

Trading update Q1 2017 Wereldhave

21 April 2017

- Stable occupancy above 95% resulted in € 57.1m GRI in Q1
- Overall increase in footfall
- Two disposals in the Netherlands for € 74.2m, above book-value and 2015 acquisition price
- Outlook reconfirmed: direct result at € 3.40 - € 3.50 per share

Our markets

Our four markets are in different stages of economic recovery. In the Netherlands, the recession was initially even stronger due to the austerity measures taken, but recovery is strong. Consumer confidence is high and underlying retail markets are also showing signs of improvement, with new formats entering the market. Large chains are still in the process of optimising their number of stores, focusing on dominant regional centres. Recent examples of choices made by tenants demonstrate the quality of the assets in our portfolio. Rents on the most sought after locations in our shopping centres are slightly increasing again.

In Finland, after a long recession, the economy is gradually picking up, but international retailers are still reluctant to enter the market. Due to the lease with Finnkino, interest in leasing retail floor space in Itis is increasing.

In Belgium and France, government measures during the recession were modest and wage indexation continued throughout the recession. However, the economic forecasts are subdued. Terrorism fears and the uncertainty of the elections in France add to this sentiment. This results in protracted negotiations and slower letting in these countries.

The impact of the number of bankruptcies dropped significantly in Q1 2017 compared to Q1 2016. Our aim is now to pro-actively improve the retail offer and reduce the number of temporary leases. We reiterate our target of an overall occupancy of the shopping centre portfolio of 97% in 2019. This will most likely not be a straight way up only. We will seek a balance between increases in occupancy and the overall attractiveness of the retail offer in our centres that will also improve the risk profile of the lease portfolio.



Operations

Gross rental income for the first quarter of 2017 amounted to € 57.1m, which is 3% below the number for the same period in 2016. The decrease is largely due to the disposal of a cinema in Tilburg, the sale of a shopping centre in Geldrop and units that were vacated for refurbishments (Finnkino in Itis and Verrerie in Saint Sever). The Q1 2016 result also included some one-offs.

During the first quarter, average occupancy slightly decreased by 20 bps to 95.3%, with lower scores in Belgium and France, an increase in Finland and flat numbers for the Netherlands. Leasing activity continued to be high with more than 100 contracts.

In Belgium, occupancy of the shopping centre portfolio went down by 30 bps to 95.6%, in connection with the expiry of some temporary leases. This was partly compensated by two new signings in Genk Shopping 1, with Kaffee Genk and la Bisce. In total, five new leases were signed, 10 rotations and five renewals. Footfall in the Belgian shopping centres decreased slightly by 0.3% to 3.5m visitors during the first quarter of 2017 (excluding Tournai, as it is under redevelopment). The market average footfall declined by 2.3%.

In France, new leases with Parfois, Jack&Jones and Franchi in Rivetoile (Strasbourg) and Pizzeria al Taglio in Docks 76 (Rouen) partly compensated for 2.5% expiring leases. Occupancy dropped by 0.9% to 93.5%. Footfall in the French shopping centres increased by 2.1% to

10.3m visitors in the first quarter of 2017, clearly outperforming the market, which recorded an average decline of 2.8%.

In the Netherlands, occupancy remained stable at 95.8%. New leases were signed with Luks (fashion) in Roselaar (Roosendaal), The Body shop in Middenwaard (Heerhugowaard) and T-Mobile In de Bogaard (Rijswijk). In Hoofddorp, a lease was signed with Topshelf for the entirety of the former V&D department store. Footfall in the Dutch shopping centres increased by 0.5% to 19.8m visitors in the first quarter of 2017. The market average footfall declined by 1.7%.

In Finland, occupancy increased by 70 bps to 96.4%. Five new leases were signed, five renewals and six rotations. The largest new leases were signed with Indecoria, Feel Vegas and Eurokangas. Footfall in Itis increased by 2.5% to 4.3m visitors in the first quarter of 2017. The market average trend in footfall for Finland is not yet available.

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Δ Q1 vs Q4
Belgium	94.9%	95.1%	95.3%	95.9%	95.6%	⬇️
Finland	94.1%	95.3%	95.8%	95.7%	96.4%	⬆️
France	90.8%	93.2%	93.6%	94.4%	93.5%	⬇️
Netherlands	95.5%	95.2%	95.5%	95.8%	95.8%	➡️
Shopping centres	94.1%	94.8%	95.1%	95.5%	95.3%	⬇️
Offices (Belgium)	91.9%	91.9%	89.1%	90.9%	90.6%	⬇️
Total portfolio	94.0%	94.6%	94.8%	95.3%	95.1%	⬇️



Portfolio

During the first quarter, Wereldhave has reached agreement on the sale of two shopping centres in the Netherlands in two transactions.

The Stadshagen shopping centre in Zwolle (11,500 m²) and the Oosterheem shopping centre (11,700m²) in Zoetermeer were sold, with completion of both transactions in the second quarter of 2017. The total proceeds of these disposals amount to € 74.2m, above the year-end 2016 book-value. Wereldhave acquired these two shopping centres in 2015, with a 98% occupancy. In spite of the many bankruptcies that hit the retail sector in 2016, Wereldhave managed to bring the occupancy to between 99% and 100%. The proceeds are above the purchase price for which Wereldhave acquired these two shopping centres in 2015.

These two disposals are in line with Wereldhave's management agenda for 2017-2019, aiming for a total of € 200m of asset rotation. The two centres were sold as they did not fully match our strategic focus on dominant convenience shopping centres.

The former V&D property in Hoofddorp has moved from the development portfolio back to the investment portfolio. This property was initially scheduled for redevelopment and subsequently taken to the development portfolio. It is now back in the investment portfolio, as the 10-year lease with Topshelf does not require major investments.

In Belgium, the 15,000 m² extension of the les Bastions shopping centre in Tournai is progressing well. Completion of the € 66m project is scheduled for the second quarter of 2018. Leasing is progressing, with some major anchors to be signed shortly.

In France, the works for the Primark in Docks Vauban, le Havre are progressing according to schedule. The shop is to open its doors early in 2018. In Rouen, Wereldhave will redevelop part of the Saint Sever shopping centre, an investment of € 22m. This project, Verrerie, will upgrade the entrance to the mall, directly connecting to the heart of the centre, thus creating a spectacular food hall with a diversified food offer and improving the cinema entrance. We are very pleased that Vapiano will become an important anchor tenant for the Verrerie food hall; the lease was signed in the first quarter.

In Finland, the space for the new Finnkino has been vacated. Most of the tenants that need to relocate in anticipation of the Finnkino have moved their shop. The requests for the demolition and construction licenses have been filed. The largest demolition works will be executed in July, to minimise disruption to the shopping centre. Tendering for the main contractor will start in April 2017.

In the Netherlands, the fifth and sixth phase of the redevelopment of Koningshoek in Maassluis is progressing well. This includes the extension with 5,000m² and a refurbishment of the centre, a total investment of € 26m. The extension is nearly fully let. Leases were



signed with HEMA and Aldi (both opening shop in July) and Action (opening in November).

In Capelle a/d IJssel, construction has started of the second phase of the refurbishment, including a new parking garage, a food court and new passageways, connecting both sides of the centre. This requires an investment of € 28m. Completion is scheduled in Q3 2018.

In Arnhem, a food court was created in the Presikhaaf shopping centre. Several retail units were upgraded and new leases were signed with Aldi, Albert Heijn, HEMA, Intertoys, Blokker, Big Bazar and Xenos.

In Tilburg, Wereldhave is in the final stages of signing an important anchor tenant for a 3,000m² shop on the first floor of the Pieter Vreedeplein. The shop is to open in August 2017, when the Hudson's Bay and the new HEMA in Tilburg will also open their new shops. It clearly shows the commercial success of the inner city redevelopment scheme, as Wereldhave is now able to attract large anchor tenants to the city centre of Tilburg.



Financing

Nominal interest bearing debt was € 1,563.8m at March 31, 2017, which together with a cash balance of € 17.6m gives a net debt of € 1,546.2m.

Undrawn borrowing capacity amounted to € 180m and the Loan-to-value ratio (based on the year-end 2016 portfolio valuations) amounted to 39.5% (December 31, 2016: 39.0%). As at March 31, 2017 the average cost of debt and ICR were 1.9% and 6.7x respectively and the EPRA NAV per share stood at € 51.44.

Organisation

The reorganisation of the Dutch management organisation and the holding staff was successfully completed during the first quarter. The changes were quickly absorbed without disruptions, which is illustrated by the continued high leasing activity.

Outlook

Wereldhave reconfirms its outlook for 2017 of a direct result between € 3.40 and € 3.50 per share. Dividend is to remain stable in 2017 at the current level of € 3.08, payable in four equal (interim) dividend payments of € 0.77 per quarter.



About Wereldhave

Wereldhave invests in dominant convenience shopping centres in larger provincial 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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