

Results 2017 Wereldhave

Direct result: € 150.1m (2016: € 151.0m), or € 3.43 per share (2016: € 3.45)

Indirect result: € - 65.8m (2016: € - 30.2m)

Total result: € 84.3m (2016: € 120.8m)

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

Like-for-like rental growth shopping centres -0.7% (index: 1.0%)

Dividend proposal 2017 of € 3.08 (final distribution of € 0.77)

Outlook 2018: EPS between € 3.30 and € 3.40

Dividend policy 2018 onwards: 75%-85% of EPS

Dividend 2018 at € 2.52 per share, € 0.63 per quarter



SUMMARY

Stable direct result, lower net result on revaluations

For the year 2017, Wereldhave posted a net profit of € 84.3m, against € 120.8m for 2016.

The direct result decreased by 0.6% to € 150.1m, or € 3.43 per share, in line with the given outlook (FY 2016: € 3.45). The full year indirect result stood at € -65.8m (2016: € -30.2m).

Gross rental income for 2017 amounted to € 223.4m, a decrease of 3% compared to 2016, due to lower rental income in France and disposals in the Netherlands. Overall occupancy of the shopping centres at the end of 2017 was stable at 95.5% (2016: 95.5%).

In France, occupancy dropped during the year from 94.4% to 91.9% at the third quarter, but rebounded by 130 bps during the last quarter to close the year at 93.2%. Several key anchors were secured, albeit at lower rents. This led to a decrease of rental income for the second half of the year. The full year impact will continue in H1 2018. New leases added to the overall quality of our tenant portfolio, not only commercially but also financially. As announced earlier, our target clearly remains to stabilise net rental income in France during 2018.

In the Netherlands, the rental market has improved. Pressure on rents has decreased significantly compared to 2016, but the lagged effects of pressure in the fashion, household goods and electronics segments is still visible in our markets, particularly at restarts after financial restructuring.

In Finland, leasing was strong and the rental market is stable, resulting in an improved occupancy. The retail market was also stable in Belgium, where occupancy rose during the year, but dropped during the last quarter. This was due to friction vacancy in Nivelles.

Leasing activity was high during the year, with 444 leases, rotations and renewals signed. Like-for-like rental growth was strong in Finland and solid in the Netherlands. In Belgium, like-for-like rental income decreased by 1.1%. This can be attributed to the strategic decision to implement free parking in Genk, which resulted in a loss in parking income (-1.6%). In France, like-for-like rental income decreased by 7.0% overall, due to the decrease in occupancy, lower rents and more bad debts.



SUMMARY

Overall, there was a negative revaluation of € 65.0m. In the Netherlands, the value of the portfolio decreased slightly by 1.7% (€ -25.2m), which was caused by a negative revaluation of three properties in less sought-after locations. The value of the other properties in the Netherlands on average remained stable. This shows the ongoing polarisation in retail, where the other 13 of our 16 shopping centres clearly are attractive to retailers and consumers. In Finland, a negative revaluation of 1.5% (€ -8.9m) was caused by non-yielding maintenance capex and fit-out contributions, partly related to the complex inclusion of the Finnkinno and its adjacent relocations. In France, the value of the portfolio went down by 4.9% (€ -45.5m), mainly caused by pressure on rents. In Belgium, the value of the portfolio increased by 1.7% (€ 14.6m) due to yield compression from recent market transactions (Woluwe and Charleroi) and an upward revaluation of the Tournai development project. At December 31, 2017, the loan-to-value ratio amounted to 40.7% (December 31, 2016: 39.0%).

In respect of the year 2017, a final dividend will be proposed of € 0.77 per share. This implies a full year 2017 dividend of € 3.08. The ex-dividend date is April 24, 2018. The dividend will be payable as from April 30, 2018.

For the year 2018, we anticipate a slight decrease of the direct result. The direct result per share for 2018 is expected to be between € 3.30 and € 3.40 per share, assuming a stable portfolio. The decrease is caused by our continued asset rotation to improve the overall quality of the portfolio, the full-year impact of stabilising rents in France and one-offs in 2017.

Wereldhave announces a one-off reset of the dividend level from 2018 to ensure a sustainable dividend going forward. We see that the rapidly changing retail landscape is causing a structural higher need for capex. It requires continuous efforts and investments to keep shopping centres up-to-date and catering to the needs of visitors and retailers.

With a dividend level that is covered by free cash-flow from operations, Wereldhave will be able to continue to raise the overall quality of its portfolio through ongoing asset rotation, focused refurbishments and extensions, high quality tenants and an improved customer journey. This will improve our risk profile. Over the past twelve months we have carefully analysed our centres against the background of the ongoing trends in the retail landscape. This has resulted in an identified capital expenditure programme that will improve the customer journey of our visitors and the overall quality of our centres, now and in the future. The plan will be executed in an efficient way by taking advantage of the benefits of scale of a well-defined overall scheme.

To allow for these measures, the dividend pay-out range for 2018 and onwards will be lowered to 75% - 85% of the direct result (currently 85%-95%). For the year 2018, a dividend will be proposed of € 2.52 per share. The quarterly dividend will be set at € 0.63 per share.

OPERATIONS

The Netherlands

Our portfolio in the Netherlands is beginning to see the benefits of continued economic growth, increasing employment and strong consumer confidence. Compared to the previous year, the number of retailer bankruptcies dropped significantly in 2017. In most cases, stores that became vacant were quickly filled, either with re-starts or new tenants. The rental market has improved. Pressure on rents has decreased significantly compared to 2016, but the lagged effects of pressure in the fashion, household goods and electronics segments is still visible in our markets, particularly at restarts after financial restructuring.

In 2017, a total of 231 leases was signed for a total of 85,323m². Like-for-like rental growth for the year 2017 amounted to 0.8% (equal to the index). HEMA launched two of the first three shops with their new format in the Netherlands in our portfolio, in Maassluis and Tilburg. C&A opened their first new concept store in Arnhem. Other notable deals were with Decathlon, Scotch & Soda and Specsavers. The latter signed a package deal to extend the lease for 6 shops and to open 7 new shops in our shopping centres. Footfall in the Dutch shopping centres increased by 0.4%, which is 1.1% above the market average.

Belgium

In Belgium, a total of 88 leases was signed in 2017 for a total of 26,009m². The most notable deals were with Zara, Bershka, Electro Depot, H&M, Superdry and JD Sports. Occupancy decreased due to an expiring lease in the Nivelles shopping centre in the fourth quarter. Reletting is ongoing. At year-end 2017 occupancy stood at 94.9% (2016: 95.9%). The strategic decision to introduce free parking in Genk depressed like-for-like rental income, but supported footfall in the centre, which rose by 13%. Like-for-like rental growth for the year 2017 amounted to -1.1% (index 1.8%), of which -1.6% caused by the introduction of free parking in Genk. Footfall in the Belgian shopping centres increased by 2.7%, which is 0.4% above the market average.

On January 25, 2018, Carrefour made a press announcement of its intention to close its two shops in Wereldhave Belgium's shopping centres Shopping1 (Genk) and Belle-Ile (Liège). No further formal action was taken by Carrefour and as such, the existing leases remain in force. These represent 3.7% of Wereldhave Belgium's total rent roll. The unit in Liège has an early termination option as per September 23, 2018 and in Genk at November 30, 2019. Wereldhave Belgium has started to draft alternative plans for these units, which implies reletting and/or a redevelopment or splitting up of the respective units.

The occupancy of the Belgian offices portfolio investment improved from 90.9% at year-end 2016 to 91.7% in 2017. Three new leases (1,765 m²) were concluded in the 'De Veldekens' office park in Berchem-Antwerp, bringing occupancy of the office park to 100%.

Finland

In Finland, a total of 62 leases was signed for 8,859m² and occupancy increased in 2017 by 100 bps to 96.7%. Like-for-like rental growth for the year 2017 amounted to 5.5% in Finland (index 0.3%). Leasing activity was high and there were first signs of international retailers entering the Finnish market. JD Sports agreed terms for the former Seppälä unit. It will be their first shop in Finland. Together with the first Imax in Finland, this proves that Itis is the preferred retail centre in Greater Helsinki. Other important leases that were signed were with FeelVegas, Indecoria and Ego, a cosmetics store. A lease was signed with Regus for 950m² of office space above Itis. Although the ongoing refurbishment of the Finnkinno impacts more than 7,000m² in the heart of the centre and Itis does not benefit from the introduction of larger opening hours for hypermarkets, footfall in Itis still increased by 2.6% in 2017. This is only 0.3% below the market average.

OPERATIONS

France

Net rental income in France decreased by 11.1% to € 40.8m (2016: € 45.9m). Rents are under pressure, as the largest fashion chains are optimising their store base. Bad debt and defaulting tenants also impacted rental income. Like-for-like rental decline for the year 2017 amounted to 7.0% (index 1.0%). After the management change in our French operations we defined two key priorities: securing key anchors and improving the overall tenant quality, commercially and financially. Overall occupancy in France decreased to 91.9% in Q3, but recovered to 93.2% at year-end 2017 (2016: 94.4%). Several key anchors were secured, albeit at lower rents. The full year impact on net rental income will continue in H1 2018. As announced earlier, our target is to stabilise net rental income in France during 2018.

New leases added to the overall quality of our tenant portfolio. A total of 63 leases was signed for a total of 21,445m². Leases were signed with Mango in Mériadeck, a package deal with H&M for the entire portfolio, Action and Zeeman for Coté Seine, SuperDry and Etam in Docks76 and Rituals in Rivetoile. Footfall in the French shopping centres went up by 0.7%, which is 2.5% above the French CNCC index. Especially Docks Vauban and Rivetoile performed well.

Occupancy	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	OCR*
Belgium	95.9%	95.6%	95.7%	96.1%	94.9%	10.5%
Finland	95.7%	96.4%	96.3%	96.6%	96.7%	15.5%
France	94.4%	93.5%	93.3%	91.9%	93.2%	12.9%
Netherlands	95.8%	95.8%	96.2%	96.1%	96.5%	n.a.
Shopping centres	95.5%	95.3%	95.4%	95.3%	95.5%	12.5%
Offices (Belgium)	90.9%	90.6%	92.0%	91.9%	91.7%	
Total portfolio	95.3%	95.1%	95.3%	95.1%	95.3%	

* The Occupancy Cost Ratio is defined as the ratio between 1) invoiced rents, including discounts, plus rental charges passed on to tenants, excluding taxes, for the past 12 months, and 2) the tenants' revenues over the past 12 months, excluding taxes, for the same tenant base, excluding supermarkets, hypermarkets and stores above 750 sqm).

PORTFOLIO

Composition of the portfolio.

In 2017, two smaller shopping centres were sold in the Netherlands. Stadshagen in Zwolle (11,500m²) and Oosterheem in Zoetermeer (11,700m²) were disposed of during the second quarter for € 74.2m. This is slightly above book-value and also above the purchase price for which they were bought in 2015. In December 2017, Wereldhave sold a strip of shops adjacent to the Cityplaza shopping centre in Nieuwegein for € 3.8m, which is above book-value. Also in December, agreement was reached for the disposal of 89 residential units in Capelle aan de IJssel for € 12.9m, also above book-value. The transaction will be completed at the end of the first quarter of 2018.

There were no changes to the portfolio in the other countries. The asset rotation plan for 2017-2018 consists of asset disposals up to € 200m, of which € 78m has been realised and another € 12.9m has been committed.

Development pipeline

The committed development pipeline currently consists of four projects in the Netherlands, one in Belgium, one in Finland and two in France. The total value of the development pipeline as at December 31, 2017, amounted to € 236.0m, of which € 156.0m was spent. The completion of the current development projects will require € 80.0m in additional investments.

The Netherlands

In the Netherlands, the development pipeline consists of Tilburg City Centre, De Koperwiek (Capelle aan den IJssel, Koningshoek (Maassluis) and Presikhaaf (Arnhem).

In April 2017, the refurbishment of Eggert in Purmerend was completed. The centre is now fully let, with Albert Heijn and a Sportsworld as anchors to replace the former V&D department store. Footfall of the shopping centre increased by 9.6% in 2017.

The redevelopment of Koningshoek in Maassluis is nearly completed. The centre underwent a strong refurbishment and has been extended by around 5,000m², with a new HEMA, Aldi and Action opening their doors in the fourth quarter. The final phase consists of the creation of an extended and renewed shop for the third supermarket in the centre, Hoogvliet. It will be completed in the first quarter of 2018. The number of entrances to the centre was lowered and the lay-out was fully revised. Footfall went up by 2.5% in 2017. The new HEMA format was launched in five stores in the Netherlands and Belgium, two of which in Wereldhave assets. The designated shopping "worlds" and a new food & beverage format are turning out to be a big success, with turnover and average ticket price significantly above the old levels.

The first phase of the Tilburg inner city redevelopment scheme was completed in September 2017, with the opening of a Hudson's Bay store and the creation of a new street, connecting the Pieter Vreedepolein with the Heuvelstraat, Tilburg's shopping high street. HEMA opened its first store with the new format, with a significantly improved food & beverage offer and a redesigned lay-out. Many new retailers decided to open a store in Tilburg, with high profile names such as Decathlon and Scotch & Soda. Plans are being prepared for the next phase, which is to redevelop the Emmapassage, connecting the Heuvelstraat to the new Primark next-door.

In Capelle aan den IJssel, works for the first phase of the redevelopment of the Koperwiek shopping centre are making good progress. It consists of the construction of a parking garage for 280 cars and the creation of a new food court, which will connect both sides of the shopping centre. Completion of this phase is planned for H2 2018. The total redevelopment is planned for completion in 2019.

PORTFOLIO

In Arnhem, the refurbishment of the Presikhaaf shopping centre is also progressing well. Several anchors are upgrading their shop formats, in line with the refurbishment of the mall. HEMA was moved to the middle of the shopping centre, to make room for two large supermarkets at the front of the shopping centre, Albert Heijn and Aldi. The third supermarket Coop will anchor the other end of the centre. Completion of the refurbishment and extension is on schedule for 2019.

Belgium

In Belgium, the committed development pipeline consists of the extension of 'Les Bastions' in Tournai. The shopping centre will double from 15,000 m² to 30,000 m² and together with the adjacent retail park the site will provide more than 40,000 m² of retail space. Particularly during the second half of the year, good progress in letting was made. It is anticipated that the centre will be nearly fully let at the grand opening in April 2018, with big and renowned national and international brands. The extension of the Belle-Ile shopping centre in Liege is not yet committed. Urban planning consent was obtained for a possible extension of 8,000 m²; the progress will be monitored in combination with the evolution of the unit of Carrefour (10,000 m²).

Finland

In Finland, the construction of a Finnkinno 9-screen cinema is progressing well. The demolition permit was granted in June and demolition works of the former Anttila department store were completed by the end of November. The building permit for the Finnkinno cinema was granted in September and became unconditional in October 2017. The 9-screen Finnkinno cinema is scheduled to open its doors at the end of 2018. It will be the first IMAX® movie theater in Finland. The press conference in which Finnkinno announced its decision to create an Imax in Itis generated a lot of media attention for Itis. Wereldhave expects that the Finnkinno in Itis will provide a boost to footfall and sales. The project involves some retailer relocations and the creation of a food & beverage court in the centre. The total area impacted is circa 7,000 m² of current retail space over four floors and additionally involves demolishing an office block situated on the roof level and relocation of those tenants.

France

In France, the committed development pipeline consists of the Primark for Docks Vauban in Le Havre and the Verrerie project in Saint Sever, Rouen. The shell for the Primark in Docks Vauban was completed in July 2017 and tenant fit-out works started early in August. Primark will open its doors on 21 February 2018. In Rouen, works for the Verrerie project at the Saint Sever shopping centre started in October 2017. The project will add an extensive food hall in front of the entrance of the Kinepolis cinema.



PORTFOLIO

Portfolio overview

As at December 31, 2017, the value of the total investment portfolio amounted to € 3,773.7m, of which 97% was shopping centres and 3% related to office properties in Belgium.

The geographical distribution of the portfolio as a percentage of the total portfolio is: Finland: 15%, the Netherlands: 39%, France: 23% and Belgium: 23%.

(In €m)

Developments	Total investment	Capex (net) so far	Capex spent 2017	Yoc	Prelet	Completion
Committed						
Itis Cinema	24	9	9	4.8%	100%	2018
Tournai - Les Bastions extension	74	55	31	5.8%	95%	2018
Docks Vauban - Primark & Sealing	17	16	11	9.0%	98%	2018
Saint Sever - Verrerie & refurb	22	5	5	8.4%	66%	2019
Tilburg	21	21	21	5.0%	100%	2017
Koningshoek	27	26	10	5.2%	90%	2018
Koperwiek	32	13	10	5.4%	64%	2019
Presikhaaf	19	11	10	6.8%	69%	2019
Committed total	236	156	107			

RESULTS

- Direct result: € 150.1m (2016: € 151.0m)
- Indirect result: € -65.8m (2016: € -30.2m)
- Total result: € 84.3m (2016: € 120.8m)
- Direct result per share: € 3.43 (-0.6%) (2016: € 3.45)
- EPRA NAV per share (EPRA) € 50.00 (31-12-2016: € 51.47)
- LTV at 40.7% (December 31, 2016: 39.0%).
- Dividend proposal: € 3.08 (2016: € 3.08)

Total result

The total result for 2017 amounts to € 84.3m, against € 120.8m for 2016. The direct result decreased by 0.6% to € 150.1m, or € 3.43 per share (FY 2016: € 3.45). The indirect result for 2017 came out at € -65.8m (2016: € -30.2m).

Direct result

The direct result decreased by 0.6% from € 151.0m to € 150.1m. This can be attributed to the disposals of properties in the Netherlands, lower rental income in France and costs and indemnities that were not repeated in 2017. The impact was mitigated by net savings from the group restructurings, lower interest costs and tax benefits.

Net rental income decreased by 3% from € 201.5m to € 195.2m. General costs for 2017 of € 16.3m were 8% lower than in 2016 (€ 17.6m).

The average interest rate remained low at 1.96% and interest costs decreased by 4% from € 31.6m in 2016 to € 30.2m in 2017.

Indirect result

The indirect result for 2017 came out at € -65.8m. The valuation of the portfolio decreased by € -65.0m. The average EPRA NIY on the portfolio remained at 5.1%. There were negative revaluations in the Netherlands, Finland and France and an upward valuation in Belgium. The revaluation was € -25.2m in the Netherlands. This was not portfolio wide, but reflects the non-strategic assets. In France, lower rent levels caused a negative revaluation of € -45.5m. In Finland, non-yielding maintenance capex and fit-out contributions accounted for a € -8.9m revaluation. In Belgium, lower yields and a positive revaluation of the Tournai development project resulted in an upward revaluation of € 19.8m. This was partly offset by a € 5.2m lower valuation of the Belgian offices portfolio.

Other financial income and expense was € 2.9m, mainly relating to the value of derivatives and hedge accounting.

Equity

On December 31, 2017, shareholders' equity including minority interest amounted to € 2,117.0m (December 31, 2016: € 2,161.2m). The number of shares in issue did not change during the year, at 40,270,921 ordinary shares. The net asset value per share (EPRA) including current profit stood at € 50.00 at December 31, 2017 (2016: € 51.47). EPRA NNNAV stood at € 47.41 per share (December 31, 2016: € 48.32)

Financing

In 2017, Wereldhave refinanced bank loans and facilities to an amount of € 330m. In May 2017 Wereldhave established a Euro Medium Term Note Programme to diversify its funding base. A first placement of € 10m for 10 years was done in July 2017. In August, Moody's Investor Service reconfirmed Wereldhave's Baa1 credit rating with a stable outlook. In December 2017, Wereldhave issued US private placement notes for a total amount of approximately EUR 76 m for ten years.

RESULTS

Nominal interest-bearing debt was € 1,562.0m at December 31, 2017, which together with a cash balance of € 14.0m gives a net debt of € 1,548.0m. Undrawn borrowing capacity amounted to € 240m and the Loan-to-value ratio amounted to 40.7% (December 31, 2016: 39.0%). As at year-end 2017 the average cost of debt and ICR were 1.96% and 6.6 respectively. The weighted average term to maturity of interest-bearing debt was 4.8 years.

Dividend

In respect of the year 2017, a final dividend will be proposed of € 0.77 per share. This implies a full year 2017 dividend of € 3.08. The ex-dividend date is April 26, 2018. The dividend will be payable as from April 30, 2018.



Wereldhave announces a one-off reset of the dividend level from 2018 to ensure a sustainable dividend going forward. We see that the rapidly changing retail landscape is causing a structural higher need for capex. It requires continuous efforts and investments to keep shopping centres up-to-date and catering to the needs of visitors and retailers. With a dividend level that is covered by free cash-flow from operations, Wereldhave will be able to continue to raise the overall quality of its portfolio through ongoing asset rotation, focused refurbishments and extensions, high quality tenants and an improved customer journey. This will improve our risk profile. Over the past twelve months we have carefully analysed our centres against the background of the ongoing trends in the retail landscape. This has resulted in an identified capital expenditure programme that will improve the customer journey of our visitors and the overall quality of our centres, now and in the future. The plan will be executed in an efficient way by taking advantage of the benefits of scale of a well-defined overall scheme.

To allow for these measures, the dividend pay-out range for 2018 and onwards will be lowered to 75% - 85% of the direct result (currently 85%-95%). For the year 2018, a dividend will be proposed of € 2.52 per share. The quarterly dividend will be set at € 0.63 per share.

Sustainability

Wereldhave made good progress in achieving its sustainability targets. In 2017, we obtained BREAAAM certificates for six shopping centres in the Netherlands (Cityplaza, Kronenburg, Winkelhof, Roselaar, Etten-Leur, Emmapassage) and the new Les Bastions Retail Park development in Belgium. Currently 21 shopping centers are BREEAM certified, 76% of the shopping centre asset value is certified BREEAM Very Good. For the fourth consecutive year, Wereldhave maintained its GRESB Green Star status. We also remain included in the DJSI Europe index.

We are also proud to announce that we have been awarded a bronze class sustainability award by RobecoSAM for our performance in the DJSI.

RESULTS

Tax

In October 2017 the new Dutch government coalition agreement indicated that announced plans to abolish the Dutch REIT status for property investments that are held directly in the Netherlands. These plans relate to the proposed cancellation of dividend withholding tax in the Netherlands. It would make our investments in the Netherlands less profitable, as these would become subject to a 21% corporate tax rate. It is currently not certain if these plans will materialise and if so, how they will be implemented. Several associations representing the interests of Dutch REITs have made a combined effort to emphasise the need for a level playing field for real estate investments in the Netherlands compared to its neighbouring countries.

OUTLOOK

Wereldhave anticipates a slight decrease of the direct result in 2018. For the full year 2018 and assuming no changes in the composition of the portfolio, the direct result per share is expected to be between € 3.30 and € 3.40 per share and a dividend of € 2.52, payable in four equal quarterly dividends of € 0.63 per share.

RESULTS

Optimizing the retail platform, realising internal growth

Our main target for the years 2017 – 2019 is to increase the market share in the micro environment of our shopping centres.

Management agenda 2018-2019	Strategic direction	Targets 2018-2019	2017
Respond to consumer trends	<ul style="list-style-type: none"> • Optimise the customer journey • Continue tenant intimacy 	<ul style="list-style-type: none"> • Drive footfall above market 	<ul style="list-style-type: none"> • FL: +/- • NL: + • BE: + • FR: + • Customer Journey project launched • Tenant satisfaction at 4,55/5 against 4.26/5 in 2016
Drive EPS	<ul style="list-style-type: none"> • Improve internet resilience of tenant base • Increase occupancy • Maintain low cost of debt 	<ul style="list-style-type: none"> • >85% resilient • >97% occupancy • <2% at longer maturities 	<ul style="list-style-type: none"> • 82% • 95.5% • 1.96%
Optimise portfolio	<ul style="list-style-type: none"> • Realise asset rotation • Complete development pipeline • Sustainability • Limited external growth 	<ul style="list-style-type: none"> • € 200m disposals • € 187m pipeline • Keep front position • Selective acquisitions 	<ul style="list-style-type: none"> • € 78m divested • € 80 pipeline • Green star GRESB, DJSI Europe • none
Tailor organisation	<ul style="list-style-type: none"> • Assertive entrepreneurship • Behaviour drive and P&L responsibility • Innovation 	<ul style="list-style-type: none"> • € 15m - € 16m overhead 	<ul style="list-style-type: none"> • € 16.3m including € 1.7m one-off for reorganisation costs

RESULTS

Conference call / webcast

Wereldhave will present the results for the year 2017 via a webcast and conference call at 10.00 CET, today. This webcast will be available at www.wereldhave.com. Questions can also be put forward by e-mail.

Annual Report and AGM

Wereldhave's annual report for the year 2018 will be published on March 9, 2018, together with the convocation for the AGM, which will be held on April 20, 2018 in the Hilton Hotel, Amsterdam.



ABOUT WERELDHAVE

Wereldhave invests in dominant convenience shopping centres in larger regional cities in northwest continental Europe. The area surrounding our centres will include at least 100,000 inhabitants within 10 minutes' travel time from the centre. We focus on shopping centres that strike a balance between convenience and shopping experience. With easy accessibility, products that cover all the daily shopping needs, a successful mix of international and local retail products and strong food anchor stores, our centres provide convenience shopping to accommodate a busy urban lifestyle as well as an ageing population. We aim for an experience that goes beyond shopping, with restaurants, kids' playgrounds and high quality amenities in order to attract families - and keep them with us for longer visits. For more information: www.wereldhave.com

Feedback

We welcome any feedback from our stakeholders. Please contact us for feedback or any questions you might have at:

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WERELDHAVE

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Wereldhave is a member of the following organisations:



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at December 31, 2017

(x € 1,000)

Assets	Note	December 31, 2017	December 31, 2016
Non-current assets			
Investment property in operation		3,643,322	3,696,221
Lease incentives		8,014	5,110
Investment property under construction		122,361	101,233
Investment property	2	3,773,697	3,802,564
Property and equipment		2,118	2,503
Intangible assets		1,162	1,473
Derivative financial instruments		20,619	51,665
Deferred tax assets		2,235	-
Other financial assets		280	251
		26,414	55,892
		3,800,111	3,858,456
Current assets			
Trade and other receivables		55,096	42,088
Tax receivables		13,650	6,876
Cash and cash equivalents		13,585	40,666
Derivative financial instruments		3,567	-
		85,898	89,630
Investments held for sale		38,047	-
		3,924,056	3,948,086
Equity and Liabilities			
Equity			
Share capital		40,271	40,271
Share premium		1,711,033	1,711,033
Reserves		177,331	227,507
Attributable to shareholders		1,928,635	1,978,811
Non-controlling interest		188,398	182,403
Total equity		2,117,033	2,161,214
Non-current liabilities			
Interest bearing liabilities	4	1,502,458	1,520,787
Deferred tax liabilities		77,127	77,051
Derivative financial instruments		38,250	28,645
Other long term liabilities		14,411	30,526
		1,632,246	1,657,009
Current liabilities			
Trade payables		8,893	6,174
Tax payable		13,730	9,793
Interest bearing liabilities	4	55,200	45,200
Other short term liabilities		96,892	68,696
Derivative financial instruments		62	-
		174,777	129,863
		3,924,056	3,948,086

CONSOLIDATED INCOME STATEMENT

for the year ended December 31, 2017

(x € 1,000)

	Note	2017	2016
Gross rental income	6	223,419	230,184
Service costs charged		40,920	37,893
Total revenue		264,339	268,077
Service costs paid		-47,383	-43,625
Property expenses	6	-21,789	-22,983
		-69,172	-66,608
Net rental income	6	195,167	201,469
Valuation results		-64,987	-33,355
Results on disposals		220	-922
General costs		-16,290	-17,625
Other income and expense		-2,295	-2,784
Operating result		111,815	146,783
Interest charges		-30,300	-31,616
Interest income		69	49
Net interest		-30,231	-31,567
Other financial income and expense		2,869	6,237
Result before tax		84,453	121,453
Income tax		-122	-679
Result for the year		84,331	120,774
Result attributable to:			
Shareholders		67,690	100,620
Non-controlling interest		16,641	20,154
Result for the year		84,331	120,774
Basic earnings per share (x € 1)		1.68	2.50
Diluted earnings per share (x € 1)		1.63	2.16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended December 31, 2017

(x € 1,000)

	Note	2017	2016
Result		84,331	120,774
<i>Items that maybe recycled to the income statement subsequently</i>			
Effective portion of change in fair value of cash flow hedges		6,541	-13,439
<i>Items that will not be recycled to the income statement subsequently</i>			
Remeasurement of post-employment benefit obligations		95	113
Total comprehensive income		90,967	107,448
<i>Attributable to:</i>			
Shareholders		74,205	87,283
Non-controlling interest		16,762	20,165
		90,967	107,448

DIRECT & INDIRECT RESULT

for the year ended December 31, 2017

(x € 1,000)

	2017		2016	
	direct result	indirect result	direct result	indirect result
Gross rental income	223,419	-	230,184	-
Service costs charged	40,920	-	37,893	-
Total revenues	264,339	-	268,077	-
Service costs paid	-47,383	-	-43,625	-
Property expenses	-21,789	-	-22,983	-
Total expenses	-69,172	-	-66,608	-
Net rental income	195,167	-	201,469	-
Valuation results	-	-64,987	-	-33,355
Results on disposals	-	220	-	-922
General costs	-16,290	-	-17,625	-
Other income and expense	394	-2,689	33	-2,817
Operational result	179,271	-67,456	183,877	-37,094
Interest charges	-30,300	-	-31,616	-
Interest income	69	-	49	-
Net interest	-30,231	-	-31,567	-
Other financial income and expense	-	2,869	-	6,237
Result before tax	149,040	-64,587	152,310	-30,857
Income tax	1,056	-1,178	-1,357	678
Result	150,096	-65,765	150,953	-30,179
Profit attributable to:				
Shareholders	138,110	-70,421	138,760	-38,140
Non-controlling interest	11,986	4,656	12,193	7,961
Result	150,096	-65,765	150,953	-30,179
Earnings per share (€)	3.43	-1.75	3.45	-0.95

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2017

(x € 1,000)

	Attributable to shareholders						Total attributable to share- holders	Non- controlling interest	Total equity
	Share capital	Share premium	General reserve	Revaluation reserve	Hedge reserve	Currency translation reserve			
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	-	-	100,620	-	-	-	100,620	20,154	120,774
Remeasurement of post employment obligations	-	-	79	-	-	-	79	34	113
Effective portion of change in fair value of cash flow hedges	-	-	-	-	-13,416	-	-13,416	-23	-13,439
Total comprehensive income	-	-	100,699	-	-13,416	-	87,283	20,165	107,448
Transactions with shareholders									
Shares for remuneration	-	-	-397	-	-	-	-397	-	-397
Share based payments	-	-	268	-	-	-	268	-	268
Dividend	-	-	-122,824	-	-	-	-122,824	-10,347	-133,171
Other	-	-	-588	-	-	-	-588	-162	-750
Balance at December 31, 2016	40,271	1,711,033	241,927	-	-14,420	-	1,978,811	182,403	2,161,214
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	-	-	67,690	-	-	-	67,690	16,641	84,331
Remeasurement of post employment obligations	-	-	66	-	-	-	66	29	95
Effective portion of change in fair value of cash flow hedges	-	-	-	-	6,449	-	6,449	92	6,541
Total comprehensive income	-	-	67,756	-	6,449	-	74,205	16,762	90,967
Transactions with shareholders									
Shares for remuneration	-	-	-300	-	-	-	-300	-	-300
Share based payments	-	-	-32	-	-	-	-32	-	-32
Dividend	-	-	-124,030	-	-	-	-124,030	-10,767	-134,797
Other	-	-	-19	-	-	-	-19	-	-19
Balance at December 31, 2017	40,271	1,711,033	185,302	-	-7,971	-	1,928,635	188,398	2,117,033

CONSOLIDATED CASH FLOW STATEMENT

for the year ended December 31, 2017

(x € 1,000)

	2017	2016
Operating activities		
Result	84,331	120,774
Adjustments:		
Valuation results	64,987	33,355
Net interest	30,231	31,567
Other financial income and expense	-2,869	-6,237
Results on disposals	-220	922
Deferred tax	-1,057	-678
Amortisation	983	1,082
Movements in working capital	-6,897	-6,649
Cash flow generated from operations	169,489	174,136
Interest paid	-30,534	-32,776
Interest received	93	59
Income tax paid	-140	-1,544
Cash flow from operating activities	138,908	139,875
Investment activities		
Proceeds from disposals direct investment properties	81,155	40,550
Investments in investment property	-148,779	-132,993
Investments in equipment	-408	-459
Investments in financial assets	-29	25
Investments in intangible assets	-94	-246
Investments in other long-term assets	-	-66
Cash flow from investing activities	-68,155	-93,189
Financing activities		
Proceeds from interest bearing debts	111,410	344,106
Repayment interest bearing debts	-74,500	-254,705
Proceeds of other long-term liabilities	532	146
Other movements in reserve	-479	-107
Dividend paid	-134,797	-133,171
Cash flow from financing activities	-97,834	-43,731
Increase/decrease in cash and cash equivalents	-27,081	2,955
Cash and cash equivalents at January 1	40,666	37,711
Cash and cash equivalents at December 31	13,585	40,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SEGMENT INFORMATION

Geographical segment information - the period ended December 31, 2017

(x € 1,000)

Result	Belgium	Finland	France	Netherlands	Headoffice	Total
Gross rental income	50,666	29,618	49,206	93,929	-	223,419
Service costs charged	9,576	7,103	15,538	8,703	-	40,920
Total revenue	60,242	36,721	64,744	102,632	-	264,339
Service costs paid	-11,253	-8,161	-18,034	-9,935	-	-47,383
Property expenses	-2,629	-664	-5,918	-12,578	-	-21,789
Net rental income	46,360	27,896	40,792	80,119	-	195,167
Valuation results	14,566	-8,896	-45,457	-25,200	-	-64,987
Results on disposals	-	-	-	220	-	220
General costs	-3,932	-754	-3,494	-2,787	-5,323	-16,290
Other income and expense	344	-	-1,913	-143	-583	-2,295
Operating result	57,338	18,246	-10,072	52,209	-5,906	111,815
Interest charges	-2,433	-12,511	-15,790	-18,393	18,827	-30,300
Interest income	10	13	-	46	-	69
Other financial income and expense	-	-	-	1	2,868	2,869
Income tax	-232	268	-857	699	-	-122
Result	54,683	6,016	-26,719	34,562	15,789	84,331
Total assets						
Investment properties in operation	786,000	568,936	876,445	1,411,941	-	3,643,322
Investment properties under construction	66,817	-	-	55,544	-	122,361
Assets held for sale	16,447	-	-	21,600	-	38,047
Other segment assets	25,573	6,880	31,853	237,936	1,600,840	1,903,082
minus: intercompany	-10,280	-	-	-65,000	-1,707,476	-1,782,756
	884,557	575,816	908,298	1,662,021	-106,636	3,924,056
Investments						
Gross rental income by type of property						
Shopping centres	40,858	29,618	49,206	93,929	-	213,611
Offices	9,808	-	-	-	-	9,808
	50,666	29,618	49,206	93,929	-	223,419

Geographical segment information - the period ended December, 2016

(x € 1,000)

Result	Belgium	Finland	France	Netherlands	Headoffice	Total
Gross rental income	49,891	29,326	52,990	97,977	-	230,184
Service costs charged	9,262	7,355	12,502	8,774	-	37,893
Total revenue	59,153	36,681	65,492	106,751	-	268,077
Service costs paid	-10,204	-8,597	-14,682	-10,142	-	-43,625
Property expenses	-2,459	-621	-4,899	-15,004	-	-22,983
Net rental income	46,490	27,463	45,911	81,605	-	201,469
Valuation results	25,583	-59,060	26,226	-26,104	-	-33,355
Results on disposals	-	-	-114	-808	-	-922
General costs	-3,947	-1,357	-2,953	-5,404	-3,964	-17,625
Other income and expense	-68	-	468	-	-3,184	-2,784
Operating result	68,057	-32,954	69,538	49,289	-7,148	146,783
Interest charges	-2,372	-13,334	-15,862	-28,518	28,470	-31,616
Interest income	-2	18	32	-45	46	49
Other financial income and expense	-	-	-	-	6,237	6,237
Income tax	-219	8,283	-1,592	-7,151	-	-679
Result	65,464	-37,987	52,116	13,575	27,605	120,774
Total assets						
Investment properties in operation	783,356	563,047	899,674	1,450,144	-	3,696,221
Investment properties under construction	35,319	-	-	65,914	-	101,233
Other segment assets	32,222	4,932	21,456	142,534	1,743,387	1,944,531
minus: intercompany	-10,035	-	-	-65,000	-1,718,864	-1,793,899
	840,862	567,979	921,130	1,593,592	24,523	3,948,086
Investments	19,845	7,440	20,472	82,807	-	130,564
Gross rental income by type of property						
Shopping centres	40,028	29,326	52,990	97,977	-	220,321
Offices	9,863	-	-	-	-	9,863
	49,891	29,326	52,990	97,977	-	230,184

2. INVESTMENT PROPERTY

(x € 1,000)

	2017			
	Investment property in operation	Lease incentives	Investment property under construction	Total Investment prop- erty
Balance at January 1	3,696,221	5,110	101,233	3,802,564
Purchases	-	-	-	-
Investments	59,120	-	91,443	150,563
From / to development properties	65,080	-	-65,080	-
To investments held for sale	-38,954	-	-	-38,954
Disposals	-76,362	-	-4,500	-80,862
Valuations	-61,783	-	-735	-62,518
Other	-	2,904	-	2,904
Balance at December 31	3,643,322	8,014	122,361	3,773,697

(x € 1,000)

	2016			
	Investment property in operation	Lease incentives	Investment property under construction	Total Investment prop- erty
Balance at January 1	3,655,269	3,985	66,231	3,725,485
Purchases	14,105	-	40,694	54,799
Investments	46,659	-	32,877	79,536
From / to development properties	32,619	-	-32,619	0
Disposals	-25,025	-	-	-25,025
Valuations	-27,405	-	-5,950	-33,355
Other	-	1,125	-	1,125
Balance at December 31	3,696,221	5,110	101,233	3,802,564

3. NET ASSET VALUE PER SHARE

The authorised capital comprises 75,000,000 million shares each with a nominal value of € 1. As at December 31, 2017, 40,270,921 ordinary shares were issued.

	2017	2016
Equity available for shareholders (x € 1,000)	1,928,635	1,978,811
Number of ordinary shares per 31 December	40,270,921	40,270,921
Purchased shares for remuneration	-26,030	-16,425
Number of ordinary shares per 31 December for calculation net asset value	40,244,891	40,254,496
Net asset value per share (x € 1)	47.92	49.16

4. INTEREST BEARING LIABILITIES

(x € 1,000)

	December 31, 2017	December 31, 2016
Long term		
Bank loans	474,040	502,333
Private placement	773,937	776,948
Convertible bonds	245,028	241,506
EMTN	9,453	-
	1,502,458	1,520,787
Short term		
Bank loans	25,960	45,200
Private placement	29,240	-
	55,200	45,200
Total interest bearing liabilities	1,557,658	1,565,987

(x € 1,000)

	2017	2016
Balance at January 1	1,565,987	1,509,885
New funding	111,410	344,106
Repayments	-74,500	-254,705
Use of effective interest method	2,036	1,522
Effect of fair value hedges	-1,354	138
Exchange rate differences	-45,921	-34,959
Balance at December 31	1,557,658	1,565,987

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

(x € 1,000)

	December 31, 2017		December 31, 2016	
	carrying amount	fair value	carrying amount	fair value
Bank debt and other loans	1,257,429	1,299,629	1,279,281	1,333,394
Convertible bond	245,029	253,075	241,506	251,895
Total	1,502,458	1,552,704	1,520,787	1,585,289

5. 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			
	Total	Quoted prices Level 1	Observable input Level 2	Unobservable input Level 3
2017				
Assets measured at fair value				
Investment property in operation	3,651,336	-	-	3,651,336
Investment property under construction	113,447	-	-	113,447
Investments held for sale	38,047	-	-	38,047
Financial assets				
Derivative financial instruments	24,186	-	24,186	-
Liabilities for which the fair value has been disclosed				-
Interest bearing debt	1,607,964	253,075	1,354,889	-
Derivative financial instruments	38,188	-	38,188	

		Fair value measurement using		
		Quoted prices Level 1	Observable input Level 2	Unobservable input Level 3
2016	Total			
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	-

6. RENTAL INCOME BY COUNTRY

	Gross rental income		Property expenses, service costs and operating costs		Net rental income	
	2017	2016	2017	2016	2017	2016
Belgium	50,666	49,891	4,306	3,401	46,360	46,490
Finland	29,618	29,326	1,722	1,863	27,896	27,463
France	49,206	52,990	8,414	7,079	40,792	45,911
The Netherlands	93,929	97,977	13,810	16,372	80,119	81,605
Total	223,419	230,184	28,252	28,715	195,167	201,469

(x € 1,000)

7. 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.

8. EVENTS AFTER BALANCE SHEET DATE

There are no events after balance sheet date.

9. BASIS OF PREPARATION RESULTS 2017

The accounting principles applied for this press release have been prepared 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. The accounting principles are also in accordance with the annual accounts 2016 of Wereldhave. The group reclassified in the comparative figures an amount of EUR 3.7m from 'other income and expense' to 'valuation results'. This change has no impact on equity and results. The figures of this press release are unaudited.