hoorn, The Netherlands and its registered office at Kruisweg 661-665, 2132 NC Hoofddorp, The Netherlands and registered with the Dutch Commercial Register (*Handelsregister*) under number 36040044 ("**NSI**");

3. **NSI Beheer II B.V.**, a private company with limited liability *(besloten vennootschap met beperkte aansprakelijkheid)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Kruisweg 661-665, 2132 NC Hoofddorp, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 20037094 ("**NSI Beheer II**"); and

4. **NSI German Holding B.V.**, a private company with limited liability *(besloten vennootschap met beperkte aansprakelijkheid)* incorporated under the laws of The Netherlands, having its seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Kruisweg 661-665, Hoofddorp, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 53043731 ("**NSI German Holding**"),

(each a "**Party**" and jointly also referred to as: the "**Parties**").

RECITALS:

(A) The Management Boards of the Parties deem a demerger within the meaning of Section 2:334a paragraph 2 in conjunction with 2:334ii Dutch Civil Code ("**DCC**") of VastNed O/I desirable as a consequence whereof (i) to each of NSI Beheer II and NSI German Holding a part of the assets and liabilities of VastNed O/I shall be transferred under universal title of succession (*onder algemene titel*), (ii) VastNed O/I shall cease to exist and (iii) the holders of ordinary shares in VastNed O/I will become holders of ordinary shares in NSI (the "**Demerger**").

(B) The Management Boards of the Parties have drawn up a demerger proposal in relation to the Demerger and in these Explanatory Notes the Management Boards of the Parties will set out the reasons for the Demerger and the expected consequences for the activities of VastNed O/I and give an explanation from a legal, economic and social point of view.

THE MANAGEMENT BOARDS OF THE PARTIES HEREBY GIVE THE FOLLOWING EXPLANATION TO THE DEMERGER PROPOSAL

1. REASONS FOR THE DEMERGER

The main reasons for the Demerger are that the combination of VastNed O/I and NSI will:

- Create a leading listed Dutch mixed real estate company with a well-balanced portfolio of EUR 2.4 billion of mainly high yielding office and retail properties, generating a theoretical rental income of over EUR 200 million spread over more than 300 properties.
- Have a well-spread asset portfolio in three geographic markets with a clear focus on asset classes: retail in Switzerland, offices in Belgium and in The Netherlands both retail and offices. The Dutch offices are for an important part concentrated in the Randstad area.
- Have an attractive tenant proposition driven by increased concentration of properties in local office markets (e.g. Randstad area) constituting an improved leasing platform which is better positioned to increase occupancy.
- Create a strong and well-diversified tenant base with limited sector concentrations and strong focus on attractive loyal small and medium enterprises and government-linked institutions.
- Offer well-balanced proposition for both shareholder groups, driven by an improved investor profile and visibility, increased market capitalisation, improved share liquidity, potential inclusion in the NYSE Euronext Amsterdam AMX Index and high dividend yield.
- Have improved access to equity and debt financing as the enhanced scale of NSI, VastNed O/I and their respective group companies (the "**Combined Group**") will improve its overall capital markets profile and its ability to diversify funding sources.
- Realise significant scale benefits expected to result in revenue synergies (through, amongst others, improvement in occupancy, tenant retention and rental income) and additional cost synergies.

2. EXPECTED CONSEQUENCES FOR THE ACTIVITIES

The activities of VastNed O/I shall be continued by NSI Beheer II and NSI Holding Germany.

3. NOTES

3.1 Notes from a legal point of view

Under Dutch law, this triangular demerger (*zuivere driehoekssplitsing*) is the act by which VastNed O/I as demerging company transfers its assets and liabilities under universal title (*overgang onder algemene titel*) to NSI Beheer II and NSI Holding Germany as acquiring companies in consideration of which NSI as group company as referred to in Section 2:334ii DCC allots shares to the holders of ordinary shares of VastNed O/I and VastNed O/I will cease to exist. The Demerger enters into force as from the day following the day of execution by the Parties of a notarial deed of demerger.

3.2 Notes from an economic point of view

A joining of forces between NSI and VastNed O/I would create a more sizeable and attractive platform for value creation through vacancy reduction, portfolio rebalancing and synergy potential.

By combining forces in the current turbulent property market circumstances, the Combined Group intends to put substantial focus on optimising the leasing activities to reduce the vacancy rate.

Due to its enlarged size the Combined Group is well-positioned to benefit from enhanced buying power to acquire larger properties without increasing concentration risk in the portfolio. Additionally, the scope of the asset sourcing network will be enhanced by the Combined Group which is expected to lead to more attractive leads in the future.

The Combined Group is expected to benefit from revenue synergies of approximately EUR 1.0 million (pre tax) based on an increase of occupancy, a retention of tenants and resulting (additional) rental income. Additional synergies are expected as a result of a pooled asset development and combined property management.

Combining NSI and VastNed O/I is also expected to result in various operating synergies. One of the potential synergies of the Combined Group are holding and operational costs savings (e.g. housing expenses, auditing expenses, IT, advertising, advisory, management and supervisory board costs) which are partly overlapping. This is expected to result in approximately EUR 2.5 million annually (pre tax) cost synergies.

Full realisation of the synergies is expected in 2013.

3.3 Notes from a social point of view

Upon termination of the existing cooperation agreements between VastNed O/I, VastNed Retail N.V. and VastNed Management B.V., as per the date on which the Demerger enters into force, certain employees of VastNed Management B.V., each of whom is dedicated to the activities of VastNed O/I (and certain associated rights, duties, liabilities and obligations) shall transfer to NSI.

3.4 Share exchange ratio

The exchange ratio has been set at 0.897 NSI shares for one VastNed O/I share.

Payments shall be made within the meaning of Section 2:334x paragraph 2 DCC. If a holder of ordinary shares in VastNed O/I will be entitled on the basis of the exchange ratio to a number of NSI ordinary shares which does not equal a round number of NSI Ordinary shares, such number shall be rounded downwards to the nearest round number of shares. The rounding difference will be compensated by payment and the payment is calculated as a pro rata portion of the closing price at the record date of a NSI ordinary share. The record date is the day of execution of the notarial deed of demerger, one day prior to the Demerger becoming effective.

The valuation methods pursuant to which the exchange ratio of the shares has been adopted are:

- Historic share price development; and
- Trading multiples of selected comparable listed companies (premium of share price to net asset value per share and price to direct investment result multiple per share).

The valuation methods used lead to the following valuation: one VastNed O/I share equals 0.897 NSI share.

The relative importance attributed to the valuation methods are considered as generally accepted.

The valuation methods according to which the share exchange ratio has been determined, are appropriate in this case.

No particular difficulties have arisen as a result of the valuation methods used or as a result of the determination of the exchange ratio.

3.5 **Assurance reports**

Mr. H. Grönloh of KPMG Accountants N.V. in Amstelveen has issued an assurance report pursuant to Section 2:334aa paragraph 3 DCC, regarding the information laid down in these Explanatory Notes. This report is attached to these Explanatory Notes as **Annex A**.

Mr. W.H.E. van Ommeren of Deloitte Accountants B.V. in Amsterdam has issued an assurance report pursuant to Section 2:334aa paragraph 3 DCC, regarding the information laid down in these Explanatory Notes. This report is attached to these Explanatory Notes as **Annex B**.

Signed and dated per 14 July 2011