



**WERELDHAVE**



# Half-year results 2014

*Amsterdam Schiphol*  
*25 July 2014*

# Highlights

## Financial performance

	<i>H1 2014</i>	<i>H1 2013</i>
▪ Direct result per share	€1.73	€1.76
▪ Indirect result per share	€(1.50)	€(1.15)
▪ EPRA NAV per share	€62.48	€64.49
▪ Portfolio revaluations	€(19.7)m	€(12.1)m
▪ LTV	35.4%	27.9%

## Operational excellence: LfL target raised

	<i>H1 2014</i>	<i>Targets 2014</i>
▪ LfL rental growth shopping centre portfolio above indexation	230 bps	200 bps
▪ Occupancy shopping centres	98.5%	98.0%
▪ General costs	€6.9m	€14.0m

## Funding: maturity profile improved, fixed-rated increased to 95%

- Renewal RCF into € 300m facility maturing in 2019 at cost of 100-130bps
- Issue € 250m July 2019 CB, 1% coupon, and subsequent € 100m buy-back of € 230m Nov 2015 CB
- Issue US PP notes for EUR 265m, average maturity 10 year, average cost of 2.9%
- Maturity profile lengthened to 5.5 yrs, fixed-rated part to 95% while keeping CoD stable at 2.6%

## Outlook 2014

- Target LfL rental growth shopping centre portfolio raised from 140bps to 200bps above indexation
- Direct result per share between €3.35 and 3.45

# Introduction CFO

Robert Bolier

Age 52

Nationality Dutch

2013 – 2014 Adv Warburg Pincus  
divestment of Mach, market leader in  
admin of roaming charges

2009 – 2012 CFO Atrium European Real Estate

1998 – 2006 CFO Assa Abloy AB  
Corporate Finance, CFO EMEA



# Key results

	H1 2014	H1 2013	% growth	% LFL growth
NRI Shopping centres	€ 45.7m	€ 39.4m	4.7%	3.7%
NRI Offices & Other	€11.7m	€ 11.4m	2.6%	1.8%
NRI Other*	€ 0.4m	€ 11.9m	n.a.	n.a.
<b>Total net rental income</b>	<b>€57.8m</b>	<b>€ 62.7m</b>	<b>-7.8%</b>	<b>3.2%</b>
Direct result per share	€ 1.73	€ 1.76	(1.7)%	
Valuation result	(€ 19.7)m	(€ 12.1)m		
	June 2014	Dec 2013		
EPRA NAV per share	€62.48m	€64.99m	(3.9)%	
LTV	35.4%	27.4%		
Occupancy Shopping Centres	98.5%	98.4%	+10bps	
Investment properties in operation**	€ 1,942m	€ 1,738m	11.3%	

• Disposals & held-for sale incl. UK & USA and Middenweg in the Netherlands \*\* incl. held for sale of € 6m

# 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 ( $\text{€}102\text{m}$ )
- 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

## H1 2014 results

- ✓ 230bps
- ✓ 98.5%
- ✓ On target
- ≈ In progress
- ≈ Planned for 2014
  
- ≈  $\text{€}240\text{m}$  spent so far
- ≈ On track
- ≈ On track
  
- ≈  $\text{€}86\text{m}$  spent so far
- ≈ On track
  
- ≈  $\text{€}215\text{m}$  reinvested
- ≈  $\text{€}45\text{m}$  sold
  
- ✓ 1 addition and 2 rotations
- ✓ Changes adopted at AGM 2014
- ✓ CSR framework adopted at AGM 2014

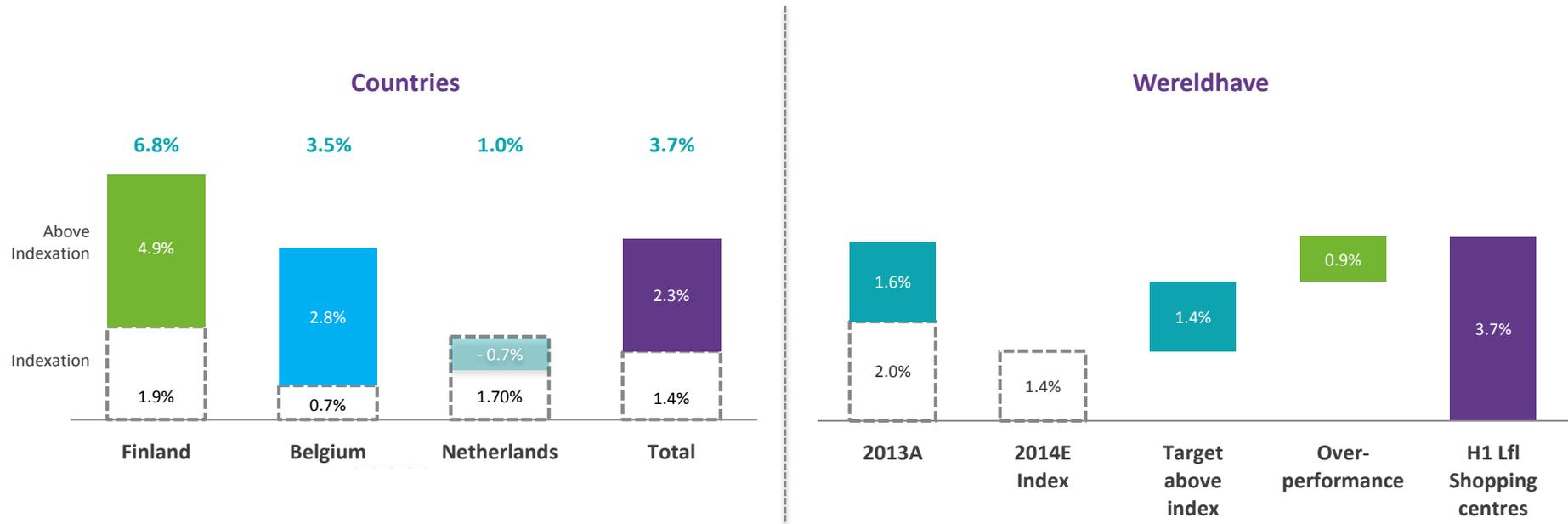
# Operations



Vier Meren - The Netherlands

# Shopping Centres like-for-like rental growth

H1 Performance of 230 bps above indexation, 2014 target raised to 200bps



Strong lease activity results in:

- Finland: 6.8%; 490 bps above indexation (target: 200 bps above indexation)
- Belgium: 3.5%; 280 bps above indexation (target: 220 bps above indexation)
- The Netherlands: 1.0%; 70 bps below indexation and target (target: at indexation)

For FY 2014: overall target of 140 bps above indexation raised to 200 bps above indexation

# Occupancy

	Occupancy			Value*	
	Q2 2014	Q1 2014	Q4 2013	Q2 2014	
Belgium	98.7%	98.5%	99.2%	383	19.6%
Finland	99.2%	99.2%	99.4%	485	24.8%
Netherlands	98.0%	98.0%	97.0%	677	34.7%
<b>Shopping centres</b>	<b>98.5%</b>	<b>98.5%</b>	<b>98.4%</b>	<b>1,545</b>	<b>79.1%</b>
Belgium	92.8%	93.6%	91.8%	126	6.5%
Paris	99.0%	99.0%	99.0%	189	9.7%
Spain	83.5%	80.7%	81.0%	92	4.7%
<b>Offices and Other</b>	<b>92.8%</b>	<b>92.3%</b>	<b>91.7%</b>	<b>407</b>	<b>20.9%</b>
<b>Total portfolio</b>	<b>97.2%</b>	<b>97.0%</b>	<b>96.6%</b>	<b>1,952</b>	<b>100.0%</b>

## Dynamic lease activity:

- Finland: 28 new leases; € 2.8m GRI; above ERV
- Belgium: 15 new leases; € 1.1m GRI; above ERV
- The Netherlands: 87 new leases; € 5.9m GRI; Q1 under-, Q2 at ERV

\* Appraisal value

# Shopping centre visitors

<i>(x 1,000)</i>	<b>H1 2014</b>	<b>H1 2013</b>	<b>% growth</b>
Belgium	5,403	5,294	2.1%
Netherlands	18,695	18,345	1.9%
Finland	7,692	6,990	10.0%
<b>Total</b>	<b>31,790</b>	<b>30,629</b>	<b>3.8%</b>

- Belgium: increase in footfall due to Nivelles and Belle-Ile. Stable numbers in Tournai
- Netherlands: visitor numbers increasing despite refurbishment activity
- Finland: change in visitor profile (more families); footfall +10% due to refurbishment nearing completion

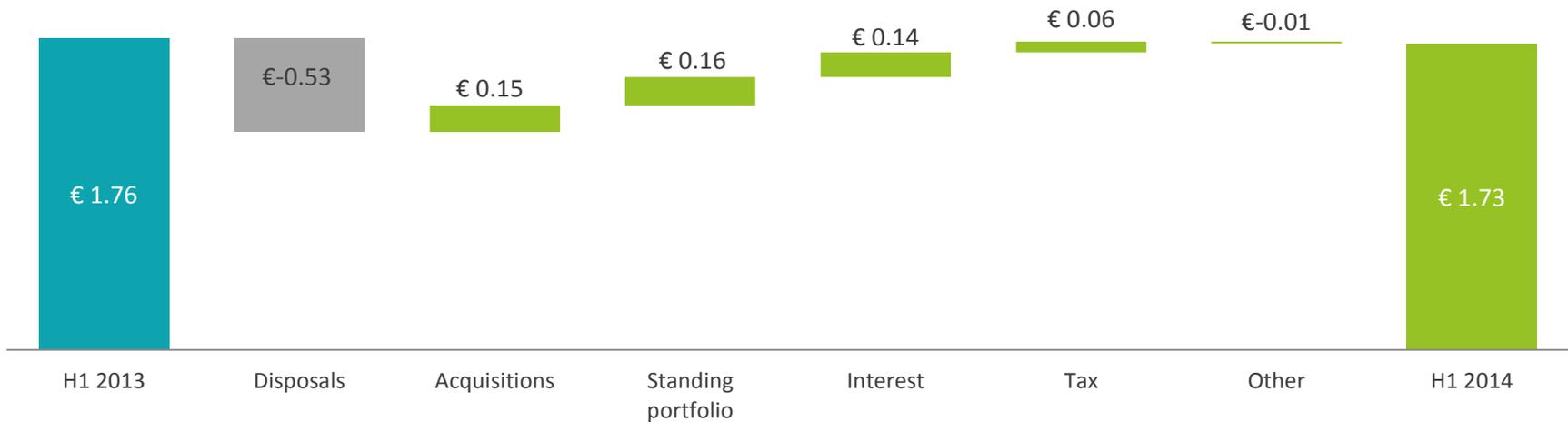
New counting system implemented across whole shopping centre portfolio, including track & trace of flows within the centres

# Financials



Genk - Belgium

# Direct result per share

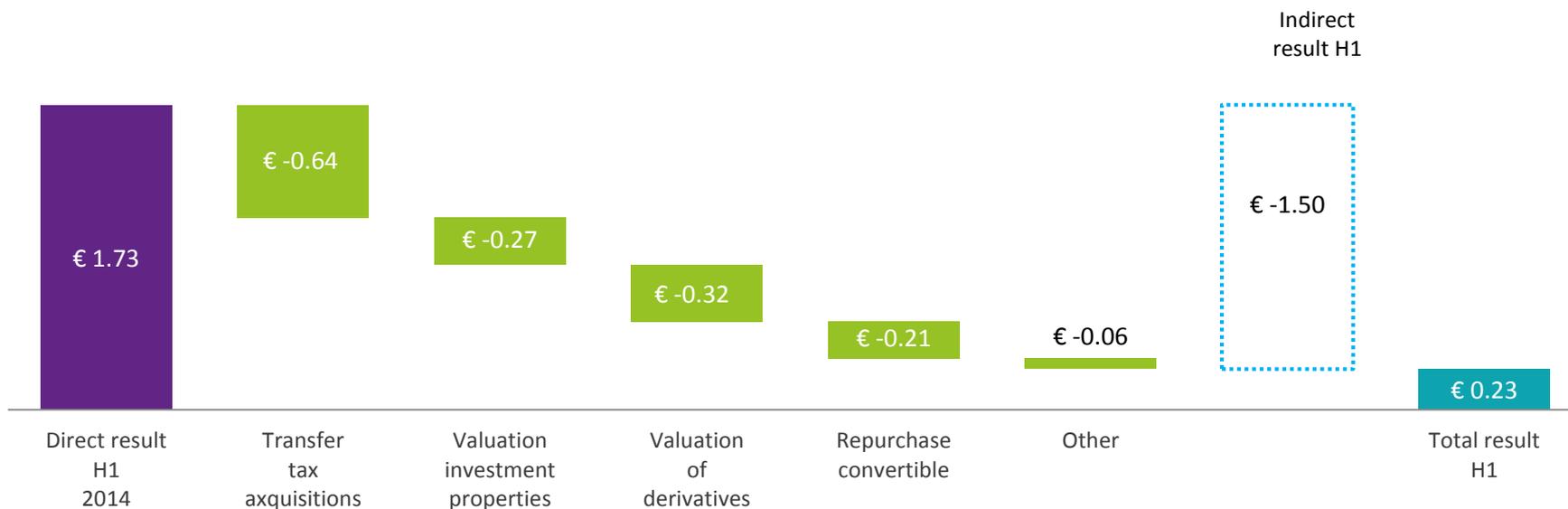


Direct result per share is mainly influenced by:

- Lower NRI due to disposals of UK, US and NL non-core assets; partly compensated by acquisitions of shopping centres in NL (Vier Meren, Koperwiek, Rosendaal)
- Lower interest cost due to repayments of loans and buy-back of convertible bonds in 2013 and 2014
- Release of tax payable in the UK

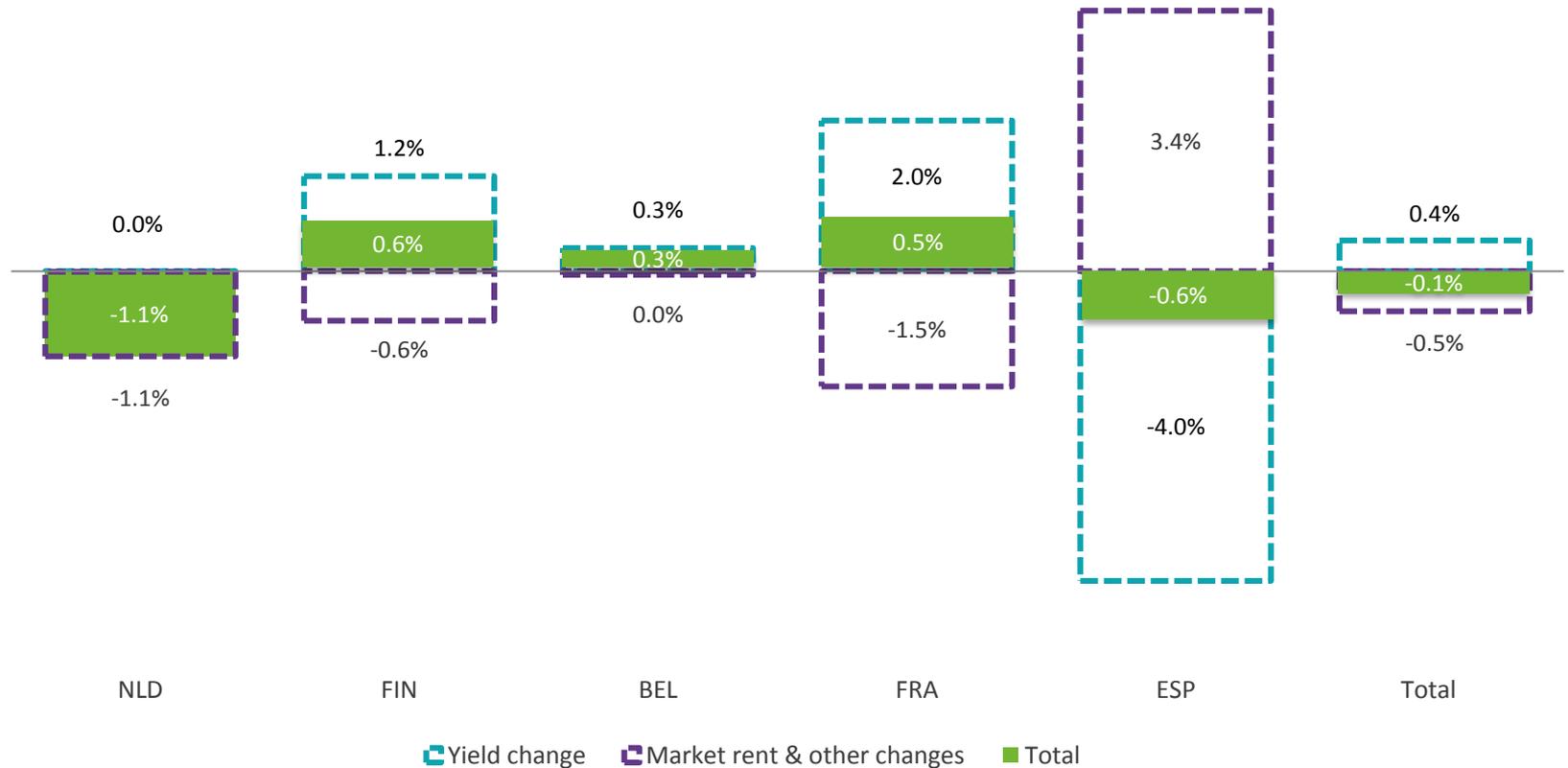
Net impact from sale of US/UK portfolios on H1 2014 DR p/s: € -0.24

# Indirect result per share

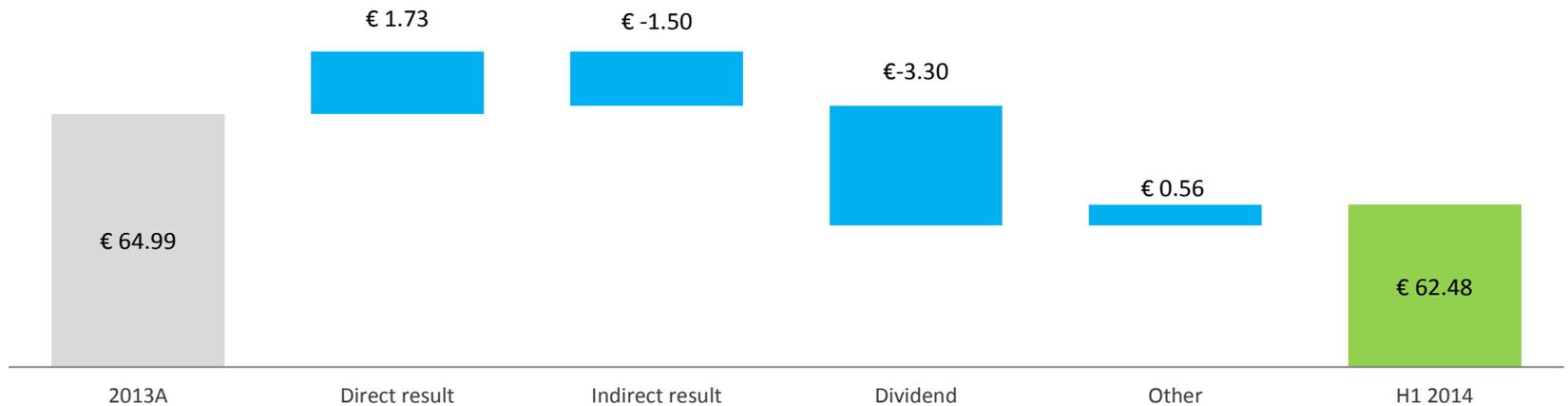


- Valuation result € -19.7m: transfer tax acquisitions € -13.9m, refurb capex NL € -3.5m, LfL valuation standing pf € -2.3m
- Valuation of derivatives (€ -0.32 per share) are driven by a decrease of interest rates, effecting the market value of interest rate swaps
- The repurchase of the convertible at a 3.5% premium and an accelerated depreciation of amortised cost resulted in a loss of € 4.6m (€3.5m premium and € 1.1m amortisation of cost)

# Valuation result like-for-like, standing portfolio



# EPRA NAV per share



## IFRS NAV\*

- 31 Dec. 2013: € 62.24
- 30 June 2014: € 59.11

## EPRA NNAV

- 31 Dec. 2013: € 62.12
- 30 June 2014: € 58.69

\* Reconciliation IFRS – EPRA in appendix of this presentation

# Income statement

<i>Amounts in € '000</i>	H1 2014		H1 2013	
	Direct	Indirect	Direct	Indirect
Gross rental income	63,547		72,807	
Service costs charged	10,975		12,885	
<b>Total revenues</b>	<b>74,522</b>		<b>85,692</b>	
Service costs paid	-12,246		-14,278	
Property expenses	-4,481		-8,682	
<b>Total expenses</b>	<b>-16,727</b>		<b>-22,960</b>	
<b>Net rental income</b>	<b>57,795</b>		<b>62,732</b>	
Valuation results		-19,732		-12,073
Results on disposals		-11		-6,337
General costs	-6,944		-7,328	
Other income and expense	561	-807	930	-2,490
<b>Operational result</b>	<b>51,412</b>	<b>-20,550</b>	<b>56,334</b>	<b>-20,900</b>
Interest charges	-9,621	-517	-12,506	-3,841
Interest income	420		240	
<b>Net interest</b>	<b>-9,201</b>	<b>-517</b>	<b>-12,266</b>	<b>-3,841</b>
Other financial income and expense		-11,140		605
<b>Result before tax</b>	<b>42,211</b>	<b>-32,207</b>	<b>44,068</b>	<b>-24,136</b>
Taxes on result	439	-130	-873	-462
<b>Total result</b>	<b>42,650</b>	<b>-32,337</b>	<b>43,195</b>	<b>-24,598</b>
<i>Profit attributable to:</i>				
Shareholders	37,608	-32,607	38,240	-25,047
Non-controlling interest	5,042	207	4,955	449
<b>Total result</b>	<b>42,650</b>	<b>-32,337</b>	<b>43,195</b>	<b>-24,598</b>
Earnings per share (€)	<b>1.73</b>	<b>-1.50</b>	1.76	-1.15

# Debt profile



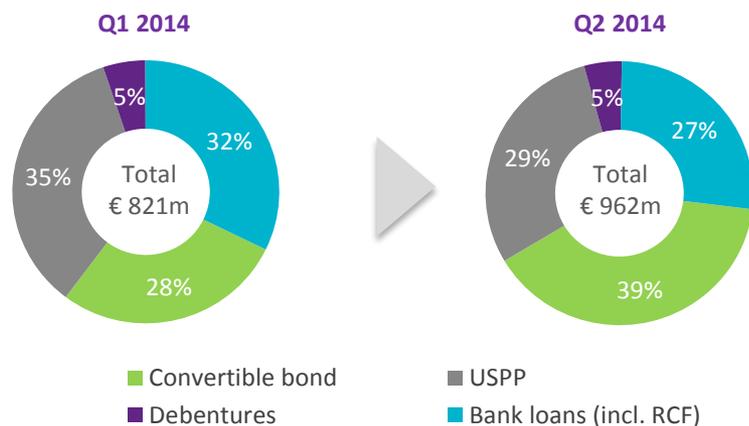
Genk - Belgium

# Debt profile

Key parameters	Q2-14	Q1-14	Covenants
Interest bearing debt *	€ 962m	€ 821m	
Average cost of debt	2.2%	2.7%	
Borrowing capacity	€ 449m	€ 388m	
Cash position	€ 122m	€ 88m	
Fixed vs floating debt	68% vs. 32%	61% vs. 39%	
LTV	35.4%	31.6%	≤ 60%
ICR	7.3x	7.4x	≥ 2.0x
Negative pledge	3.1%	4.8%	40%

\* Nominal value of interest bearing debt

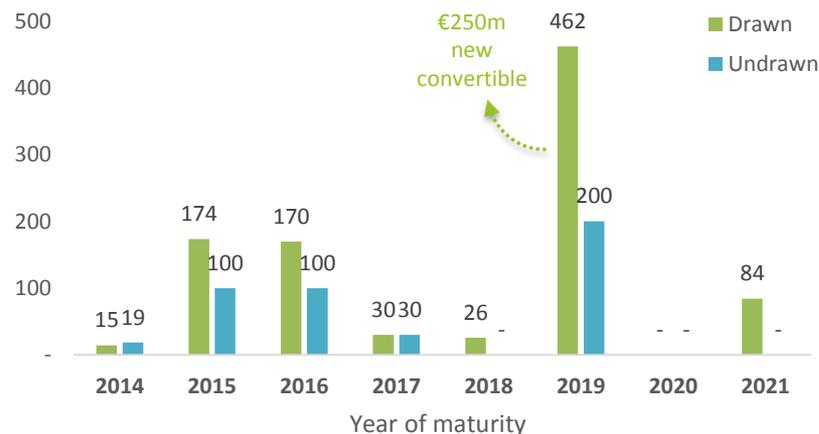
## Diversification of debt



\* Includes effect of acquisitions

- A €250m convertible, 1% coupon, was issued in May 2014:
  - Initial conversion price of €75.47 per share; 20% premium above the share price at per the issue date
  - Issuer conversion right: Wereldhave has the option to decide whether any, if applicable, conversion is settle in cash or shares
- Proceeds have been used to repurchase €100m of the existing 2.875% convertible due 2015, and further debt optimization
- Average costs of debt decreased by 0.5% mainly due to the lower coupon costs (1%) of the new convertible
- LTV increased to 35.4% mainly due to dividend distribution (impact 3.4%)

## New convertible increased maturity up to 3.7 years



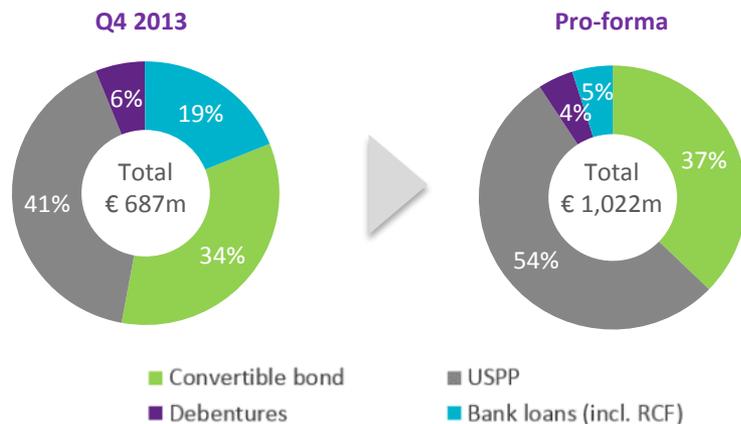
# Debt profile: changes H1 2014

Key parameters	Pro forma	Q4-13
Interest bearing debt *	€ 1,022m	€ 687m
Average cost of debt	2.6%	2.7%
Borrowing capacity	€ 654m	€ 485m
Cash position	€ 182m	€ 88m
Fixed vs floating debt	95% vs. 5%	57% vs. 43%
Average drawn debt maturity	5.5 yrs	3 yrs

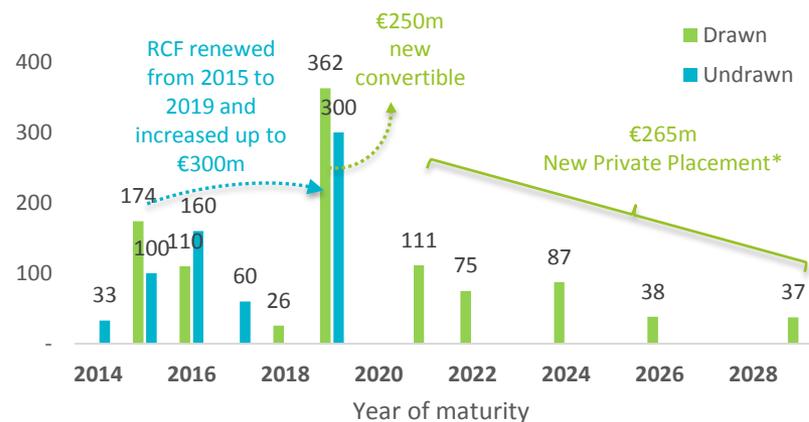
\* Nominal value of interest bearing debt

- The RCF was renewed until to 04-2019 and increased by €30m up to €300m. Commitment fees and margins were both decreased
- A €250m convertible was issued in May 2014: Coupon of 1%, conversion price 20% above share price at issuance
- Issuance of €265m senior unsecured notes through a private placement (PP) to 5 institutional investors is expected for July 2014

## Diversification of debt



## Renewal RCF, placement of €250m convertible, and new Private Placement increases maturity up to 5.5 yrs



\* 2021 figure shown includes €84m of an existing USPP, and a €27m new private placement

# Portfolio



Itis - Finland

# Committed development pipeline

<i>(in €m)</i>	<b>Total Investment</b>	<b>Capex so far</b>	<b>Expected NIY</b>	<b>Percentage pre-let</b>	<b>Completion</b>
Ghent (BEL)	15	15	6.5%	92%	July 2014
Itis (FIN)	102	86	7.0%	93%	Q4 2014
Issy-Les-Moulineaux (Noda, FR)	138	130	7.0%	65%	Q4 2014
Genk (BEL)	86	69	6.5%	72%	Q4 2014
Dutch redevelopment program (NL)	79	14	5.9%		2016
Dutch refurbishment capex	30	8	-		2016
<b>Total</b>	<b>450</b>	<b>322</b>			

- Ghent has been delivered on 1st of July, 92% leased
- Itis pre-letting increased further to 93%, including leases with Lindex and Topsport
- Several prospects shown interest in remaining 35% space of Noda
- Pre-letting of Genk increased to 72%. New leases signed with Blokker/Casa for 1,267 m2
- Good progress in refurbishment program Dutch shopping centres, especially in Eggert, Koningshoek and Roselaar with a.o. new F&B square, new passages, kids plaza, tenant relocations, etc.

# New kids plaza in Kronenburg



# Country Update



**Kronenburg - The Netherlands**

# Belgium



Genk Shopping I



Nivelles

Key parameters shopping centres	H1 2014	H1 2013
Net rental income	€ 13.4m	€ 12.9m
LfL	3.5%	5.8%
Occupancy	98.7%	99.4%
Valuation result	+0.3%	+0.6%
NIY (EPRA)	6.1%	5.8%
Standing investments	€ 382.3m	€ 379.5m
Under construction	€ 100.1m	€ 68.1m

- LfL NRI 3.5%, 280bps above indexation, strongest in Nivelles and Belle-Ile due to renewals and cost reductions
- Footfall +2.1% due to Nivelles and Belle-Ile. Stable numbers in Tournai
- Non-core consists of € 126m office portfolio in Berchem & Vilvoorde. LfL NRI +5.8% due to new lettings. Occupancy increased to 92.8% in H1 2014
- Project Ghent completed in July, 92% let; Construction Genk Shopping I on track; pre-letting slowly increasing, at 72% after new lease with Blokker/Casa

# Finland



Itis, Helsinki

Key parameters shopping centres	H1 2014	H1 2013
Net rental income	€ 13.5m	€ 11.2m
LfL	6.8%	4.3%
Occupancy	99.2%	99.1%
Valuation result	+0.6%	+0.5%
NIY (EPRA)	5.2%	n.a.
Standing investments	€ 485.1m	€ 460.4m
Under construction	€ 108.2m	€ 62.9m

- LfL NRI 6.8%, 490bps above indexation, due to positive reversions on relettings & renewals
- Change in visitor profile; footfall +10% due to refurbishment nearing completion and new counting system
- Conversion of former 12,000 m2 Stockmann store progresses with 7,425 m2 pre-let to Zara, Gigantti, Intersport and Lindex
- Costs and yield within budget; completion in Nov 2014; NRI in 2014 forecasted at € 28m

# Netherlands



Winkelhof, Leiderdorp



Eggert, Purmerend

Key parameters shopping centres	H1 2014	H1 2013
Net rental income	€ 18.8m	€ 15.3m
LfL	1.0%	1.20%
Occupancy	98.0%	94.8%
Valuation result	-1.1%	-2.4%
NIY (EPRA)	5.8%	6.0%
Standing investments	€ 673.8m	€ 479.9m
Under construction	€ 11.9m	€ 8.7m

- LfL NRI +1.0%, 70bps below indexation
- Consumer confidence gradually increasing, bankruptcies decreasing; consumer spending 'turning the corner'
- Strong leasing activity keeps occupancy at target
- Good progress in refurbishment program Dutch shopping centres, especially in Eggert, Koningshoek and Roselaar (a.o. new F&B square, new passages, kids plaza, tenant relocations, etc.); € 18m capex in H1 2014

# Paris



Noda office development, Issy-Les-Moulineaux, Paris



Joinville office development, Paris

Key parameters office	H1 2014	H1 2013
Net rental income	€ 5.0m	€ 4.9m
LfL	0.9%	6.2%
Occupancy	99.0%	99.0%
Valuation result	+0.5%	+1.9%
NIY (EPRA)	6.0%	6.0%
Standing investments	€ 180.7m	€ 179.3m
Under construction	€ 149.2m	€ 163.2m

- LfL NRI +0.9% from indexation; high 99% occupancy
- Construction of Noda well on track. BREEAM “Outstanding” label at design stage
- 65% pre-let; marketing remaining space in full swing; several prospects have shown interest
- Joinville project completed and transferred to buyer in Feb 2014 for € 91m, € 20m above cost

# Outlook



Eggert - The Netherlands

# Outlook

- Target LfL rental growth 2014 for the Shopping centre portfolio raised from 140bps to 200 bps
- Direct result FY 2014 between € 3.35 and € 3.45 per share

# Appendix

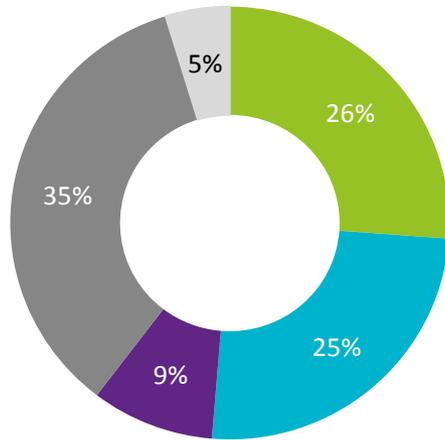


Itis - Finland

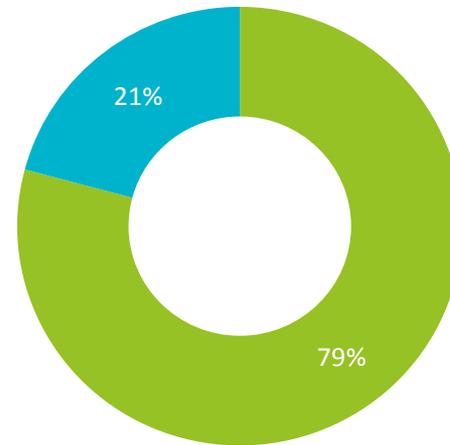
# Company Profile

- Independent property company, founded in 1930, first REIT in Europe
- Shopping centres in Finland, Belgium and the Netherlands; sustainable offices in Paris
- 'REIT' status in the Netherlands, Belgium, France
- Listed on Euronext Amsterdam
- Market cap: ± € 1.5bn
- Property portfolio June 2014: € 1.9bn
- Development pipeline <10% of assets
- ± 25 properties; average size ± € 70m
- Loan to value H1 2014: 35%. Longer term policy between 30 – 40%

# Portfolio composition



■ Belgium ■ Finland ■ France ■ Netherlands ■ Spain



■ Shopping Centres ■ Offices & Other

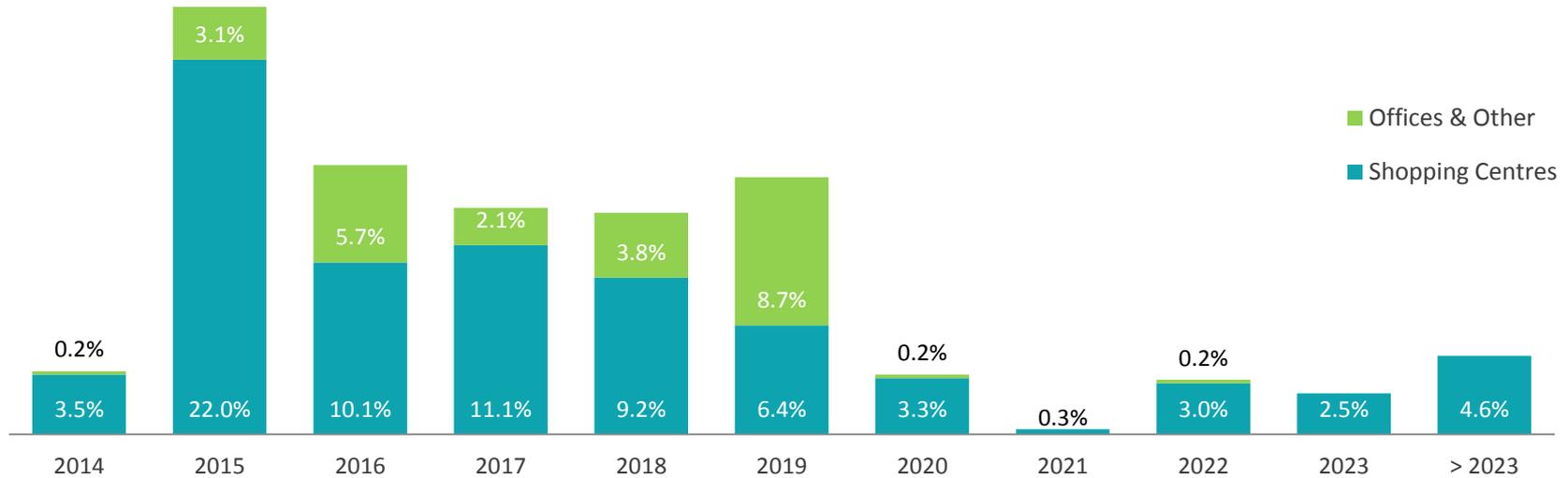
# Top 10 Tenants & Top 5 Properties

Rank	Tenant	% of rent	Rating
1	EDF	7.0%	A+
2	STOCKMANN	3.2%	
3	AHOLD	3.1%	BBB
4	HENNES & MAURITZ	2.9%	
5	C&A	2.3%	
6	ERGO SERVICES KDV	2.0%	AA-
7	BLOKKER	1.9%	
8	EXCELLENT RETAIL BRANDS	1.5%	
9	A.S. WATSON GROUP	1.5%	A
10	KESKO	1.4%	
<b>Total top 10 tenants</b>		<b>26.8%</b>	

Rank	Property	Sector	Value June 2014*	% of Total
1	Itis (Helsinki, FIN)	Shopping Centre	€ 485m	24.8%
2	Belle-Ile (Liège, BEL)	Shopping Centre	€ 162m	8.3%
3	Carré Vert (Paris, FRA)	Office	€ 148m	7.6%
4	Vier Meren (NLD)	Shopping Centre	€ 139m	7.1%
5	Nivelles (BEL)	Shopping Centre	€ 117m	6.0%
			<b>€ 1,051m</b>	<b>53.8%</b>
<b>Total properties</b>			<b>€ 1,952m</b>	<b>100%</b>

\* Appraisal value

# Lease expiry profile



- Belgium 9% of retail-expiries in 2015; >90% already re-let
- Netherlands 10% of retail-expiries in 2015; approximately 50% of contracts already prolonged
- Finland 3% of retail-expiries in 2015

Excluding indefinite contracts (4.6% of total)

# Committed development pipeline



## Ghent, Belgium

- Total investment €15m
- Capex to date €15m
- Expected NIY 6.5%
- Prelet 92%
- Completion Jul 2014



## Helsinki (Itis), Finland

- Total investment €102m
- Capex to date €86m
- Expected NIY 7%
- Prelet 93%
- Completion Q4 2014



## Genk, Belgium

- Total investment €86m
- Capex to date €69m
- Expected NIY 6.5%
- Prelet 72%
- Completion Q4 2014



## Issy-Les-Moulineaux, France

- Total investment €138m
- Capex to date €130m
- Expected NIY 7.0%
- Prelet 65%
- Completion Q4 2014



## Dutch redevelopment program

- Total investment €79m
- Capex to date €14m
- Expected NIY 5.9%
- Completion Q1 2016

# Valuation like-for-like standing portfolio

Shopping centres – In €m	Jun 2014	Dec 2013	Revaluation	EPRA NIY
Belgium	383	381	0.3%	6.1%
Finland	485	482	0.6%	5.2%
The Netherlands	677	477	(1.1)%	5.8%
<b>Total</b>	<b>1,545</b>	<b>1,340</b>	<b>(0.2)%</b>	<b>5.7%</b>

Offices & Other – In €m	Jun 2014	Dec 2013	Revaluation	EPRA NIY
Belgium	126	126	(0.1)%	6.9%
Paris	189	187	0.5%	6.0%
Spain	92	92	(0.6)%	6.2%
<b>Total</b>	<b>407</b>	<b>405</b>	<b>0.2%</b>	<b>6.3%</b>

<b>Total portfolio*</b>	<b>1,952</b>	<b>1,745</b>	<b>(0.1)%</b>	<b>5.8%</b>
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- EPRA Net Yield<sup>\*\*</sup>: 5.8%
- LfL valuation result: +0.4% from yield movements, (0.5)% 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 cash rents passing at balance sheet date, less non-recoverable property operating expenses, divided by gross market value of portfolio

# NAV reconciliation (IFRS – EPRA)

	€ per share
<b>IFRS NAV 30 June 2014</b>	<b>59.11</b>
Effect of conversion	0.0
<b>Diluted NAV</b>	<b>59.11</b>
Fair value derivatives	0.05
Deferred tax	3.41
Goodwill	(0.09)
<b>EPRA NAV</b>	<b>62.48</b>
Fair value derivatives	(0.05)
Fair value interest bearing debt	(1.69)
Deferred tax	(2.05)
<b>EPRA NNAV</b>	<b>58.69</b>

# Acquisition criteria shopping centres

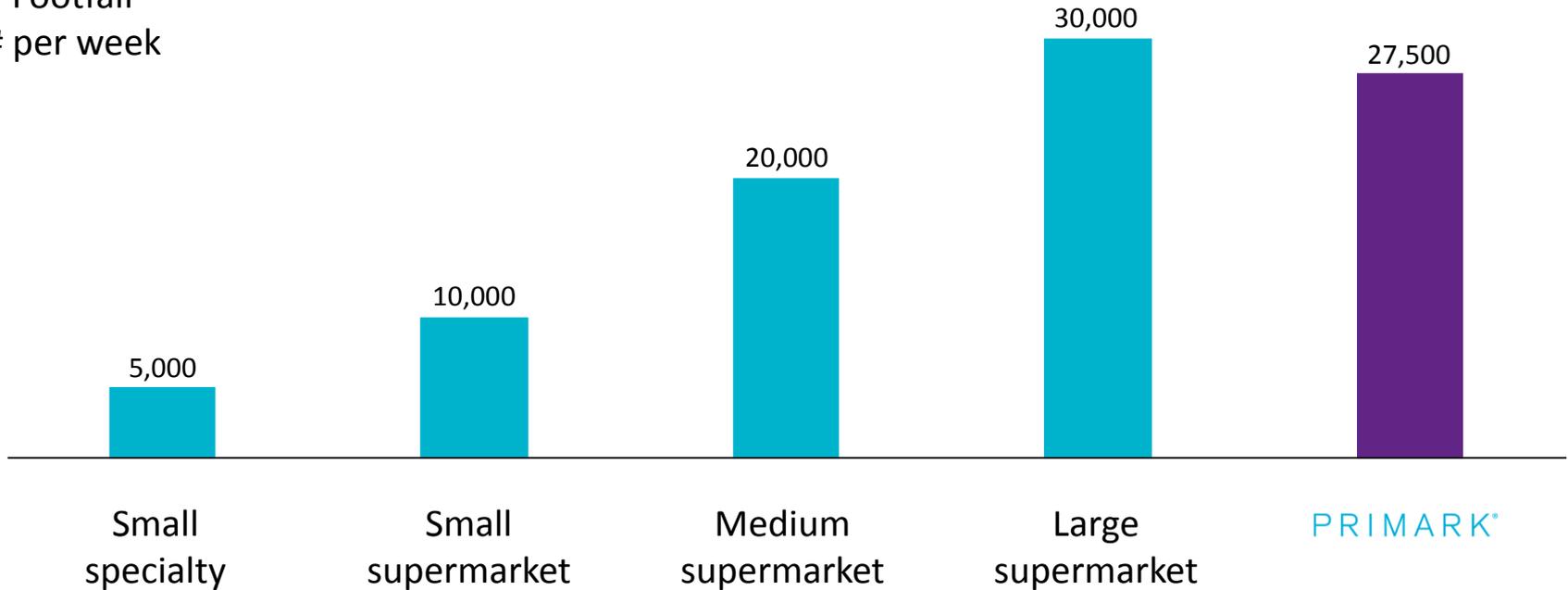
## Convenient shopping

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- 90% of shopping needs
- Top-of-mind in catchment area
- At least 100,000 inhabitants within 10 minutes drive time
- Easy accessibility
- Strong (inter)national brands and local heroes
- Embedded food, beverage and entertainment
- Presence of two supermarkets

# Large Supermarkets Attract Footfall in Similar Proportions as Premium Department Stores

Footfall  
# per week



8 out of 10 Wereldhave shopping centers are anchored by at least two medium-sized supermarkets

Food retail resilient to internet (1% → 5% in 2018)

# Digital strategy

*use online channels to inform, inspire & connect customers and retailers.*

- Shopping Center website with social media integration
- Shop information & special offers placed by retailers (web & app)
- Online community for retailers (intranet) for information exchange
- Social media page for shopping center & retailers
- Shopping center app with up-to-date information & offers

*app*



*website*



# Contact details

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