



WERELDHAVE

Update third quarter 2015



Schiphol
October 22, 2015

Summary

Compared to the previous year, gross rental income for the first nine months of 2015 rose 54.6%, due to the acquisitions of shopping centres in the Netherlands, Belgium and France and development projects that came into operation. EPRA Occupancy of the shopping centre portfolio dropped slightly to 93.3%, mainly due to the acquisition of nine shopping centres in The Netherlands.

Like-for-like rental growth was positive in all countries and is on track to be at least 100 bps above indexation.

The disposal of the French offices portfolio is well underway. The sale of the Carré Vert office building was completed on September 29, 2015. On October 15, 2015, the sale of Noda was completed. The disposal of Le Cap in Saint Denis is anticipated to be completed before the end of the year 2015, above book value.

Works on the Dutch redevelopment and refurbishment program are progressing according to plan. In Belgium, Tournai, the completion of the retail park is planned for February 19, 2016. Pre-leasing improved from 43% to 68% in Q3 2015. The extension of the Tournai shopping centre itself will start early in 2016.

Compared to the previous quarter, the debt portfolio increased by € 463m in connection with the acquisition of nine shopping centres in The Netherlands. As at September 30, 2015, the LTV stood at 40.0% and EPRA NAV amounted to € 53.39.

For the year 2015, a direct result is anticipated between € 3.20 and € 3.25 per share. A dividend will be proposed to shareholders of € 3.01 per share in respect of the year 2015. Of this amount, an interim dividend of € 1.50 per share will be paid on November 6, 2015, with the share price ex-dividend as from November 2, 2015. This represents an 8-9% increase of EPS and a 5% increase of dividend compared to 2014.

Operations

Gross rental income for the first three quarters of 2015 amounted to € 150.0m, an increase of 54.6% compared to the same period in 2014. The increase is mainly due to the acquisitions of shopping centres in the Netherlands, Belgium and France and development projects that came into operation.

In spite of stable to increasing footfall and improving economic prospects, leasing is still challenging. Occupancy of the shopping centres as at September 30, 2015 stood at 93.3%. In the Netherlands, occupancy rose in the standing portfolio. The shopping centres that were acquired from Klépierre in August 2015 came in at an average occupancy of 91.4%, which caused the overall Dutch occupancy to drop to 94.7% at the end of the quarter. In Finland, France and Belgium there were slight decreases in occupancy during the third quarter, due to departing tenants. Occupancy of the offices & other portfolio increased to 91.4 %, due to the sale of the French offices with lower than average occupancy. EPRA overall occupancy increased to 93.2%.

	Occupancy			Portfolio value*	
	Q3 2015 (In %)	Q2 2015 (In %)	Q4 2014 (In %)	Q3 2015 (In €m)	(In %)
Belgium	94.4%	94.9%	94.6%	614	17.0%
Finland	93.2%	94.2%	92.1%	629	17.4%
France	90.0%	91.1%	91.2%	843	23.3%
Netherlands	94.7%	97.8%	98.0%	1,409	38.8%
Shopping centres	93.3%	94.3%	93.9%	3,495	96.5%
Belgium	91.4%	90.9%	92.5%	127	3.5%
France		71.1%	82.6%		
Offices	91.4%	80.0%	85.9%	127	3.5%
Total portfolio	93.2%	92.5%	92.5%	3,622	100.0%

* Portfolio value: Investment Properties in Operation including Lease Incentives

Like-for-like rental growth was positive in all countries and is on track to be at least 100 bps above indexation.

In the Netherlands, Wereldhave made deals for shops in five centres with CVZG and in two centres with Ziengs, a successful shoe retailer. CVZG is a new concept for the total care of pregnant women during 9 months. Their formula perfectly fits within Wereldhave's strategy to provide an offer that covers 90% or more of shopping needs and adds to convenience.

In Belgium, new leases were concluded in Genk and in Kortrijk. In Genk, a smaller unit was let to a health and beauty shop and in Kortrijk the successful French Boulangerie Paul was added to the centre, to open its first shop in West-Flanders. In France, a new lease was agreed with HEMA for a shop in Rivétoile. In Finland, new leases were agreed with a Jewellery shop and a large international coffee shop formula. Footfall in Itis increased by nearly 5% compared to previous year, with market average showing a 0.3% decline. Demand for pop-up store space is increasing, which underpins the attractiveness of the centre. Retailers are still reluctant to commit themselves for the longer term, in view of the lagging Finnish economy.

In France, a new leasing director was appointed during the third quarter and the entire leasing team of 5 FTE is expected to be fully operational at the end of the fourth quarter. Net rental income for the French shopping centre portfolio is well in line with the full year target for 2015 of € 46m.

Portfolio

In the Netherlands, Wereldhave successfully completed the acquisition of nine shopping centres in the Netherlands from Klépierre on August 26, 2015. The development project for the extension of Cityplaza in Nieuwegein was transferred on October 14, 2015, following the turn-key delivery by the developer.

The disposal of the French offices portfolio is well underway. The sale of the Carré Vert office building was completed on September 29, 2015. On October 15, 2015, the sale of Noda was completed. The disposal of Le Cap in Saint Denis is anticipated to be completed before the end of the year 2015, above book-value.

Works on the Dutch redevelopment and refurbishment program are progressing according to plan. In Purmerend, the 100% routing at ground level was completed. Wereldhave has terminated the lease with V&D, to redevelop this part of the centre. Works are expected to commence in 2016. In Maassluis, the redevelopment project is well on track. Phase 3 will be realised in 2016, whilst phase 4 (both creating new passage ways) has already started. Agreement was reached with the municipality to change the zoning scheme, allowing for an extension of the centre, phase 5 of the redevelopment. A temporary Aldi store opened its doors during the third quarter. This shop will move to the extension when completed. In Leiderdorp, a new fresh food street was completed. Four new tenants will open their stores before the festive season, at rent levels which will contribute to like-for-like rental growth.

In Belgium, Tournai, the construction of the retail park is progressing well, with completion planned for February 19, 2016. Pre-leasing improved from 43% to 68% in Q3 2015. Leases were signed with Blokker, Pronti, Maison du Monde, Sportsdirect.com and Pro Duo, with two further contracts in the final stages of negotiation and talks being held for the remaining space.

Committed	Total investment (In €m)	Capex (net) so far (In €m)	Capex spent 2015 (In €m)	Fully let NIY (In %)	Percentage prelet (in %)	Year of completion
Dutch redevelopment program (NL)	72.0	32.5	7.0	5.9%		2018
Dutch refurbishment capex	27.0	14.6	2.5			
Tournai - retail parc (BEL)	18.0	7.0	2.0	6.5% - 7.0%	68%	2016
Total	117.0	54.1	11.5			

Financing

Compared to the previous quarter, the debt portfolio increased by € 463m in connection with the acquisition

of nine shopping centres in the Netherlands. Nominal interest bearing debt was € 1,928m at September 30, 2015, which together with a cash balance of € 289m gives a net debt of € 1,639m. Total borrowing capacity amounted to € 104m and the Loan-to-value ratio (based on the 30 June 2015 portfolio valuations) amounted to 40.0% (December 31, 2014: 35.4%). As at September 30, 2015 the average cost of debt and ICR were 2.2% and 5.6x respectively and the EPRA NAV per share stood at € 53.39.

Debentures amounting to GBP 35.1m (€ 47.5m), originating from 1985 and 1987, matured on 15 October 2015 and were repaid to the debenture stockholders. After the sale of its UK assets in 2013, only these debentures remained outstanding. Wereldhave is now able to finalise the liquidation of its UK entities.

Outlook

Wereldhave reiterates that for the years 2015 and 2016, a compounded average growth of the direct result per share between 7% and 10% is anticipated. For the year 2015, a direct result is anticipated between € 3.20 and € 3.25 per share. This represents an 8-9% increase of EPS compared to 2014.

A compounded average growth of dividend is anticipated between 4% and 6 % for 2015 and 2016. For the year 2015, a dividend will be proposed to shareholders of € 3.01 per share. This represents a 5% increase of dividend compared to 2014. Of this amount, an interim dividend of € 1.50 per share will be paid on November 6, 2015, with the share price ex-dividend as from November 2, 2015.

Schiphol, October 22, 2015

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About Wereldhave

Wereldhave invests in dominant mid-sized shopping centres in larger provincial cities in northwest continental Europe. The catchment area of our centres should comprise 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, 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 an entire experience that goes beyond shopping, with fully embedded food & beverage functions, kid's playgrounds and high quality amenities, to attract families and prolong average dwelling times. For more information: www.wereldhave.com