



WERELDHAVE

Update first quarter 2015



Schiphol
April 24, 2015

Summary

Compared to the previous year, gross rental income for the first quarter of 2015 rose 56.9%, due to the acquisitions of shopping centres in 2014 in The Netherlands, Belgium and France and development projects that came into operation. Occupancy remained stable at 92.5%. Slight decreases in occupancy in The Netherlands, Belgium and France were offset by an increase in occupancy in Finland. Overall occupancy of the shopping centre portfolio amounts to 93.9%.

There were no significant changes to the investment portfolio during the first quarter. In Belgium the construction of the first phase of the redevelopment in Tournai started in March 2015, with completion scheduled for the first quarter of 2016. The Dutch shopping centre refurbishment program is making good progress and some important leases that were signed with the Blokker retail group underpin that up-to-standard shopping centres still attract increasing footfall and tenants.

There were no changes to the debt portfolio. As at March 31, 2015, the LTV stood at 35.5% and EPRA NAV amounted to € 54.61.

Wereldhave reiterates that for the years 2015 and 2016, a compounded average growth of the direct result per share between 6% and 9% is anticipated.

Operations

Gross rental income for the first three months of 2015 amounted to € 48.6m, an increase of 56.9% compared to the same period in 2014. The increase is mainly due to the acquisitions in 2014 of shopping centres in the Netherlands, Belgium and France and development projects that came into operation.

Economic activity is increasing, but this does not yet reflect in higher consumer retail spending in all countries. Particularly the department stores like V&D (The Netherlands), Stockmann and Anttila (Finland) are facing headwind and struggle to adapt their retail formula to improve the customer experience. Retail competition is fierce, especially in the fashion segment.

In spite of this harsh retail environment, occupancy in the shopping centres remained unchanged at 93.9%. Slight decreases of 0.3% in Belgium, France and the Netherlands were compensated by a 1% increase in occupancy in Finland. Occupancy of the offices & other portfolio also remained stable. EPRA overall occupancy remained stable at 92.5%.

% / €m	Occupancy (%)		Portfolio Value *	
	Q1 2015	Q4 2014	Q4 2014	
Belgium	94.4%	94.6%	597	18.3%
Finland	93.1%	92.1%	621	19.1%
France	90.9%	91.2%	832	25.5%
Netherlands	97.7%	98.0%	697	21.4%
Shopping centres	93.9%	93.9%	2,747	84.3%
Belgium	91.6%	92.5%	127	3.9%
Paris	82.8%	82.6%	383	11.8%
Offices	85.7%	85.9%	510	15.7%
Total portfolio	92.5%	92.5%	3,257	100.0%

In the Netherlands, Wereldhave renewed 7 leases with the Blokker retail group during the first quarter. In Belgium, the retail mix of the Belle-Ile shopping centre in Liege was improved with a 1,200m² A.S. Adventure outdoor sport shop and the first Tally Weijl in Belgium. In Genk, three smaller units were leased, bringing occupancy of this centre to 77.4%. In Finland, a number of smaller new leases contributed to an increase in occupancy of 100 bps.

During the first quarter, large steps were made towards the integration of the French shopping centre portfolio and organisation. Dirk Anbeek will continue to lead the French operations, as the recruitment of a retail director France is still in progress. Olivier Mourrain has been appointed Director retail operations and Richard Braun interim Director Finance. The operational, financial and IT processes have been designed and implemented during the first quarter and the recruitment of the leasing team and staff support functions is well underway.

During the first quarter, contacts were laid with most tenants and Wereldhave France is setting up a key account management team for its tenants. Occupancy remained stable during the first quarter, and in Rivétoile, Strasbourg, a lease was signed with Mango for a 1,665 m² shop. Wereldhave aims to stabilize net rental income for the French shopping centre portfolio in 2015 at € 46m.

Portfolio

In Finland, Wereldhave acquired the freehold ownership from the City of Helsinki of two plots of land, on which the ITIS shopping centre is built. Wereldhave now owns the freehold of the entire shopping centre. The investment amounts to € 12m with a net initial yield of 5%. There were no further changes to the investment portfolio.

The committed development portfolio consists of a retail park adjacent to shopping centre Les Bastions in Tournai in Belgium and the refurbishment program for the Dutch shopping centres. The French and Finnish portfolios do not contain redevelopment and refurbishment projects.

At the end of 2014, the permits for the project in Tournai were obtained. Construction started in March and the retail park of 10,000 m² with 360 parking spaces and 16 apartments opposite of the Les Bastions shopping centre is scheduled for completion in the first quarter of 2016. The extension and renovation of the shopping centre itself will commence at the end of 2015. The total investment amounts to approx. € 70m with a net initial yield in a range of 6.5%-7.0%.

In The Netherlands, the refurbishment program of the Dutch shopping centres is making good progress. In Purmerend, new units were completed on ground level and first floor and the double escalators with access to the central plaza were completed. Focus for the second quarter will be on realizing four large units that were signed in Q1.

In Maassluis, heads of agreement was reached with the Municipality for the extension of the Koningshoek shopping centre. The completion of the interior refurbishment is scheduled for the end of 2015.

In Capelle aan den IJssel, heads of agreement was reached with the Municipality for an extension of the shopping centre underneath the Metro railway. The refurbishment of the middle part of the centre is expected to commence at the end of 2015. This project entails the addition of several retail units and a 2-layer parking garage.

Occupancy of the Kronenburg shopping centre in Arnhem is 100% and re-tenanting is aimed at further improving the retail offer. The refurbishment programs in Etten-Leur and Roosendaal have been finalised and footfall is increasing.

Committed (in €m)	Total investment	Capex so far	Capex spent 2015	Fully let NIY	Percentage prelet	Completion
Dutch redevelopment program (NL)	79	29	3	5.9%		2016
Dutch refurbishment capex	30	13	9	-		2016
Tournai - retail parc (BEL)	15	7	1	6.5% - 7.0%	43%	2016
Total	124	48	13			

Financing

There were no changes to the debt portfolio during the first quarter of 2015. Nominal interest bearing debt was € 1,378.0m at March 31, 2015, which together with a cash balance of € 112.3m gives a net debt of € 1,265.7m. Total borrowing capacity amounted to € 388.0m and the Loan-to-value ratio (based on the December 2014 portfolio valuations) amounted to 35.5% (December 31, 2014: 35.4%). As at March 31, 2015 the average cost of debt and ICR were 2.2% and 5.2 respectively and the EPRA NAV per share stood at € 54.61.

Outlook

Wereldhave reiterates that for the years 2015 and 2016, a compounded average growth of the direct result per share between 6% and 9% is anticipated. Wereldhave aims for a growing dividend and a pay-out ratio between 85% and 90%, with LTV year-end between 35%-40%.

Schiphol, April 24, 2015

Wereldhave N.V. Board of Management

Conference call / webcast

The update for the first quarter of 2015 will be explained during a conference call, to be held today at 15:00 CET. A live webcast will be available at www.wereldhave.com. Questions may also be asked by e-mail.

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