# PRESS RELEASE RESULTS FIRST HALF 2017

JULY 25, 2017


## CONTINUED STRONG PERFORMANCE IN THE NETHERLANDS, STABLE IN BELGIUM, A RECOVERY IN FINLAND AND HEADWIND IN FRANCE

WERELDHAVE

# FIRST HALF 2017

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## CONTINUED STRONG PERFORMANCE IN THE NETHERLANDS, STABLE IN BELGIUM, A RECOVERY IN FINLAND AND HEADWIND IN FRANCE

Occupancy increases in Belgium and the Netherlands, flat in Finland and down in France

Occupancy rate shopping centres amounts to
**95.4%**
(YE 2016: 95.5%)

Total result :
**€ 74.2m**
(H1 2016: € 9.6m)

Direct result:
**€ 75.2m**
(H1 2016: € 77.7m)

Direct result per share:
**€ 1.72**
(H1 2016: € 1.77)

Indirect result:
**€ -0.9m**
(H1 2016: € -68.1m)

Like-for-like shopping centres
**0.0%**
(Index: 0.8%)

Outlook narrowed:

EPS 2017 between
**€ 3.40** and **€ 3.45**

Share ex-dividend today, interim dividend 2017:
**€ 0.77** per share
(2017: € 3.08; 2016: € 3.08)

# OUR MARKETS

## THE NETHERLANDS

The retail market in the Netherlands is gaining momentum against the backdrop of an improving economic climate. The number of retailer bankruptcies decimated compared to the first half of 2016 and demand for retail floor space is increasing. Demand, however, remains selective in terms of location quality, and is concentrating on larger cities with demographic growth. Our focus on strong food anchored shopping centres and our refreshment and refurbishment initiative clearly strengthens the resilience of our portfolio. It attracts new tenants and protects us from retailers that are rationalising their store base. Recent examples include the Decathlon coming to Tilburg and Only for Men opening in Nieuwegein. In May, Blokker announced plans to significantly reduce their number of shops by nearly 20%. These plans have no impact on Wereldhave as not one of the 12 Blokker stores in our centres will be closed, due to their relatively strong performance in sales per m². Our excellent key account management relations continued to pay off. We agreed on a package deal for a lease extension of nearly half of all Blokker format related leases with a sales based rent component, whereby Blokker decided to add one shop to one of our centres.


Only for Men, Cityplaza, Nieuwegein

Upcoming store openings, especially new formats and concepts, will, over the next few months, further add to the momentum. In Tilburg, Hudson's Bay (13,300 m²) and the new HEMA format (3,300 m²) will open, together with a Decathlon (2,900 m²). In Arnhem the first C&A new concept store in the Netherlands will open in Kronenburg. In Maassluis, Action, Aldi and HEMA will open new shops. In Purmerend, Sportsworld will open a shop on the first floor of the former V&D department store. These examples show that retailers are appreciating Wereldhave's refurbishment scheme and that our product remains attractive in a rationalising retail market.

## BELGIUM

The Belgian economy currently shows some clear early signs of improvement. Retailers are however facing a more competitive environment, as online sales accelerate, albeit still at lower levels than in neighbouring countries. The fashion segment, in particular, is challenging and many large fashion anchor chains are actively seeking to reduce their occupancy costs.

Belgian retailers increasingly focus on larger shopping centres in urbanised areas. Rental levels in these centres remain stable. Smaller towns and centres are more vulnerable for retailers that are downsizing. For Wereldhave, the shopping centres in Liege, Tournai and Nivelles are firmly on the positive side of this equation, whilst Kortrijk and Genk still have difficulty in attracting new tenants. In order to support the leasing, free parking was introduced in Genk. This led to an increase in footfall of 16% in May and 13% in June, and sales went up by 12% and 9% respectively. We are positive that our new leasing organisation and the increased efforts for Kortrijk will lead to signings in the second half of the year. The leasing process of the extension of Les Bastions in Tournai is progressing well. We currently have about two-third

# OUR MARKETS

of the floor space of the extension in the final stages of negotiations, which includes the anchor positions. Smaller units will be let as soon as the main anchors can be announced.

## FINLAND

The Finnish economy is recovering, but this is not yet reflected in retail turnover. International retail chains still have their expansion in Finland on hold and there are almost no new entrants to the market. Itis is Finland's largest shopping mall and still boasts a strong and unique position. Occupancy has remained high and the announcement of a Finnkino to open in Itis has added to the appeal for new food & beverage formats. In June the casino 'Feel Vegas' opened in Itis, immediately strengthening the entertainment and experience offer. The permit to demolish part of the centre in anticipation of the Finnkino works was granted in June 2017. Works have started and the 9-screen Finnkino is to open doors at the end of 2018, with a totally new generation of cinema. It will significantly boost the attractiveness of the centre, not only in number of visitors, but also in general entertainment and an improved food & beverage offer.

## FRANCE

The election outcome has had a positive impact on market sentiment, but it will take considerable time before reforms will structurally improve the economic climate. Footfall in our centres increased by 0.8%, whereas the market average was a 2.5% drop. Across the board, retail sales in France dropped by 1.9%. Our centres achieved slightly better, with a 1.8% drop in sales. Despite outperforming the market, we regard this to be a disappointing result. A positive note is that our hypermarkets performed well in the past six months. We notice that prospective tenants are taking more time in their decision-making and the number of new leases signed was low. The most important signings were Vapiano in the first quarter of 2017 for the new food court in Saint Sever, Action for Côté Seine in Argenteuil and Mango in Mériadeck.

Fashion retailers are, in particular, facing headwinds and Wereldhave's centres have a strong representation of fashion. We are confident that we will be able to adapt the tenant mix of our centres to cater for the future need of their catchment area. To facilitate this and further strengthen the relationship with our tenants, we will also implement key account management in France. In the Netherlands, key account management proved to be a valuable tool over the past years to support leasing for assets that face headwind. In Belgium, this approach has been adopted in the beginning of the year and first signs are also positive. The strong development in footfall in our French centres underlines their fundamental attractiveness, but overall market sentiment is subdued.


Itis, Helsinki

# HIGHLIGHTS
## Operations

Occupancy increases in Belgium and the Netherlands, flat in Finland and down in France

Occupancy rate shopping centres at

**95.4%**

(YE 2016: 95.5%)

Like-for-like
Finland and the Netherlands: positive
Belgium and France: negative

Increase in footfall

of **0.8%**

from **72.2m** to **72.8m**
shopping centre visitors

- Occupancy increases in Belgium and the Netherlands, flat in Finland and down in France
- Occupancy rate of shopping centres at 95.4% (YE 2016: 95.5%)
- Like-for-like positive in Finland and the Netherlands, negative in Belgium and France
- Increase in footfall of 0.8% from 72.2m to 72.8m shopping centre visitors

# RESULTS H1 2017

Total result:
**€ 74.2m**
(H1 2016: € 9.6m)

Direct result:
**€ 75.2m**
(H1 2016: € 77.7m)

Indirect result:
**€ -0.9m**
(H1 2016: € -68.1m)

Property revaluation:
**€ -2.9m**
(H1 2016: € -62.8m)

Direct result per share:
**€ 1.72**
(H1 2016: € 1.77)

NAV per share (EPRA):
**€ 51.58**
(FY 2016: € 51.47)

Loan-to-Value:
**38.9%**
(FY 2016: 39.0%)

Interim dividend: **€ 0.77** per quarter

- Total result : € 74.2m (H1 2016: € 9.6m)
- Direct result: € 75.2m (H1 2016: € 77.7m)
- Indirect result: € -0.9m (H1 2016: € -68.1m)
- Property revaluation: € -2.9m (H1 2016: € -62.8m)
- Direct result per share: € 1.72 (H1 2016: € 1.77)
- NAV per share (EPRA): € 51.58 (FY 2016: € 51.47)
- Loan-to-Value: 38.9% (FY 2016: 39.0%)
- Share ex-dividend today for first interim dividend 2017

# OUTLOOK 2017

Outlook of direct result per share between

**€ 3.40** and **€ 3.45**

Quarterly interim dividend of

**€ 0.77**

Dividend on annual basis

**€ 3.08**

- Outlook of direct result per share between € 3.40 and € 3.45
- Quarterly interim dividend of € 0.77, or € 3.08 on an annual basis

# OPERATIONS

Occupancy increases in Belgium and the Netherlands, flat in Finland and down in France

Occupancy rate shopping centres at **95.4%** (YE 2016: 95.5%)

Like-for-like Finland and the Netherlands: positive Belgium and France: negative

Increase in footfall of **0.8%** from **72.2m** to **72.8m** shopping centre visitors

Occupancy of the shopping centres came out at 95.4%, which is just below the year-end 2016 level of 95.5%.

In the Netherlands, occupancy stood at 96.2% at the end of the second quarter (YE 2016: 95.8%). The disposal of the shopping centres in Zwolle and Zoetermeer, which were fully let, had a -0.2% impact on occupancy. This was more than offset by strong leasing activity, with several key new signings. Important new leases are the Decathlon in Tilburg, a Sportsworld in Purmerend and a package deal with Blokker. Footfall in the Dutch shopping centres increased by 0.2% to 37.2m visitors during the first half of the year. Like-for-like rental growth amounted to 0.8%, which is equal to the indexation.

In Tilburg, Decathlon will open a shop on the first floor of the Pieter Vreedeplein. In Purmerend, Sportsworld has leased the first floor of the former V&D department store, bringing occupancy in Purmerend to nearly 100%. A package deal was signed with Blokker for 22 leases, nearly half of the rental contracts with all of their formats in our portfolio. This resulted in a prolonged lease-term at roughly similar rent conditions on average, including a sales-based rent component. Blokker's recent announcement to close down 100 of the 533 stores does not impact Wereldhave, instead they will add one store. HEMA will open new concept stores in Maassluis and Tilburg, the latter being the first shop to have the newest HEMA concept in the Netherlands.

In Belgium, occupancy of the shopping centre portfolio decreased during the first quarter and slightly improved during the second quarter, to reach 95.7% at June 30, 2017 (YE 2016: 95.9%). The occupancy of the Belgian offices portfolio improved by 1.1%, bringing office occupancy to 92% at the end of the first semester. In Kortrijk, a temporary lease was replaced by River Woods and in Genk Stadsplein a lease was signed for a bowling centre. Letting of the 15,000m² extension of Tournai is making good progress. Negotiations are in an advanced stage for two thirds of the extension, with all major anchors in place and leasing for the remaining smaller units now to start. Footfall in the Belgian shopping centres increased by 1.4%. Like-for-like rental growth was -1.0%, with the indexation at 1.6%. The result of -2.6% below indexation is primarily caused by the review for the lease of the parking garage in Genk, a strategic decision to facilitate free parking during the first 1.5 hours. Immediately following the introduction of free parking, footfall in Genk increased by 16%.

In France, occupancy decreased to 93.3% at June 30, 2017 (YE 2016: 94.4%). The French shopping centre index reported a drop of 1.9% in sales during the first half of the year (until May) and a 2.5% decrease in footfall. With a 1.8% decrease in sales and a 0.8% increase

# OPERATIONS

in footfall, Wereldhave's shopping centres are performing relatively well. The decrease in occupancy is due to tenant bankruptcies, which were only partially offset, to date, by new leases. Prospective tenants take considerable time in making their decision to sign a new lease and particularly large fashion retailers are seeking to reduce their occupancy costs. New leases that were signed in H1 2017 include a Vapiano for the Verrerie in Saint Sever, Rouen and an Action to open in Côté Seine, Argenteuil, a Rituals store in Rivetoile, Strasbourg, and a Mango for Mériadeck, Bordeaux. Rental values are under pressure and like-for-like rental growth in France stood at -5.1%, which is -5.3% below the indexation of 0.2%. The negative like-for-like was strongly impacted by Mériadeck. Net rental income decreased by € 1.1m. Two thirds of this amount can be attributed to higher non-recoverable service charges due to temporary leases and write-offs on debtors, one third to discounts on rents and negative reversions.

In Finland, occupancy at June 30, 2017 stood at 96.3%, an increase against YE 2016 of 0.6%. The largest leases were signed with Indecoria, Feel Vegas and Eurokangas. The permit for the demolition works to prepare for the construction of the Finnkino cinema was granted in June and works have commenced. The 9-screen Finnkino cinema is scheduled to open its doors at the end of 2018. Popularity of Itis remains strong: footfall increased by 2.7% to 8.6m visitors during the first half of the year. Like-for-like rental growth amounted to 7.6%, which is 7.3% above indexation. The increase is mainly due to the strong increase in occupancy during the past twelve months and the transfer of the previous Anttila unit to the development portfolio, in connection with Finnkino.

### Investment portfolio

In the Netherlands, Wereldhave sold two smaller shopping centres, one in Zwolle and the other in Zoetermeer for € 74.2m, which was above book value at year-end 2016 and above the purchase price for which Wereldhave acquired these two shopping centres in 2015. The proceeds were used to repay debt.

### Development pipeline

At June 30, 2017, Wereldhave's committed development portfolio consists of eight projects, one in Finland, two in France, one in Belgium and four in the Netherlands. All projects are within budget and planning.

In Finland, the demolition permit for the former Anttila unit to create room for the Finnkino cinema in Itis was granted in June 2017. The tender for the construction works was completed successfully. Completion of the project is due for the end of 2018. Total costs for the Finnkino cinema including relocation costs will amount to € 24m. The yield on costs for the refurbishment amounts to 4.8%.

## OCCUPANCY AND LFL

| | Occupancy | | | Like-for-Like | | |
|---|---|---|---|---|---|---|
| | 2016 H1 | 2016 H2 | 2017 H1 | 2016 H1 | 2016 H2 | 2017 H1 |
| Belgium | 95.1% | 95.9% | 95.7% | 8.6% | 4.9% | (1.0%) |
| Finland | 95.3% | 95.7% | 96.3% | (5.4%) | (2.7%) | 7.6% |
| France | 93.2% | 94.4% | 93.3% | 1.0% | 1.4% | (5.1%) |
| Netherlands | 95.2% | 95.8% | 96.2% | 0.1% | 0.4% | 0.8% |
| ***Shopping centres*** | ***94.8%*** | ***95.5%*** | ***95.4%*** | ***1.0%*** | ***1.0%*** | ***(0.0%)*** |
| Offices (Belgium) | 91.9% | 90.9% | 92.0% | 2.6% | 3.3% | (6.6%) |
| **Total portfolio** | **94.6%** | **95.3%** | **95.3%** | **1.1%** | **1.2%** | **(0.2%)** |

# OPERATIONS

In Belgium the expansion of the Tournai shopping centre is making good progress. Completion is scheduled for the first quarter of 2018.

In France, the shell for the Primark in Docks Vauban will be completed in July and tenant fit-out works will start early in August 2017. Works for the Verrerie project at the Saint Sever shopping centre in Rouen are expected to start in the last quarter of 2017. The € 20m project (including refurb) will add a comprehensive food hall to the shopping centre, directly in front of the Kinepolis cinema. More than half of the extension has already been pre-let, with Vapiano as the most important signing.

In the Netherlands, the Tilburg inner city redevelopment scheme to connect the Emmapassage with the Pieter Vreedeplein is making good progress. The Hudson's Bay store will open in the third quarter, as one of the five first HBC shops to open in the Netherlands. The passageway to connect the Pieter Vreedeplein with the Heuvelstraat will be open when the HBC opens its doors to the public. The refurbishment of the HEMA at the Heuvelstraat will start in August 2017, the first HEMA store in the Netherlands with the new format. This clearly shows that retailers recognise the success of the project and are willing to actively participate. Another example is the lease that was signed with Decathlon for a 2.900 m² shop on the first floor of the Pieter Vreedeplein, to open early November of this year.

In Capelle aan den IJssel, construction has started of a parking garage for 280 cars and the creation of a food court and new passageways, connecting both sides of the centre. This € 28m investment will be completed in Q3 2018. Work in Maassluis for the fifth and sixth phase of the redevelopment of Koningshoek is progressing well. The centre will be extended by 5,000m², which is already fully let. HEMA and Aldi will open their shops in July and an Action shop will open in November 2017.

In Arnhem, the refurbishment of the Presikhaaf shopping centre is also progressing well. Several anchor tenants will be relocated within the centre, to make the lay-out more attractive. The anchors such as Albert Heijn, HEMA, Intertoys, Blokker, Big Bazar and Xenos unanimously decided to stay within the centre when the refurbishment was announced. They are now actively upgrading their shop formats, in line with the refurbishment of the mall. Albert Heijn decided to extend its floor space and Aldi decided to open a shop in Presikhaaf. Completion of the € 19m refurbishment and extension is on schedule for 2019, with an anticipated net initial yield on costs of 6.8%.

| | Current status | | | | | |
|---|---|---|---|---|---|---|
| | Total investment | Capex (net) so far | Capex spent 2017 | YoC | Prelet | Planning delivery |
| ***Committed*** | | | | | | |
| Itis Cinema | 24 | 3 | 3 | 4.8% | 72% | Q4 2018 |
| Tournai - Les Bastions extension | 74 | 35 | 11 | 6.2% | 24% | Q1 2018 |
| Docks Vauban - Primark & Sealing | 17 | 12 | 5 | 9.0% | 98% | Q1 2018 |
| Saint Sever - Verrerie & refurb | 20 | 1 | 1 | 8.4% | 51% | Q1 2019 |
| Tilburg | 21 | 4 | 2 | 5.0% | 94% | 2017 |
| Koningshoek | 26 | 20 | 4 | 6.0% | 82% | 2018 |
| Koperwiek | 28 | 8 | 2 | 6.0% | 61% | 2019 |
| Presikhaaf | 19 | 4 | 3 | 6.8% | 69% | 2019 |
| **Committed total** | **229** | **87** | **31** | | | |

## Organisation

The reorganisation of the Dutch head office and management organisation was successfully completed in the first quarter of 2017. The creation of four business units, each with four shopping centres, has not led to any disruption in operations or leasing. Headcount in the holding staff decreased by 3 to 23 persons and in the Dutch management organisation by 17 to 47 persons at the end of June 2017. Total costs of the reorganisation amounted to € 1.6m.

Passageway from Heuvelstraat to Hudson's Bay, Tilburg

# RESULTS H1 2017

| Total result: | Direct result: | Indirect result: | Property revaluation: | Direct result per share: | NAV per share (EPRA): | Loan-to-Value: | Interim dividend: |
|---|---|---|---|---|---|---|---|
| **€ 74.2m** | **€ 75.2m** | **€ -0.9m** | **€ -2.9m** | **€ 1.72** | **€ 51.58** | **38.9%** | **€ 0.77** per quarter |
| (H1 2016: € 9.6m) | (H1 2016: € 77.7m) | (H1 2016: € -68.1) | (H1 2016: € -62.8m) | (H1 2016: € 1.77) | (FY 2016: € 51.47) | (FY 2016: 39.0%) | |

### Total result

The total result for the first half of 2017 amounts to € 74.2m (H1 2016: € 9.6m). Compared to the first half of 2016, the direct result decreased by 3%. The indirect result for the first semester was € -0.9m, against € -68.1m in H1 2016. The total result per share amounted to € 1.69 (H1 2016: € 0.09).

### Direct result

The direct result for the first half of the year amounted to € 75.2m against € 77.7m in 2016.

Net rental income decreased by € 3.2m. In Belgium, net rental income decreased by € 0.5m, mainly from vacancy in the offices portfolio and a provision for debtors in the offices portfolio. In Finland, higher occupancy resulted in an increase of net rental income by € 0.3m. In France net rental income decreased by € 1.1m, of which two thirds from higher non-recoverable service charges and write-offs on debtors and one third from lower rents. In the Netherlands, net rental income decreased by € 1.9m compared to the first half of 2016. This decrease is caused by the disposals in 2016 of the Pathé cinema in Tilburg and a shopping centre in Geldrop and in 2017 of Zwolle and Zoetermeer, which had a negative impact on net rental income of € 1.5m. This was offset by the acquisitions of HBC and HEMA in Tilburg with rental income of € 1.2m and a positive like-for-like rental growth of € 0.4m. Transfer of units to the development portfolio and other items caused a drop of net rental income of € 0.9m. Net rental income in H1 2016 included € 1.1m one-offs relating to the payments for the surrender of leases, which were not repeated in H1 2017.

The € 1.6m restructuring costs for the reorganisation in the Netherlands were fully offset against savings of an equal amount as a result of reduced headcount. The annualised savings of the reorganisation in Q1 2017 will amount to approximately € 2.0m in 2018. Interest costs for the first six months decreased by € 1.0m. The direct result per share amounted to € 1.72 (H1 2016: € 1.77).

### Indirect result

The property valuation results amounted to € -2.9m. There was a negative revaluation in France (€ -16.7m). Yield compression in France continued, but this was absorbed by a negative revaluation from lower market rents. In Finland and Belgium the values of the portfolio remained flat. Decreases in value of the Belgian offices portfolio of € -2.2m were offset by an equal upward valuation of the shopping centre portfolio. In the Netherlands, the value of the portfolio increased by € 14.3m.

The indirect result was also impacted by others items, mainly non-cash such as valuation of derivatives and the deferred tax liability amounting to € 2.0m, resulting in a total indirect result of € -0.9m.

The EPRA net initial yield of the shopping centres as at June 30, 2017 amounted to 5.0%.

### Equity

On June 30, 2017, shareholders' equity including minority interest amounted to € 2,172.0m (December 31, 2016: € 2,161.2m). The net asset value per share (EPRA) including current profit stood at € 51.58 at June 30, 2017 (December 31, 2016: € 51.47). As at that date, the number of ordinary shares in issue amounted to 40,270,921.

### Financing

In the first half of 2017 Wereldhave refinanced its 2014 € 300m syndicated revolving credit facility with a new € 300m syndicated revolving credit facility pushing the maturity out to February 2022. The 2014 facility was due to expire in March 2019. The new facility takes advantage of favourable market conditions, features two one-year extension options and includes a € 100m accordion feature.

Further, a € 30m maturing bilateral revolving credit facility of Wereldhave Belgium was refinanced with a € 30m seven year term loan. In May 2017 Wereldhave N.V. established a Euro Medium Term Note Programme to diversify its funding base. A first private placement of bonds documented under this programme was done in July 2017.

Nominal interest bearing debt was € 1,498.5m at June 30, 2017, which, together with a cash balance of € 15.3m, gives a net debt of € 1,483.2m. Undrawn committed borrowing capacity amounted to € 234m and the Loan-to-Value ratio amounted to 38.9% (December 31, 2016: 39.0%). As at June 30, 2017, 83% of Wereldhave's debt portfolio was at fixed interest rates. The weighted average maturity of the debt portfolio amounted to 5.0 years and the average cost of debt and ICR were 1.95% and 6.7x respectively.

### Interim dividend and dividend dates in 2017/2018

The Wereldhave share will list ex-dividend today. In respect of the financial year 2017, three interim dividends of € 0.77 will become payable quarterly. The final dividend will be announced with the full-year 2017 results, in February 2018.

| | Ex-dividend | Record date | Payment date |
|---|---|---|---|
| ***Dividend dates in 2017/2018*** | | | |
| Interim dividend 2017 #1 | July 25, 2017 | July 26, 2017 | July 27, 2017 |
| Interim dividend 2017 #2 | October 24, 2017 | October 25, 2017 | October 27, 2017 |
| Interim dividend 2017 #3 | January 23, 2018 | January 24, 2018 | January 26, 2018 |
| Final dividend 2017 | April 24, 2018 | April 25, 2018 | April 30, 2018 |

# OUTLOOK 2017

## Narrowed

Wereldhave narrows its outlook, with the direct result per share for FY 2017 expected to be between € 3.40 and € 3.45. The quarterly interim dividend is maintained at € 0.77, or € 3.08 on a full year basis.

Schiphol, 25 July 2017

Wereldhave N.V.
Board of Management
D.J Anbeek, CEO
R.J. Bolier, CFO

### Conference call / webcast

Wereldhave will present the results for the first half year of 2017 via a webcast and conference call at 10.00 CEST, today. This webcast will be available at www.wereldhave.com.


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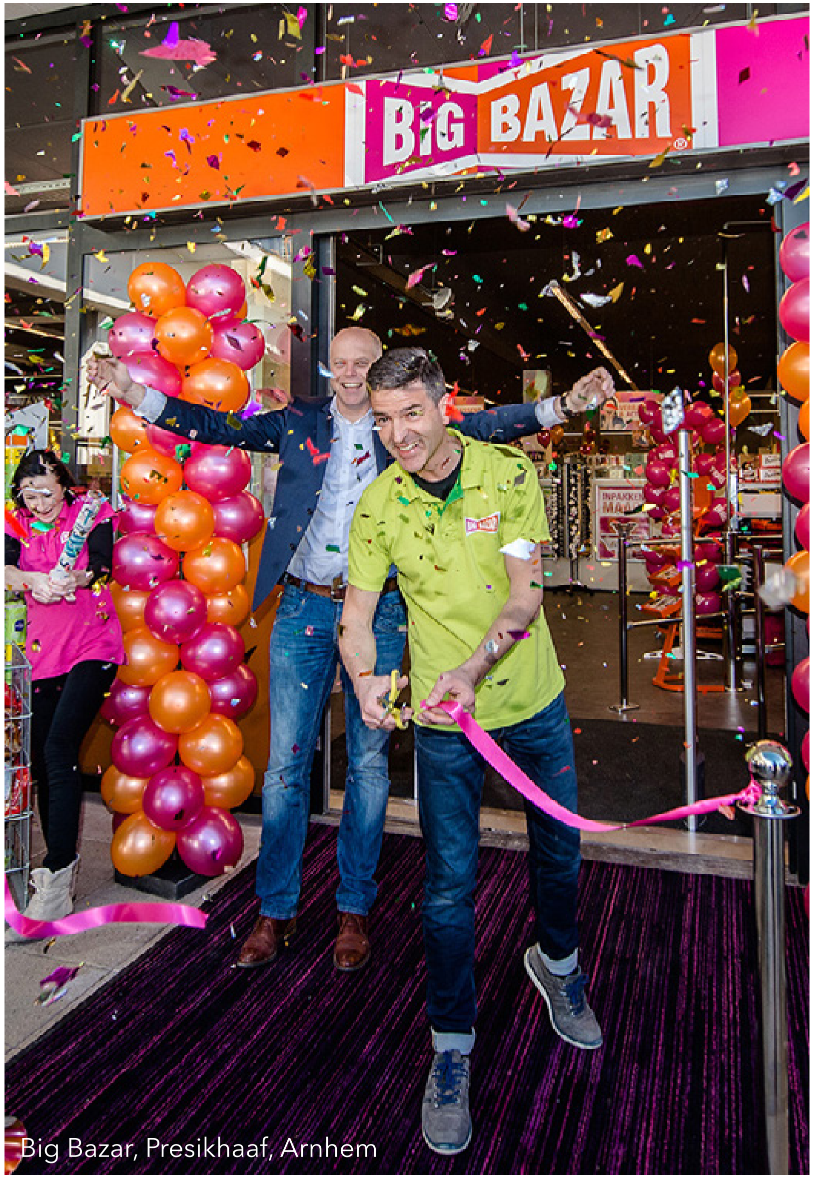
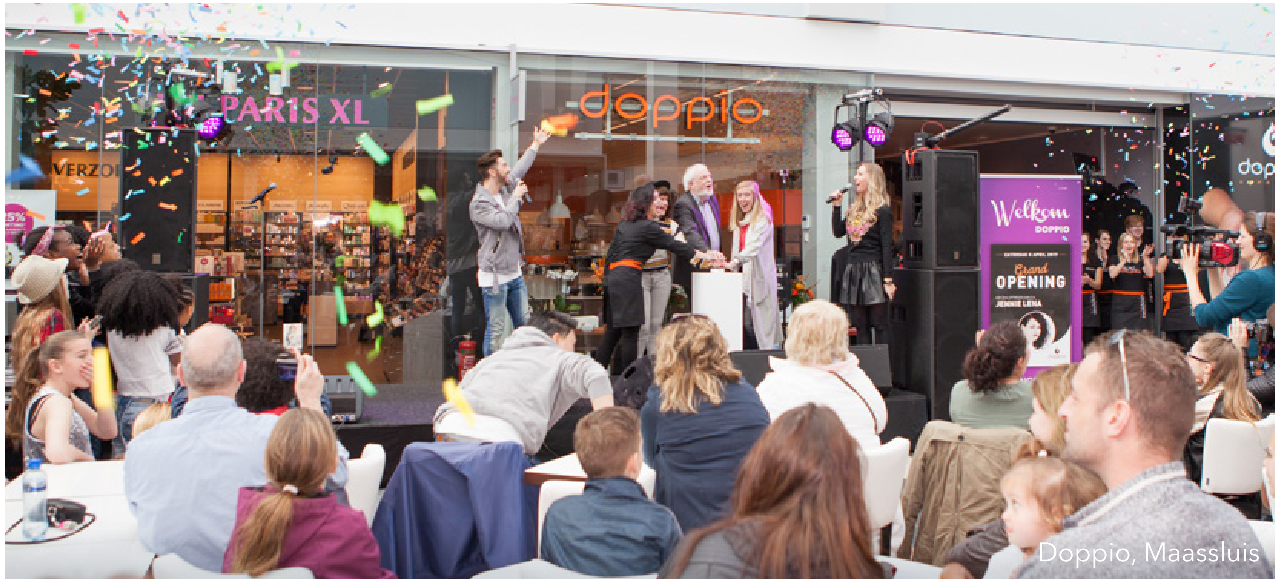
### About Wereldhave

Wereldhave invests in convenience shopping centres that are dominant in their micro environment in larger provincial cities in Northwest continental Europe. The catchment area of our centres comprises of at least 100,000 inhabitants within 10 minutes travel time. We focus on shopping centres that have a sound balance between shopping convenience and experience. With easy accessibility, an offer that covers 90% of shopping needs of goods and services, successful (inter-) national and local retail formulas and strong food anchors, our centres provide convenience shopping to accommodate an ageing population, ongoing urbanisation and a busy lifestyle. We aim for attractive, immersive experiences that go beyond shopping, with fully embedded food & beverage functions, kid's playgrounds and high quality facilities, to attract families and prolong average engagement times. For more information: www.wereldhave.com

# NEW STORE OPENINGS
## Netherlands



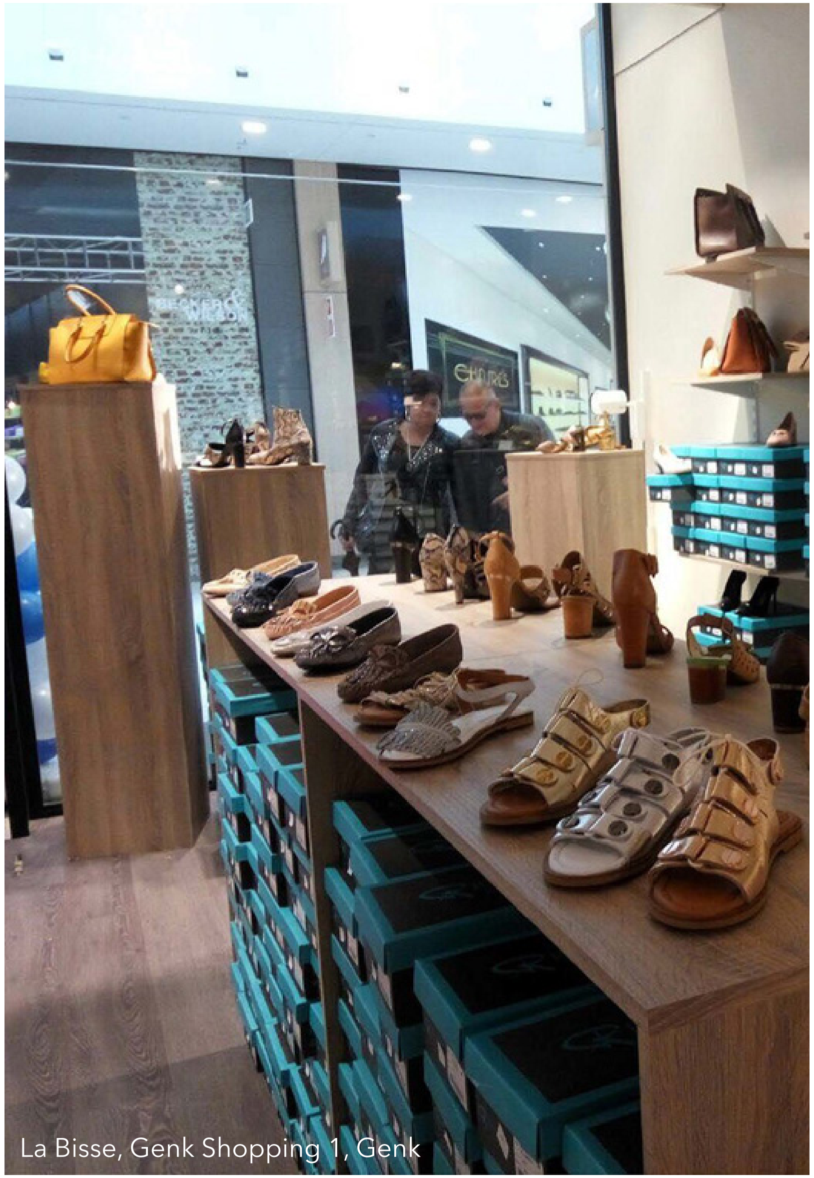
Big Bazar, Presikhaaf, Arnhem

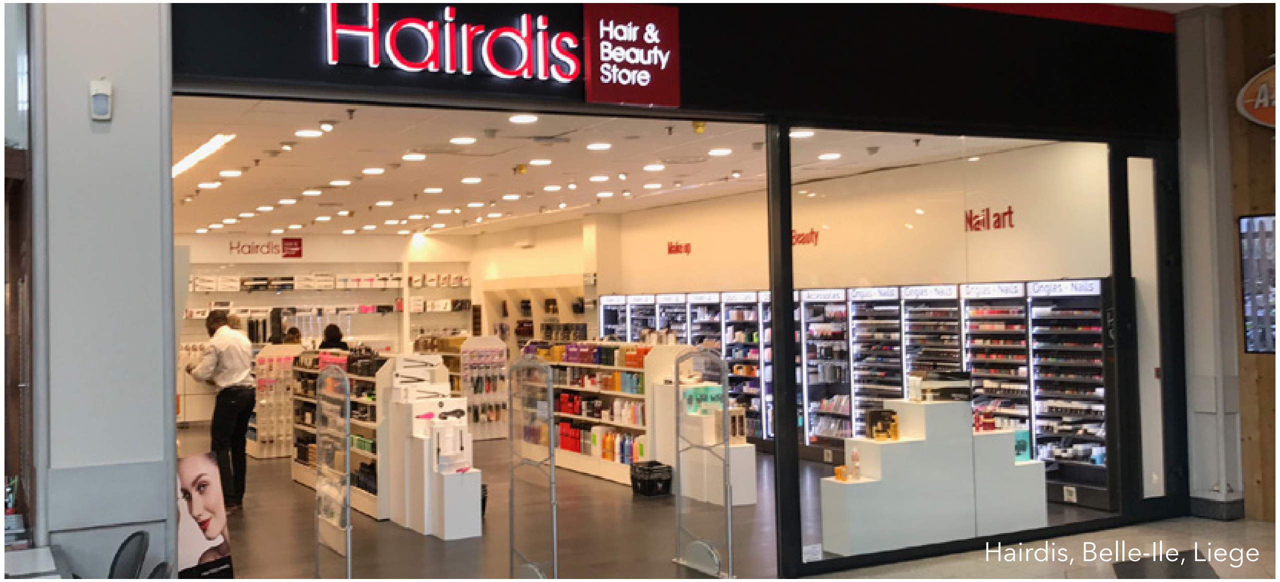


Doppio, Maassluis

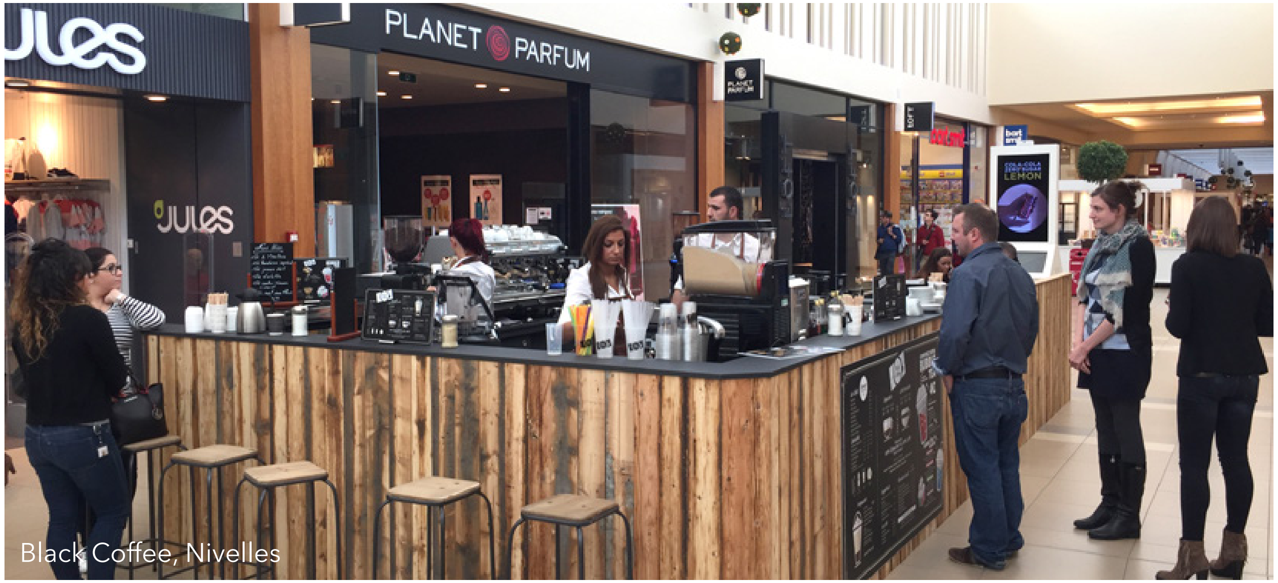

Thrill Grill, Tilburg

# NEW STORE OPENINGS
## Belgium


La Bisse, Genk Shopping 1, Genk



Hairdis, Belle-Ile, Liege



Black Coffee, Nivelles

# NEW STORE OPENINGS
## Finland

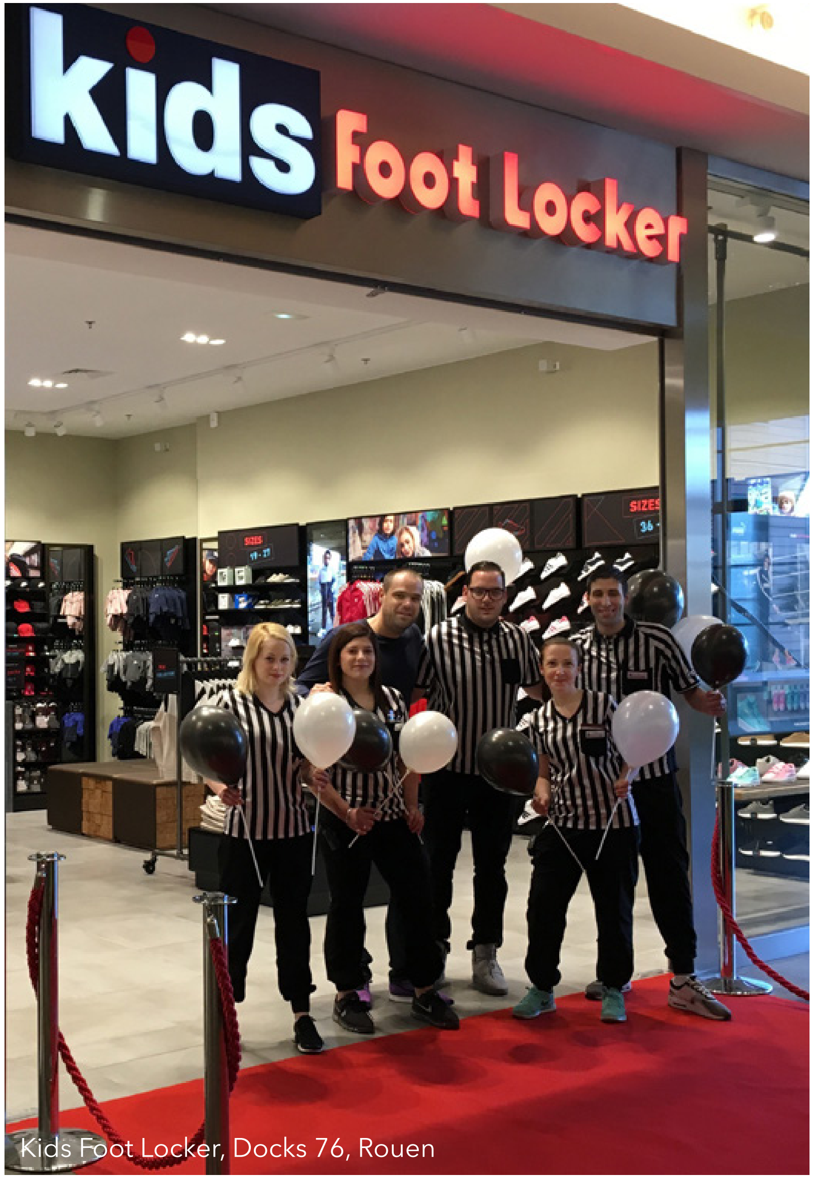
Voglia


Feel Vegas

Natural

Tunninkuva

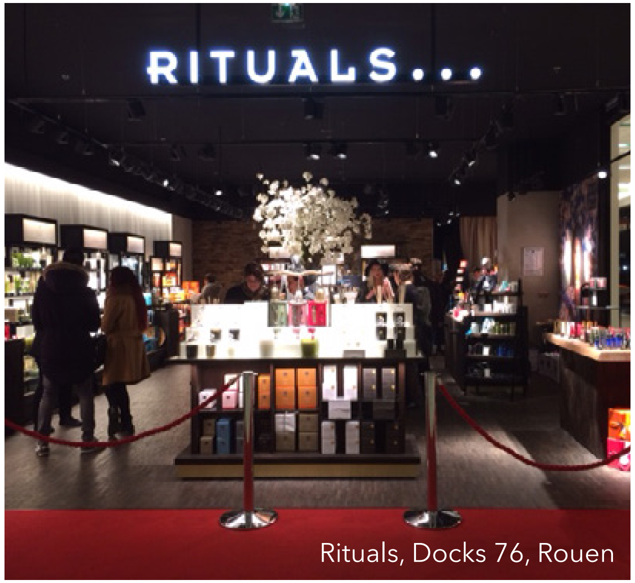
# NEW STORE OPENINGS
## France



Kids Foot Locker, Docks 76, Rouen

Takos King, Côté Seine, Argenteuil

Undiz, Docks Vauban, Le Havre



Rituals, Docks 76, Rouen

# DIRECT & INDIRECT RESULT FOR THE PERIOD ENDED JUNE 30, 2017

| *(x € 1,000)* | **Six months ended June 30, 2017** | | **Six months ended June 30, 2016** | |
|---|---|---|---|---|
| | direct result | indirect result | direct result | indirect result |
| Gross rental income | 113,705 | - | 116,776 | - |
| Service costs charged | 21,222 | - | 18,851 | - |
| ***Total revenues*** | ***134,927*** | ***-*** | ***135,627*** | ***-*** |
| Service costs paid | -24,828 | - | -21,917 | - |
| Property expenses | -10,886 | - | -11,336 | - |
| | ***-35,714*** | ***-*** | ***-33,253*** | ***-*** |
| ***Net rental income*** | ***99,213*** | ***-*** | ***102,374*** | ***-*** |
| | | | | |
| Valuation results | - | -2,902 | - | -62,766 |
| Results on disposals | - | 476 | - | - |
| General costs | -8,626 | - | -8,622 | - |
| Other income and expense | 368 | -464 | 50 | -11,757 |
| ***Operational result*** | ***90,955*** | ***-2,890*** | ***93,802*** | ***-74,523*** |
| Interest charges | -15,162 | - | -16,224 | - |
| Interest income | 33 | - | 51 | - |
| ***Net interest*** | ***-15,129*** | ***-*** | ***-16,173*** | ***-*** |
| Other financial income and expense | - | 3,102 | - | 4,361 |
| ***Result before tax*** | ***75,826*** | ***212*** | ***77,629*** | ***-70,162*** |
| Income tax | -650 | -1,141 | -124 | 2,086 |
| ***Result from continuing operations*** | ***75,176*** | ***-929*** | ***77,505*** | ***-68,076*** |
| | | | | |
| ***Result from discontinued operations*** | ***-*** | ***-*** | ***156*** | ***21*** |
| Result | 75,176 | -929 | 77,661 | -68,055 |
| | | | | |
| **Profit attributable to:** | | | | |
| Shareholders | 69,136 | -1,021 | 71,382 | -67,715 |
| Non-controlling interest | 6,040 | 92 | 6,279 | -340 |
| Result | 75,176 | -929 | 77,661 | -68,055 |
| | | | | |
| **Earnings per share (€)** | | | | |
| Continuing operations | 1.72 | -0.03 | 1.77 | -1.68 |
| Discontinued operations | - | - | - | - |
| Total earnings | 1.72 | -0.03 | 1.77 | -1.68 |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2017

*(x € 1,000)*

| Assets | Note | June 30, 2017 | December 31, 2016 |
|---|---|---|---|
| ***Non-current assets*** | | | |
| Investment property in operation | | 3,653,256 | 3,696,221 |
| Lease incentives | | 6,839 | 5,110 |
| Investment property under construction | 5 | 94,395 | 101,233 |
| ***Investment property*** | | ***3,754,490*** | ***3,802,564*** |
| Property and equipment | | 2,288 | 2,503 |
| Intangible assets | | 1,309 | 1,473 |
| Derivative financial instruments | | 32,592 | 51,665 |
| Other financial assets | | 162 | 251 |
| | | ***36,351*** | ***55,892*** |
| | | ***3,790,841*** | ***3,858,456*** |
| ***Current assets*** | | | |
| Trade and other receivables | | 52,900 | 42,088 |
| Tax receivables | | 7,942 | 6,876 |
| Cash and cash equivalents | | 15,286 | 40,666 |
| Derivative financial instruments | | 5,336 | - |
| | | ***81,464*** | ***89,630*** |
| Investments held for sale | | 17,354 | - |
| | | 3,889,659 | 3,948,086 |
| **Equity and Liabilities** | | | |
| ***Equity*** | | | |
| Share capital | 6 | 40,271 | 40,271 |
| Share premium | | 1,711,031 | 1,711,031 |
| Reserves | | 242,910 | 227,509 |
| ***Attributable to shareholders*** | | ***1,994,212*** | ***1,978,811*** |
| Non-controlling interest | | 177,826 | 182,403 |
| ***Total equity*** | | ***2,172,038*** | ***2,161,214*** |
| ***Non-current liabilities*** | | | |
| Interest bearing liabilities | 7 | 1,438,302 | 1,520,787 |
| Deferred tax liabilities | | 77,097 | 77,051 |
| Derivative financial instruments | | 31,312 | 28,645 |
| Other long term liabilities | | 14,481 | 30,526 |
| | | ***1,561,192*** | ***1,657,009*** |
| ***Current liabilities*** | | | |
| Trade payables | | 3,536 | 6,174 |
| Tax payable | | 10,423 | 9,793 |
| Interest bearing liabilities | 7 | 56,984 | 45,200 |
| Other short term liabilities | | 85,486 | 68,696 |
| | | ***156,429*** | ***129,863*** |
| | | 3,889,659 | 3,948,086 |

# CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2017

*(x € 1,000)*

| | Note | Six months ended June 30, 2017 | Six months ended June 30, 2016 |
|---|---|---|---|
| Gross rental income | | 113,705 | 116,776 |
| Service costs charged | | 21,222 | 18,851 |
| ***Total revenue*** | | ***134,927*** | ***135,627*** |
| Service costs paid | | -24,828 | -21,917 |
| Property expenses | | -10,886 | -11,336 |
| | | ***-35,714*** | ***-33,253*** |
| ***Net rental income*** | ***10*** | ***99,213*** | ***102,374*** |
| Valuation results | | -2,902 | -62,766 |
| Results on disposals | | 476 | - |
| General costs | | -8,626 | -8,622 |
| Other income and expense | | -96 | -11,707 |
| ***Operating result*** | | ***88,065*** | ***19,279*** |
| Interest charges | | -15,162 | -16,224 |
| Interest income | | 33 | 51 |
| ***Net interest*** | | ***-15,129*** | ***-16,173*** |
| Other financial income and expense | | 3,102 | 4,361 |
| ***Result before tax*** | | ***76,038*** | ***7,467*** |
| Income tax | | -1,791 | 1,962 |
| | | | |
| ***Result from continuing operations*** | | ***74,247*** | ***9,429*** |
| ***Result from discontinued operations after tax*** | | ***-*** | ***177*** |
| **Result for the year** | | **74,247** | **9,606** |
| **Result attributable to:** | | | |
| Shareholders | | 68,115 | 3,667 |
| Non-controlling interest | | 6,132 | 5,939 |
| **Result for the year** | | **74,247** | **9,606** |
| | | | |
| Basic earnings per share from continuing operations (x € 1) | | 1.69 | 0.09 |
| Basic earnings per share from discontinued operations (x € 1) | | - | - |
| Basic earnings per share (x € 1) | | 1.69 | 0.09 |
| Diluted earnings per share from continuing operations (x € 1) | | 1.58 | 0.09 |
| Diluted earnings per share from discontinued operations (x € 1) | | - | - |
| Diluted earnings per share (x € 1) | | 1.58 | 0.09 |

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2017

*(x € 1,000)*

| | Six months ended June 30, 2017 | Six months ended June 30, 2016 |
|---|---|---|
| Result from continuing operations | 74,247 | 9,429 |
| Result from discontinued operations | - | 177 |
| ***Result for the year*** | ***74,247*** | ***9,606*** |
| ***Items that maybe recycled to the income statement subsequently*** | | |
| Effective portion of change in fair value of cash flow hedges | 9,448 | -5,505 |
| | ***9,448*** | ***-5,505*** |
| ***Total comprehensive income*** | ***83,695*** | ***4,101*** |
| | | |
| ***Attributable to:*** | | |
| Shareholders | 77,505 | -1,716 |
| Non-controlling interest | 6,190 | 5,817 |
| | **83,695** | **4,101** |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2017

| *(x € 1,000)* | Attributable to shareholders | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | General reserve | Hedge reserve | Total attributable to share-holders | Non-controlling interest | Total equity |
| **Balance at January 1, 2016** | **40,271** | **1,711,033** | **264,769** | **-1,004** | **2,015,069** | **172,747** | **2,187,816** |
| ***Comprehensive income*** | | | | | | | |
| Result | - | - | 3,667 | - | 3,667 | 5,939 | 9,606 |
| Effective portion of change in fair value of cash flow hedges | - | - | - | -5,383 | -5,383 | -122 | -5,505 |
| ***Total comprehensive income*** | ***-*** | ***-*** | ***3,667*** | ***-5,383*** | ***-1,716*** | ***5,817*** | ***4,101*** |
| ***Transactions with shareholders*** | | | | | | | |
| Shares for remuneration | - | - | -397 | - | -397 | - | -397 |
| Share based payments | - | - | 134 | - | 134 | - | 134 |
| Dividend | - | - | -60,808 | - | -60,808 | -10,344 | -71,152 |
| Other | - | - | -686 | - | -686 | - | -685 |
| **Balance at June 30, 2016** | **40,271** | **1,711,033** | **206,679** | **-6,387** | **1,951,596** | **168,220** | **2,119,816** |
| **Balance at January 1, 2017** | **40,271** | **1,711,033** | **241,927** | **-14,420** | **1,978,811** | **182,403** | **2,161,214** |
| ***Comprehensive income*** | | | | | | | |
| Result | - | - | 68,115 | - | 68,115 | 6,132 | 74,247 |
| Effective portion of change in fair value of cash flow hedges | - | - | | 9,390 | 9,390 | 58 | 9,448 |
| ***Total comprehensive income*** | ***-*** | ***-*** | ***68,115*** | ***9,390*** | ***77,505*** | ***6,190*** | ***83,695*** |
| ***Transactions with shareholders*** | | | | | | | |
| Shares for remuneration | - | - | -300 | - | -300 | - | -300 |
| Share based payments | - | - | 201 | - | 201 | - | 201 |
| Dividend | - | - | -62,015 | - | -62,015 | -10,767 | -72,782 |
| Other | - | - | 10 | - | 10 | - | 10 |
| **Balance at June 30, 2017** | **40,271** | **1,711,033** | **247,938** | **-5,030** | **1,994,212** | **177,826** | **2,172,038** |

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2017

*(x € 1,000)*

| | Note | Six months ended June 30, 2017 | Six months ended June 30, 2016 |
|---|---|---|---|
| ***Operating activities*** | | | |
| ***Result*** | | ***74,247*** | ***9,606*** |
| Adjustments: | | | |
| Valuation results | | 2,902 | 62,766 |
| Net interest | | 15,129 | 16,018 |
| Other financial income and expense | | -3,102 | -4,362 |
| Other income and expense | | - | 10,000 |
| Results on disposal | | -476 | - |
| Deferred tax | | 1,141 | -2,086 |
| Amortisation | | 480 | 598 |
| Other adjustments | | -3,245 | - |
| Movements in working capital | | -17,404 | 7,950 |
| ***Cash flow generated from operations*** | | ***69,672*** | ***100,490*** |
| Interest paid | | -13,027 | -14,851 |
| Interest received | | 232 | 72 |
| Income tax paid | | -193 | -127 |
| ***Cash flow from operating activities*** | | ***56,684*** | ***85,584*** |
| | | | |
| ***Investment activities*** | | | |
| Proceeds from disposals direct investment properties | | 73,102 | - |
| Investments in investment property | 5 | -40,358 | -64,840 |
| Investments in equipment | | -30 | -380 |
| Divestments in financial assets | | 89 | 22 |
| Investments in intangible assets | | -50 | -44 |
| Investments in other long-term assets | | - | -66 |
| ***Cash flow from investing activities*** | | ***32,753*** | ***-65,308*** |
| | | | |
| ***Financing activities*** | | | |
| Proceeds from interest bearing debts | 7 | 26,131 | 358,406 |
| Repayment interest bearing debts | 7 | -68,500 | -326,153 |
| Proceeds of other long-term liabilities | | 334 | 24 |
| Other movements in reserve | | - | -471 |
| Dividend paid | | -72,782 | -71,152 |
| ***Cash flow from financing activities*** | | ***-114,817*** | ***-39,346*** |
| | | | |
| Decrease in cash and cash equivalents | | -25,380 | -19,070 |
| Cash and cash equivalents at January 1 | | 40,666 | 37,711 |
| **Cash and cash equivalents at June 30** | | **15,286** | **18,641** |

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

Wereldhave N.V. ('the Company') is an investment company which invests in real estate (shopping centres and offices). The property portfolio of Wereldhave N.V. and its subsidiaries ('the Group') are located in Belgium, Finland, France and the Netherlands. The Group is principally involved in leasing investment property under operating leases. The property management is performed by Group management companies. The Company is a limited liability company incorporated and domiciled in the Netherlands. The address of the Company's registered office is Schiphol Boulevard 233, 1118 BH Schiphol. The shares of the Company are listed on the Euronext Stock Exchange of Amsterdam. These condensed consolidated interim financial statements for the period ended June 30, 2017 were approved for issue on July 25, 2017. The figures of this press release are unaudited.

## 2. TAX STATUS

Wereldhave N.V. has the tax status of an investment company (FBI status) in accordance with section 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969'. This status assumes that the Group is (almost) exclusively engaged in portfolio investment activities. As a consequence, corporation tax is due at a rate of 0% in the Netherlands, provided that certain conditions are met. The main conditions concern the requirement to distribute the taxable result as dividend and restrictions with regard to the leverage. The taxable result of Wereldhave N.V. must be distributed as a dividend to its shareholders within eight months after the year during which the result was made. In general terms, the leverage restrictions imply that investments in real estate (including qualifying real estate companies) may only be financed through debt up to a maximum of 60% of their value. For investments in other assets the maximum level of debt allowed is only 20%. There is no requirement to include capital gains, arising on disposal of investments, in the result to be distributed.

The subsidiaries in Belgium (OGVV status) and France (SIIC status) have a similar status. Subsidiaries in Finland are subject to corporation tax. In Belgium the net value of one single asset may not exceed 20% of the total Belgium portfolio. By June 30, 2017, the net value of Belle-Ile exceeded 20%. In January 2017, a concession was provided by the FSMA for a period of maximum 2 years.

## 3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements for the period ended June 30, 2017 are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

## 3.1 Basis of accounting

### Statement of compliance

This condensed consolidated interim financial information for the six months ended June 30, 2017 has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2016, which have been prepared in in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

### Income and cash flow statement

The Group presents a separate 'statement of profit or loss' and 'other comprehensive income'.

The Group reports cash flows from operating activities using the indirect method. Interest received and interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities as this most appropriately reflects the Group's business activities.

### Preparation of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements for the period ended June 30, 2017 have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property and derivative financial instruments that have been measured at fair value.

The preparation of these condensed consolidated interim financial statements for the period ended June 30, 2017 in conformity with EU-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the condensed consolidated interim financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate.

### Change in accounting policy and disclosures

***New and amended standards adopted by the Group***

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016.

***New standards and interpretations not yet adopted***

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated financial statements.

***Change in classification***

The group reclassified in the comparative figures an amount of EUR 1.8m from 'other income and expense` to 'valuation results`. This change has no impact on equity and results.

***IFRS  9***

IFRS 9, released in July 2015, replaces the current accounting standard IAS 39 Financial instruments: Recognition and Measurement. IFRS 9 'Financial Instruments' includes the standards regarding classification and measurement, hedge accounting and impairment.

IFRS 9 introduces a new expected credit loss impairment model and changes to the classification and measurement for financial assets. The impairment model is based on the notion of providing for expected losses at inception of a contract.

IFRS 9 is effective for periods beginning on or after January 1, 2018 and has been endorsed by the EU. Wereldhave is currently in the process of implementing the new Standard. Based on the current assessment of the potential impact of adopting IFRS 9, the following observations can be made:

*Classification and Measurement*

Wereldhave has assessed there will not be a material impact on its accounting for financial assets and trade and other receivables.

*Impairment*
IFRS 9 requires Wereldhave to record expected credit losses on all of its debt securities, loans and trade receivables. This should be done on a 12 month or lifetime basis. Depending on the staging of the credit risk, a full and detailed assessment has not yet been undertaken on how the impairment provisions will be affected by the new model, it will result in an earlier recognition of credit losses. However, Wereldhave estimates that this will not have a significant impact on equity and profit & loss.

*Hedge accounting*
Following Wereldhave's current assessment, it is expected that the types of hedge accounting relationships that are currently designated will meet the requirements of IFRS 9. Accordingly, Wereldhave does not expect a significant impact on the accounting for its hedging relationships.

***IFRS 15***

IFRS 15, 'Revenue from contracts with customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted, subject to EU adoption.

*Classification and Measurement*
The Group does not expect significant impact on the financial statements.

***IFRS 16***

IFRS 16, 'Leases', introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

*Classification and Measurement*
The Group has started an initial assessment of the potential impact on its consolidated financial statements. So far, the impact identified is that the Group will recognise new assets and liabilities for its leasehold, offices and cars leases. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of use assets and interest expense on lease liabilities. Based on a preliminary assessment, the Group has not yet decided whether it will use the optional exemptions. The Group does expect an impact on the financial statements mainly as result of the on-balance sheet presentation of the leasehold liabilities. An overview of the leasehold liabilities is disclosed in '9 Off balance sheet assets and liabilities`. This will not have an impact on equity or result.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a significant impact on the Group.

# 4. SEGMENT INFORMATION

## Geographical segment information – the period ended June 30, 2017

| (x € 1,000)<br>Result | Belgium | Finland | France | Netherlands | Headoffice | Total |
|---|---|---|---|---|---|---|
| Gross rental income | 25,645 | 14,796 | 25,702 | 47,562 | - | 113,705 |
| Service costs charged | 5,036 | 3,585 | 8,324 | 4,277 | - | 21,222 |
| ***Total revenue*** | ***30,681*** | ***18,381*** | ***34,026*** | ***51,839*** | **-** | ***134,927*** |
| Service costs paid | -5,780 | -4,250 | -10,000 | -4,799 | - | -24,828 |
| Property expenses | -1,695 | -281 | -2,257 | -6,653 | - | -10,886 |
| ***Net rental income*** | ***23,206*** | ***13,850*** | ***21,769*** | ***40,387*** | **-** | ***99,213*** |
| Valuation results | -63 | -398 | -16,707 | 14,266 | - | -2,902 |
| Results on disposals | - | - | - | 476 | - | 476 |
| General costs | -1,939 | -620 | -1,403 | -2,701 | -1,963 | -8,626 |
| Other income and expense | 376 | - | 182 | -144 | -510 | -96 |
| ***Operating result*** | ***21,580*** | ***12,832*** | ***3,841*** | ***52,284*** | ***-2,473*** | ***88,065*** |
| Interest charges | -1,239 | -6,198 | -7,898 | -9,133 | 9,306 | -15,162 |
| Interest income | 2 | 8 | - | 23 | - | 33 |
| Other financial income and expense | - | - | - | - | 3,102 | 3,102 |
| Income tax | -188 | -1,164 | -468 | 30 | - | -1,791 |
| **Result** | **20,155** | **5,478** | **-4,525** | **43,204** | **9,935** | **74,247** |
| **Total assets** | | | | | | |
| Investment properties in operation | 767,398 | 565,004 | 892,829 | 1,428,025 | - | 3,653,256 |
| Investment properties under construction | 46,432 | - | - | 47,963 | - | 94,395 |
| Assets held for sale | 17,354 | - | - | - | - | 17,354 |
| Other segment assets | 29,368 | 8,447 | 21,099 | 244,378 | 1,607,488 | 1,910,779 |
| minus: intercompany | -10,158 | - | - | -65,000 | -1,710,966 | -1,786,125 |
| | ***850,394*** | ***573,451*** | ***913,928*** | ***1,655,365*** | ***-103,479*** | ***3,889,659*** |
| | | | | | | |
| ***Investments*** | ***12,571*** | ***2,355*** | ***9,862*** | ***18,218*** | **-** | ***43,006*** |
| | | | | | | |
| **Gross rental income by type of property** | | | | | | |
| Shopping centres | 20,911 | 14,796 | 25,702 | 47,562 | - | 108,971 |
| Offices | 4,734 | - | - | - | - | 4,734 |
| | **25,645** | **14,796** | **25,702** | **47,562** | **-** | **113,705** |

## Geographical segment information – the period ended June 30, 2016

*(x € 1,000)*

| Result | Belgium | Finland | France | Netherlands | Discon-tinued operations | Headoffice | Total |
|---|---|---|---|---|---|---|---|
| Gross rental income | 25,411 | 14,550 | 26,305 | 50,510 | - | - | 116,776 |
| Service costs charged | 4,646 | 3,524 | 5,533 | 5,148 | - | - | 18,851 |
| ***Total revenue*** | ***30,057*** | ***18,074*** | ***31,838*** | ***55,658*** | **-** | **-** | ***135,627*** |
| Service costs paid | -5,219 | -4,251 | -6,658 | -5,789 | - | - | -21,917 |
| Property expenses | -1,103 | -320 | -2,287 | -7,626 | - | - | -11,336 |
| ***Net rental income*** | ***23,735*** | ***13,503*** | ***22,893*** | ***42,243*** | **-** | **-** | ***102,374*** |
| Valuation results | -1,505 | -39,822 | 5,779 | -27,218 | - | - | -62,766 |
| Results on disposals | - | - | - | - | - | - | - |
| General costs | -1,956 | -613 | -1,342 | -2,800 | - | -1,911 | -8,622 |
| Other income and expense | 58 | - | -685 | -5 | - | -11,075 | -11,707 |
| ***Operating result*** | ***20,332*** | ***-26,932*** | ***26,645*** | ***12,221*** | **-** | ***-12,986*** | ***19,279*** |
| Interest charges | -1,154 | -6,610 | -7,949 | -19,792 | - | 19,281 | -16,224 |
| Interest income | 8 | 4 | 1 | -60 | - | 98 | 51 |
| Other financial income and expense | - | - | - | - | - | 4,361 | 4,361 |
| Income tax | -53 | 6,265 | -57 | -4,193 | - | | 1,962 |
| ***Result from continued operations*** | ***19,132*** | ***-27,273*** | ***18,639*** | ***-11,824*** | **-** | ***10,755*** | ***9,429*** |
| ***Result from discontinued operations*** | **-** | **-** | **-** | **-** | ***177*** | **-** | ***177*** |
| **Result** | **19,132** | **-27,273** | **18,639** | **-11,824** | **177** | **10,755** | **9,606** |
| **Total assets** | | | | | | | |
| Investment properties in operation | 748,792 | 577,810 | 866,247 | 1,446,837 | - | - | 3,639,686 |
| Investment properties under construction | 25,083 | - | - | 59,358 | - | - | 84,442 |
| Other segment assets | 34,041 | 5,952 | 50,660 | 97,304 | 46 | 1,776,310 | 1,964,314 |
| minus: intercompany | -11,854 | | | -65,000 | | -1,721,931 | -1,798,784 |
| | ***796,063*** | ***583,762*** | ***916,907*** | ***1,538,499*** | ***46*** | ***54,379*** | ***3,889,658*** |
| | | | | | | | |
| ***Investments*** | ***2,912*** | ***3,536*** | ***8,390*** | ***50,522*** | **-** | **-** | ***65,360*** |
| **Gross rental income by type of property** | | | | | | | |
| Shopping centres | 20,507 | 14,550 | 26,305 | 50,510 | - | - | 111,872 |
| Offices | 4,904 | - | - | - | - | - | 4,904 |
| | **25,411** | **14,550** | **26,305** | **50,510** | **-** | **-** | **116,776** |

# 5. INVESTMENT PROPERTY

| (x € 1,000) | 2017 | | | |
|---|---|---|---|---|
| | Investment property in operation | Lease incentives | Investment property under construction | Total Investment property |
| ***Balance at January 1*** | ***3,696,221*** | ***5,110*** | ***101,233*** | ***3,802,564*** |
| Purchases | - | - | - | - |
| Investments | 19,144 | - | 23,862 | 43,006 |
| From / to development properties | 36,710 | - | -36,710 | - |
| To held for sale | -17,354 | - | - | -17,354 |
| Disposals | -72,553 | - | - | -72,553 |
| Valuations | -8,912 | - | 6,010 | -2,902 |
| Other | - | 1,729 | - | 1,729 |
| **Balance at June 30** | **3,653,256** | **6,839** | **94,395** | **3,754,490** |

| (x € 1,000) | 2016 | | | |
|---|---|---|---|---|
| | Investment property in operation | Lease incentives | Investment property under construction | Total Investment property |
| ***Balance at January 1*** | ***3,655,269*** | ***3,985*** | ***66,231*** | ***3,725,485*** |
| Purchases | 301 | - | 38,903 | 39,204 |
| Investments | 18,745 | - | 6,858 | 25,603 |
| From / to development properties | 26,194 | - | -26,194 | - |
| Valuations | -60,913 | 0 | -1,853 | -62,766 |
| Other | 90 | 828 | 497 | 1,415 |
| **Balance at June 30** | **3,639,686** | **4,813** | **84,442** | **3,728,941** |

*Investment property in operation*
In H1 2017 Wereldhave disposed the shopping centres Oosterheem in Zoetermeer and Stadshagen in Zwolle. The office building Madou has been sold by Q1 2018 and therefore classified as 'assets held for sale`.

*Investment property under construction*
The former V&D property in Tilburg project has been transferred to investment properties.

*Fair value*
In total 99.6% (2016: 99.6%) of the total property portfolio was measured at fair value. The assets in the Group and its subsidiaries mainly consists of the property portfolio. The market value of these assets cannot be assessed using official quotations or listings.

A valuation based on fair value is a time- and location based estimate. The estimate is based on the price level on which two well-informed parties under normal market conditions would make a transaction for that specific property on the date of valuation. The fair value of a property in the market can only be determined accurately at the moment of the actual sale of the property.

Twice a year (June 30 and December 31) the properties are valued by external valuers. The valuer appraises at fair value with his own market knowledge and information. The valuation is prepared by the valuer and verified and approved by Wereldhave.

The fair value is based on a net yield calculation, where market rents are capitalised. Elements of this calculation include current and future rent levels, expected vacancy rates, rent indexations, turnover rents, lease incentives, etc. The yields and market rents used are specific for the country, the location, the type of property, the level of maintenance and the general rent ability of every single property. The determination of applicable yields is based upon comparable transactions, supplemented with market and building specific knowledge and remaining other assumptions, in which the professional judgment of the valuer will become more important if the available transaction information is not sufficient.

Apart from assumptions with respect to yields, costs for future maintenance investments are also taken into account in the valuation. Furthermore, explicit assumptions are made per lettable location and per tenant with regard to (re)letting, the start date of such (re)letting and the costs related thereto. Also, adjustments are made for expected costs of vacancy (present and future) and for differences between the market rent and contractual rent. Sales costs at the expense of the buyer, including transfer tax payable, are deducted from the market value.

*Investment properties in operation*

The significant assumptions used relating to valuations are set out below. The portfolio is appraised every six months.

| June 30, 2017 | Belgium | Finland | France | Netherlands |
|---|---|---|---|---|
| Total market rent per sqm (€) | 213 | 317 | 250 | 232 |
| EPRA Net Initial Yield | 5.7% | 4.8% | 4.6% | 5.2% |
| EPRA vacancy rate | 5.1% | 3.7% | 6.7% | 3.8% |
| Average vacancy period (in months) | 6-9 | 12 | 11 | 9 |
| Bandwith vacancy (in months) | 0-18 | 5-12 | 11-13 | 8-10 |

*EPRA Net Initial Yield*

Annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = ((Annualised rent passing + other income + turnover rent -/- property expenses) / Gross Property Value)). The total average EPRA Net Initial Yield amounts to 5.1% (2016: 5.1%).

A change in yield with 0.25% results in a change of approximately € 130m in equity and result (€ 3.23 per share). A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholders’ equity and result of approximately € 172m (€ 4.28 per share).

# 6. NET ASSET VALUE PER SHARE

The authorised capital comprises 75,000,000 million shares each with a nominal value of € 1. As at June 30, 2017, 40,270,921 ordinary shares were issued.

| | the period ended June 30, 2017 | the period ended June 30, 2016 |
|---|---|---|
| Equity available for shareholders (x € 1,000) | 1,994,212 | 1,951,596 |
| | | |
| Number of ordinary shares per 30 June | 40,270,921 | 40,270,921 |
| Purchased shares for remuneration | -25,210 | -15,938 |
| ***Number of ordinary shares per 30 June for calculation net asset value*** | ***40,245,711*** | ***40,254,983*** |
| | | |
| **Net asset value per share (x € 1)** | **49.55** | **48.48** |

# 7. INTEREST BEARING LIABILITIES

| *(x € 1,000)* | June 30, 2017 | December 31, 2016 |
|---|---|---|
| ***Long term*** | | |
| Bank loans | 479,969 | 502,333 |
| Private placement | 715,080 | 776,948 |
| Convertible bonds | 243,253 | 241,506 |
| | ***1,438,302*** | ***1,520,787*** |
| ***Short term*** | - | |
| Bank loans | 26,000 | 45,200 |
| Private placement | 30,984 | - |
| | ***56,984*** | ***45,200*** |
| **Total interest bearing liabilities** | **1,495,286** | **1,565,987** |

| *(x € 1,000)* | June 30, 2017 | December 31, 2016 |
|---|---|---|
| ***Balance at January 1*** | ***1,565,987*** | ***1,509,885*** |
| New funding | 26,131 | 344,106 |
| Repayments | -68,500 | -254,705 |
| Use of effective interest method | 1,338 | 1,522 |
| Effect of fair value hedges | -288 | 138 |
| Exchange rate differences | -29,382 | -34,959 |
| **Balance at December 31** | **1,495,286** | **1,565,987** |

The carrying amount and fair value of long term interest bearing debt is as follows:

| *(x € 1,000)* | June 30, 2017 | | December 31, 2016 | |
|---|---|---|---|---|
| | carrying amount | fair value | carrying amount | fair value |
| Bank debt and other loans | 1,195,049 | 1,240,942 | 1,279,281 | 1,333,394 |
| Convertible bond | 243,253 | 252,863 | 241,506 | 251,895 |
| **Total** | **1,438,302** | **1,493,805** | **1,520,787** | **1,585,289** |

# 8. FAIR VALUE MEASUREMENT

*The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:*

| *(x € 1,000)* | | Fair value measurement using | | |
|---|---|---|---|---|
| | | Quoted prices | Observable input | Unobservable input |
| **June 30, 2017** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| ***Assets measured at fair value*** | | | | |
| Investment property in operation | 3,660,095 | - | - | 3,660,095 |
| Investment property under construction | 80,622 | - | - | 80,622 |
| | | | | |
| ***Financial assets*** | | | | |
| Derivative financial instruments | 37,928 | - | 37,928 | - |
| | | | | |
| ***Liabilities for which the fair value has been disclosed*** | | | | |
| Interest bearing debt | 1,550,917 | 252,863 | 1,298,054 | - |
| Derivative financial instruments | 31,312 | - | 31,312 | - |

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | | Quoted prices | Observable input | Unobservable input |
| **December 31, 2016** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| ***Assets measured at fair value*** | | | | |
| Investment property in operation | 3,701,331 | - | - | 3,701,331 |
| Investment property under construction | 85,360 | - | - | 85,360 |
| | | | | |
| ***Financial assets*** | | | | |
| Derivative financial instruments | 51,665 | - | 51,665 | - |
| | | | | |
| ***Liabilities for which the fair value has been disclosed*** | | | | |
| Interest bearing debt | 1,630,489 | 251,895 | 1,378,594 | - |
| Derivative financial instruments | 28,645 | - | 28,645 | - |

Wereldhave categorizes its financial instruments measured at fair value in three hierarchies of inputs to valuation techniques used to measure fair value.
Level 1 inputs are based on quoted prices, level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either direct or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

There were no transfers between levels during the year under review.

## 9. OFF BALANCE SHEET ASSETS AND LIABILITIES

The Group has contracted capital commitments for an amount of € 47m (2016: € 29m) with regard to investment properties under construction. The Group has leasehold liabilities for an amount of € 79m (2016: € 79m) and office rent & lease car liabilities for an amount of € 8m (2016: 8m). The Group has undrawn committed credit facilities for an amount of € 234m (2016: € 182m). The Group has issued guarantees to third parties for an amount of € 37m (2016: € 34m).

## 10. RENTAL INCOME BY COUNTRY

| *(x € 1,000)* | Gross rental income | | Property expenses, service costs and operating costs | | Net rental income | |
|---|---|---|---|---|---|---|
| | Six months ended June 30, 2017 | Six months ended June 30, 2016 | Six months ended June 30, 2017 | Six months ended June 30, 2016 | Six months ended June 30, 2017 | Six months ended June 30, 2016 |
| Belgium | 25,645 | 25,411 | 2,440 | 1,676 | 23,205 | 23,735 |
| Finland | 14,796 | 14,550 | 946 | 1,047 | 13,850 | 13,503 |
| France | 25,702 | 26,305 | 3,933 | 3,412 | 21,769 | 22,893 |
| The Netherlands | 47,562 | 50,510 | 7,173 | 8,267 | 40,389 | 42,243 |
| **Total** | **113,705** | **116,776** | **14,492** | **14,402** | **99,213** | **102,374** |

## 11. RELATED PARTIES

The Board of Management, the Supervisory Board and subsidiaries of Wereldhave N.V. are considered to be related parties. The members of the Supervisory Board and of the Board of Management had no personal interest in any of the Company's investments during the year.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions if such terms can be substantiated.

## 12. EVENTS AFTER BALANCE SHEET DATE

There are no events after balance sheet date.

# 13. DECLARATION OF THE BOARD OF MANAGEMENT

The Board of management of Wereldhave N.V., consisting of D.J. Anbeek and R.J. Bolier, hereby declares that, to the best of their knowledge:

1. the interim financial statement over the first half year of 2017 gives a true and fair view of the assets, liabilities, financial position and result of Wereldhave N.V. and the companies included in the consolidation as a whole;

2. the interim financial statement over the first half year of 2017 provides a true and fair view on the condition as at the balance sheet date and the course of business during the half year under review of Wereldhave N.V. and the related companies of which the data have been included in the interim statement, and the expected course of business, where, in as far as important interest do not oppose, particular attention is paid to the investments and the conditions of which the development of turnover and profitability depend; and

3. the interim financial statement over the first half year of 2017 includes a true and fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Wereldhave considers the market risk, liquidity risk and credit risk as financial risks. The market risk can be divided into interest risk and currency risk. Rapidly changing economic environments and uncertainty about the solidity of the Euro(zone) may affect the market circumstances, and thus both the letting prospects as well as the market value of the properties. The continuation of the Euro(zone) is assumed. For further comments we refer to the annual report 2016. Our risks are being monitored on a continuous basis.

Schiphol, 25 July 2017

***Board of management***

D.J. Anbeek, CEO

R.J. Bolier, CFO

WERELDHAVE

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C&F Report in cooperation with Share Enterprise