

JULY 24, 2018

# PRESS RELEASE RESULTS FIRST HALF 2018

Operations well on track: occupancy increases to 96.1% (YE 2017: 95.5%)

EPRA EPS € 1.70 (H1 2017: € 1.72)

Direct result € 74.5m (H1 2017: 75.2m)

Indirect result € -45.5m (H1 2017: € -0.9m)

Outlook precised: EPRA EPS 2018 between € 3.33 - € 3.38 (€ 3.30 - 3.40)



WERELDHAVE

# FIRST HALF 2018



- Occupancy increases in all countries to 96.1% (YE 2017: 95.5%)
- Direct result per share remains stable at € 1.70 (H1 2017: € 1.72)
- Operations in France show good improvement on several metrics
- Like-for-like shopping centres decreases by 1.3% (Netherlands and Finland stable, France improving and Belgium expected to recover in H2 2018)
- Outlook is within guidance at € 3.33 and € 3.38 per share (€ 3.30 - 3.40)

# OUR MARKETS

## THE NETHERLANDS

The retail market in the Netherlands is quite comparable to the second half of 2017. The economy is doing well with a strong housing market and low unemployment. However, footfall has been capricious this year, resulting in volatile spending. The retail market continues to face a polarisation in demand from retailers. Besides fashion retailer Men at Work and Kijkshop, there were no major retailer bankruptcies in the first half of 2018. The gap is widening between quality centres that connect to the consumer needs and the smaller ones that have a less complete offer. This is particularly noticeable in store closures in smaller towns. The high occupancy of our centres underpins the quality of our portfolio of convenience shopping centres in urbanised areas with growing consumer markets. Demand from retailers is very broad, which again has resulted in several package-deals for Wereldhave. Rent levels are generally at or above ERV, except for units with a long history of vacancy. We will focus on the right balance between retail, F&B and services, to facilitate our visitors, who seek to combine their daily tasks and broader needs instantly and conveniently nearby.

## BELGIUM

The economy in Belgium is performing decently with forecasts projected at 1.7% GDP growth for 2018. However, despite rising employment, retail sales are hardly growing. This is particularly visible in the fashion industry, where the transformation towards becoming a true omni-channel player makes retailers more selective. For some formulas, this means they are reconsidering their store base platform. In general, this results in lower demand for space. Over the past half year, even on the prime high-streets the demand for larger spaces has been limited. The market segment in which Wereldhave operates (larger shopping centres in well-established catchment areas) enjoys rising occupancy. The strategy of selecting the right retailers while keeping rents affordable pays off. Rent levels of contracts signed are generally well above ERV.

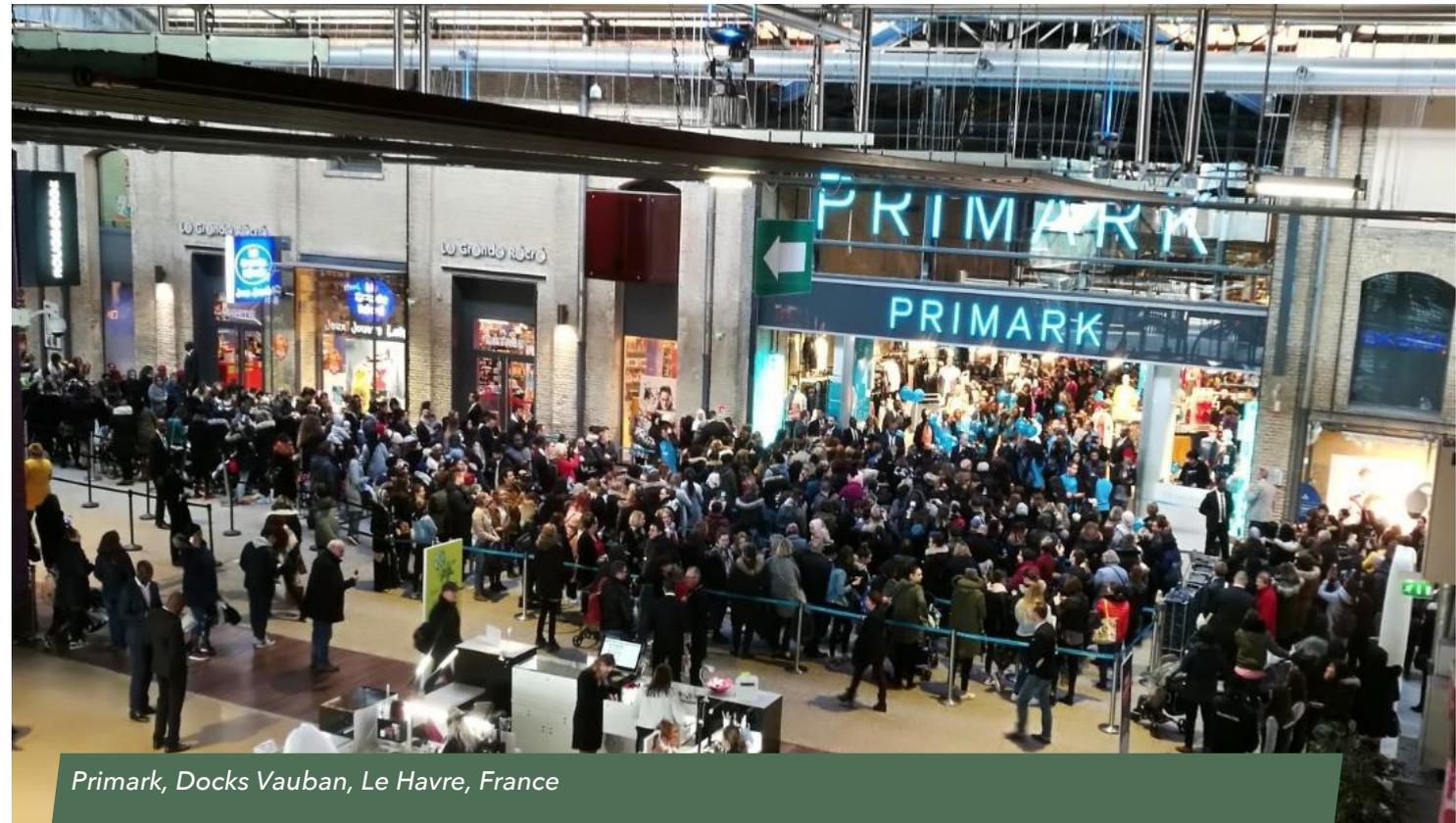
## FINLAND

Against the backdrop of a cautiously optimistic economic sentiment, retail sales year-to-date in Finland have been somewhat disappointing, particularly in the fashion segment. The sentiment is also reflected in the activity from retailers searching for space to open new stores. More retailers, from various segments, are searching for space. Leasing activity is increasing, but decision-making can still be lengthy. With limited vacancy and demand increasing, nearly all contracts signed in Itis are at or above ERV.

## OUR MARKETS

### FRANCE

The French retail market can still be considered as challenging. The French economy develops gradually with forecasts for 2.0% GDP growth for 2018 but retail sales growth shows a negative picture and unemployment levels remain high. Retailers remain cautious towards expansion. At the same time, the fashion and toys segment are facing competition from changing consumer behaviour and eCommerce. Some bright spots are appearing from increasing demand, such as sports, food & beverage as well as the home furniture business. Also, there is an increasing demand from less traditional segments, such as co-working spaces, healthcare & medical and services. General leasing conditions in France are more difficult than in the other countries.



*Primark, Docks Vauban, Le Havre, France*

# OPERATIONS

- **Occupancy increases in all countries**
- **Occupancy rate of shopping centres increased to 96.1% (YE 2017: 95.5%)**
- **Operations in France stabilised under challenging market conditions**
- **Overall like-for-like rental growth at -1.3% (index 1.3%).**
- **Increase in footfall of 0.6% from 73.5m to 73.9m shopping centre visitors**
- **Footfall increase 2.2% above market average**

Over the first quarter, occupancy remained flat. In the second quarter leasing gained momentum, with a strong increase in occupancy across the board, bringing the overall number from 95.5% at year-end 2017 to 96.1% at the end of June 2018.

## THE NETHERLANDS

In the Netherlands, occupancy stood at 96.8% at the end of the second quarter (YE 2017: 96.5%). Leasing activity remained high, with 146 leases signed during the first half of the year. Important new leases that were signed during the second quarter are with S. Oliver and Comma at Nieuwegein, Action at Kronenburg in Arnhem, Levi's and Pandora for Tilburg and package deals with Casa, terStal and The Stone. Rent levels are generally at or above ERV. Like-for-like rental growth amounted to 1.0% which is 0.3% below the indexation.

In spite of ongoing development works in Capelle aan den IJssel and Presikhaaf in Arnhem, footfall in Wereldhave's centres outperformed the market average. Compared to 2017, footfall decreased by 1.5%, whereas the national footfall index saw a 1.9% decline. People may come less often, but stay longer. The average dwelltime in our Dutch centres during the first half of 2018 increased by 9.6%.

## BELGIUM

In Belgium, occupancy of the shopping centres increased strongly during the first half of the year, from 94.9% at year-end 2017 to 96.7% at June 30, 2018. The occupancy of the Belgian offices remained stable and stood at 90.6% at June 30, 2018.

During the second quarter, transactions for large units were signed with anchor tenants as Decathlon, NewYorker, Action and Medi-Market. Particularly in Kortrijk, good leasing progress was made. In one year's time, occupancy in Kortrijk rose from 88% to 95%. Footfall in Kortrijk went up by 4.1% in 2017 and 5.3% in 2018. In Genk occupancy also improved, as leases were signed with JDSPORTS, Action and Only. In Nivelles, Decathlon became an important new anchor to the centre, bringing occupancy back to the 100% level.

## OPERATIONS

The announcement by Carrefour to close its hypermarkets in Liège and Genk and the subsequent strikes impacted footfall, particularly in Liège. Carrefour has meanwhile reached agreement with the trade unions, and has requested a partial release of the lease agreements in Liège and Genk. They seek to reduce floorspace and change their profile from hypermarket to supermarket. Negotiations with Carrefour are ongoing and Wereldhave is exploring alternatives for the space that will become available. In Liège, the new lay-out will be reviewed in combination with the expansion plans that have been put on hold. Due to the large success of the new Bastions shopping centre in Tournai that opened on April 12, 2018, footfall of the Belgian shopping centre portfolio still went up by 6.5%.

Like-for-like rental growth of the Belgian shopping centre portfolio was -3.4%, with indexation at 1.5%. The like-for-like rental income decreased by the introduction of free parking in Shopping1, temporary vacancy in Nivelles (now leased to Decathlon) and the departure of a tenant at Stadsplein, Genk.

### FRANCE

In France, operational performance is becoming more robust, as occupancy increased for the third quarter in a row. During the second quarter, the increase amounted to 0.2%, bringing the occupancy level to 93.6% at June 30, 2018 (YE 2017: 93.2%). Footfall in the French shopping centres increased by 3.4% while the CNCC footfall index declined by 1.2%. This is mainly driven by the success of Primark opening in Docks Vauban and to new anchor tenants, in particular Action, in Côté Seine. Sales dropped by 3.6%, which is below the market average decrease of -1.6%.

Important leases that were signed during the first half of 2018 are with Marionnaud and Bershka for Docks Vauban, Guess in Rivetoile, Etam in Docks76 and a package deal with Muy Mucho (home interiors). Letting of the Verrerie project in Rouen is at 86% (KFC, Vapiano, Miss Cookies, BChef, Micromania). We are steadily increasing the multi-purpose use of our centres. In Rivetoile, a lease was signed with a dentist centre and in Côté Seine with La Poste.

The like-for-like rental growth in France came out at -3.9%, with indexation at 1.8%. Leases that were signed during the third quarter of 2017 to secure anchor tenants impacted net rental income. NRI for the first half of 2018 amounted to € 20.4m, which is 6.1% below the H1 2017 level. We anticipate an annual decrease of up to 5% of NRI in France for the full year 2018.

## OPERATIONS

### FINLAND

In Finland, occupancy at June 30, 2018 stood at 96.4%, against 96.0% at the end of the first quarter. Leasing activity was high during the second quarter, with 21 leases signed, nearly all well above ERV. After the strong like-for-like rental growth of 7.6% in H1 2017, like-for-like rental growth for the first half of 2018 was -0.6%, with the indexation at 0.4%. Jysk was signed as a new anchor and all Food and Beverage units next to new cinema are now pre-let, amongst others with Vapiano, Taco Bell and Lucky Bastard.

To improve the customer journey, a kid's play area was installed in front of the shopping centre at the Talinn square and new wayfinding was implemented throughout the centre. In spite of the development works for the cinema and the food and beverage units, footfall decreased by only 0.5% over the past twelve months.

Occupancy	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	OCR*
<b>Belgium</b>	95.7%	96.1%	94.9%	95.2%	96.7%	10.4%
<b>Finland</b>	96.3%	96.6%	96.7%	96.0%	96.4%	13.3%
<b>France</b>	93.3%	91.9%	93.2%	93.4%	93.6%	13.4%
<b>Netherlands</b>	96.2%	96.1%	96.5%	96.5%	96.8%	n.a.
<b>Shopping centres</b>	95.4%	95.3%	95.5%	95.5%	96.1%	12.3%
<b>Offices (Belgium)</b>	92.0%	91.9%	91.7%	90.3%	90.6%	
<b>Total portfolio</b>	95.3%	95.1%	95.3%	95.3%	95.8%	

\* 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).

## OPERATIONS

### Investment portfolio

During the first quarter of 2018, Wereldhave sold 89 residential units above the Koperwiek shopping centre in Capelle aan den IJssel in the Netherlands. The transaction was completed for € 12.8m, equal to the book-value. There were no disposals during the second quarter. On July 4, 2018, Wereldhave Belgium sold an office building at the Olieslagerslaan in Vilvoorde for € 2.4m, equal to book-value.

### Development pipeline

At June 30, 2018, Wereldhave's committed development portfolio consists of four projects, two in the Netherlands, one in France and one in Finland. The total value of the committed development pipeline is now at € 109m, which will be funded with the anticipated disposals in line with our management agenda (disposals up to € 200m for 2017-2019).

In the Netherlands, the redevelopment of the Koningshoek shopping centre in Maassluis was completed in the first quarter of 2018. The centre is nearly fully let and footfall increased by 14%. Retailers report that the regional function of the centre is growing strongly and that average sales tickets are rising. Wereldhave is proud to announce that the centre was nominated for the annual Dutch shopping centre council (NRW) redevelopment prize, amongst 4 other contenders.

The committed development pipeline in the Netherlands now consists of two projects. In Capelle aan den IJssel, the development of a parking garage, a new passageway and a food court to the centre is making good progress. The first shops opened their doors in May 2018 and the project is to be completed early 2019.

The second committed project is the redevelopment of the Presikhaaf shopping centre in Arnhem. The project is now more than halfway. The fresh-food square was completed on May 25, 2018 and is fully let. The square is located at the front of the centre next to the new Albert Heijn and the third supermarket of the centre, Aldi. Leasing in Presikhaaf is making good progress with a healthy tenant appetite. Recent signings to the centre are The Stone (fashion) and Van Haren (shoes). The project is scheduled for completion in 2019.

In Tilburg, the new Frederikstraat is nearly fully let. Footfall at the Pieter Vreedeplein and the Emmapassage records double digit growth since the first phase of the project was completed. Plans are being drafted with the municipality for the second phase of the inner-city redevelopment scheme, to connect the new Frederikstraat to the Emmapassage and the Primark. This part of the project is not yet committed and is to be partly funded with local asset rotations.

In Belgium the 15,000 m<sup>2</sup> expansion of the Tournai shopping centre was completed on April 12, 2018. Wereldhave Belgium takes pride in the nomination of Les Bastions for the shopping award 2018 by BLSC, the Belgian Luxembourg Council of Retail and Shopping Centres. Les Bastions is very successful, with average footfall recording a 50% increase. The centre is fully let with large and renowned retailers, such as Zara, Bershka, JBC, Bel&Bo, Etam Lingerie and Armand Thiéry and an attractive food & beverage offer. There are currently no major committed development projects in Belgium.

## OPERATIONS

In France, the new Primark in Docks Vauban, which opened its doors on February 21, 2018, pushed footfall of the centre up by 30% during the first half of the year. The committed development portfolio in France now consists of the Verrerie project in Saint Sever. This € 26m investment aims to add a food hall to the shopping centre, directly in front of the Kinopolis cinema, with Vapiano and KFC. Preleasing of the project is at 86% and the total project will be completed in 2019. We are currently actively working on securing a new large anchor for Saint Sever.

In Finland, the Finnkinno project is well on track and within budget. Opening is scheduled at November 30, 2018. All restaurants near the cinema have been let, with anchors such as Vapiano, Lucky Bastard and Taco Bell and a salad bar, a noodle bar and a coffee bar. These will open between August and November 2018.

Wereldhave aims to keep the development pipeline scaled down to below the 3% level of the total portfolio. Uncommitted projects in the pipeline are the refurbishment of Mériadeck in Bordeaux, the second phase of the city centre redevelopment in Tilburg, the expansion of Sterrenburg in Dordrecht and an extension and changes in lay-out in Belle-Ile, Liège.

(In €m)

Key Developments	Total investment	Capex (net) so far	Capex spent 2018	YoC	Prelet	Completion
<b>Committed</b>						
Itis Cinema	31	16	7	4.8%	100%	Q4 2018
Saint Sever - Verrerie & refurb	26	9	4	9.0%	86%	2019
Koperwiek	32	20	7	5.4%	52%	2019
Presikhaaf	20	15	4	6.8%	69%	2019
<b>Total</b>	<b>109</b>	<b>60</b>	<b>22</b>			

## OPERATIONS

### **Customer Journey improvement**

In 2018, Wereldhave launched a capital expenditure programme to improve the customer journey, requiring an estimated annual investment of € 4-5m. A dedicated project organisation has been set up during the first half of the year. The team is now up and running. The project is based on six pillars (with examples below):

#### **We are connected to you**

(strategic digital partnerships, promotions, interactive websites and guest service, newsletters and mobile websites and Instagram feeds)

#### **We offer easy in & easy out**

(electric charging points, family parking spots, clean light and safe parking, clear directions, pay by plate parking, shuttle services, spacious and mobility access and pick-up and return points)

#### **We help you find your way**

(digital wayfinding, physical wayfinding, online wayfinding)

### **We make you feel welcome**

(green social spaces, interactive community areas, recycling bins and phone charging points)

### **We care about your needs**

(clean and spacious toilets, food concepts mixing different on-trend options, restrooms adapted for kids, food sampling)

### **We make you smile**

(entertainment, kids play area with F&B, events calendar, baby supplies and kids infrastructure, alternative kids entertainment spaces outside and leisure making use of unused rooftops)

Per pillar, pilots will be launched and analysed to establish design standards. During the first half of 2018, the first pilot projects were started. These include improved parking lay-out and signing in Les Bastions and new wayfinding in Koningshoek and Les Bastions. The pilot for new restrooms will be launched in De Koperwiek and in Presikhaaf, new Play & Relax areas in De Koperwiek, Les Bastions and Docks 76 and new Food & Beverage in Belle Ile. When proven to be successful, we will then roll out these projects on a larger scale.

To (digitally) connect to the customer, we will improve the websites and create relevant digital touchpoints. We are also working on a new data platform, to activate the local community with targeted and personalised messages.

The overarching branding and positioning is our main focus point for the second half of 2018. We will present our updated marketing and branding strategy with our FY 2018 results.



# RESULTS H1 2018

- **Total result € 29.0m (H1 2017: € 74.2m)**
- **Direct result € 74.5m (H1 2017: 75.2m)**
- **Indirect result € -45.5m (H1 2017: € -0.9m)**
- **Property revaluation: € -44.9m (H1 2017: € -2.9m)**
- **Direct result per share € 1.70 (H1 2017: € 1.72)**
- **NAV per share (EPRA): € 48.94 (FY 2017: € 50.00)**
- **Loan-to-Value: 42.2% (FY 2017: 40.7%)**
- **Like-for-like shopping centres -1.3% (index 1.3%)**

## Total result

The total result for the first half of 2018 amounts to € 29.0m (H1 2017: € 74.2m). The decrease is largely due to a lower indirect result compared to the first half of 2017. The direct result decreased by 1% to € 74.5m, mainly from disposals that were completed in 2017. The indirect result for the first semester was € -45.5m, against € -0.9m in H1 2017. The total result per share amounted to € 0.54 (H1 2017: € 1.69).

## Direct result

The direct result for the first half of the year amounted to € 74.5m against € 75.2m in 2017. The direct result per share amounted to € 1.70 (H1 2017: € 1.72).

Overall, net rental income decreased by € 1.9m, or 2%. In Belgium, net rental income improved by € 0.2m. The additional rental income from the extension of Tournai is partially offset by the disposal of the Madou office building in Brussels and lower rental income in Stadsplein Genk. In France, net rental income decreased by € 1.3m, mainly from sales based rents with anchor tenants that were agreed mid 2017 and the Verrerie project in Saint Sever, Rouen. In the Netherlands, net rental income decreased by € 0.8m. The impact from two disposals in 2017 in Zoetermeer and Zwolle was mitigated by € 1.0m improved net rents, mainly in Koningshoek, Maassluis, which was taken into operation. Net rental income in Finland remained nearly stable.

H1 results 2017 were negatively impacted by € 0.8m restructuring costs. Interest charges increased by € 0.4m to € 15.6m in H1 2018, mainly the result of the increase in debt.

## Indirect result

There was a negative revaluation in the Netherlands of € -25.9m and in Finland of € -16.3m (net of deferred tax). The devaluation in the Netherlands mainly relates to yield expansions and lower ERV expectations on less strategic assets, as well as non-yielding capital expenditures. In Finland, the devaluation relates to capital expenditures, mainly in relation to the cinema. The negative impact was partially offset by a positive property revaluation in Belgium of € 10.2m on the shopping centres, mainly from Les Bastions, less a negative revaluation of the Belgian offices of € 6.9m. In France, the value of the portfolio decreased by € 4.1m. Yields in France remained flat.

The indirect result was further slightly impacted by the valuation of derivatives, the deferred tax liability and other items. The total indirect result amounted to € -45.5m. The EPRA net initial yield as at June 30, 2018 remained flat at 5.1%.

## Equity

On June 30, 2018, shareholders' equity including minority interest amounted to € 2,075.0 m (December 31, 2017: € 2,117.0m). The net asset value per share (EPRA) including current profit stood at € 48.94 at June 30, 2018 (December 31, 2017: € 50.00). At both dates, the number of ordinary shares in issue amounted to 40,270,921.

## RESULTS H1 2018

### Financing

On July 19, 2018, Wereldhave agreed an additional € 350m Revolving Credit Facility with a syndicate of banks, for a maximum term of two years. Consequently, with an extension of the company's existing € 300m Revolving Credit Facility by one year until 2023 and a refinancing of maturing facility in Belgium of € 30m for five years, the liquidity profile of the company improved significantly.

At the end of June, the weighted average maturity of the debt portfolio amounted to 4.5 years and the average cost of debt and ICR were 1.90% and 6.3x respectively.

Nominal interest-bearing debt was € 1,628m at June 30, 2018, which, together with a cash balance of € 13m, gives a net debt of € 1,615m. As at June 30, 2018 the undrawn committed borrowing capacity amounted to € 150m and the Loan-to-Value ratio amounted to 42.2% (December 31, 2017: 40.7%). As at June 30, 2018, 80% of Wereldhave's debt portfolio was at fixed interest rates.



*Armand Thiery, Les Bastions, Tournai, Belgium*

# OUTLOOK 2018

- **Outlook precised: direct result 2018 between € 3.33 and € 3.38 per share (was: € 3.30 - 3.40)**
- **Quarterly interim dividend of € 0.63, or € 2.52 on an annual basis**

## Outlook precised

The operational performance is gradually improving in all countries. We now set our outlook for 2018 for the direct result to between € 3.33 and € 3.38 per share (previously: € 3.30 - 3.40). Dividend for 2018 will be at a level of € 2.52, payable in four equal (interim) dividend payments of € 0.63 per quarter.

## Dividend dates for the financial year 2018

ex-dividend #1 2018	July 26, 2018
Dividend record date	July 27, 2018
Payment date dividend #1 2018	July 31, 2018
ex-dividend #2 2018	October 23, 2018
Dividend record date	October 24, 2018
Payment date dividend #2 2018	October 25, 2018
ex-dividend #3 2018	January 29, 2019
Dividend record date	January 30, 2019
Payment date dividend #3 2018	January 31, 2019
ex-dividend #4 Final 2018	April 30, 2019
Dividend record date	May 2, 2019
Payment date dividend #4 2018	May 6, 2019

## Changes to the FBI regime

The October 2017 Government coalition agreement stated an intention that FBI's (Dutch REITs), including Wereldhave, will no longer be allowed to invest directly in Dutch real estate from 2020 onwards, due to the planned abolishment of the dividend withholding tax (DWT). We expect more clarity on this subject by mid-September, as part of the Government tax budget for 2019.

Non-listed real estate FBI's are able to restructure themselves and can so potentially maintain tax transparency. Wereldhave, as a publicly listed company, has to be NV and can not restructure. We believe these changes to the FBI regime would create an uneven playing field and are probably an unforeseen - but very damaging - side effect of the DWT plans. We find these plans hard to explain, at a time when 35+ countries worldwide have existing REIT legislation, including most of the G20 countries, and many more countries are actively considering to introduce a REIT model.

## OUTLOOK 2018

We continue to believe this issue can still be resolved. Our efforts are aimed at resolving this issue in collaboration with our peers, in particular for Dutch private investors which are likely to be most impacted by this change. The Dutch assets compose approx. 40% of our total assets. If we find ourselves unable to resolve the issue, we believe items such as fiscal depreciations could well be a mitigating factor in the actual impact for Wereldhave.

Schiphol, 24 July 2018

Wereldhave N.V. Board of Management  
D.J. Anbeek, CEO  
A.W. de Vreede, CFO

### Conference call / webcast

Wereldhave will present the results for the first half year of 2018 via a webcast and conference call at 10.00 CEST, today. This webcast will be available at <https://www.wereldhave.com/>.

#### Information for the press Information for analysts

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### About Wereldhave

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

# NEW STORE OPENINGS



Zara, les Bastions, Tournai, Belgium



JD Sports, Itis, Helsinki, Finland



Levi's, Frederikstraat, Tilburg, The Netherlands



Action, Côté Seine, Argenteuil, France

## DIRECT & INDIRECT RESULT

for the period ended June 30, 2018

(x € 1,000)

	Six months ended June 30, 2018		Six months ended June 30, 2017	
	direct result	indirect result	direct result	indirect result
Gross rental income	111,198		113,705	-
Service costs charged	17,369		21,222	-
<b>Total revenue</b>	<b>128,567</b>		<b>134,927</b>	-
Service costs paid	-21,176		-24,828	-
Property expenses	-10,099		-10,886	-
<b>Net rental income</b>	<b>97,292</b>		<b>99,213</b>	-
Valuation results	-	-44,918	-	-2,902
Results on disposals	-	-250	-	476
General costs	-7,862	-1,476	-8,626	-
Other income and expense	-	-169	368	-464
<b>Operating result</b>	<b>89,430</b>	<b>-46,813</b>	<b>90,955</b>	<b>-2,890</b>
Interest charges	-15,589		-15,162	-
Interest income	56		33	-
<b>Net interest</b>	<b>-15,533</b>		<b>-15,129</b>	-
Other financial income and expense	-	-1,428	-	3,102
<b>Result before tax</b>	<b>73,897</b>	<b>-48,242</b>	<b>75,826</b>	<b>212</b>
Income tax	622	2,708	-650	-1,141
<b>Result</b>	<b>74,520</b>	<b>-45,534</b>	<b>75,176</b>	<b>-929</b>
<b>Result attributable to:</b>				
Shareholders	68,482	-46,730	69,136	-1,021
Non-controlling interest	6,038	1,196	6,040	92
<b>Result</b>	<b>74,520</b>	<b>-45,534</b>	<b>75,176</b>	<b>-929</b>
<b>Earnings per share (€)</b>	<b>1.70</b>	<b>-1.16</b>	<b>1.72</b>	<b>-0.03</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at June 30, 2018

(x € 1,000)

Assets	Note	June 30, 2018	December 31, 2017
<b>Non-current assets</b>			
Investment property in operation		3,727,117	3,643,322
Lease incentives		9,324	8,014
Investment property under construction		56,917	122,361
<b>Investment property</b>	<b>5</b>	<b>3,793,358</b>	<b>3,773,697</b>
Property and equipment		2,211	2,118
Intangible assets		1,044	1,162
Derivative financial instruments		21,969	20,619
Deferred tax assets		3,388	2,235
Other financial assets		248	280
<b>Total non-current assets</b>		<b>3,822,218</b>	<b>3,800,111</b>
<b>Current assets</b>			
Trade and other receivables		56,667	55,096
Tax receivables		8,191	13,650
Derivative financial instruments		-	3,567
Cash and cash equivalents		12,526	13,585
<b>Total current assets</b>		<b>77,384</b>	<b>85,898</b>
Investments held for sale		27,270	38,047
<b>Total assets</b>		<b>3,926,872</b>	<b>3,924,056</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	6	40,271	40,271
Share premium		1,711,033	1,711,033
Reserves		131,158	177,331
<b>Attributable to shareholders</b>		<b>1,882,462</b>	<b>1,928,635</b>
Non-controlling interest		192,558	188,398
<b>Total equity</b>		<b>2,075,020</b>	<b>2,117,033</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	7	1,245,712	1,502,458
Deferred tax liabilities		74,412	77,127
Derivative financial instruments		37,605	38,250
Other long term liabilities		15,006	14,411
<b>Total non-current liabilities</b>		<b>1,372,735</b>	<b>1,632,246</b>
<b>Current liabilities</b>			
Trade payables		7,488	8,893
Tax payable		6,730	13,730
Interest bearing liabilities	7	376,773	55,200
Other short term liabilities		86,076	96,892
Derivative financial instruments		2,050	62
<b>Total current liabilities</b>		<b>479,117</b>	<b>174,777</b>
<b>Total equity and liabilities</b>		<b>3,926,872</b>	<b>3,924,056</b>

## CONDENSED CONSOLIDATED INCOME STATEMENT for the period ended June 30, 2018

(x € 1,000)

	Note	Six months ended June 30, 2018	Six months ended June 30, 2017
Gross rental income		111,198	113,705
Service costs charged		17,369	21,222
<b>Total revenue</b>		<b>128,567</b>	<b>134,927</b>
Service costs paid		-21,176	-24,828
Property expenses		-10,099	-10,886
<b>Net rental income</b>	<b>10</b>	<b>97,292</b>	<b>99,213</b>
Valuation results		-44,918	-2,902
Results on disposals		-250	476
General costs		-9,338	-8,626
Other income and expense		-169	-96
<b>Operating result</b>		<b>42,617</b>	<b>88,065</b>
Interest charges		-15,589	-15,162
Interest income		56	33
<b>Net interest</b>		<b>-15,533</b>	<b>-15,129</b>
Other financial income and expense		-1,428	3,102
<b>Result before tax</b>		<b>25,656</b>	<b>76,038</b>
Income tax		3,330	-1,791
<b>Result</b>		<b>28,986</b>	<b>74,247</b>
<b>Result attributable to:</b>			
Shareholders		21,752	68,115
Non-controlling interest		7,234	6,132
<b>Result</b>		<b>28,986</b>	<b>74,247</b>
Basic earnings per share (x € 1)		0.54	1.69
Diluted earnings per share (x € 1)		0.54	1.58

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period ended June 30, 2018

(x € 1,000)

	Six months ended June 30, 2018	Six months ended June 30, 2017
<b>Result</b>	<b>28,986</b>	<b>74,247</b>
<i>Items that may be recycled to the income statement subsequently</i>		
Effective portion of change in fair value of cash flow hedges	-6,744	9,448
Changes in fair value of cost of hedging	1,683	-
<b>Total comprehensive income</b>	<b>23,925</b>	<b>83,695</b>
<b>Attributable to:</b>		
Shareholders	16,639	77,505
Non-controlling interest	7,286	6,190
	<b>23,925</b>	<b>83,695</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period ended June 30, 2018

(x € 1,000)

	Attributable to shareholders						Non-controlling interest	Total equity
	Share capital	Share premium	General reserve	Hedge reserve	Cost of hedging reserve	Total attributable to shareholders		
<b>Balance at January 1, 2017</b>	40,271	1,711,033	241,927	-14,420	-	1,978,811	182,403	2,161,214
<b>Comprehensive income</b>								
Result	-	-	68,115	-	-	68,115	6,132	74,247
Effective portion of change in fair value of cash flow hedges	-	-	-	9,390	-	9,390	58	9,448
<b>Total comprehensive income</b>	-	-	68,115	9,390	-	77,505	6,190	83,695
<b>Transactions with shareholders</b>								
Shares for remuneration	-	-	-300	-	-	-300	-	-300
Share based payments	-	-	201	-	-	201	-	201
Dividend	-	-	-62,015	-	-	-62,015	-10,767	-72,782
Other	-	-	10	-	-	10	-	10
<b>Balance at June 30, 2017</b>	40,271	1,711,033	247,938	-5,030	-	1,994,212	177,826	2,172,038
<b>Balance at December 31, 2017</b>	40,271	1,711,033	185,302	-7,971	-	1,928,635	188,398	2,117,033
IFRS adjustments	-	-	769	3,124	-4,366	-473	-47	-520
<b>Balance at January 1, 2018</b>	40,271	1,711,033	186,071	-4,847	-4,366	1,928,162	188,351	2,116,513
<b>Comprehensive income</b>								
Result	-	-	21,752	-	-	21,752	7,234	28,986
Effective portion of change in fair value of cash flow hedges	-	-	-	-6,796	-	-6,796	52	-6,744
Changes in fair value of cost of hedging	-	-	-	-	1,683	1,683	-	1,683
<b>Total comprehensive income</b>	-	-	21,752	-6,796	1,683	16,639	7,286	23,925
<b>Transactions with shareholders</b>								
Shares for remuneration	-	-	202	-	-	202	-	202
Dividend	-	-	-62,016	-	-	-62,016	-4,598	-66,614
Change non-controlling interest	-	-	-224	-	-	-224	1,504	1,280
Other	-	-	-301	-	-	-301	15	-286
<b>Balance at June 30, 2018</b>	40,271	1,711,033	145,484	-11,643	-2,683	1,882,462	192,558	2,075,020

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the period ended June 30, 2018

(x € 1,000)

	Note	Six months ended June 30, 2018	Six months ended June 30, 2017
<b>Operating activities</b>			
<b>Result</b>		<b>28,986</b>	<b>74,247</b>
Adjustments:			
Valuation results		44,918	2,902
Net interest		15,533	15,129
Other financial income and expense		1,428	-3,102
Results on disposal		250	-476
Deferred tax		-3,861	1,141
Amortisation		424	480
Other adjustments		-	-3,245
Movements in working capital		-1,027	-17,404
<b>Cash flow generated from operations</b>		<b>86,651</b>	<b>69,672</b>
Interest paid		-13,536	-13,027
Interest received		37	232
Income tax paid		-689	-193
<b>Cash flow from operating activities</b>		<b>72,463</b>	<b>56,684</b>
<b>Investment activities</b>			
Proceeds from disposals direct investment properties		12,450	73,102
Investments in investment property	5	-80,522	-40,358
Investments in equipment		-332	-30
Divestments in financial assets		32	89
Investments in intangible assets		-79	-50
<b>Cash flow from investing activities</b>		<b>-68,451</b>	<b>32,753</b>
<b>Financing activities</b>			
Proceeds from interest bearing debts	7	93,316	26,131
Repayment interest bearing debts	7	-36,416	-68,500
Transactions non-controlling interest		4,241	-
Proceeds of other long-term liabilities		402	334
Dividend paid		-66,614	-72,782
<b>Cash flow from financing activities</b>		<b>-5,071</b>	<b>-114,817</b>
Change in cash and cash equivalents		-1,059	-25,380
Cash and cash equivalents at January 1		13,585	40,666
<b>Cash and cash equivalents at June 30</b>		<b>12,526</b>	<b>15,286</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

Wereldhave N.V. ('the Company') is an investment company which invests in real estate (shopping centres and offices). The property portfolio of Wereldhave N.V. and its subsidiaries ('the Group') is located in Belgium, Finland, France and the Netherlands. The Group is principally involved in leasing investment property under operating leases. The property management is performed by Group management companies. The Company is a limited liability company incorporated and domiciled in the Netherlands. The address of the Company's registered office is Schiphol Boulevard 233, 1118 BH Schiphol. The shares of the Company are listed on the Euronext Stock Exchange of Amsterdam. These condensed consolidated interim financial statements for the period ended June 30, 2018 were approved for issue on July 23, 2018. The figures of this press release are unaudited.

## 2. TAX STATUS

Wereldhave N.V. has the tax status of an investment company (FBI status) in accordance with section 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969'. This status assumes that the Group is (almost) exclusively engaged in

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

The subsidiaries in Belgium (OGVV status) and France (SIIC status) have a similar status. Subsidiaries in Finland are subject to corporation tax. In Belgium the net value of one single asset may not exceed 20% of the total Belgium portfolio. At June 30, 2018, the net value of Belle-Ile exceeded 20%. In January 2017, a concession was provided by the FSMA for a period of maximum 2 years.

## 3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements for the period ended June 30, 2018 are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### 3.1 Basis of accounting

#### Statement of compliance

This condensed consolidated interim financial information for the six months ended June 30, 2018 has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2017, which 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.

#### Income and cash flow statement

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

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

#### Preparation of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements for the period ended June 30, 2018 have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property and derivative financial instruments that have been measured at fair value.

The preparation of these condensed consolidated interim financial statements for the period ended June 30, 2018 in conformity with EU-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the condensed consolidated interim financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate.

### Change in accounting policy and disclosures

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

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2017.

#### *IFRS 9*

IFRS 9, released in July 2015, replaced the accounting standard IAS 39 Financial instruments: Recognition and Measurement. IFRS 9 'Financial Instruments' includes the standards regarding classification and measurement, hedge accounting and impairment. IFRS 9 has been endorsed by the EU and became effective for Wereldhave on January 1, 2018.

#### *Impairment*

IFRS 9 introduced a new expected credit loss impairment model and changes to the classification and measurement for financial assets. The impairment model is based on the notion of providing for expected losses at inception of a contract. IFRS 9 requires Wereldhave to record expected credit losses on all of its debt securities, loans and trade receivables. Wereldhave applies the simplified approach under IFRS 9 on trade receivables when recording the expected credit loss in its reporting. The expected credit loss is based on the amount of trade receivables at balance sheet date, realised credit losses and expectations regarding the future development of the economic situation. The introduction of IFRS 9 - impairments increased the provision for doubtful debtors by € 0.5m at December 31, 2017. The adjustment is recognised in the opening balance sheet on January 1, 2018

### *Hedge accounting*

In the consolidated financial statements of Wereldhave N.V. IFRS 9 mainly affected the hedge accounting for cross-currency interest rate swaps (CCIRS), due to the cost of hedging approach. In addition to the hedge reserve (part of equity) under IAS 39, IFRS 9 introduced an additional line item in equity which is named "cost of hedging". Changes in the fair value of CCIRS that are caused by the cross-currency basis spreads are directly booked in this cost of hedging reserve, instead of the income statement (for fair value hedges) or hedge reserve (for cash flow hedges). The introduction of IFRS 9 - hedge accounting has led to an opening balance adjustment on January 1, 2018 of € 1.3m on the general reserve, € 3.1m on the hedge reserve and € -4.4m in the cost of hedging reserve.

### **IFRS 15**

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

### *Classification and Measurement*

Implementation of IFRS 15 did not affect the result of Wereldhave, mainly because of the exemption for leasing contracts, which are subject to IAS 17 or the new IFRS 16. The recognition of service costs recovered from tenants has not changed under IFRS 15.

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2018 and have not been applied in preparing these consolidated financial statements.

### **IFRS 16**

IFRS 16, 'Leases', will become effective for Wereldhave on January 1, 2019. This standard introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

### *Classification and Measurement*

Wereldhave made an initial assessment of the potential impact on its consolidated financial statements. So far, the impact identified is that Wereldhave will recognise new assets and liabilities for its leasehold and offices. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for the right-of use assets and interest expense on the leasehold liabilities. Wereldhave expects an impact on the financial statements mainly as result of the on-balance sheet presentation of the right-of-use asset and leasehold liabilities. Wereldhave estimates the total assets and liabilities will increase by € 20m with no impact on equity or result.

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

## **3.2 Consolidation**

### **Changes in ownership interests in subsidiaries without change of control**

As result of a disposal of shares in Wereldhave Belgium and the election to receive stock dividend from Wereldhave Belgium the Group's stake in Wereldhave Belgium changed to 69.33% at June 30, 2018 (2017: 69,57%). The cash proceeds on the disposal amounted to € 4.2m and impacted the general reserve by € -0.2m.

## 4. SEGMENT INFORMATION

### Geographical segment information - the period ended June 30, 2018

(x € 1,000)

Result	Belgium	Finland	France	Netherlands	Headoffice	Total
Gross rental income	25,574	14,459	24,866	46,300	-	111,198
Service costs charged	4,450	3,919	5,003	3,997	-	17,369
<b>Total revenue</b>	<b>30,024</b>	<b>18,378</b>	<b>29,869</b>	<b>50,296</b>	<b>-</b>	<b>128,567</b>
Service costs paid	-5,375	-4,358	-6,860	-4,582	-	-21,176
Property expenses	-1,203	-254	-2,565	-6,078	-	-10,099
<b>Net rental income</b>	<b>23,446</b>	<b>13,766</b>	<b>20,444</b>	<b>39,636</b>	<b>-</b>	<b>97,292</b>
Valuation results	3,341	-18,263	-4,134	-25,863	-	-44,918
Results on disposals	-	-	-2	-249	-	-250
General costs	-1,821	-287	-1,797	-944	-4,489	-9,338
Other income and expense	8	-	-	-	-176	-169
<b>Operating result</b>	<b>24,974</b>	<b>-4,784</b>	<b>14,512</b>	<b>12,580</b>	<b>-4,666</b>	<b>42,617</b>
Interest charges	-1,293	-6,194	-7,582	-9,810	9,290	-15,589
Interest income	34	7	-	14	-	56
Other financial income and expense	-	-	-	-	-1,428	-1,428
Income tax	-53	3,151	-175	408	-	3,330
<b>Result</b>	<b>23,663</b>	<b>-7,820</b>	<b>6,755</b>	<b>3,192</b>	<b>3,196</b>	<b>28,986</b>
<b>Total assets</b>						
Investment properties in operation	865,518	560,975	886,909	1,413,715	-	3,727,117
Investment properties under construction	14,413	-	-	42,504	-	56,917
Investments held for sale	2,240	-	-	25,030	-	27,270
Other segment assets	29,306	8,213	34,359	260,604	1,548,766	1,881,249
minus: intercompany	-10,405	-	-	-65,000	-1,690,276	-1,765,681
	<b>901,072</b>	<b>569,188</b>	<b>921,268</b>	<b>1,676,852</b>	<b>-141,510</b>	<b>3,926,872</b>
<b>Investments</b>	<b>26,012</b>	<b>10,302</b>	<b>14,598</b>	<b>30,726</b>	<b>-</b>	<b>81,638</b>
<b>Gross rental income by type of property</b>						
Shopping centres	21,475	14,459	24,866	46,300	-	107,099
Offices	4,099	-	-	-	-	4,099
	<b>25,574</b>	<b>14,459</b>	<b>24,866</b>	<b>46,300</b>	<b>-</b>	<b>111,198</b>

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

(x € 1,000)

<b>Result</b>	<b>Belgium</b>	<b>Finland</b>	<b>France</b>	<b>Netherlands</b>	<b>Headoffice</b>	<b>Total</b>
Gross rental income	25,645	14,796	25,702	47,562	-	113,705
Service costs charged	5,036	3,585	8,324	4,277	-	21,222
<b>Total revenue</b>	<b>30,681</b>	<b>18,381</b>	<b>34,026</b>	<b>51,839</b>	<b>-</b>	<b>134,927</b>
Service costs paid	-5,780	-4,250	-10,000	-4,799	-	-24,828
Property expenses	-1,695	-281	-2,257	-6,653	-	-10,886
<b>Net rental income</b>	<b>23,206</b>	<b>13,850</b>	<b>21,769</b>	<b>40,387</b>	<b>-</b>	<b>99,213</b>
Valuation results	-63	-398	-16,707	14,266	-	-2,902
Results on disposals	-	-	-	476	-	476
General costs	-1,939	-620	-1,403	-1,949	-2,714	-8,626
Other income and expense	376	-	182	-144	-510	-96
<b>Operating result</b>	<b>21,580</b>	<b>12,832</b>	<b>3,841</b>	<b>53,036</b>	<b>-3,224</b>	<b>88,065</b>
Interest charges	-1,239	-6,198	-7,898	-9,133	9,306	-15,162
Interest income	2	8	-	23	-	33
Other financial income and expense	-	-	-	-	3,102	3,102
Income tax	-188	-1,164	-468	30	-	-1,791
<b>Result</b>	<b>20,155</b>	<b>5,478</b>	<b>-4,525</b>	<b>43,957</b>	<b>9,183</b>	<b>74,247</b>
<b>Total assets</b>						
Investment properties in operation	767,398	565,004	892,829	1,428,025	-	3,653,256
Investment properties under construction	46,432	-	-	47,963	-	94,395
Investments held for sale	17,354	-	-	-	-	17,354
Other segment assets	29,368	8,447	21,099	244,378	1,607,488	1,910,779
minus: intercompany	-10,158	-	-	-65,000	-1,710,966	-1,786,125
	<b>850,394</b>	<b>573,451</b>	<b>913,928</b>	<b>1,655,365</b>	<b>-103,479</b>	<b>3,889,659</b>
<b>Investments</b>	<b>12,571</b>	<b>2,355</b>	<b>9,862</b>	<b>18,218</b>	<b>-</b>	<b>43,006</b>
<b>Gross rental income by type of property</b>						
Shopping centres	20,911	14,796	25,702	47,562	-	108,971
Offices	4,734	-	-	-	-	4,734
	<b>25,645</b>	<b>14,796</b>	<b>25,702</b>	<b>47,562</b>	<b>-</b>	<b>113,705</b>

## 5. INVESTMENT PROPERTY

(x € 1,000)

	2018			Total Investment property
	Investment property in operation	Lease incentives	Investment property under construction	
<b>Balance at January 1</b>	<b>3,643,322</b>	<b>8,014</b>	<b>122,361</b>	<b>3,773,697</b>
Purchases	-	-	-	-
Investments	33,549	-	48,089	81,638
From / to development properties	108,780	-	-108,780	-
To held for sale	-18,370	-	-	-18,370
Disposals	-	-	-	-
Valuations	-40,164	-	-4,753	-44,917
Other	-	1,310	-	1,310
<b>Balance at June 30</b>	<b>3,727,117</b>	<b>9,324</b>	<b>56,917</b>	<b>3,793,358</b>

(x € 1,000)

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

### *Investment property under construction*

In H1 2018 the extension 'Les Bastions' in Tournai and the redevelopment of Koningshoek have been transferred to investment properties.

### *Fair value*

In total 99.8% (2017: 99.8%) of the total property portfolio was measured at fair value. The assets in the Group and its subsidiaries mainly consists of the property portfolio. The market value of these assets cannot be assessed using official quotations or listings.

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

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

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

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

#### *Investment properties in operation*

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

<b>June 30, 2018</b>	<b>Belgium</b>	<b>Finland</b>	<b>France</b>	<b>Netherlands</b>
Total market rent per sqm (€)	226	323	246	226
EPRA Net Initial Yield	5.6%	4.7%	4.6%	5.3%
EPRA vacancy rate	4.3%	3.6%	6.4%	3.2%
Average vacancy period (in months)	6-12	18	8	8
Bandwith vacancy (in months)	0-21	12-24	6-9	6-12

#### *EPRA Net Initial Yield*

The EPRA Net Initial Yield is calculated by annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost. The total average EPRA Net Initial Yield amounts to 5.1% (year-end 2017: 5.1%).

A change in yield with 0.25% results in a change of approximately € 151m in equity and result (€ 3.75 per share). A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholders' equity and result of approximately € 177m (€ 4.41 per share).

## 6. NET ASSET VALUE PER SHARE

The authorised capital comprises 75,000,000 million shares each with a nominal value of € 1. As at June 30, 2018, 40,270,921 ordinary shares were issued.

	the period ended June 30, 2018	the period ended June 30, 2017
Equity available for shareholders (x € 1,000)	1,882,462	1,994,212
Number of ordinary shares per 30 June	40,270,921	40,270,921
Purchased shares for remuneration	-26,979	-25,210
<b>Number of ordinary shares per 30 June for calculation net asset value</b>	<b>40,243,942</b>	<b>40,245,711</b>
<b>Net asset value per share (x € 1)</b>	<b>46.78</b>	<b>49.55</b>

## 7. INTEREST BEARING LIABILITIES

(x € 1,000)

	June 30, 2018	December 31, 2017
<b>Long term</b>		
Bank loans	513,954	474,040
Private placement	722,378	773,937
Convertible bonds	-	245,028
EMTN	9,380	9,453
	<b>1,245,712</b>	<b>1,502,458</b>
<b>Short term</b>		
Bank loans	73,500	25,960
Private placement	56,497	29,240
Convertible bonds	246,776	-
	<b>376,773</b>	<b>55,200</b>
<b>Total interest bearing liabilities</b>	<b>1,622,485</b>	<b>1,557,658</b>

	June 30, 2018	December 31, 2017
<b>Balance at January 1</b>	<b>1,557,658</b>	<b>1,565,987</b>
New funding	93,316	111,410
Repayments	-36,416	-74,500
Use of effective interest method	733	2,036
Effect of fair value hedges	-975	-1,354
Exchange rate differences	8,169	-45,921
<b>Balance</b>	<b>1,622,485</b>	<b>1,557,658</b>

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

(x € 1,000)

	June 30, 2018		December 31, 2017	
	carrying amount	fair value	carrying amount	fair value
Bank loans, private placement and EMTN	1,245,712	1,278,487	1,257,429	1,299,629
Convertible bond	-	-	245,029	253,075
<b>Total</b>	<b>1,245,713</b>	<b>1,278,487</b>	<b>1,502,458</b>	<b>1,552,704</b>

## 8. FAIR VALUE MEASUREMENT

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

(x € 1,000)

	Fair value measurement using			
	Total	Quoted prices Level 1	Observable input Level 2	Unobservable input Level 3
<b>June 30, 2018</b>				
<b>Assets measured at fair value</b>				
Investment property in operation	3,736,441	-	-	3,736,441
Investment property under construction	47,992	-	-	47,992
Investments held for sale	27,270	-	-	27,270
<b>Financial assets</b>				
Derivative financial instruments	21,969	-	21,969	-
<b>Liabilities for which the fair value has been disclosed</b>				
Interest bearing debt	1,661,540	252,125	1,409,415	-
Derivative financial instruments	39,655	-	39,655	-

	Fair value measurement using			
	Total	Quoted prices Level 1	Observable input Level 2	Unobservable input Level 3
<b>December 31, 2017</b>				
<b>Assets measured at fair value</b>				
Investment property in operation	3,651,336	-	-	3,651,336
Investment property under construction	113,439	-	-	113,439
Investments held for sale	38,047	-	-	38,047
<b>Financial assets</b>				
Derivative financial instruments	24,186	-	24,186	-
<b>Liabilities for which the fair value has been disclosed</b>				
Interest bearing debt	1,607,964	253,075	1,354,889	-
Derivative financial instruments	38,312	-	38,312	-

Wereldhave categorizes its financial instruments measured at fair value in three hierarchies of inputs to valuation techniques used to measure fair value.

Level 1 inputs are based on quoted prices, level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either direct or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

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

## 9. OFF BALANCE SHEET ASSETS AND LIABILITIES

The Group has contracted capital commitments for an amount of € 22m (2017: € 59m) with regard to investment properties under construction. The Group has leasehold liabilities for an amount of € 81m (2017: € 79m) and office rent & lease car liabilities for an amount of € 7m (2017: 7m). The Group has undrawn committed credit facilities for an amount of € 150m (2017: € 240m). The Group has issued guarantees to third parties for an amount of € 34m (2017: € 34m).

## 10. RENTAL INCOME BY COUNTRY

(x € 1,000)

	Gross rental income		Property expenses, service costs and operating costs		Net rental income	
	Six months ended June 30, 2018	Six months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
	Belgium	25,574	25,645	2,128	2,440	23,446
Finland	14,459	14,796	693	946	13,766	13,850
France	24,866	25,702	4,421	3,933	20,444	21,769
The Netherlands	46,300	47,562	6,664	7,173	39,636	40,389
<b>Total</b>	<b>111,198</b>	<b>113,705</b>	<b>13,906</b>	<b>14,492</b>	<b>97,292</b>	<b>99,213</b>

## 11. RELATED PARTIES

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

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

## 12. EVENTS AFTER BALANCE SHEET DATE

On July 4, 2018, Wereldhave Belgium sold an office building at the Olieslagerlaan in Vilvoorde for € 2.4m equal to book value.

On July 19, 2018, Wereldhave agreed an additional € 350m Revolving Credit Facility with a syndicate of banks, for a maximum term of two years.

## 13. DECLARATION OF THE BOARD OF MANAGEMENT

The Board of management of Wereldhave N.V., consisting of D.J. Anbeek and A.W. de Vreede, hereby declares that, to the best of their knowledge:

1. the interim financial statement over the first half year of 2018 gives a true and fair view of the assets, liabilities, financial position and result of Wereldhave N.V. and the companies included in the consolidation as a whole;
2. the interim financial statement over the first half year of 2018 provides a true and fair view on the condition as at the balance sheet date and the course of business during the half year under review of Wereldhave N.V. and the related companies of which the data have been included in the interim statement, and the expected course of business, where, in as far as important interest do not oppose, particular attention is paid to the investments and the conditions of which the development of turnover and profitability depend; and
3. the interim financial statement over the first half year of 2018 includes a true and fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Wereldhave considers the market risk, liquidity risk and credit risk as financial risks. The market risk can be divided into interest risk and currency risk. Rapidly changing economic environments and uncertainty about the solidity of the Euro(zone) may affect the market circumstances, and thus both the letting prospects as well as the market value of the properties. The continuation of the Euro(zone) is assumed. For further comments we refer to the annual report 2017. Our risks are being monitored on a continuous basis.

Schiphol, 24 July 2018

**Board of management**

D.J. Anbeek, CEO

A.W. de Vreede, CFO