




# WERELDHAVE BELGIUM



# 2017

Half yearly  
financial statement  
Vilvoorde, 20 July



This half yearly financial statement can be obtained, free of charge,  
at the company's Head Office and is also available on our website  
[www.wereldhavebelgium.com](http://www.wereldhavebelgium.com)

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# 1

# INTERIM FINANCIAL REPORT



- Profit per share € 2.90 (2016: € 2.81)
- Result from core activities per share € 2.86 (2016: € 2.97)
- Investment portfolio (development projects included) € 832.1 mln
- Occupancy rate retail 95.7%

## KEY FIGURES

(X € 1,000)

RESULTS	1ST HALF YEAR 2016	1ST HALF YEAR 2017
Net rental income	25,350	25,466
Net result	19,517	20,154
Net result from core activities <sup>1)</sup>	20,641	19,858
Net result from non-core activities <sup>2)</sup>	-1,124	296
Profit per share (x €1)	2.81	2.90
Net result from core activities per share (x €1)	2.97	2.86

BALANCE SHEET	31 DECEMBER 2016	30 JUNE 2017
Investment properties <sup>3)</sup> excl. development projects	784,509	768,349
Investment properties held for sale	0	17,354
Development projects	35,318	46,431
<b>Total investment properties portfolio</b>	<b>819,827</b>	<b>832,134</b>
Shareholders' equity	599,586 <sup>4)</sup>	584,545 <sup>5)</sup>
Net asset value per share (x €1)	86.41 <sup>4)</sup>	84.24 <sup>5)</sup>
Debt ratio on total of assets	27.6%	30.00%
Number of shares	6,939,017	6,939,017

<sup>1)</sup> Net result from core activities includes rental income, property charges, general expenses and financial results.

<sup>2)</sup> Net result from non-core activities includes the result on the portfolio, results on disposal of real estate investments and other results (a.o. financial result) that are not included in the net result from core activities.

<sup>3)</sup> Fair value has been computed after deduction of the transaction costs (2.5%) incurred at the sales process. The independent real estate expert has carried out the valuation in conformity with 'International Valuation Standards' and 'European Valuation Standards'.

<sup>4)</sup> Before profit distribution and dividend payment

<sup>5)</sup> Before profit distribution and after dividend payment

## PROFIT

During the first half year, the profit, resulting from core and non-core activities, amounted to € 20.2 mln (2016: € 19.5 mln). Compared to the same period in 2016, this increase in

profit is the result of a lower result from core activities (€ -0.8 mln) and a higher result from non-core activities (€ 1.4 mln).

## RESULT FROM CORE ACTIVITIES

Wereldhave Belgium obtained a result from core activities of € 19.9 mln (2016: € 20.6 mln) over the first six months. Rental income increased by € 0.1 mln. Real estate expenses remained almost stable and general expenses and other operating income and expenses increased by € 0.9 mln (of which € 0.5 mln non-recurring).

Historical low interest rates had as a consequence that interests remained at the same level (€ 1.2 mln) over the same period last year.

As a result of higher liquidation benefits, related to the real estate certificates in liquidation 'Ring Shopping Kortrijk Noord' and 'Basilix', € 0.3 mln was recognised as a one off financial income.

This brings the result from core activities per share to € 2.86 (2016: € 2.97).

The Epra occupancy rate per sector on 30 June 2017 (31 March 2017) were 95.7% (95.6%) for retail and 92.0% (90.6%) for offices.

## RESULT FROM NON-CORE ACTIVITIES

The result from non-core activities amounts to € 0.3 mln (2016: € -1.1 mln). The result from non-core activities consists essentially of valuation and disposal results related to the

investment properties portfolio. In the first half year, the value of the portfolio remained fairly stable.

## SHAREHOLDERS' EQUITY AND NET ASSET VALUE

Shareholders' equity at 30 June 2017 amounts to € 584.5 mln (31 December 2016: € 599.6 mln).

The net asset value per share at 30 June 2017, including the profit for the current year – after dividend payment, amounts to € 84.24 (31 December 2016: € 86.41).

In the first half year, the average interest rate on the outstanding loans amounted to 0.94% (average interest rate 2016: 0.99%).

## PROPERTY PORTFOLIO

### INVESTMENT PROPERTIES

At 30 June 2017, the fair value of the investment properties portfolio - excluding development projects, including assets held for sale - amounts to € 785.7 mln (31 December 2016: € 784.5 mln)

The net increase of € 1.2 mln is mainly due to investments in buildings of the portfolio with € 1.0 mln and a positive net revaluation of € 0.3 mln. The capitalised rental discounts decreased by € 0.2 mln.

Fair value has been computed after deduction of the hypothetical transaction costs (2.5%) incurred at the sales process.

### SHOPPING CENTRES

Retailers prefer more and more medium to large shopping centres that are dominant in their catchment area and / or city centres with sufficient structure and critical mass. Smaller (provincial) cities are more prone to an increase in vacancy rates.

The shopping centres in Liège, Nivelles and Tournai continue to consolidate their attractiveness, which an occupancy rate of almost 100%.

In the shopping centre 'Ring Shopping Kortrijk Noord', commercial efforts have not yet led to concrete leases. However, the Management Company is positive that these efforts will yield better results during the 2nd half of the year.

In the inner city shopping centre 'Shopping 1' in Genk, parking has been made available for free during the first and a half hour. This led to 16% higher visitor numbers in May and 12% in June. The Management Company expects that this will also have a positive impact on commercial attractiveness and, consequently, the occupancy rate of the mall.

The importance of the shopping centres in the investment properties portfolio, including development projects, is 85.4%.

At 30 June 2017, the Epra occupancy rate of the shopping centres' portfolio amounts to 95.7% (31 March 2017 95.6%).

### OFFICES

Three new leases (1,765 m<sup>2</sup>) were concluded in the 'De Veldekens' office park in Berchem-Antwerp. These start in the course of the second half of 2017. After these transactions, the office park will have a 100% occupancy rate.

The lease contract relating to the 'Madou' office building in Brussels (12,200 m<sup>2</sup>) will expire at the end of January 2018. At the end of 2016 the legal transfer of this office building was completed. Wereldhave Belgium reserves the right to rental income and enjoyment until completion of contract and also carries operational risks up to this date. During the first semester, the building was reclassified to 'Assets held for sale'.

The Epra occupancy rate evolved from 90.6% by 31 March 2017 to 92.0% as of 30 June 2017

### DEVELOPMENT PROJECTS

At 30 June 2017, the book value of the development project portfolio amounts to € 46.4 mln (31 December 2016: € 35.3 mln). The net increase of € 11.1 mln is mainly due to the construction works relating to the expansion (15,000 m<sup>2</sup>) of the shopping centre 'Les Bastions' in Tournai.

The construction work on the expansion of the shopping centre 'Les Bastions' in Tournai started in March 2016 and is progressing well. The end of the construction work is scheduled for the first quarter of 2018. For about two thirds of the lettable area, commercial negotiations and / or lease agreements have been signed.



Belle-Île

Urbanistic and environmental permits relating to a possible extension (8,000 m<sup>2</sup> GLA) of the shopping centre 'Belle-Île' in Liège are granted and final. The commercialisation of this project has started. Wereldhave Belgium will start the construction works after preletting of at least 70% of the lettable space.



## SUSTAINABILITY

In the shopping centres 'Nivelles' and 'Ring Shopping Kortrijk Noord' the green light has been given for an energy audit and condition measurement. This is in line with the goal of optimising consumption by 2020. Both shopping centres were evaluated in 2016 according to the 'BREEAM In Use' methodology, with the scores 'Very Good' for the building and 'Excellent' for the Management. However, there remains space for improvement and innovation.

A general policy on energy, water and waste was issued.

A sun protection film was placed to prevent overheating and to reduce cooling in the shopping centre 'Belle-Ile' in Liège.

Meanwhile, a sustainability committee was established in each shopping centre as part of the consultation committee. This optimises the interaction between tenant and owner through exchange of knowledge and possibly setting up new partnerships. Increased involvement means added value to the actions.

The green charters for suppliers and green leases will, of course, continue and, if applicable, the partner generally endorses this (almost 100%).

## CORPORATE – DIVIDEND

The General Meeting of Shareholders on 12 April 2017, in accordance with the proposal of the Management Company,

decided to distribute a gross dividend for 2016 of € 5.10 gross (net: € 3.57). The dividend is payable as from 20 April 2017.

## PROSPECTS

Unforeseen circumstances excepted, the Management Company expects a result from core activities per share between € 5.65 and € 5.75 by the end of 2017 (2016: € 5.78).

Vilvoorde, 20 July 2017

NV Wereldhave Belgium SA  
Statutory Management Company

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# 2

## PORTFOLIO SUMMARY AT 30 JUNE





Genk Stadsplein

## COMPOSITION OF THE PORTFOLIO

	YEAR OF CONSTRUCTION OR MOST RECENT RENOVATION	DIVERSIFICATION OF THE PORTFOLIO (IN % OF VALUATION)	LETTABLE AREA (IN SQM)
<b>Retail</b>			
Shopping Centre "Belle-Ile", Quai des Venues 1, 4020 Liège (5)	1994	22.32%	30,252
Shopping Centre Nivelles, Chaussée de Mons 18A, 1400 Nivelles	2012	17.92%	28,600
Shopping Centre "Les Bastions", Boulevard W. de Marvis 22, 7500 Tournai	1996	7.48%	15,540
Retailpark 'les Bastions' in Tournai	2016	2.21%	10,350
Shopping Centre "Shopping I", Rootenstraat 8, 3600 Genk	2014	7.74%	27,100
Shopping Centre "Kortrijk Noord", Ringlaan, 8500 Kortrijk	1973	13.24%	32,000
"Forum Overpoort", Overpoortstraat, 9000 Gent	2014	1.92%	3,700
Genk - Stadsplein, Stadsplein 39, 3600 Genk	2008	5.31%	15,618
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo (6)	1968	1.71%	3,347
		<b>79.85%</b>	<b>166,507</b>
<b>Offices</b>			
Madou Centre, Bischoffsheimlaan 1-8, 1000 Brussels	2002	2.09%	12,162 / 504*
Businessclass office park, Jan Olieslagerslaan 41-45, 1800 Vilvoorde	1998	0.37%	3,048 / 29*
'Business- & Media' office park, Medialaan 30, 1800 Vilvoorde	1999	1.15%	5,449 / 201*
'Business- & Media' office park, Medialaan 32, 1800 Vilvoorde	1999	0.80%	3,907 / 120*
Business- & Media' office park, Medialaan 28, 1800 Vilvoorde	2001	2.60%	12,772 / 246*
De Veldekens I, Roderveldlaan 1-2, 2600 Berchem	2001	2.16%	11,192 / 368*
De Veldekens II, Roderveldlaan 3-4-5, 2600 Berchem	1999	3.13%	16,003 / 1.008*
De Veldekens III, Berchemstadionstraat 76-78, 2600 Berchem	2002	2.28%	11,192 / 208*
		<b>14.58%</b>	<b>78,409</b>
<b>Development in commercial projects</b>			
Extension shopping centre 'Les Bastions' in Tournai		4.15%	
Redevelopment shopping centre in Waterloo		0.21%	
Extension shopping centre 'Belle-Ile' in Liège		0.37%	
Nivelles land positions		0.84%	
		<b>5.57%</b>	<b>0</b>
<b>Total</b>		<b>100%</b>	<b>244,916</b>

\* archives

<sup>(1)</sup> Rental value vacancy is the difference between the theoretical rental value of the property and the received rental income.

<sup>(2)</sup> The theoretical rental value equals the contractual rent increased with the value of rental vacancy.

<sup>(3)</sup> To determine the estimated rental value, external valuation experts rely on their knowledge of the property market and on recent transactions. The rental value is influenced by the location of the property, the suitability of the site, the qualities of the building and the market conditions.

<sup>(4)</sup> The occupancy rate is calculated by dividing the (indexed) contractual rental of current leases by the sum of contractual rents and estimated rental value (market rent) of the vacancy. The latter are determined based on the level of the current rents.

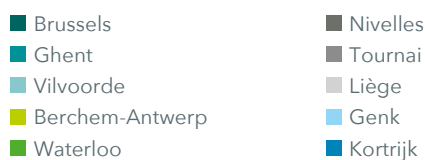
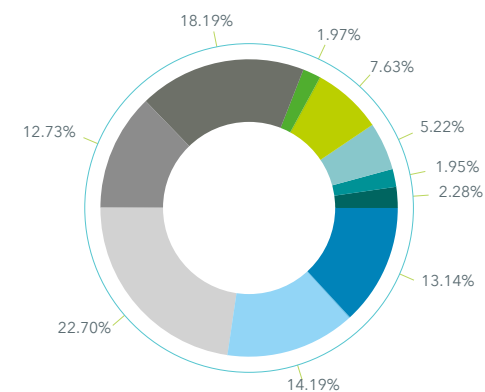
<sup>(5)</sup> On 23 December 2016 the FSMA granted a renewed dispensation until 31 December 2018 from the ban on investing more than 20% of the assets in one real estate stock.

<sup>(6)</sup> This property is fully owned by NV Immo Guwy and Waterloo Shopping BVBA and are not included in the statutory accounts.

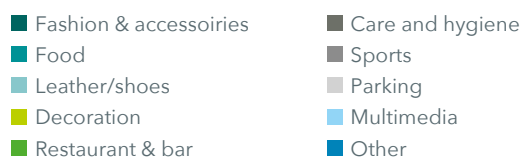
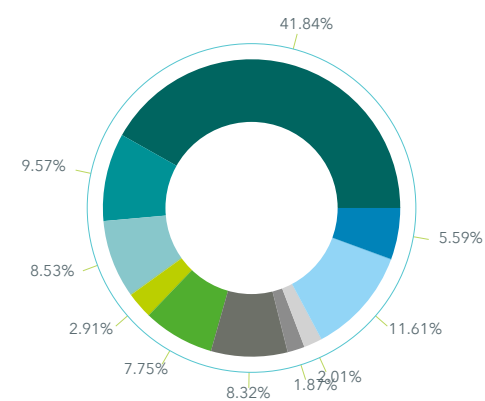


## GEOGRAFICAL BREAKDOWN

(as % of fair value)

BRANCHE-MIX INVESTMENT PROPERTIES  
- RETAIL

(as % of rental income)





# 3

## SUMMARISED FINANCIAL STATEMENTS 1ST HALF YEAR





## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(X € 1,000)

ASSETS	31 DECEMBER 2016	30 JUNE 2017
<b>I. Non-current assets</b>		
<b>C. Investment properties</b>	819,827	814,780
	<b>819,827</b>	<b>814,780</b>
<b>D. Other tangible assets</b>	632	537
	<b>632</b>	<b>537</b>
<b>II. Current assets</b>		
<b>A. Assets held for sale</b>		
Investment properties	0	17,354
<b>D. Trade receivables</b>	9,451	11,443
<b>E. Tax receivables and other current assets</b>	3,249	3,328
<b>F. Cash and cash equivalents</b>	6,501	3,611
	<b>19,201</b>	<b>35,736</b>
<b>Total assets</b>	<b>839,660</b>	<b>851,053</b>

(X € 1,000)

SHAREHOLDERS' EQUITY	31 DECEMBER 2016	30 JUNE 2017
<b>I. Shareholders' equity attributable to the parent company's shareholders</b>		
<b>A. Capital</b>	292,774	292,774
<b>B. Issue premiums</b>	50,563	50,563
<b>C. Reserves</b>		
a. Legal reserve	36	36
b. Reserve for the balance of changes in fair value of real estate properties	113,007	139,371
d. Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-808	-619
j. Reserve for actuarial gains and losses of defined pension schemes	-880	-880
m. Other reserves	986	986
n. Accumulated result	77,667	82,160
<b>D. Net result of the year</b>	66,241	20,154
	<b>599,586</b>	<b>584,545</b>
<b>II. Minority interests</b>	<b>0</b>	<b>0</b>

(X € 1,000)

LIABILITIES	31 DECEMBER 2016	30 JUNE 2017
<b>I. Non-current liabilities</b>		
<b>A. Provisions</b>		
Pensions	1,168	1,163
<b>B. Non-current financial liabilities</b>		
a. Credit institutions	140,000	186,000
c. Other		
Other loans	22,000	22,000
Rent guarantees received	497	697
<b>C. Other non-current financial liabilities</b>		
Authorised hedging instruments	808	619
<b>E. Other non-current liabilities</b>	16,447	0
<b>F. Deferred taxes - liabilities</b>		
b. Other	1,799	1,837
	<b>182,719</b>	<b>212,316</b>
<b>II. Current liabilities</b>		
<b>B. Current financial liabilities</b>		
a. Credit institutions	45,200	26,000
c. Other		
Other	434	1,534
<b>D. Trade payables and other current liabilities</b>		
b. Other		
Suppliers	5,821	2,146
Taxes, remunerations and social security contributions	1,162	798
<b>E. Other current liabilities</b>	0	16,447
<b>F. Accrued charges and deferred income</b>		
Real estate income received in advance	1,570	1,112
Other	3,168	6,155
	<b>57,355</b>	<b>54,192</b>
<b>Total shareholders' equity and liabilities</b>	<b>839,660</b>	<b>851,053</b>
Net asset value per share (x € 1)	86.41	84.24

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(X € 1,000)

	1 <sup>ST</sup> HALF YEAR 2016	1 <sup>ST</sup> HALF YEAR 2017
<b>I. Rental income</b>		
Rent	25,063	25,078
Indemnification for early termination of lease	287	388
<b>Net rental income</b>	<b>25,350</b>	<b>25,466</b>
<b>V. Recovery of rental charges and taxes normally paid by the tenant on let properties</b>	<b>5,448</b>	<b>5,572</b>
<b>VII. Rental charges and taxes normally paid by the tenant on let properties</b>	<b>-5,752</b>	<b>-5,931</b>
	<b>-304</b>	<b>-359</b>
<b>Property result</b>	<b>25,046</b>	<b>25,107</b>
<b>IX. Technical costs</b>		
Recurrent technical costs		
Repairs	-154	-269
Insurance premiums	-18	-23
	<b>-172</b>	<b>-292</b>
<b>X. Commercial costs</b>		
Agency commissions	-158	-150
Publicity	-107	-56
	<b>-265</b>	<b>-206</b>
<b>XI. Charges and taxes on non-let properties</b>		
Costs on non-let properties	-404	-406
Real estate tax on non-let properties	-25	-53
	<b>-429</b>	<b>-459</b>
<b>XII. Property management costs</b>		
(Internal) property management costs	-588	-566
	<b>-588</b>	<b>-566</b>
<b>Property charges</b>	<b>-1,454</b>	<b>-1,523</b>
<b>Property operating results</b>	<b>23,592</b>	<b>23,584</b>
<b>XIV. General company costs</b>		
Staff costs	-1,179	-1,351
Other	-1,019	-1,425
<b>XV. Other operating income and charges</b>	<b>474</b>	<b>164</b>
	<b>-1,724</b>	<b>-2,612</b>
<b>Operating results before result on the portfolio</b>	<b>21,868</b>	<b>20,972</b>

(X € 1,000)

	1 <sup>ST</sup> HALF YEAR 2016	1 <sup>ST</sup> HALF YEAR 2017
<b>XVII. Result on disposals of other non-financial assets</b>		
Net sales of other non-financial assets (sale price - transaction costs)	13	5
	<b>13</b>	<b>5</b>
<b>XVIII. Variations in the fair value of investment properties</b>		
Positive variations in the fair value of investment properties	5,370	11,825
Negative variations in the fair value of investment properties	-6,487	-11,483
	<b>-1,117</b>	<b>342</b>
<b>XIX. Other result on portfolio</b>	0	0
	<b>0</b>	<b>0</b>
	<b>-1,104</b>	<b>347</b>
<b>Operating result</b>	<b>20,764</b>	<b>21,319</b>
<b>XX. Financial income</b>		
Interests and dividends received	4	314
<b>XXI. Net interest charges</b>		
Nominal interest charges on loans	-1,155	-1,239
<b>XXII. Other financial charges</b>		
Bank charges and other commissions	-44	-52
<b>Financial result</b>	<b>-1,195</b>	<b>-977</b>
<b>Result before tax</b>	<b>19,569</b>	<b>20,342</b>
<b>XXV. Corporate tax</b>		
Corporate tax	-45	-142
Deferred tax on market fluctuations of investment properties	-7	-46
<b>Tax</b>	<b>-52</b>	<b>-188</b>
<b>Net result</b>	<b>19,517</b>	<b>20,154</b>
<b>Net result shareholders of the Group</b>	<b>19,517</b>	<b>20,154</b>
<b>Result per share (x € 1)</b>	<b>2.81</b>	<b>2.90</b>
<b>Diluted result per share (x € 1)</b>	<b>2.81</b>	<b>2.90</b>

## CONSOLIDATED STATEMENT OF NET RESULT FROM CORE (1) AND NON-CORE (2) ACTIVITIES TO 30 JUNE

(X € 1,000)

	1 <sup>ST</sup> HALF YEAR 2016		1 <sup>ST</sup> HALF YEAR 2017	
	(1)	(2)	(1)	(2)
Net rental income	25,350		25,466	
Rental charges and taxes normally paid by the tenant on let properties	-304		-359	
Property charges				
IX. Technical costs	-172		-292	
X. Commercial costs	-265		-206	
XI. Charges and taxes on non-let properties	-429		-459	
XII. Property management costs	-588		-566	
XIV. General company costs	-2,198		-2,776	
XV. Other operating income and charges	474		164	
<b>Operating results before result on the portfolio</b>	<b>21,868</b>		<b>20,972</b>	
XVII. Result on disposals of other non financial assets	13		5	
XVIII. Change in fair value of the investment properties				
- positive		5,370		11,825
- negative		-6,487		-11,483
XIX. Other result on portfolio		0		0
<b>Operating result</b>	<b>21,881</b>	<b>-1,117</b>	<b>20,977</b>	<b>342</b>
Financial result	-1,195	0	-977	0
<b>Result before tax</b>	<b>20,686</b>	<b>-1,117</b>	<b>20,000</b>	<b>342</b>
Corporate tax	-45	-7	-142	-46
<b>Net result</b>	<b>20,641</b>	<b>-1,124</b>	<b>19,858</b>	<b>296</b>
Profit per share (x €1)	2.97	-0.16	2.86	0.04

(1) The net result from core activities is the operating result before the portfolio result minus the financial result and taxation, and excluding variations in the fair value of financial derivatives (that are not treated as hedge accounting in accordance with IAS 39) and other non-distributable items on the basis of the company financial statements of Wereldhave Belgium.

(2) The result from non-core activities (portfolio result) comprises (i) the result on sale of property investments, (ii) the variations in the fair value of property investments, and (iii) the other portfolio result.

## STATEMENT OF COMPREHENSIVE INCOME

(X € 1,000)

	31 DECEMBER 2016	30 JUNE 2017
<b>I. Net result</b>	<b>19,517</b>	<b>20,154</b>
<b>II. Other comprehensive income</b>		
<b>Items taken in the result</b>		
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	-374	189
C. Changes in the fair value of financial assets available for sale	0	0
<b>Items not taken in the result</b>		
E. Actuarial gains and losses of pledged pension schemes	0	0
	-374	189
<b>Comprehensive income (I + II)</b>	<b>19,143</b>	<b>20,343</b>
Attributable to:		
Minority interests	0	0
Shareholders of the group	19,143	20,343

## CONSOLIDATED CASH FLOW STATEMENT

(X € 1,000)

	1ST HALF YEAR 2016	1ST HALF YEAR 2017
<b>Cash flow from operating activities</b>		
Net result before tax	19,569	20,342
Income from interest and dividends	-4	-2
<b>Result exclusive of dividend received</b>	<b>19,565</b>	<b>20,340</b>
Depreciation tangible assets	133	108
Rental discounts and investments	291	331
Interest charges	1,194	1,291
Variations in the fair value of investment property	1,117	-342
Movements in provisions	-4,635	-1,592
Movements in short term debts	-792	1,642
Corporate tax paid	-287	0
Corporate tax received	2,891	0
	<b>-88</b>	<b>1,437</b>
<b>Net cash flow from operating activities</b>	<b>19,477</b>	<b>21,777</b>
<b>Cash flow from investment activities</b>		
Sale real estate certificates	790	0
Payment for investment property	-4,343	-14,609
Acquisition furniture and vehicles	-169	-33
Interest and dividend received	4	2
<b>Net cash flow from investment activities</b>	<b>-3,718</b>	<b>-14,639</b>
<b>Cash flow from financial activities</b>		
Appeal credit institutions/Other	80,000	72,000
Repayment credit institutions/Other	-63,000	-45,200
Dividends paid	-34,000	-35,389
Interest paid	-1,369	-1,439
<b>Net cash flow from financing activities</b>	<b>-18,369</b>	<b>-10,028</b>
<b>Net cash flow</b>	<b>-2,609</b>	<b>-2,890</b>
<b>Cash &amp; bank balances</b>		
At 1 January	6,231	6,501
Increase/decrease cash and bank balances	-2,610	-2,890
<b>At 30 June</b>	<b>3,621</b>	<b>3,611</b>

## CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

(X € 1,000)

2016	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	LEGAL RESERVE	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
<b>Balance at 1 January 2016</b>		<b>292,774</b>	<b>50,563</b>	<b>36</b>	<b>103,745</b>
Variations in the fair value of hedging instruments					
Transfer from reserves					
Provisions for pensions					
Other					
<b>Net result</b>					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					9,262
Dividend over 2015	a				
<b>Balans per 31 december 2016</b>		<b>292,774</b>	<b>50,563</b>	<b>36</b>	<b>113,007</b>



(X € 1,000)

RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF AUTHORISED HEDGING INSTRUMENTS SUBJECT TO HEDGE ACCOUNTING	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AVAILABLE FOR SALE	RESERVE FOR ACTUARIAL GAINS AND LOSSES OF DEFINED PENSION SCHEMES	OTHER RESERVES	ACCUMULATED RESULT	NET RESULT OF THE YEAR	TOTAL
-733	0	-993	986	120,932		567,310
-75						-75
		113				113
				-2		-2
						0
					66,241	66,241
				-9,262		0
				-34,001		-34,001
<b>-808</b>	<b>0</b>	<b>-880</b>	<b>986</b>	<b>77,667</b>	<b>66,241</b>	<b>599,586</b>

(X € 1,000)

2017	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	LEGAL RESERVE	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
<b>Balans per 1 januari 2017</b>		<b>292,774</b>	<b>50,563</b>	<b>36</b>	<b>113,007</b>
Variations in the fair value of hedging instruments					
Transfer from reserves					
Provisions for pensions					
Other					
<b>Net result</b>					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties	b				26,364
Dividend over 2016	c				
<b>Balance at 30 June 2017</b>		<b>292,774</b>	<b>50,563</b>	<b>36</b>	<b>139,371</b>

## Explanation

- |   |   |
|---|---|
| a | Dividend paid 2015<br>€ 4.90 (net € 3.577) per share: € -34,001   |
| b | Changes in fair value of the investment properties portfolio over 2016. Reclassification of the heading 'Accumulated result'. |
| c | Dividend paid 2016<br>€ 5.10 (net € 3.57) per share: € -35,389  |

(X € 1,000)

RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF AUTHORISED HEDGING INSTRUMENTS SUBJECT TO HEDGE ACCOUNTING	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AVAILABLE FOR SALE	RESERVE FOR ACTUARIAL GAINS AND LOSSES OF DEFINED PENSION SCHEMES	OTHER RESERVES	ACCUMULATED RESULT	NET RESULT OF THE YEAR	TOTAL
-808	0	-880	986	143,908		599,586
189						189
						0
						0
				5		5
					20,154	20,154
				-26,364		0
				-35,389		-35,389
-619	0	-880	986	82,160	20,154	584,545

## SEGMENT INFORMATION 1ST HALF YEAR 2017

De segmentatie van huurinkomsten, vastgoedkosten, vastgoedbeleggingen en herwaarderingen over de sectoren is als volgt:

(X € 1,000)

1 <sup>ST</sup> HALF YEAR 2017		OFFICES	RETAIL	TOTAL
	Rent	4,733	20,345	25,078
	Indemnification for early termination of lease		388	388
	<b>Net rental income</b>	<b>4,733</b>	<b>20,733</b>	<b>25,466</b>
	Recovery of rental charges and taxes normally paid by the tenant on let properties	1,104	4,878	5,982
	Rental charges and taxes normally paid by the tenant on let properties	-1,175	-5,166	-6,341
				-359
	<b>Property result</b>	<b>4,662</b>	<b>20,445</b>	<b>25,107</b>
IX	Technical costs			-292
	Repairs	-188	-81	
	Insurance premiums	-3	-20	
X	Commercial costs			-206
	Agency commissions	-68	-81	
	Publicity	-8	-48	
XI	Charges and taxes on non let properties			-459
	Costs on non let properties	-172	-234	
	Real estate tax on non let properties	-6	-47	
XII	(Internal) property management costs	-55	-511	-566
	<b>Property operating results</b>	<b>4,162</b>	<b>19,423</b>	<b>23,584</b>
XIV/X	General company costs and other operating			
V	income and charges			-2,612
	<b>Operating result before result on the portfolio</b>			<b>20,972</b>
XVII	Result on disposals of other non financial assets			5
XVIII	Variations in the fair value of investment properties			342
	Positive variations in the fair value of investment properties	1,117	10,708	
	Negative variations in the fair value of investment properties	-3,337	-8,146	
XIX	Other result on portfolio			0
	<b>Operating result</b>			<b>21,319</b>
	<b>Financial result</b>			<b>-977</b>
	<b>Result before taxes</b>			<b>20,342</b>

(X € 1,000)

1 <sup>ST</sup> HALF YEAR 2017	OFFICES	RETAIL	TOTAL
Corporate tax			-142
Deferred taxes on market fluctuations of investment properties			-46
<b>Tax</b>			<b>-188</b>
<b>Net result</b>			<b>20,154</b>
<b>Investment properties</b>			
Investment properties excl. development projects			
Balance at 1 January	123,452	659,905	783,357
Investments	149	905	1,054
Assets held for sale (see p. 5)	-17,354		-17,354
Revaluation	-2,220	2,562	342
<b>Balance at 31 December</b>	<b>104,027</b>	<b>663,372</b>	<b>767,399</b>
Capitalised rent incentives	574	376	950
<b>Value investment properties excl. development projects</b>	<b>104,601</b>	<b>663,748</b>	<b>768,349</b>
<b>Development projects</b>			
Balance at 1 January		35,318	35,318
Investments		10,963	10,963
Disposals			0
Transfer from development to investment			0
Revaluation			0
Capitalised interest		150	150
<b>Balance at 30 June</b>		<b>46,431</b>	<b>46,431</b>

(X € 1,000)

1 <sup>ST</sup> HALF YEAR 2016		OFFICES	RETAIL	TOTAL
	Rent	4,904	20,159	25,063
	Indemnification for early termination of lease	0	287	287
	<b>Net rental income</b>	<b>4,904</b>	<b>20,446</b>	<b>25,350</b>
	Rental charges and taxes normally paid by the tenant on let properties	-86	-218	-304
IX	Technical costs			-172
	Repairs	-50	-104	
	Insurance premiums	1	-19	
X	Commercial costs			-265
	Agency commissions	-122	-36	
	Publicity	-17	-90	
XI	Charges and taxes on non let properties			-429
	Costs on non let properties	-191	-213	
	Real estate tax on non let properties	-14	-11	
XII	(Internal) property management costs	-84	-504	-588
	<b>Property operating results</b>	<b>4,341</b>	<b>19,251</b>	<b>23,592</b>
XIV/X	General company costs and other operating			
V	income and charges			-1,724
	<b>Operating result before result on the portfolio</b>			<b>21,868</b>
XVII	Result on disposals of other non financial assets			13
XVIII	Variations in the fair value of investment properties			-1,117
	Positive variations in the fair value of investment properties	290	5,080	
	Negative variations in the fair value of investment properties	-4,746	-1,741	
XIX	Other result on portfolio			0
	<b>Operating result</b>			<b>20,764</b>
	<b>Financial result</b>			<b>-1,195</b>
	<b>Result before taxes</b>			<b>19,569</b>

(X € 1,000)

1 <sup>ST</sup> HALF YEAR 2016	OFFICES	RETAIL	TOTAL
Corporate tax			-45
Deferred taxes on market fluctuations of investment properties			-7
<b>Tax</b>			<b>-52</b>
<b>Net result</b>			<b>19,517</b>
<b>Investment properties</b>			
Investment properties excl. development projects			
Balance at 1 January	124,894	607,026	731,920
Investments	434	526	960
Acquisitions	0	0	0
Transfer from development to investment	0	17,030	17,030
Revaluation	-4,456	3,339	-1,117
<b>Balance at 31 December</b>	<b>120,872</b>	<b>627,921</b>	<b>748,793</b>
Capitalised rent incentives	905	559	1,464
<b>Value investment properties excl. development projects</b>	<b>121,777</b>	<b>628,480</b>	<b>750,257</b>
<b>Development projects</b>			
Balance at 1 January		40,547	40,547
Investments		1,391	1,391
Disposals			0
Transfer from development to investment		-17,030	-17,030
Revaluation			0
Capitalised interest		175	175
<b>Balance at 30 June</b>		<b>25,083</b>	<b>25,083</b>

## MOVEMENTS IN INVESTMENT PROPERTIES 1ST HALF YEAR

(X € 1,000)

	31 DECEMBER 2016	30 JUNE 2017
<b>Investment properties excl. development projects</b>		
Balance at 1 January	731,920	783,357
Transfer of development projects to investment properties	17,030	0
Transfer of investment properties to assets held for sale	0	-17,354
Investments	3,656	1,054
Revaluations	30,751	342
<b>Total</b>	<b>783,357</b>	<b>767,399</b>
Book value of capitalised rent incentives	1,152	950
<b>Fair value investment properties</b>	<b>784,509</b>	<b>768,349</b>
<b>Development projects</b>		
Balance at 1 January	40,547	35,318
Transfer of development projects to investment properties	-17,030	0
Capitalised interest	316	150
Investments	15,873	10,963
Revaluations	-4,388	0
<b>Total</b>	<b>35,318</b>	<b>46,431</b>
<b>Total investment properties</b>	<b>819,827</b>	<b>814,780</b>
Assets held for sale	0	17,354
<b>Total investment properties portfolio</b>	<b>819,827</b>	<b>832,134</b>
<b>Share data</b>		
	1 <sup>st</sup> half year 2016	1 <sup>st</sup> half year 2017
(amounts per share x € 1)		
Number of shares qualifying for dividend	6,939,017	6,939,017
Profit per share qualifying for dividend	2.81	2.90
Average number of shares	6,939,017	6,939,017
Profit per share	2.81	2.90
Net resultaat from core activities per share	2.97	2.86
Net asset value including current result (€/share)	79.62	84.24

No stocks convertible into shares has been distributed by the Company



(X € MLN)	TOTAL	VALUATION PARAMETERS 'FAIR VALUE'		
		PUBLIC QUOTATION LEVEL 1	QUANTIFIABLE PARAMETERS LEVEL 2	UNQUANTIFIABLE PARAMETERS LEVEL 3
<b>Assets measured at fair value</b>				
Investment properties	768.3			768.3
Available for sale	17.4			17.4
<b>Liabilities whose fair value is described</b>				
Reserve authorised hedging instruments	0.6		0.6	
Interest-bearing liabilities	234		234	

- There have been no changes regarding the valuation methods used in comparison with the consolidated financial statements as at 31 December 2016.

- There were no reclassifications between the different 'levels' during the current six months.

- For further explanations on the movements in investment properties, refer to section 1 of this half yearly financial statement.

## REAL ESTATE EXPERTS' REPORT

Resolutions (extract) of the real estate experts, prepared on 30 June 2016, following the valuation of the property portfolio, as referred to the Royal Decree of 13 July 2014 with respect to regulated real estate companies, the RREC:

### **Cushman & Wakefield**

*We hereby have the honor to present you our valuation report as per 30 June 2017 of the object under heading. Based on the market analysis and*

*assumptions we value the portfolio as follows:*  
Fair value: € 663.877.000

### **Troostwijk Roux Expertises**

*Based on this Valuation, we believe that the total of the individual market values of the properties and leasehold properties, in function of and as a result of the various leases is on 30 June 2017:*  
Fair value: € 104.478.500

## FINANCING

During the second quarter, the credit facility (€ 30 mln) by BNP Paribas Fortis was refinanced. The term is 7 years and the fixed interest rate is 1.30%.

In addition, € 26.8 mln was taken in unutilized credit lines in order to finance the investment relating to the expansion of the shopping centre 'Les Bastions' in Tournai.

The remaining cash flows are explained by extended drawdowns of straight loans under existing 'revolving' credits.

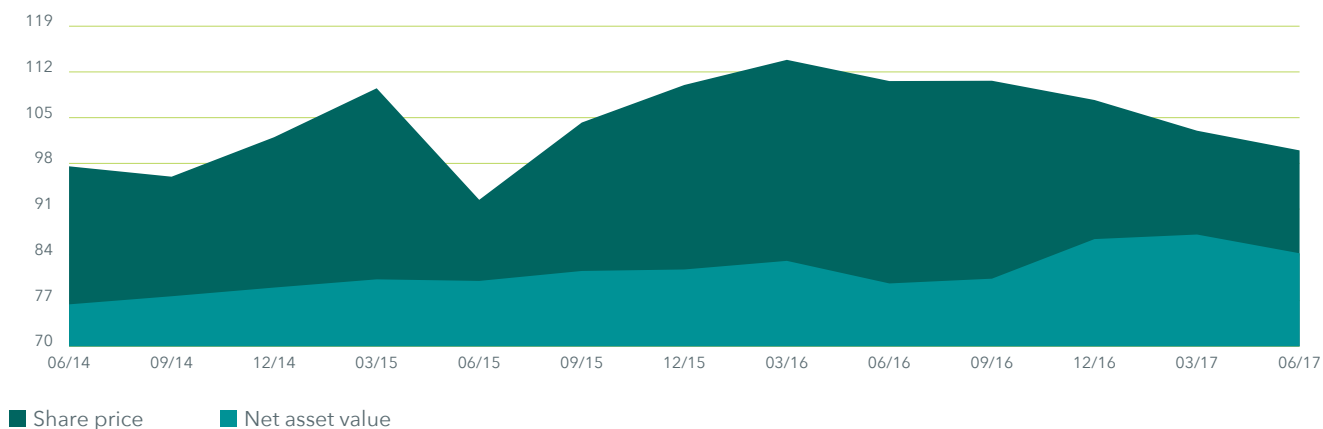
## SHAREHOLDERS

Of the 6,939,017 shares in circulation at 30 June 2017, 36.38% were held by Wereldhave N.V., 33.20% by Wereldhave International N.V. and 30.42% by the general public.

Wereldhave International N.V. is a 100 % subsidiary of Wereldhave N.V.

### SHARE PRICE/NET VALUE

(before profit sharing x € 1)



## BASIS OF PREPARATION OF HALF YEAR FIGURES 2017

The financial information regarding the first half year 2017 has been prepared in accordance with IAS 34, 'Interim financial reporting' and the requirements of the Royal Decree of 13 July 2014 regarding the RREC.

The interim financial report should be read in conjunction with the financial annual report for the year ending 31 December 2016. Wereldhave Belgium has not adopted new IFRS standards or interpretations during the first half year 2017 and the asset valuation rules, used for the interim financial statements, are identical to those used for the annual financial statements for the year ending 31 December 2016.

### New IFRS standards

New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the interim financial statements as at 30 June 2017, and have not been applied in preparing these interim financial statements:

IFRS 15 Revenue from Contracts with Customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Barter Transactions Involving Advertising Services. IFRS 15 is effective for the annual reports beginning on or after 1 January 2018, with early adoption permitted, and has been endorsed by the EU. Clarifications to IFRS 15 Revenue from Contracts with Customers (issued on 12 April 2016) has not yet been endorsed by the EU.

*The various income streams of the Group, mainly consisting of rental income (not in the scope of IFRS 15) & recharges of rental charges & related taxes, have been analyzed in the context of IFRS 15 and the group expects that the implementation of IFRS 15 will not have a material impact on the Group's consolidated financial statements.*

**IFRS 16 Leases** published on 13 January 2016 makes a distinction between a service contract and a lease based on whether the contract conveys the right to

control the use of an identified asset and 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. For lessors, there is little change to the existing accounting in IAS 17 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. The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. This new standard has not yet been endorsed by the EU.

The group is currently assessing the potential impact of implementation on its consolidated financial statements.

*The most significant impact will be that the Group will recognise new assets & liabilities for its operational lease liabilities as tenant and more specifically relating to its leasehold commitments. We also refer to note 33 of the consolidated financial statements of the year ending 31 December 2016 for an overview of the commitments of the Group relating to operational lease arrangements.*

**IFRS 9** Financial Instruments published in July 2014 replaces the existing guidance in IAS 39 Financial

Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements, which align hedge accounting more closely with risk management. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Group is currently in the process of implementing the new Standard. Based on the current assessment of the potential impact of adopting IFRS 9, the following observations can be made:

#### Classification and Measurement

The group has assessed there will not be a considerable impact on its accounting for financial assets and trade, other receivables included.

#### Impairment

*IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables. For trade receivables without significant*

*financing component this should be done based on the entire lifetime. A full and detailed assessment has not yet been undertaken on how the impairment provisions will be affected by the new model, but it will result in an earlier recognition of credit losses. However, the Group estimates that this will not have a significant impact on the consolidated financial statements.*

#### Hedge accounting

*Following the Group's current assessment, it is expected that the types of hedge accounting relationships that are currently designated will meet the requirements of IFRS 9. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.*

## CONSOLIDATION

The published figures in this half yearly statement are consolidated figures. In accordance with the relevant legislation, the subsidiaries are consolidated.

No statutory half year financial report is prepared at 30 June. The statutory annual accounts are only prepared at year end.

## RISK MANAGEMENT

The risks with which the RREC may be confronted during the remaining financial period of 2016 (business, financial, operational and strategic risks), are identical to those described in the financial annual report 2016. In order to limit the possible impact for the company and its shareholders, the Management Company continuously monitors these risks.

The focus on shopping centres involves a higher geographical concentration, in the sense that the apportionment is implemented only on a limited number of real estate as well as a higher risk concentration in case of technical problems and fire.

In accordance with article 76 of the law of 20 July 2004, the Management Company confirms taking into account social, ethical and environmental aspects when controlling the financial means and when executing rights conferred by securities in the portfolio. See annual financial report 2016, page 78-93, 'Sustainability'.

## RELATED PARTIES

During the first half year, no transactions have taken place between persons or institutions which can be considered as related parties of the Company.

## SIGNIFICANT EVENTS AFTER 30 JUNE 2017

After 30 June 2017, no significant events occurred requiring adjustments to the accounts or further disclosure.

# 4

## OBLIGATIONS REGARDING THE PROVISION OF INFORMATION



(R.D. OF 14 NOVEMBER 2007)

Mr. D. Anbeek and Mr. K. Deforche, Managing Directors of the statutory Management Company of the RREC, declare, in the name and on behalf of the statutory Management Company, in the function of managing entity of the RREC, that, as far as they know,

- the condensed consolidated interim financial information which have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union and the requirements of the Royal Decree of 13 July 2014 with respect to public regulated real estate companies, give a true and fair view of the equity, financial position and financial performance of the issuer, and the entities included in the consolidation as a whole;
- the interim management report includes a fair overview of the information required under Article 13, § 5 and 6 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

# 5

# STATUTORY AUDITOR'S REVIEW REPORT





Statutory auditor's report to the board of directors of Wereldhave Belgium Comm. VA on the review of the condensed consolidated interim financial information as at 30 June 2017 and for the 6-month period then ended

FREE TRANSLATION OF A REPORT  
ORIGINALLY PREPARED IN DUTCH

### INTRODUCTION

We have reviewed the accompanying condensed consolidated statement of financial position of Wereldhave Belgium Comm. VA as at 30 June 2017, the condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of movements in equity and the condensed consolidated cash flow statement for the 6-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information").

The Statutory Manager is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2017 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Kontich, 19 July 2017

KPMG Réviseurs d'Entreprises/  
Bedrijfsrevisoren  
Statutory Auditor  
Represented by

Filip De Bock  
Réviseur d'Entreprises/Bedrijfsrevisor