

Interim report per 31 March 2013

NSI N.V.

Report of the Management Board

NSI: further improvement of occupancy rate

Financial highlights

- Direct investment result of €13.4 million in Q1 2013, €0.20 per share
- Total investment result amounted to -€21.2 million in Q1 2013, consisting of €13.4million direct investment result and -€34.6 million indirect investment result.
- Revaluations of the real estate portfolio amounted to -€42.4 million.
- Occupancy total portfolio improved to 81.3% as per 31 March 2013 from 81.1% as per year end 2012
- Second consecutive quarter of occupancy improvement in Dutch office portfolio from 71.3% as per year 2012 to 72.1% as per 31 March 2013
- NSI realized approx. 3% of the total take up in the Dutch office market, while NSI's portfolio represents 1.3% of the total Dutch office market.
- Swiss retail center HertiZentrum in Zug sold at book value and semi-industrial asset Kortenbergh (Belgium) at 15% above book value (as per 31 December 2012); transfer of both assets will take place by end of May
- Loan to value slightly decreased to 58.0% on 31 March 2013 from 58.2% as per year end 2012
- AGM adopted new dividend policy
- Interim dividend Q1 2013 of €0.10 per share in cash, in line with the adopted new dividend policy
- NSI is highly committed to reduce its LtV to below 55%

Johan Buijs, CEO of NSI:

"The first quarter of 2013 shows the second consecutive quarter of an occupancy rate improvement in the Dutch office portfolio, which is expected to improve further over the year. Our proactive and integral approach are fundamental in this. Thanks to the ongoing and active dialogue with our tenants and the cooperation between our commercial and technical teams, we are able to propose new and existing tenants a compelling offer. With this approach, NSI again significantly outperformed the market in terms of take up and was NSI the fourth player in the market, measured by the volume of leasing transactions in square meters, in 2012. The retail portfolio showed a rather stable development, taking into account the sale of two nearly fully let retail centers, despite the challenging retail climate.

As previously announced, NSI is strongly committed to reduce its LtV to below 55%. The AGMs approval of the dividend policy for a sustainable dividend is an important step in this respect."

Operational highlights

Retail NL (27% of portfolio)

- Occupancy rate at a solid 92.0%, a decrease from 92.5% (year end 2012), partly due to sale two of (nearly) fully let shopping centres.
- The retention rate remained stable at 76%.

Offices NL (38% of portfolio)

- Further improvement occupancy to 72.1% in Q1 2013 from 71.3% at year end 2012. Improving trend is expected to continue over the year 2013.
- NSI ranked fourth in the Dutch market in total leasing transaction volume in 2012
- NSI realized a take up level of 7,570 sqm, representing approx. 3% of the total take up in the Dutch office market, while NSI's portfolio represents 1.3% of the Dutch market.
- Transformation of HNK Hoofddorp and Utrecht commenced and expected to be finalized in the autumn of 2013.
- The retention rate (78%) increased significantly compared with 2012 (47%), reflecting NSI's ability to anticipate tenants' needs and enhanced control over the former VNOI portfolio.

Belgium (29% of portfolio)

- Sale of semi-industrial asset in Kortenberg 15% above book value
- Occupancy decreased to 85% due to sale of semi-industrial asset
- Increase in leasing transactions in first quarter compared with first quarter of 2012

Other (6% of portfolio)

- Swiss retail center HertiZentrum sold, transfer expected end of May
- The sale of the last remaining Swiss asset (2,267 sqm office center in Fribourg) is in progress.

Financial key figures

	Q1 2013	Q4 2012	Q1 2012	FY 2012
Results(x €1,000)				
Gross rental income	37,075	40,317*)	41,499	160,545
Net rental income	31,692	34,292	35,079	137,334
Direct investment result	13,415	14,958	16,181	63,405
Indirect investment result	- 34,573	- 42,226	- 33,302	- 166,522
Result after taxes	- 21,158	- 27,268	- 17,121	- 103,117
Occupancy rate (in %)	81.3	81.1	82.2	81.1
Loan-to-value	58.0	58.2	57.3	58.2
Issued share capital (in shares)				
Ordinary shares with a nominal value of €0.46 on 31 March	68,201,841	68,201,841	60,225,539	68,201,841
Average number of outstanding ordinary shares during period under review	68,201,841	67,095,658	60,231,244	64,288,818
Data per average outstanding ordinary shares (x €1)				
Direct investment result	0.20	0.22	0.27	0.99
Indirect investment result	- 0.51	- 0.63	- 0.55	- 2.59
Total investment result	- 0.31	- 0.41	- 0.28	- 1.60
Data per average outstanding ordinary share (x €1)				
(Interim-) dividend	0.10	0.11	0.26	0.86
Net asset value	9.47	9.78	12.68	9.78
Net asset value according to EPRA	10.52	10.95	13.83	10.95

*) Including one-off rental income of €2.0 million

Outlook 2013

The economic environment remains challenging in 2013. The macro-economic indicators are pointing towards negative economic growth in the Netherlands in 2013, and no recovery until 2014. In this environment, the distinctive and operationally strong approach of NSIs remains, even more, crucial.

In 2013, NSI will specifically focus on:

Organisation

- NSI expands its Board of Management with a COO to further strengthen its active and innovative management of the portfolio, in line with its strategic focus on operational excellence and creating a 'best in class' leasing platform. NSI announced its intention to appoint Mark Siezen as COO as per 1 July 2013, subject to a yet to convene Extraordinary General Meeting.

Offices:

- Further improvement of the occupancy in the office portfolio over the year in 2013. As a result of proactive management of the expiration calendar in the previous years, only 11% (in value) of the contracts can expire in 2013, which will support the improvement of the occupancy level.
- Further roll out of the HNK concept. NSI has commenced the conversion of two assets; in Utrecht and in Hoofddorp, to be finalized in autumn 2013. The planned investment is approx. €2.3million.
- Through different business concepts and propositions, NSI aims to sustain the effective rent level, or even increase its effective rent level by providing additional services and flexibility, like in the HNK concept.

Retail:

- NSI will continue to actively pursue the right mix in branches, including a further increase of the presence of supermarkets.

Strategic focus:

- NSI will continue its disposal strategy of non-core assets and assets of which the value potential under NSI's management has been optimised. The sale of the last Swiss asset is in progress. Proceeds of asset sales will be used to strengthen the balance sheet.

Financing:

- NSI continues to work diligently on its refinancing requirements, including refinancing €186.3 million of debt that will expire in 2013. NSI's largest syndicated loan facility (€243 million outstanding debt), maturing in 2013 and 2014 and reflecting the majority of the debt maturing in 2013, is in an advanced stage of negotiation. In general, bank margins and financings costs are increasing which will translate into higher financing costs in 2013 compared to 2012.
- NSI is highly committed to reduce its LtV to below 55%

NSI expects for 2013 that the occupancy will continue to improve over the year, which will however not directly translate into higher financial results. Moreover, NSI will face higher financing costs and outflow of rental income of assets sold. As previously announced, NSI expects a direct result for the full year 2013 in the range of €50 to €56 million

Financial report

Total investment result

The total investment result, consisting of the sum of the direct and indirect investment results amounted to -€21.2 million in Q1 2013 (Q4 2012: -€27.3 million, Q1 2012: -€17.1 million).

Direct investment result

NSI uses the direct investment result (rental income less operating costs, service costs not recharged, administrative costs and financing costs) as a measure for the performance of its core business and for determining its dividend.

The direct investment result amounted to €13.4 million in Q1 2013 (Q4 2012: €15.0 million Q1 2012: €16.2 million). Gross rental income in Q1 2013 amounted to €37.1 million compared with €40.3 million in Q4 2012 (Q1 2012: €41.5 million), mainly as a result of loss of gross rental income of disposed assets and the one-off income of €2.0 million in Q4 2012.

The occupancy rate of the total portfolio increased to 81.3% on 31 March 2013 compared to 81.1% on 31 December 2012 (31 March 2012: 82.2%). The occupancy in the Dutch office portfolio continued to improve from 71.3% to 72.1% (31 March 2012: 73.4%). The occupancy level of the retail portfolio decreased from 92.5% as per 31 December 2012 to 92.0% on 31 March 2013 (31 March 2012: 95.1%), partly due to the disposal of two (nearly) fully let shopping centres.

Leasing activities

Offices NL

The second consecutive quarter of improving occupancy in the Dutch office portfolio demonstrates that the occupancy level is gradually bottoming out. The expiration calendar, in which 11% of the contracts in the Dutch office portfolio could expire in the remaining months of 2013 compared to the annualized 2012 level of 23%, supports this.

The table below shows the development of occupancy in square meters. In financial reporting, NSI reports the financial occupancy, which improved from 71.3% at year end 2012 to 72.1% as per 31 March 2013.

Leased 1 January 2013		Leased in period	Vacated in period	Leased per 31 March 2013		Portfolio 31 March 2013
sqm	%	sqm	sqm	sqm	%	sqm
434,639	68%	18,131	21,868	429,096	68%	627,512

Leased in period (table above) are leases that came into effect in Q1 2013.

New lettings are leases that have been signed in Q1 2013. NSI signed 7,570 sqm of new lettings (take up) in its Dutch office portfolio in the first quarter of 2013, representing approximately 3% of the total uptake in the Dutch office market. NSI's portfolio represents 1.3% of this market, indicating that NSI has outperformed the market.

Recent transactions include a lease agreement with ForeyeT for approx. 860 sqm office/ 1,100 sqm industrial space in Capelle aan den IJssel and with Ziut for approx. 2,300 office sqm/ 600 sqm industrial space.

Furthermore, NSI has let the premises where its own organisation is currently located (1,000 sqm in Hoofddorp) to a new tenant (BuyitDirect.com). Hoofddorp is an area with high vacancy levels. This transaction shows that NSI is capable of creating office locations that are eminently lettable, due to having the right market and product knowledge in place. NSI plans to relocate to another property in its portfolio in order to add value in a similar way.

Furthermore, NSI continued its focus on (proactively) renewing contracts. The proactive approach and continuous dialogue with tenants create a more balanced negotiation momentum and a well spread expiration calendar.

NSI renewed leases concerning 38,915 sqm in the first quarter of 2013. In 2012, NSI ranked fourth in the Dutch office market, measured on total volume leasing transactions in sqm.

Retention:

Expiry sqm Q1 2013	Renewed sqm	Retention
50,021	38,915	78%

The retention rate (78%) increased significantly compared with 2012 (47%), reflecting NSI's ability to anticipate tenants' needs and enhanced control over the former VNOI portfolio. In addition, the retention rate in 2012 was impacted by the expiration of a number of large contracts.

The effective rent level of new leases, taking incentives into account, amounted to €104 per sqm in the first quarter of 2013 (2012: €120 per sqm), which does not indicate a trend as the average level of new leases in a quarter varies as a result of type of contract, property and region. The first quarter included two relatively large transactions in outer regions (in cities Heerlen and Deventer).

The average effective rent level over the total office portfolio amounted to €146 per sqm (2012: €148 per sqm).

The average lease duration of the portfolio was 3.8 years as per 31 March 2013.

Retail NL

The occupancy of the retail portfolio decreased to 92.0% compared to 92.5% as per 31 December 2012, partly due to the disposal of two (nearly) fully let shopping centres Mereveldplein (97%) and Rozemarijndonk (100%).

The table below shows the development of occupancy in square meters. In financial reporting, NSI reports the financial occupancy.

Portfolio 1 January 2013	Leased per 1 January 2013		Leased in period	Vacated in period	Portfolio 31 March 2013	Leased per 31 March 2013	
Sqm	Sqm	%	Sqm	Sqm	Sqm	Sqm	%
292,193	271,953	93.0%	3,658	6,881	284,687	261,401	91.8%

Expiry sqm Q1 2013	Renewed sqm	Retention
20,768	15,699	76%

The retention rate remained stable at 76%.

The retail portfolio is characterized by a strong mix with a approx. 22% share of supermarkets. Supermarkets are generally less sensitive to economic circumstances, which could also be noticed in the first quarter of 2013.

Take up in the retail portfolio in Q1 2013 consisted of a number smaller transactions. Renewals included contracts with a number of supermarkets.

The average effective rent level over the total portfolio amounted to €152 per sqm (2012: €153 per sqm).

The average lease duration of the retail portfolio was 3.6 as per 31 March 2013.

Belgium

The occupancy of the Belgian portfolio slightly decreased from 86% to 85% due to the sale of semi-industrial asset in Kortenberg (transfer in May).

The number of leasing transactions increased in the first quarter of 2013 compared with the first quarter of 2012.

Rental income in the Netherlands, Belgium en Switzerland x €1,000

	Q1 2013	Q1 2012
The Netherlands		
Gross rental income	26,422	29,122
Net rental income	21,240	23,454
Switzerland		
Gross rental income	600	1,954
Net rental income	504	1,419
Belgium		
Gross rental income	10,053	10,423
Net rental income	9,948	10,206

Gross rental income Q1 2012 up to Q1 2013

Gross rental income by segment in the Netherlands, Belgium en Switzerland:

x €1,000	Q1 2012	Purchases	Disposals	Organic growth	Q1 2013
the Netherlands					
Offices	16,840	-	- 262	- 1,980	14,598
Retail	10,008	-	- 299	308	10,017
Industrial	2,105	-	- 3	- 383	1,719
Residential	169	-	- 73	- 8	88
Total	29,122	-	- 637	- 2,063	26,422
Switzerland					
Offices	822	-	- 687	- 33	102
Retail	1,132	-	- 646	12	498
Total	1,954	-	- 1,333	- 21	600
Belgium					
Offices	6,797	-	-	- 531	6,266
Industrial	3,626	-	- 229	390	3,787
Total	10,423	-	- 229	- 141	10,053
Total NSI	41,499	-	- 2,199	- 2,225	37,075

NSI continued its focus on strict cost discipline. Operating costs amounted to €4.2 million in Q1 2013 (Q4 2012: €4.9 million; Q1 2012: €4.9 million). Letting costs were lower mainly due to one-off compensation fees paid by tenants in Belgium.

Administrative costs decreased to €1.5 million (Q4 2012: €1.9 million, Q1 2012: 1.8 million). NSI has structurally reduced the administrative costs; in the quarterly comparison Q4 2012 involved a number of non-recurring costs (approx. €0.4 million).

Financing costs decreased in Q1 2013 to €14.0 million from €14.5 in Q4 2012 (Q1 2012: €14.0 million), despite higher margins and financing costs, offset by lower Euribor rates and hedging costs and a reduction in outstanding loans (€43 million).

Indirect investment result

The indirect investment result amounted to €34.6 million negative (Q4 2012: -€42.2 million, Q1 2012: -€32.8 million). The indirect investment result consists of both realized revaluations (sales results on investments sold) and unrealized revaluations. These unrealized revaluations concern the changes in the market value of the property portfolio (-€42.4 million) and the derivatives (€8.3 million).

The net result on sales on investments include 6 sold properties. Sold properties in the Netherlands include retail property Mereveldplein (including residential units located above) in de Meern, retail property Rozemarijndonk in Spijkenisse, office properties Oudezijds Voorburgwal in Amsterdam and Parklaan in Eindhoven and industrial property Archimedesbaan in Nieuwegein. On average, the Dutch properties were sold 2% below book value. In Belgium the semi-industrial property 'Guldendelle' in Kortenberg has been sold at 15% above book value (delivery scheduled end of May).

The negative value of derivatives decreased on balance due to continuing low interest swap rates in combination with a decreased maturity of the derivative instruments.

NSI utilizes interest-rate hedging instruments exclusively to limit operational interest rate risks. The nominal value of derivatives is lower than nominal values of interest-bearing debts. NSI is not exposed to margin calls. The value of the financial derivatives automatically reverts to zero at the end of the duration of these instruments.

The downward revaluation of the Dutch portfolio amounted to €40.7 million in Q1 2013 (Q4 2012: -€32.5 million, Q1 2012: -€23.8 million). The downward revaluation in the Dutch office portfolio was €33.3 million. Despite stabilizing market rents and slightly improving occupancy rates, yields will remain under pressure due to valuation of vacancy and lack of transactions as market evidence. The Belgian and Dutch assets that have been sold, but not yet transferred, have been reclassified as held for sale. The value of the Belgian portfolio decreased by -€1.7 million (Q4: -€13.5 million).

Revaluation results of properties in the Netherlands (x €1,000)

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2011*	2010*	2009*	2008*
Offices	- 33,313	- 23,264	- 32,583	-25,434	-20,809	-31,400	- 21,435	-37,875	-44,871
Retail	- 5,296	- 6,752	- 2,893	- 3,951	- 2,828	- 622	- 1,179	- 7,920	7,770
Industrial	- 1,980	- 2,467	- 2,145	- 1,285	- 197	- 1,351	- 2,416	- 5,504	- 4,367
Residential	- 85	-	- 25	- 125	- 5	135	- 1,747	44	- 248
Total	-40,674	- 32,483	- 37,646	-30,795	-23,839	- 33,238	-26,777	- 51,255	- 41,716

*) In accordance with IFRS the figures prior to the merger with VNOI (over the period 2008- first three quarters of 2011) have not been amended and represent only NSI. As of the fourth quarter of 2011 all results of NSI and VNOI are fully consolidated.

Revaluation results of properties in Belgium (x €1,000)

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2011
Offices	- 1,913	- 15,891	- 2,847	- 3,587	426	2,555
Industrial	198	2,420	2,529	1,872	1,125	- 6,126
Total	- 1,715	- 13,471	- 318	- 1,715	1,551	- 3,571

Revaluation results of properties in Switzerland (x €1,000)

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	2011
Offices	- 22	- 161	3	-	- 2,559	208
Retail	-	- 1,782	6	-	- 1,734	- 1,152
Total	- 22	- 1,943	9	-	- 4,293	944

Yields in % at 31 March 2013 and 31 December 2012

	gross yield*	net yield**	gross yield*	net yield**
	31-03-2013	31-03-2013	31-12-2012	31-12-2012
Offices	10.4	8.6	10.3	8.6
Retail	7.9	7.0	7.8	6.7
Industrial	9.1	8.1	9.1	8.3
Residential	7.8	6.4	7.2	6.8
Total	9.5	8.1	9.4	8.0

* gross yield: the theoretical annual rent expressed as a percentage of the market value of the property.

** net yield: the theoretical net rental income expressed as a percentage of the market value of the property.

	gross yield*	net yield**	gross yield*	net yield**
	31-03-2013	31-03-2013	31-12-2012	31-12-2012
The Netherlands	9.8	8.3	9.6	8.3
Switzerland	7.4	6.2	7.3	5.3
Belgium	8.9	8.8	9.0	8.7
Total	9.5	8.1	9.4	8.0

Balance sheet and financing

The value of the real estate investments amounted to €2,039.7 million on 31 March 2013 (31 December 2012: €2,106.1 million). This is the result of the balance of investments, disposals and revaluations.

The loan-to-value decreased to 58.0% at 31 March 2013 (year end 2012: 58.2%). NSI is highly committed to reduce its LtV (loan-to-value) to below 55% and will continue to reduce its LtV by disposing non-core assets.

Debts to credit institutions amounted to €1,183.2 million as per 31 March 2013 (year end 2012: €1,226.4 million), reflecting a €43 million debt repayment. NSI continues to work diligently on its refinancing requirements and improving its debt maturity. Approx. €186.3 million will expire in 2013. Part of the 2013 refinancing requirement (€258.5 million) was already covered in 2012 refinancing agreements. A €242 million syndicated loan facility, maturing in 2013 and 2014 and reflecting the majority of the debt maturing in 2013, is in an advanced stage of negotiation.

Equity

NSI's equity decreased to €771.8 million (31 December 2012: €789.8 million) as the result of the negative total investment result in Q1 2013 of €21.2 million.

The number of outstanding shares remained unchanged in the first quarter. The net asset value, including deferred tax and the market value of the derivatives, amounted to €9.47 per share on 31 March 2013 (31 December 2012: €9.78). If the deferred tax and the value of the derivatives are excluded (the net asset value according to EPRA), the net asset value amounts to €10.52 per share (31 December 2012: €10.95).

Financial ratios

The funding available to the company under the credit facilities committed as at 31 March 2013 amounted to €84.0 million (31 December 2012: €71.3 million). NSI reduced its debts to credit institutions from €1,226.4 million as per 31 December 2012 to €1,183.2 million as per 31 March 2013.

The average remaining maturity of the loans decreased from 2.3 years as per ultimo 2012 to 2.1 years as per 31 March 2013. The variable interest part of the mortgaged loans decreased from 4.5% (ultimo 2012) to 3.1% as per 31 March 2013.

Due to a higher awareness of financing partners in relation to real estate related risks, in combination with the overall economic situation and changing regulations (Basel III/ Solvency II), NSI notes a general decreased availability of real estate financing in the market. Processes of refinancing take materially longer to complete. Margins and costs have been rising substantially since the beginning of the crisis as a result of before-mentioned trends. Loan covenants tend to become more restrictive and are more diligently monitored to the effects of real estate valuations, property sales and development in vacancy rates.

Average costs of debt funding increased from 4.8% (ultimo 2012) to 5.0%, mainly due to the refinancing of low interest loans at higher margins that come into effect. This is based on the current – increased- interest margins by quarter end, which does not reflect the average interest margin for the period. As a result of reduction in outstanding debt, the total financing costs decreased. The interest coverage ratio amounted to 2.3 as per 31 March 2013 (ultimo 2012: 2.5)

Interim-dividend Q1 2013

The Annual General Meeting of Shareholders, held on 26 April 2013, adopted the new dividend policy. In line with this new dividend policy, the Q1 interim dividend amounts to €0.10 per share in cash, which reflects a pay out of 50% of the direct result, in accordance with the defined pay out at the current LtV level (58.0%)

Developments in the portfolio

The value of the real estate portfolio decreased in the first quarter of 2013 by €66.4 million to €2,039.7 million, from €2,106.1 million at year-end 2012. This decrease is the result of revaluations of - €42.4 million, sales of €26.1 million, investments of €2.5 million and exchange-rate differences of -€0.4 million.

Sold properties in Q1 2013 include retail property Mereveldplein (including residential units located above) in de Meern, retail property Rozemarijndonk in Spijkenisse, office properties Oudezijds Voorburgwal in Amsterdam and Parklaan in Eindhoven and industrial property Archimedesbaan in Nieuwegein. The Swiss retail center HertiZentrum and the semi-industrial properties in Antwerp and Kortenberg (Belgium) have been sold and will be transferred by mid April and the end of May respectively.

NSI continues its efforts to divest non strategic assets and assets of which the value potential under NSI's management has been optimised. The market for real estate transactions remains sluggish and transactions take longer to complete.

As at 31 March 2013 the portfolio consisted of 48 residential units and 265 commercial properties, spread across:

	in %	x €1,000
Sector spread		
Offices	56	1,142,693
Retail	28	572,697
Industrial	16	320,116
Residential	-	4,240
Total real estate investments	100	2,039,746
Geographical spread		
The Netherlands	69	1,416,233
Switzerland	2	34,219
Belgium	29	589,294
Total real estate investments	100	2,039,746

Occupancy rate portfolio

The occupancy in the entire portfolio as at 31 March 2013 increased to 81.3%, from 81.1% as per 31 December 2012. Occupancy levels per sector were: 75.1% in offices, 89.7% in industrial premises and 92.0% in retail. Per country occupancy was 79.5% in the Netherlands, 96.5% in Switzerland and 85 % in Belgium.

Retail

The occupancy rate of the retail portfolio slightly decreased from 92.5% (year end 2012) to 92.0%, partly due to sale of two (nearly) fully let shopping centers.

Offices

The occupancy rate in the total office portfolio increased from 74.8% at 31 December 2012 to 75.1% at 31 March 2013, as a result of the improved occupancy in the Dutch office portfolio from 71.3% as per 31 December 2012 to 72.1%.

Logistics

The occupancy rate in the total logistics portfolio increased from 88.5% at 31 December 2012 to 89.7% at 31 March 2013.

The theoretical gross annual rental income per segment in the Netherlands, Belgium and Switzerland per 31 March 2013:
(x €1,000)

	the Netherlands	Belgium	Switzerland	Total
Offices	84,657	33,215	519	118,391
Retail	43,341	-	2,006	45,347
Industrial	9,858	19,249	-	29,107
Residential	330	-	-	330
Total	138,186	52,464	2,525	193,175

Contractual annualized rental income from the portfolio amounted to €157.0 million as at 31 March 2013, compared with €161.9 million as at 31 December 2012.

Shareholders' resolutions

All proposals that were put to the vote in the Annual General Meeting of Shareholders of NSI on 26 April 2013 were approved, including the new reservation and dividend policy, the reappointment of Daniël van Dongen as CFO and Henk Breukink as member of the Supervisory Board.

Financial key figures

	31-03-2013	Q4 2012	31-03-2012	2012
Results (x €1,000)				
Gross rental income	37,075	40,317*)	41,499	160,545
Net rental income	31,692	34,292	35,079	137,334
Direct investment result	13,415	14,958	16,181	63,405
Indirect investment result	- 34,573	42,226	- 33,302	- 166,522
Result after tax	- 21,158	27,268	- 17,121	- 103,117
Occupancy rate (in %)	81.3	81.1	82.2	81.1
Balance sheet data (x €1,000)				
Real estate investments	2,039,746	2,106,091	2,294,260	2,106,091
Shareholders' equity	771,779	789,788	895,404	789,788
Shareholders' equity attributable to NSI shareholders	645,679	666,850	763,647	666,850
Net debts to credit institutions (excluding other investments)	1,183,219	1,226,432	1,315,693	1,226,432
Loan-to-value (debts to credit institutions/ real estate investments in %)	58.0	58.2	57.3	58.2
Issued share capital (in shares)				
Ordinary shares with a nominal value of €0.46 on 31 March	68,201,841	68,201,841	60,225,539	68,201,841
Average number of outstanding ordinary shares during period under review	68,201,841	67,095,658	60,231,244	64,288,818
Data per average outstanding ordinary share (x €1)				
Direct investment result	0.20	0.22	0.27	0.99
Indirect investment result	- 0.51	- 0.63	- 0.55	- 2.59
Total investment result	- 0.31	- 0.41	- 0.28	- 1.60
Data per share (x €1)				
(Interim-) dividend	0.10	0.11	0.26	0.86
Net asset value	9.47	9.78	12.68	9.78
Net asset value according to EPRA	10.52	10.95	13.83	10.95
Average stock-exchange turnover (shares per day, without double counting)	198,971	92,580	88,034	92,580
High price	5.11	9.70	9.70	9.70
Low price	5.00	5.95	8.50	5.95
Closing price	7.00	6.08	8.77	6.08

*) Including one-off rental income of €2.0 million

Geconsolidated direct en indirect Investment result (x €1,000)

	1 st quarter 2013	1 st quarter 2012
Gross rental income	37,075	41,499
Service costs not recharged to tenants	- 1,136	- 1,482
Operating costs	- 4,247	- 4,938
Net rental income	31,692	35,079
Financing income	108	28
Financing costs	- 13,967	- 14,007
Administrative costs	- 1,525	- 1,816
Direct investment result before tax	16,308	19,284
Corporate income tax	- 17	- 80
Direct investment result after tax	16,291	19,204
Direct investment results attributable to non-controlling interest	- 2,876	- 3,023
Direct investment result	13,415	16,181
Revaluation of real estate investments	- 42,411	- 26,581
Elimination of rental incentives	47	- 293
Net result on sales of real estate investments	361	-
Movements in market value of financial derivatives	8,344	- 4,799
Exchange-rate differences	8	- 523
Allocated management costs	- 636	- 581
Indirect investment result before tax	- 34,287	- 32,777
Corporate income tax	-	- 193
Indirect investment result after tax	- 34,287	- 32,970
Indirect investment result attributable to non-controlling interest	- 286	- 332
Indirect investment result	- 34,573	- 33,302
Total investment result	- 21,158	- 17,121
Data per average outstanding share (x €1)		
Direct investment result	0.20	0.27
Indirect investment result	- 0.51	- 0.55
Total investment result	- 0.31	- 0.28

Condensed consolidated interim financial information

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

	note	Q1 2013	Q1 2012
Gross rental income		37,075	41,499
Service costs recharged to tenants		5,733	5,684
Service costs		- 6,869	- 7,166
Service costs not recharged		- 1,136	- 1,482
Operating costs	4	- 4,247	- 4,938
Net rental income	2	31,692	35,079
Revaluation of investments		- 42,364	- 26,874
Net result on sales of investments	5	361	-
Total net proceeds from investments		- 10,311	8,205
Administrative costs	6	- 2,161	- 2,397
Financing income		116	28
Financing costs		- 13,967	- 14,530
Movements in market value of financial derivatives		8,344	- 4,799
Net financing result		- 5,507	- 19,301
Result before tax		- 17,979	- 13,493
Corporate income tax	13	- 17	- 273
Result after tax		- 17,996	- 13,766
Exchange-rate difference on foreign participations		- 5	52
Total non-realised result		- 5	52
Total realised and non-realised result		- 18,001	- 13,714
Result after tax attributable to:			
NSI shareholders		- 21,158	- 17,121
Non-controlling interest		3,162	3,355
Result after tax		- 17,996	- 13,766
Total realised and non-realised result attributable to:			
NSI shareholders		- 21,163	- 17,069
Non-controlling interest		3,162	3,355
Total comprehensive income		- 18,001	- 13,714
Data per average outstanding share (x €1)			
Diluted as well as non-diluted result after tax		- 0.31	- 0.28

Consolidated statement of financial position

Before proposed profit appropriation Q4 2012 and Q1 2013
(x €1,000)

	Note	31-03-2013	31-12-2012	31-03-2012
Assets				
Real estate investments	7	1,981,787	2,036,114	2,174,335
Intangible assets		8,477	8,486	8,496
Tangible assets		3,788	3,750	3,904
Financial derivatives		388	666	-
Total fixed assets		1,994,440	2,049,016	2,186,735
Assets held for sale	8	57,959	69,977	119,925
Debtors and other accounts receivable	9	22,933	21,915	18,886
Cash		5,279	7,007	5,097
Total current assets		86,171	98,899	143,908
Total assets		2,080,611	2,147,915	2,330,643
Shareholders' equity				
Issued share capital		31,372	31,372	27,706
Share premium reserve		657,912	657,912	636,578
Other reserves		80,670	80,683	53,779
Retained earnings	-	124,275	-	103,117
Total shareholders' equity attributable to shareholders		645,679	666,850	763,647
Non controlling interest		126,100	122,938	131,757
Total shareholders' equity	10	771,779	789,788	895,404
Liabilities				
Interest-bearing loans	11	797,399	961,046	999,822
Financial derivatives	12	72,127	80,787	67,192
Deferred tax liabilities	13	162	164	1,886
Total long-term liabilities		869,688	1,041,997	1,068,900
Redemption requirement long-term liabilities	11	302,115	186,273	226,439
Debts to credit institutions		88,984	86,119	94,529
Other accounts payable and deferred income	14	48,045	43,738	45,371
Total current liabilities		439,144	316,130	366,339
Total liabilities		1,308,832	1,358,127	1,435,239
Total shareholders' equity and liabilities		2,080,611	2,147,915	2,330,643

Consolidated cash flow statement

(x €1,000)

	note		31-03-2013	31-03-2012
Result after tax			- 17,996	- 13,766
Adjusted for:				
Revaluation of real estate investments	5	42,411		26,581
Net result on sales of investments		- 361		-
Net financing expenses		5,507		19,301
Deferred tax liabilities	13	-		193
Depreciation		150		111
Cash flow from operating activities			47,707	46,186
Movements in debtors and other accounts receivable	9		- 1,018	- 4,929
Movements in other liabilities, accrued expenses and deferred income			3,602	1,497
Financing income			108	28
Financing expenses			- 13,300	- 15,446
Cash flow from operations			19,103	13,570
Purchases of real estate and investments in existing properties	7		- 2,502	- 1,899
Proceeds of sale of real estate investments			26,449	4,005
Investments in tangible fixed assets			- 179	- 134
Divestments of tangible fixed assets			-	22
Cash flow from investment activities			23,768	1,994
Dividend paid			- 8	-
Repurchase of own shares			-	502
Drawdown of loans	11		- 754	29,940
Redemption of loans	11		- 46,718	- 64,656
Cash flow from financing activities			- 47,480	- 35,218
Net cash flow			- 4,609	- 19,654
Exchange-rate differences			16	- 450
Cash and debts to credit institution as of 1 January			- 79,112	- 69,328
Cash and debts to credit institutions as of 31 March			- 83,705	- 89,432

Consolidated statement of movements in shareholders' equity

(x €1,000)

The development of the item shareholders' equity per Q1 2013 was as follows:

	Issued share capital	Share premium reserve	Other reserves	Retained earnings	Total share-holders' equity attributable to shareholders	Non-controlling interest	Total share-holders' equity
Balance as of 1 January 2013	31,372	657,912	80,683	- 103,117	666,850	122,938	789,788
Result Q1 2013	-	-	-	- 21,158	- 21,158	3,162	- 17,996
Exchange-rate differences on foreign participations	-	-	- 5	-	- 5	-	- 5
Total realised and non-realised results Q1 2013	-	-	- 5	- 21,158	- 21,163	3,162	- 18,001
Costs related to optional dividend	-	-	- 8	-	- 8	-	- 8
Total contributions by and to shareholders	-	-	- 8	-	- 8	-	- 8
Situation as of 31 March 2013	31,372	657,912	80,670	- 124,275	645,679	126,100	771,779

The development of the item shareholders' equity per Q1 2012 was as follows:

	Issued share capital	Share premium reserve	Other reserves	Retained earnings	Total share-holders' equity attributable to shareholders	Non-controlling interest	Total share-holders' equity
Balance as of 1 January 2012	27,732	637,054	53,727	62,705	781,218	128,402	909,620
Result Q1 2012	-	-	-	- 17,121	- 17,121	3,355	- 13,766
Exchange-rate differences on foreign participations	-	-	52	-	52	-	52
Total realised and non-realised results Q1 2012	-	-	- 52	- 17,121	- 17,069	3,355	- 13,714
Repurchase of own shares	- 26	- 476	-	-	- 502	-	- 502
Total contributions by and to shareholders	- 26	- 476	-	-	- 502	-	- 502
Situation as of 31 March 2012	27,706	636,578	53,779	45,584	763,647	131,757	895,404

Notes to the figures for the first quarter 2013

1. Most important principles for valuation and determination of the result

The financial statements of NSI N.V. for the first quarter of 2013 were drawn up in compliance with International Financial Reporting Standards, IFRS, as approved within the European Union. This report on the first quarter of 2013 has been drawn up in accordance with IAS 34, 'Interim Financial Reporting'.

For the most important principles for consolidation, valuation and determination of the result applied in this report, please refer to the published 2012 financial statements (see www.nsi.nl). The consolidated figures are drawn up on the basis of historical cost, except for property investments and financial derivatives, which are recognised at fair value. Unless stated otherwise, the figures are presented in thousands of euros rounded to the nearest thousand.

This report on the first quarter of 2013 was approved by the Management Board and Supervisory Board on 14 May 2013.

The compilation of this interim report in accordance with IFRS requires that the Management Board forms opinions, estimates and assumptions that affect the application of the accounting principles and the reported figures for assets, liabilities, income and expenses. The estimates and the related assumptions are based on experience and various other factors that are considered appropriate. The estimates and underlying assumptions are continually assessed. Revisions to estimates are wholly included in the period in which the revision is made, if the effect only applies to that period, or in the period in which the revision is made and future periods, if the effect also applies to future periods.

2. Segment information

Below, a summary of the results of each of the reporting segments is included.

Per country	the Netherlands		Switzerland		Belgium		Total	
	Q1 2013	Q1 2012	Q1 2013	Q1 2012	Q1 2013	Q1 2012	Q1 2013	Q1 2012
Gross rental income	26,422	29,122	600	1,954	10,053	10,423	37,075	41,499
Service costs not recharged to tenants	- 946	- 1,053	-	- 48	- 190	- 381	- 1,136	- 1,482
Operating costs	- 4,236	- 4,615	- 96	- 487	85	164	- 4,247	- 4,938
Net rental income	21,240	23,454	504	1,419	9,948	10,206	31,692	35,079
Revaluation results	- 40,539	- 24,001	- 22	- 4,293	- 1,803	1,420	- 42,364	- 26,874
Net result on sales	- 1,133	-	6	-	1,488	-	361	-
Segment result	- 20,432	- 547	488	- 2,874	9,633	11,626	- 10,311	- 8,205
Reconciliation								
Administrative costs	- 1,199	- 1,322	- 65	- 205	- 897	- 870	- 2,161	- 2,397
Net financing costs	- 3,697	- 15,078	- 121	- 678	- 1,689	- 3,545	- 5,507	- 19,301
Result before tax	- 25,328	- 16,947	302	- 3,757	7,047	7,211	- 17,979	- 13,493
Corporate income tax	- 5	- 2	-	- 256	- 12	- 15	- 17	- 273
Result after tax	- 25,333	- 16,949	302	- 4,013	7,035	7,196	- 17,996	- 13,766
Non-controlling interest	-	-	-	-	- 3,162	- 3,355	- 3,162	- 3,355
Investment income attributable to shareholders NSI	- 25,333	- 16,949	302	- 4,013	3,873	- 3,841	- 21,158	- 17,121
Purchases and investments in existing properties	1,694	1,460	22	-	786	439	2,502	1,899

3. Exchange-rate differences

In order to hedge currency risks, real estate investments in currencies other than the euro are generally funded by loans in the currency of the investment (in this case Swiss Francs). As at 31 March 2013, the exchange rate for the Swiss franc was: CHF1 = €0.82001 (31 March 2012: €0.83022).

4. Operating costs

The operating costs for the properties can be specified as follows:

	Q1 2013	Q1 2012
Municipal taxes	902	1,046
Insurance premiums	203	205
Maintenance costs	1,028	1,046
Contributions to owner's associations	106	177
Property management (including attributed administrative expenses)	1,298	1,245
Letting costs	328	540
Other costs	382	679
Total	4,247	4,938

5. Net result on sales of investments

	Q1 2013	Q1 2012
Sales of real estate investments	41,181	-
Book value at time of sale	39,977	-
Total	1,204	-
Sales costs	- 843	-
Total	361	-

The sales costs are including broker costs, legal costs, breakage costs for loan redemption and a rental guarantee.

6. Administrative expenses

The administrative costs can be specified as follows:

	Q1 2013	Q1 2012
Management costs	3,141	3,043
Audit costs	124	138
Consultancy costs	68	237
Appraisal costs	98	130
Compensation of Supervisory Directors, members of the Investments Advisory Board and Stichting Prioriteit NSI	74	72
Other costs	128	123
Total	3,633	3,743
Allocated to operating costs	- 1,357	- 1,256
Allocated to real estate portfolio	- 115	- 90
Total	2,161	2,397

7. Real estate investments

The development of the real estate investments in operation and under development was as follows:

	2013	2012
Real estate investments in operation	1,959,897	2,157,585
Real estate investments under development	21,890	16,750
Total	1,981,787	2,174,335

Real estate investments in operation and under development are valued at fair value. NSI determines the market value of the investment properties on the basis of a professional appraisal management system. NSI internally appraises the entire property portfolio every quarter. In addition, each quarter effectively approximately 50% of the portfolio is appraised externally by reputable appraisers

Real estate investments in operation

The development of the real estate investments in operation per country was as follows:

	The Netherlands	Switzerland	Belgium	Total 2013	The Netherlands	Switzerland	Belgium	Total 2012
Balance on 1 January	1,437,009	-	583,860	2,020,869	1,605,790	123,084	587,889	2,316,763
Investments	1,694	-	786	2,480	1,460	-	439	1,899
Reclassification into real estate investments under development	- 6,985	-	-	- 6,985	- 11,700	-	-	- 11,700
Reclassification into assets held for sale	-	-	- 12,402	- 12,402	-	- 119,925	-	- 119,925
Sales	- 2,000	-	-	- 2,000	-	-	- 4,005	- 4,005
Revaluations	- 40,330	-	- 1,735	- 42,065	- 23,839	- 4,293	1,551	- 26,581
Exchange-rate differences	-	-	-	-	-	1,134	-	1,134
Balance on 31 March	1,389,388	-	570,509	1,959,897	1,571,711	-	585,874	2,157,585

The valuations contain:

	The Netherlands	Switzerland	Belgium	Total 2013	the Netherlands	Switzerland	Belgium	Total 2012
Prepayment and accrued income in relation to incentives	7,789	-	4,678	12,467	8,956	-	4,057	13,013

The development of the investments in operation by real estate type was as follows:

	Retail	Offices	Industrial	Residential	Total 2013
Balance on 1 January 2013	551,377	1,146,269	318,898	4,325	2,020,869
Investments	377	1,266	837	-	2,480
Reclassification into real estate investments under development	-	- 6,985	-	-	- 6,985
Reclassification into assets held for sale	-	-	- 12,402	-	- 12,402
Sales	-	- 1,450	- 550	-	- 2,000
Revaluations	- 5,297	- 34,881	- 1,802	- 85	- 42,065
Exchange-rate differences	-	-	-	-	-
Balance on 31 March 2013	546,457	1,104,219	304,981	4,240	1,959,897

On 31 March 2013, properties with a book value of €1,440.6 million (ultimo 2012: €1,507.2 million) were mortgaged as security for loans taken out and credit facilities at banks amounting to €911.0 million (ultimo 2012: €951.0 million). It is possible to vary the level of securitisation within the banking arrangements, enabling NSI to create additional loan capacity within the existing facilities or allocate the securities partly to a different facility.

Real estate investments under development	2013	2012
Balance on 1 January	15,245	5,050
Reclassification of real estate investments in operation	6,985	11,700
Revaluations	- 340	-
Balance on 31 March	21,890	16,750

Real estate investments under development contains three offices and two land positions per 31 March 2013.

8. Assets held for sale

The book value of real estate held for sale equals the expected sales proceeds, representing fair value.

	2013	2012
Balance on 1 January	69,977	-
Reclassification of real estate investments in operation	13,890	119,925
Investments	22	-
Sales	- 25,575	-
Revaluations	- 7	-
Exchange-rate differences	- 348	-
Balance on 31 March	57,959	119,925

9. Debtors and other accounts receivable

The main items concern the expected insurance settlement in connection to shopping centre 't Loon, prepaid costs 2013 for an amount of €4.6 million, corporate income tax (€3.2 million) and rental income overdue for an amount of €5.4 million.

10. Shareholders' equity

The number of issued shares remained unchanged during the reporting period.

11. Interest-bearing debt

The development of the loans in the reporting period was as follows:

	2013	2012
Balance on 1 January	1,147,319	1,259,837
Drawdowns	- 754	29,940
Redemptions	- 46,718	- 64,656
Exchange-rate differences	- 333	1,140
Balance on 31 March	1,099,514	1,226,261
Redemption requirement long-term debt up to 1 year	302,115	226,439
Balance on 31 March	797,399	999,822

Remaining maturities of the loans at 31 March 2013 was as follows:

	Fixed interest	Variable interest	Total
Up to 1 year	28,545	273,570	302,115
From 1 to 2 years	-	142,950	142,950
From 2 to 5 years	224,978	420,429	645,407
From 5 to 10 years	-	9,042	9,042
More than 10 years	-	-	-
Total loans	253,523	845,991	1,099,514

The interest-bearing debt are predominantly loans from banks and a €75 million Belgian bonds with an average remaining maturity of 2.1 years. The weighted average interest on outstanding mortgages and interest-rate swaps at 31 March 2013 was 5.0% per annum including margin. The interest coverage ratio amounted to 2.3 as at 31 March 2013.

As collateral for the loans and the current account facilities at the banks, mortgages are registered on real estate with a value of €1,440.6 million, together with a possessory lien on the rental income in some cases.

12. Financial derivatives

NSI limits its interest-rate risk by swapping the majority of the variable interest it pays on its loans into a fixed interest rate, by means of contracts with fixed interest rates varying from 2.14% to 4.613% and with maturity dates between 2014 and 2022. The market value of the financial derivatives amounted to €71.7 million as at 31 March 2013.

	Number of contracts	Nominal	Negative market value	Positive market value
Up to 1 year	-	-	-	-
From 1 to 5 years	40	714,760	-	56,208
From 5 to 10 years	4	99,300	-	15,919
Total swaps	44	814,060	-	72,127
Total derivatives index loans	7	54,000	388	-
Total derivatives	46	868,060	388	72,127

The weighted average remaining maturity of the financial derivatives is 3.8 years. NSI is hedged at a weighted interest rate of 3.1%, excluding margin. 3.1% of the current loans are subject to variable interest and are therefore not hedged.

13. Deferred tax liabilities

Deferred tax liabilities are recognized at nominal value for the corporate income tax payable in future periods that arise because of the differences between market value and value for tax purposes of the properties in Switzerland.

14. Other payables and accrued liabilities

The largest items recognized under the other payables and accrued liabilities concern prepaid rent of €12.5 million, payable operational costs of €10.4 million and payable interest of €8.9 million.

15. Liabilities not appearing on the balance sheet

In November 2012 NSI reached an agreement about the sale of two office properties (Leidsegracht and Herengracht in Amsterdam). The sales price amounted to €8.0 million and the transfer is expected to take place in the second quarter of 2013.

Intervest Offices & Warehouses reached an agreement about the sale of an industrial property at de Kaaïen in Antwerpen. The sales price amounted to €2.1 million and the transfer took place on 15 April 2013.

In March 2013 Intervest Offices & Warehouses reached an agreement about the sale of a semi-industrial property at Guldendelle in Kortenbergh. The sales price amounted to €14.2 million and the transfer is expected to take place by the end of May 2013.

Hoofddorp, 17 May 2013

Management Board

J. Buijs, CEO

D.S.M. van Dongen, CFO

Supervisory Board

H. Habas, *chairman*

H.J. van den Bosch

H.W. Breukink

G.L.B. de Greef

Other information

Statement pursuant to the Financial Supervision Act

The Netherlands Authority for the Financial Markets granted a licence to NSI N.V. on 13 July 2006. A copy of this license can be obtained at the company's office as well as via its website: www.nsi.nl

The members of NSI's Supervisory Board and Management Board have no personal interests in any of the investments made by NSI. Furthermore, they never had any such interest at any time during the period under review. The company is not aware of any property transactions during the period under review with any people or organisations that could be considered to have a direct relationship with the company.

Holders of shares with a capital interest of 5% or more:

In accordance with the Financial Supervision Act, the Netherlands Authority for the Financial Markets received a notification of a shareholder with an interest of more than 5% in the company. According to the most recent notification, this interest was as follows: Habas Investments (1960) Ltd. and its subsidiaries (20.5%). The date of the notification mentioned above was 18 September 2012.

Financial calendar 2013

Financial calendar 2013

Publication HY results 2013	9 August 2013
Publication Q3 results 2013	8 November 2013

Interim-dividends

Setting of Q1 2013 interim-dividend	31 May 2013
Listing ex-dividend	4 June 2013
Payment of Q1 2013 interim-dividend	11 June 2013
Setting of HY 2013 interim-dividend	23 August 2013
Listing ex-dividend	27 August 2013
Payment of HY 2013 interim-dividend	3 September 2013
Setting of Q3 2013 interim-dividend	22 November 2013
Listing ex-dividend	26 November 2013
Payment of Q3 2013 interim-dividend	3 December 2013

Review report

To: the General Meeting of shareholders of NSI N.V.

Introduction

We have reviewed the on page 16 to 25 the accompanying condensed consolidated interim financial information of NSI N.V., Hoofddorp (statutory seat Hoorn), which comprises the consolidated statement of financial position as at 31 March 2013, the consolidated statements of comprehensive income, the consolidated statement of movements in shareholders' equity and the consolidated cash flow statement for the period of 3 months ended 31 March 2013, and the notes. Management of the Company is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 31 March 2013 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 17 May 2013

KPMG Accountants N.V.

H.D. Grönloh RA