



**WERELDHAVE**



## Full-year results 2013

*Schiphol*  
*6 February 2014*

# Highlights

## Solid financial performance

	2013	2012
▪ Direct result per share	€3.30	€3.91
▪ Indirect result per share	€(1.48)	€(8.45)
▪ EPRA NAV per share	€64.99	€66.33
▪ Dividend per share	€3.30	€3.30
▪ Portfolio revaluations	€8.9m	€(193.2)m
▪ LTV	27.4%	43.6%

## Operational excellence: targets have been met

	2013	Targets 2013
✓ LFL growth core retail portfolio above indexation	160 bps	125 bps
✓ Occupancy core retail	98.4%	98.0%
✓ General costs	€14.5m	€16.0m

## Disposals of non-core portfolios

- Dutch non-core portfolio, UK and US portfolio completely sold

## Reinvestments

- Acquisition of shopping centre Vier Meren in Hoofddorp for €147.5m

## Outlook 2014

- Targets Regroup phase 2013-2015 core retail portfolio raised / reconfirmed
  - Like-for-like rental target raised to 140 bps above indexation (was 125 bps)
  - Occupancy retail core portfolio: 98%
  - General costs 2014 below €14.0m
- For 2014, Wereldhave expects a direct result above the 2013 direct result per share of €3.30

# Strategy Update



Vier Meren - The Netherlands

# Our strategic approach

*On 11 February 2013 a strategy was announced based on the following phases*

## **Phase I: Derisk (2012-2013)**

- Exit non-core markets
- Healthy balance sheet
- Cost reduction

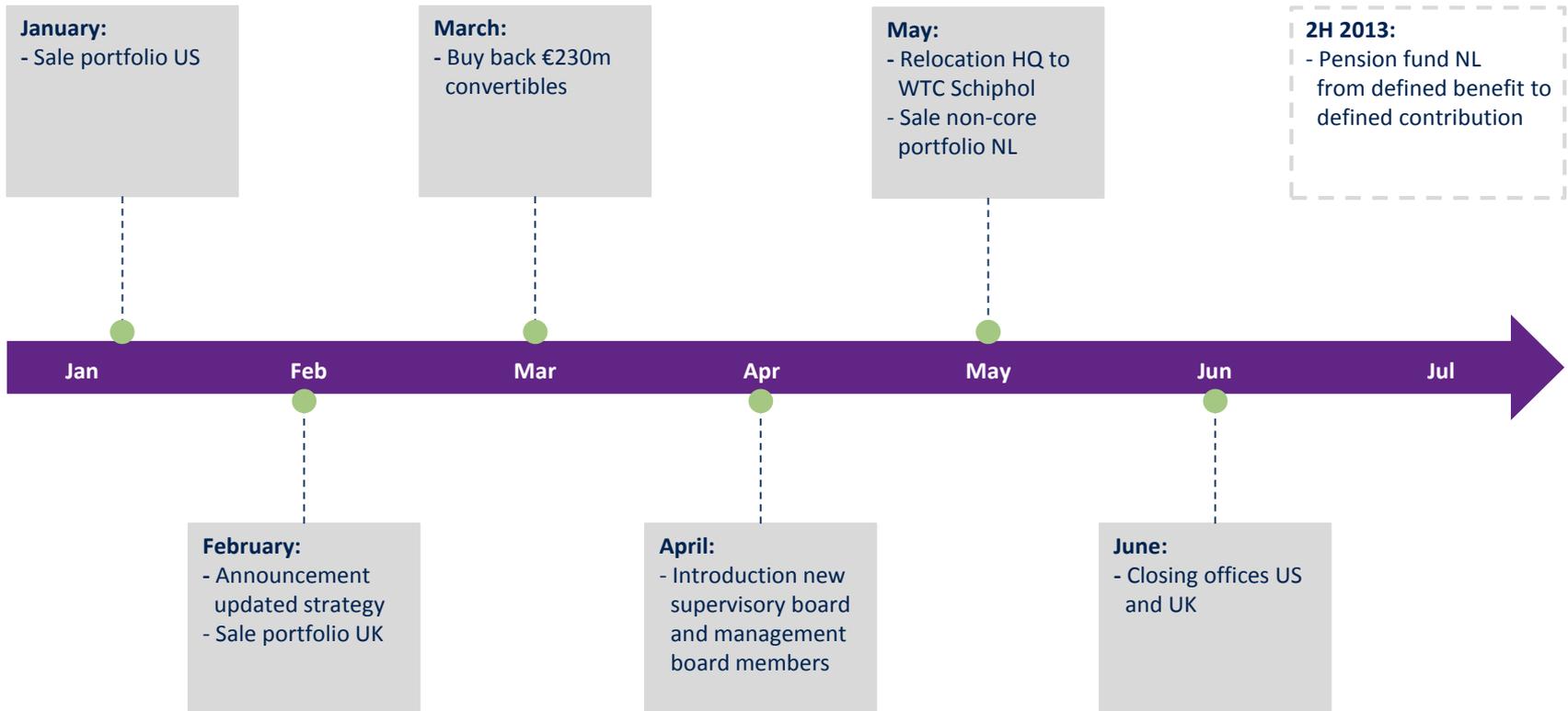
## **Phase II: Regroup (2013-2015)**

- Operational excellence
- Controlled development pipeline
- Maximization of value of Itis
- Reinvestments
- Alignment with all stakeholders

## **Phase III: Growth (2015 onwards)**

*Wereldhave will be a focused real estate player with a strong retail angle*

# Phase I: Derisk completed (2013)



# Phase II: Regroup (2013-2015)

## Targets Regroup phase 2013-2015

### 1. Operational excellence

- Average LfL rental growth of 125 bps above indexation
- $\geq 98\%$  occupancy
- Overhead reduction to  $\leq \text{€}16\text{m}$  in 2013 and  $\leq \text{€}14\text{m}$  in 2014
- Strengthen talent development
- Standardise best practices between core countries

### 2. Controlled development pipeline

- Retail  $\text{€}330\text{m}$  and offices  $\text{€}110\text{m}$
- Expected average yield on cost 6.5%
- From 2015  $\leq 10\%$  investment portfolio

### 3. Maximise value Itis

- Redevelopment completed mid 2014 within budget ( $\text{€}95\text{m}$ )
- Rent level 2015  $\text{€}33\text{m}$ , yield on cost of 7%

### 4. Reinvest in core markets

- Acquisitions of  $\text{€}400\text{m}$
- Disposals  $\text{€}150\text{m}$

### 5. Alignment with all stakeholders

- Expand and strengthen Supervisory Board
- Evaluate anti-takeover structure
- Integrate sustainability in overall strategy

## 2013 results

- ✓ 160 bps
- ✓ 98.4%
- ✓  $\text{€}14.5\text{m}$
- ≈ In progress
- ≈ Planned for 2014
  
- ≈  $\text{€}177\text{m}$  spent so far
- ≈ On track
- ≈ On track
  
- ≈  $\text{€}78\text{m}$  spent so far
- ≈ On track
  
- ≈  $\text{€}147.5\text{m}$  reinvested
- ≈  $\text{€}44\text{m}$  sold
  
- ✓ 1 addition and 2 rotations
- ≈ To be completed before AGM 2014
- ≈ 1<sup>st</sup> CSR report presented before AGM 2014

# Key results 2013

	FY 2013	FY 2012	% growth	% LFL growth
Total NRI core portfolio	€92.9m	€90.7m	2.5%	3.4%
Total NRI non-core portfolio	€12.0m	€17.1m	(29.8)%	(3.3)%
Total NRI UK and US	€10.2m	€43.2m	(76.4)%	n.a.
Total net rental income	€115.1m	€151.0m	(23.8)%	2.7%
Occupancy (total portfolio)	96.6%	94.8 %		
Direct result per share	€3.30	€3.91	(15.6)%	
EPRA NAV per share	€64.99	€66.33	(2.0)%	
Dividend per share	€3.30	€3.30	0%	
LTV	27.4%	43.6%		
Investment properties in operation*	€1,738m	€2,616m	(33.6)%	
Revaluation result	€8.9m	€(193.2)m		

\* Investment properties in operation including investments held for sale  
 Core portfolio consists of retail FI, NL, BE & offices Paris and ES; Non-core portfolio consists of non-core NL, BE and ES

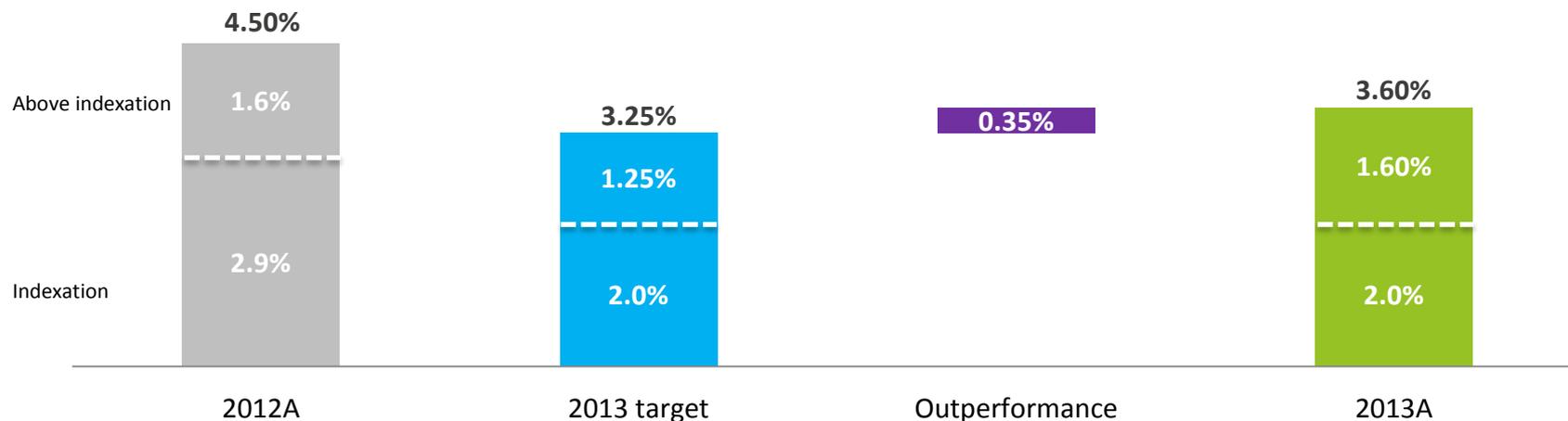
# Operational Excellence



Vier Meren - The Netherlands

# Core retail like-for-like rental growth

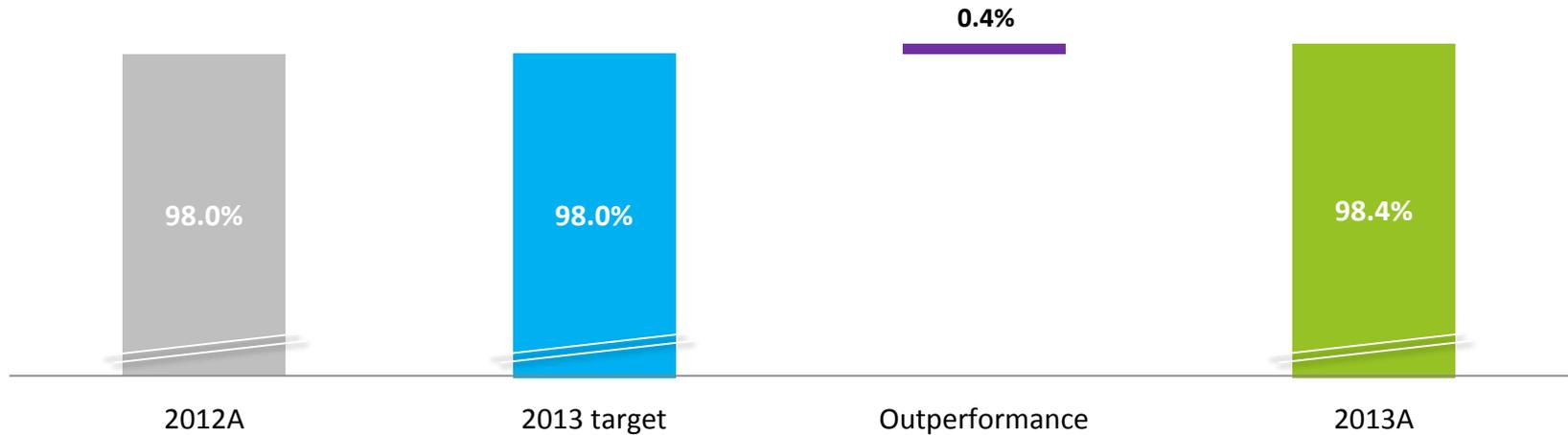
*Performance of 160 bps above indexation: outperformance of 35 bps*



- Strong lease activity results in:
  - Belgium: 6.3%; 470 bps above indexation (target: 220 bps above indexation)
  - Finland: 5.1%; 320 bps above indexation (target: 200 bps above indexation)
  - The Netherlands: 1.0%; 140 bps below indexation and target (target: at indexation)

# Core retail occupancy

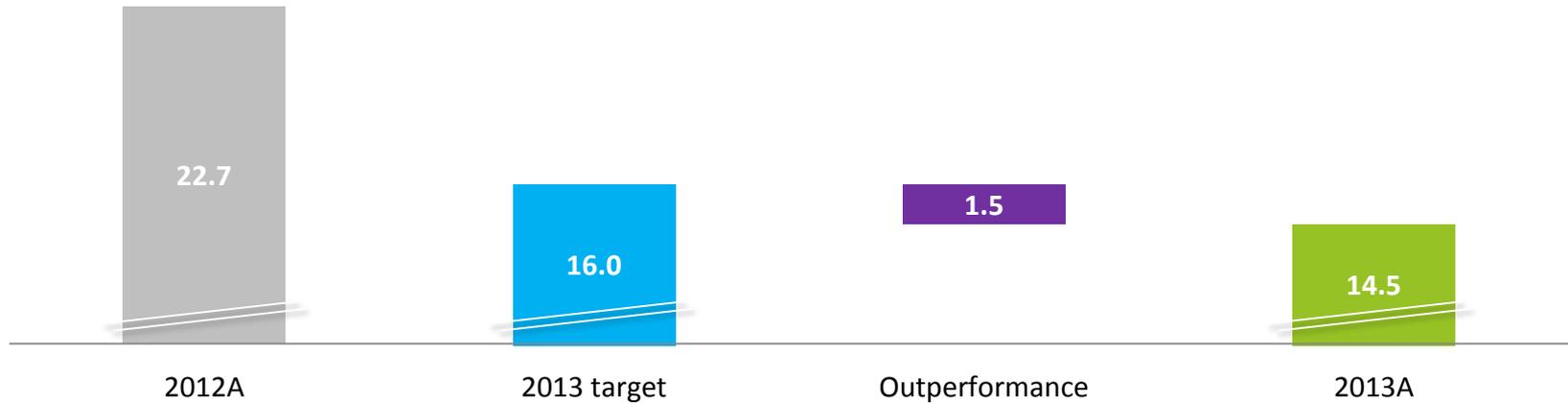
*Performance of 98.4%: outperformance of 0.4%*



- Strong letting performance results in:
  - Belgium: 99.2%
  - Finland: 99.4%
  - The Netherlands: 97.0%

# Overhead expenses

*Reduction overhead expenses is well on track at €14.5m*



- Overhead expenses decreased from €22.7m to €14.5m, i.e. €1.5m below target of €16.0m for 2013, mainly due to:
  - Closing offices in US and UK: €(3.0)m
  - One-off restructuring costs: €(1.9)m
  - Other cost reduction: €(3.3)m

# Country Update



Itis - Finland

# Belgium



Nivelles, Nivelles

Key parameters retail	FY 2013	FY 2012
Net rental income	€25.9m	€23.1m
Like-for-like	6.3%	4.9%
Occupancy	99.2%	98.7%
Valuation result	+0.7%	+1.6%*
NIY (EPRA)	6.0%	6.0%
Standing investments	€381m	€378m
Under construction	€90m	€55m

- Core retail like-for-like NRI +6.3%, i.e. 470 bps above indexation (target: 220 bps above indexation), due to renewals and rotations in Belle-Ile and Nivelles
- Number of shopping centre visitors increased 4.3% compared to 2012, versus 2.0% decrease in the market (source: Locatus)
- Non-core office portfolio of €126m:
  - High like-for-like NRI growth (+6.2%) due to new lettings in Berchem and Vilvoorde
  - Occupancy increased in 2H 2013 to 91.8% (+10.5% in FY 2013)
  - New tenants include a.o. Antea, Argenta and Eni
- Project Ghent to complete in mid 2014, pre-letting at 80%. Construction Genk Shopping 1 as planned, letting remains slow, pre-let edged up to 63%



\* Including non-core portfolio

# Finland



Itis, Helsinki

Key parameters retail	FY 2013	FY 2012
Net rental income	€23.9m	€23.6m
Like-for-like	5.1%	5.3%
Occupancy	99.4%	98.5%
Valuation result	+4.0%	+0.2%
NIY (EPRA)	5.25%	5.5%
Standing investments	€482m	€458m
Under construction	€78m	€37m

- Core retail like-for-like NRI +5.1%, i.e. 320 bps above indexation (target: 200 bps above indexation)
- Stockmann department store relocated and opened on November 4, 2013. Refurbishment of their former 12,000 m<sup>2</sup> space is scheduled to finish in Q3 2014, after which the redevelopment of Itis is completed
- New leases signed with:
  - Gigantti (largest electronics retailer) for 3,100 m<sup>2</sup>
  - H&M to extend presence with opening of a 3,200 m<sup>2</sup> flagship store in 2014

**GIGANTTI**

**H&M**

# The Netherlands



Vier Meren, Hoofddorp

Key parameters retail	FY 2013	FY 2012
Net rental income	€29.8m	€29.9m
Like-for-like	1.0%	3.7%
Occupancy	97.0%	97.1%
Valuation result	(4.6)%	(6.4)%*
NIY (EPRA)	5.9%	5.9%
Standing investments	€477m	€491m
Under construction	€6m	€3m

- Core retail like-for-like NRI +1.0%, i.e. 140 bps below indexation and target (target: at indexation) mainly due to negative impact from bankruptcies (1.5%) of like-for-like NRI
- Number of shopping centre visitors decreased 2.0% compared to 2012, in line with a 2.0% decrease for the market (source: Locatus)
- The economic decline has halted during the fourth quarter of 2013, but estimates of consumer confidence and spending indicate a recovery at a slower pace
- Leasing accelerated, new tenants: Anwb, La Place, Rituals, H&M and Big Bazar
- Last non-core asset sold for €6m. Development plans Dutch shopping centres finalised; adjustments in size, scalability and procurement



\* Including non-core portfolio

# Paris



Noda, Paris

Key parameters office	FY 2013	FY 2012
Net rental income	€9.9m	€9.4m
Like-for-like	4.5%	2.3%
Occupancy	99.0%	99.0%
Valuation result	+0.6%	+5.0%
NIY (EPRA)	6.1%	5.9%
Standing investments	€177m	€175m
Under construction	€220m	€116m

- Strong like-for-like NRI at +4.5% due to lease in Le Cap office building in Q3 2012
- BREEAM rating Carré Vert office building from 'Good' to 'Outstanding' due to extra investments in sustainability measures by tenant and owner
- Construction Noda office development on track:
  - BREEAM rating 'Outstanding' at interim-design stage assessment
  - 65% pre-let to Coca Cola and leasing of remaining space commenced
- Joinville office development completed and transferred to buyer on 5 February 2014 for €91m

# Portfolio



Nivelles - Belgium

# Acquisition criteria

## Convenient shopping

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- 90% of shopping needs
- Top-of-mind in catchment area
- Catchment area of at least 100,000 inhabitants within 10 minutes drive time
- Easy accessibility
- Strong national and international brands in combination with local heroes
- Fully embedded food, beverage and entertainment functions

# Shopping centre Vier Meren (Hoofddorp, NL)



- Acquired for €147.5m incl. transaction costs; completion end of January 2014
- Net initial yield 5.8%
- Limited impact on LTV; funding largely with proceeds of disposal Joinville office in Paris
- Dominant shopping centre serving a growing catchment area of 250,000 people within 10 minutes' drive time
- Proven track record with stable cash flow
- 60 tenants, including        

# Shopping centre Vier Meren



- 33,000 m<sup>2</sup> retail n.l.a.
- 3,700 m<sup>2</sup> office space
- 71% stake in parking garage for 1,037 cars
- Strong destination, part of a larger 74,000 m<sup>2</sup> inner city retail offer
- Growing catchment with above average income profile
- Annual footfall 6m and rising
- Potential for 2,500 m<sup>2</sup> expansion
- Optimise asset management with adjacent owner

# Committed development pipeline



## Ghent, Belgium

- Total investment €15m
- Capex to date €11m
- Expected NIY 6.25% - 6.75%
- Prelet 80%
- Completion Mid 2014



## Helsinki (Itis), Finland

- Total investment €102m
- Capex to date €78m
- Expected NIY 7%
- Prelet 85%
- Completion Q4 2014



## Genk, Belgium

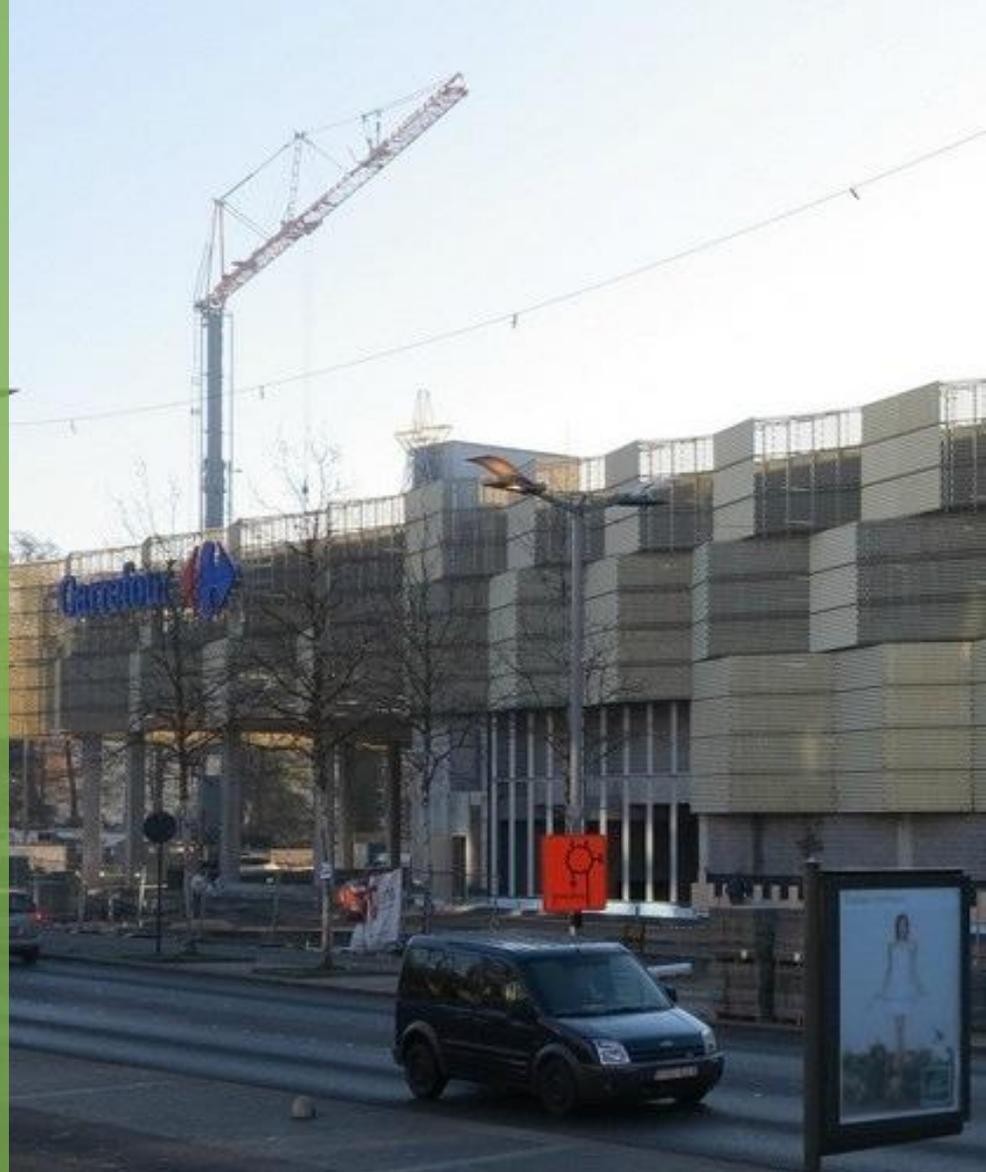
- Total investment €84m
- Capex to date €55m
- Expected NIY 6.25% - 6.75%
- Prelet 63%
- Completion Q4 2014



## Issy-Les-Moulineaux, France

- Total investment €138m
- Capex to date €113m
- Expected NIY 7.0% - 7.5%
- Prelet 65%
- Completion Q4 2014

# Financials



Genk - Belgium

# Income statement

Amounts in € '000	FY 2013		FY 2012	
	Direct	Indirect	Direct	Indirect
Gross rental income	130,701		206,129	
Service costs charged	23,811		30,031	
<b>Total revenues</b>	<b>154,512</b>		<b>236,160</b>	
Service costs paid	-26,535		-33,494	
Property expenses	-12,892		-51,712	
<b>Total expenses</b>	<b>-39,427</b>		<b>-85,206</b>	
<b>Net rental income</b>	<b>115,085</b>		<b>150,954</b>	
Valuation results		6,550		-197,033
Results on disposals		-10,353		7,896
General costs	-14,480		-22,719	
Other income and expense	1,679	-3,026	1,578	-15,007
<b>Operational result</b>	<b>102,284</b>	<b>-6,829</b>	<b>129,813</b>	<b>-204,144</b>
Interest charges	-20,507	-5,625	-35,617	-4,054
Interest income	570		391	
<b>Net interest</b>	<b>-19,937</b>	<b>-5,625</b>	<b>-35,226</b>	<b>-4,054</b>
Other financial income and expense		-28,744		1,197
<b>Result before tax</b>	<b>82,347</b>	<b>-41,198</b>	<b>94,587</b>	<b>-207,001</b>
Taxes on result	-1,089	9,951	-774	26,094
<b>Total result</b>	<b>81,258</b>	<b>-31,247</b>	<b>93,813</b>	<b>-180,907</b>
<i>Profit attributable to:</i>				
Shareholders	71,452	-32,081	84,851	-183,290
Non-controlling interest	9,806	834	8,962	2,383
<b>Total result</b>	<b>81,258</b>	<b>-31,247</b>	<b>93,813</b>	<b>-180,907</b>
Earnings per share (€)	<b>3.30</b>	<b>-1.48</b>	3.91	-8.45

# Direct result per share



- Direct result per share is mainly influenced by:
  - Lower NRI due to disposals of UK, US and NL non-core assets
  - Lower interest cost due to repayments of loans and buy-back of convertible bond
  - Lower general cost due to cost cutting programme
- Contribution to direct result 2013 from discontinued operations: €0.35 per share

# Valuation: Core and non-core portfolios

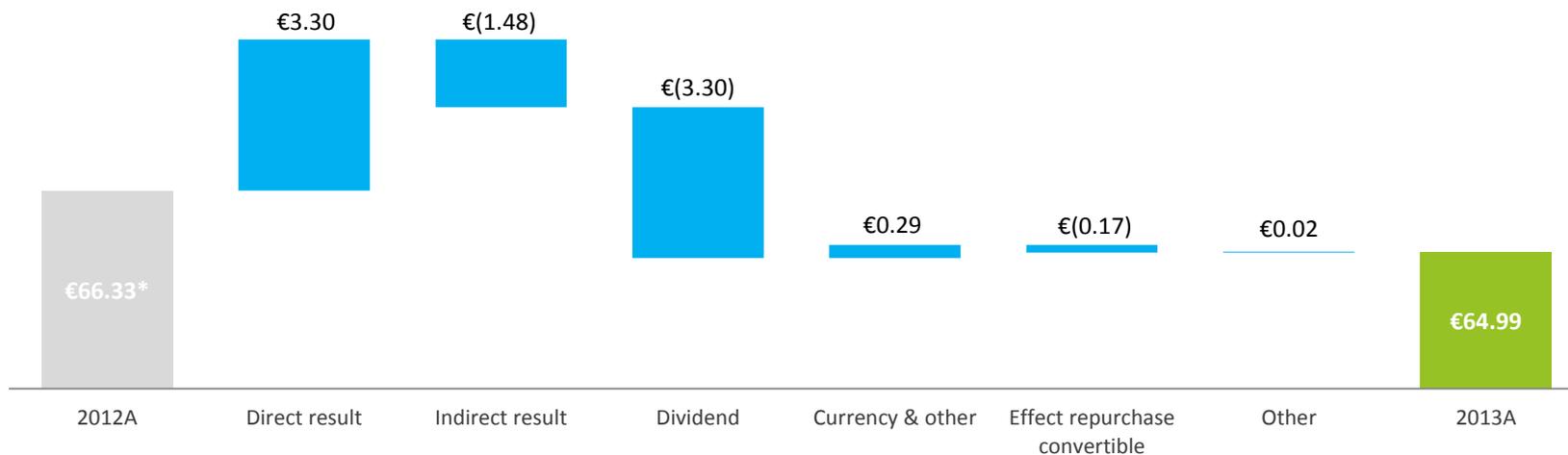
Core portfolios – In €m	FY 2013	FY 2012	Revaluation	EPRA NIY
Belgium	381	378	0.8%	6.0%
Finland	482	459	4.0%	5.3%
The Netherlands	477	491	(4.6)%	5.9%
Paris	187	186	0.6%	6.1%
Spain	60	62	(3.9)%	6.0%
<b>Total</b>	<b>1,587</b>	<b>1,576</b>	<b>0.1%</b>	<b>5.7%</b>
<b>Non-core portfolios – In €m</b>				
Belgium	126	123	0.3%	6.5%
The Netherlands	-	46	-	-
Spain	32	36	(16.5)%	5.1%
<b>Total</b>	<b>158</b>	<b>205</b>	<b>(3.5)%</b>	<b>6.3%</b>
<b>Total portfolio*</b>	<b>1,745</b>	<b>1,781</b>	<b>(0.2)%</b>	<b>5.8%</b>

- As per 30 June 2013 Wereldhave implemented the EPRA Net Initial Yield\*\*
- EPRA Net Yield: 5.8% (excl. Itis 6.0%)
- Valuation result: +1.2% from yield movements, (1.4)% from market rent and other

\* Appraisal values by: Jones Lang LaSalle (FR, ES), CBRE (NL, FI), Cushman & Wakefield (NL, BE) and Troostwijk (BE)

\*\* Annualised rental income, based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the portfolio

# EPRA NAV per share



**IFRS NAV\*\***

- 31 Dec. 2012: €63.60\*
- 31 Dec. 2013: €62.24

**EPRA NNAV**

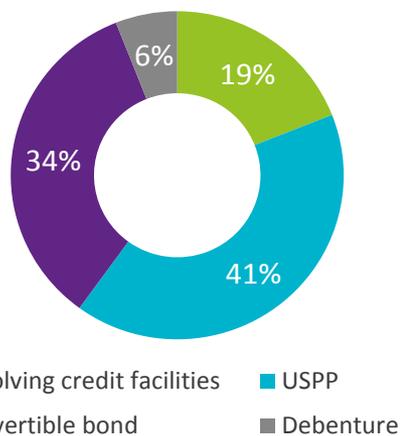
- 31 Dec. 2012: €63.38\*
- 31 Dec. 2013: €62.12

\* Effect revised IAS 19 "Pensions" on equity: €(11.0)m (NAV €0.51 per share), adjustment in 2012 equity; EPRA BPR adjustment 2012 €(1.42) per share  
 \*\* Reconciliation IFRS – EPRA in appendix of this presentation

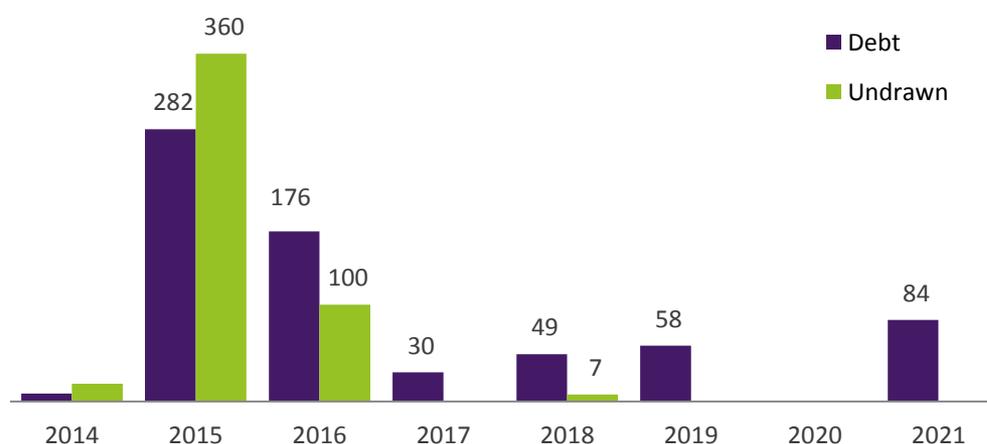
# Debt profile

Key parameters	FY 2013	FY 2012	Covenants
Interest bearing debt*	€687m	€1,282m	
Average cost of debt**	2.8%	2.7%	
Fixed vs floating debt	57% / 43%	49% / 51%	
LTV	27.4%	43.6%	≤60%
ICR	6.6x	4.6x	≥2x

## Diversification debt profile



## Maturity profile (€m)



\* Nominal value of interest bearing debt

\*\* Net financial expenses including US

# Outlook



Kronenburg - The Netherlands

# Outlook

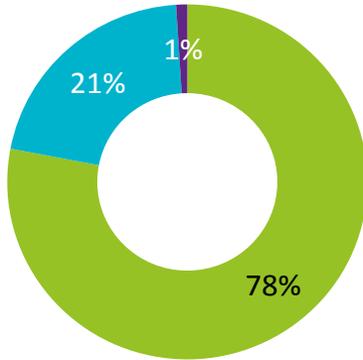
- Targets Regroup phase 2013-2015 core retail portfolio raised / reconfirmed
  - Like-for-like rental target raised to 140 bps above indexation (was 125 bps)
  - Occupancy retail core portfolio: 98%
  - General costs 2014 below €14.0m
- The decline in the direct result from net rental income due to property disposals in 2013 will be more than compensated by acquisitions, the completion of developments and a positive like-for-like rental growth in 2014
- For 2014, Wereldhave expects a direct result above the 2013 direct result per share of €3.30

# Appendix

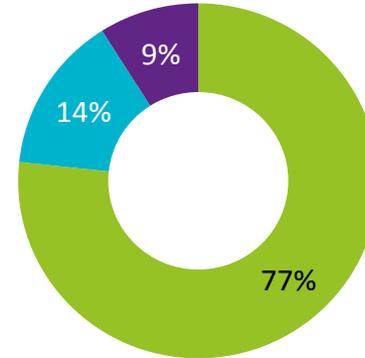


Nivelles - Belgium

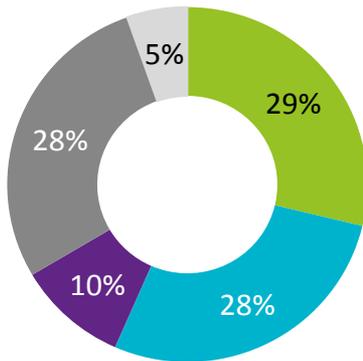
# Portfolio composition



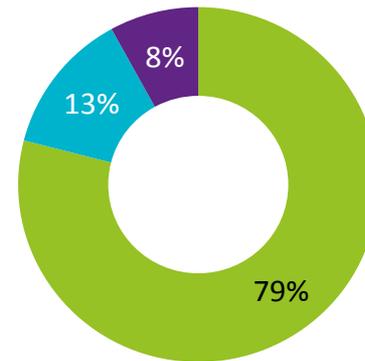
■ Retail ■ Offices ■ Other



■ Core retail ■ Core offices ■ Non-core



■ Belgium ■ Finland ■ France ■ Netherlands ■ Spain



■ Core retail ■ Core offices ■ Non-core

Pro forma including shopping centre Vier Meren

# Top 10 Tenants & Top 5 Properties

Rank	Tenant	% of rent
1	EDF	7.7%
2	Stockmann	3.3%
3	Hennes & Mauritz	2.9%
4	Ahold	2.7%
5	Ergo Services KDV	2.2%
6	C&A	1.8%
7	Excellent Retail Brands	1.7%
8	Blokker	1.6%
9	Kesko	1.6%
10	Bestseller	1.2%
<b>Total top 10 tenants</b>		<b>26.7%</b>

Rank	Property	Sector	Value Dec. 2013*	% of Total
1	Itis (Helsinki, FIN)	Sh.centre	€482m	27.0%
2	Belle-Ile (Liège, BEL)	Sh.centre	€162m	9.0%
3	Carré Vert (Paris, FRA)	Office	€148m	8.0%
4	Nivelles (BEL)	Sh.centre	€117m	7.0%
5	Kronenburg (Arnhem, NL)	Sh.centre	€112m	6.0%
			<b>€1,021m</b>	<b>57.0%</b>
<b>Total portfolio</b>			<b>€1,745m</b>	<b>100%</b>

\* Appraisal value

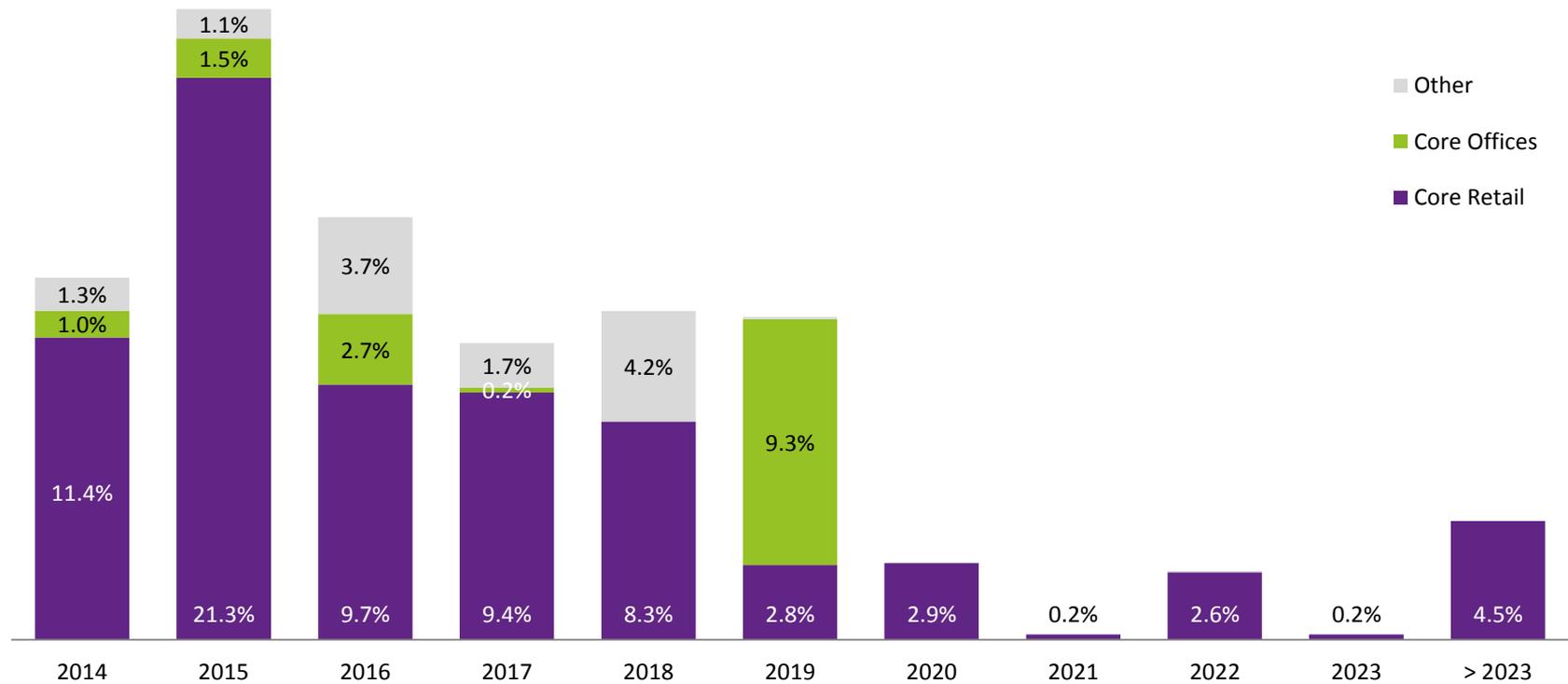
# Occupancy

Core portfolio	Occupancy			Value*	
	Q4 2013	Q3 2013	Q4 2012	2013FY	
Belgium	99.2%	99.3%	98.7%	€381m	21.9%
Finland	99.4%	98.8%	98.5%	€482m	27.6%
Netherlands	97.0%	97.0%	97.1%	€477m	27.4%
<b>Total core retail</b>	<b>98.4%</b>	<b>98.2%</b>	<b>98.0%</b>	<b>€1,341m</b>	<b>76.9%</b>
Paris	99.0%	99.0%	99.0%	€187m	10.7%
Spain	89.5%	90.7%	87.5%	€60m	3.4%
<b>Total core offices</b>	<b>96.5%</b>	<b>96.8%</b>	<b>95.8%</b>	<b>€246m</b>	<b>14.1%</b>
<b>Total</b>	<b>98.1%</b>	<b>98.0%</b>	<b>97.7%</b>	<b>€1,587m</b>	<b>91.0%</b>
<b>Non-core portfolio</b>					
Belgium	91.8%	89.5%	81.3%	€126m	7.2%
Netherlands**	n.a.	63.7%	88.0%	n.a.	n.a.
Spain	71.8%	70.2%	67.4%	€32m	1.8%
<b>Total</b>	<b>86.4%</b>	<b>83.0%</b>	<b>79.9%</b>	<b>€157m</b>	<b>9.0%</b>
<b>Total portfolio</b>	<b>96.6%</b>	<b>96.0%</b>	<b>94.8%</b>	<b>€ 1,745m</b>	<b>100.0%</b>

\* Appraisal value

\*\* Middenweg is classified as held for sale and is excluded from Q4 2013 figures

# Lease expiry profile per sector



Excluding indefinite contracts (5.7% of total)

# NAV reconciliation (IFRS – EPRA)

	in € per share
<b>IFRS NAV FY 2013</b>	<b>62.24</b>
Effect of conversion	-
<b>Diluted NAV</b>	<b>62.24</b>
Fair value derivatives	(0.17)
Deferred tax	3.00
Goodwill	(0.08)
<b>EPRA NAV</b>	<b>64.99</b>
Fair value derivatives	0.17
Fair value interest bearing debt	(1.24)
Deferred tax	(1.80)
<b>EPRA NNAV</b>	<b>62.12</b>

# Contact details

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