



WERELDHAVE  
BELGIUM



2018

Half yearly  
Financial statement  
30 June

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

# OVERALL SUMMARY REAL ESTATE MARKETS



## RETAIL

On the investment market, the first semester 2018 has seen the completion of the disposals of the Woluwe Shopping Center and Docks Bruxel, both of them having been sold to international investors.

On the users' market, the turnover figures of the retailers remain under pressure in the first half of the year; on the one hand due to the evolution of the spending behavior of the consumers (for instance more budget spent on services but also on e-commerce) and on the other hand due to the weather conditions during spring and early summer, which discouraged consumers to go into the shopping centers. Both in the city and shopping centers, the leasing of larger retail units remains challenging, within a limited number of retailers who continue a prudent expansion strategy.

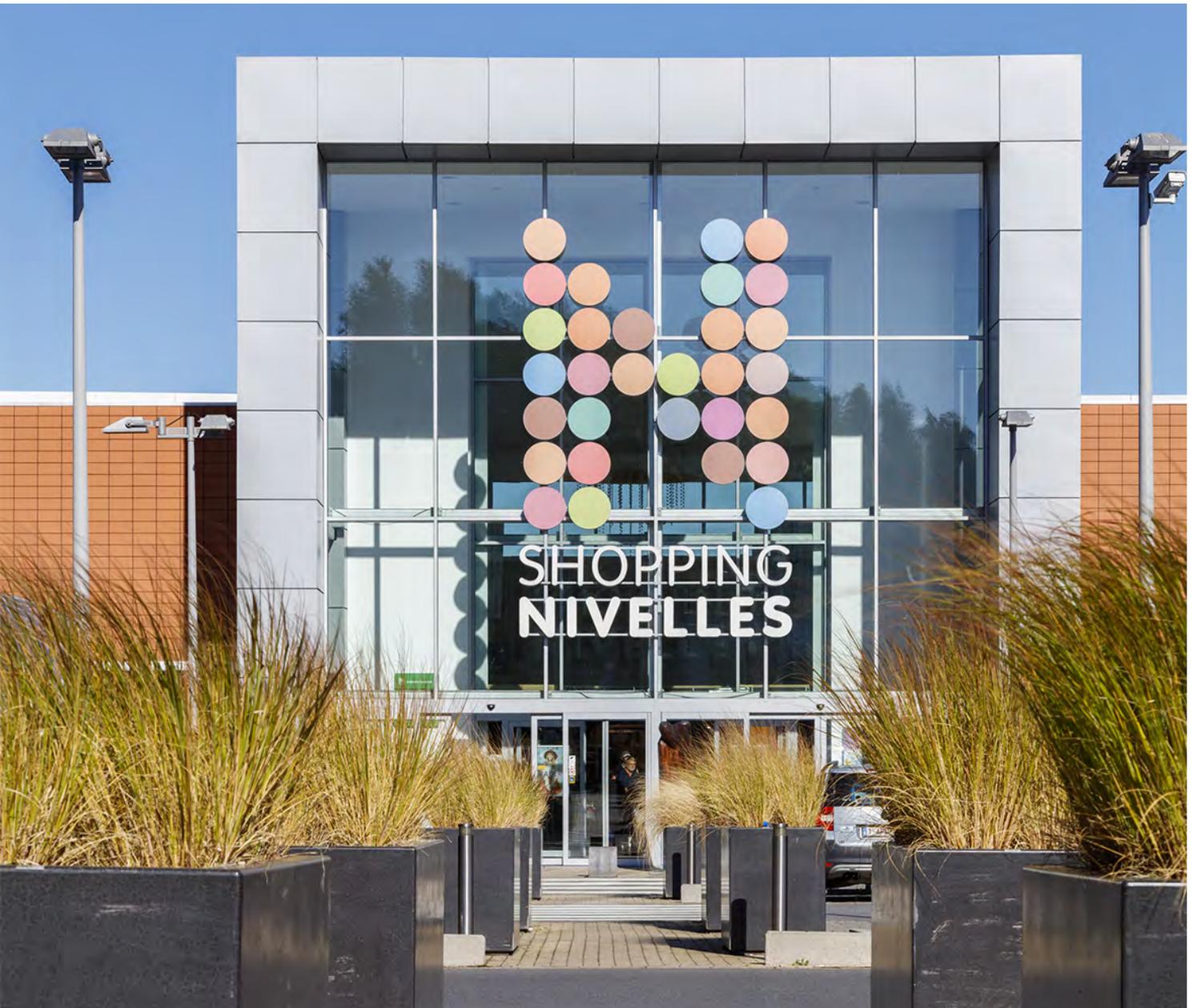
## OFFICES

Positive economic figures, amongst others related to the employment market, had a favorable effect on the vacancy level of the offices. We noticed an increase of the rental levels in top locations, but not yet in the secondary and peripheral areas. The new trend of co-working activity further spreads, with some new players in this market, which also positively influences the take-up of additional square meters. This growing trend takes into consideration the fact that corporates intend to remain flexible in the future in terms of occupied offices surfaces, which could potentially lead to further rationalizing of 'private' square meters.

The investment market remains highly dynamic and competitive due to the appetite of investors looking for investment opportunities and the continued low interest rates.

# 2

# INTERIM FINANCIAL REPORT



- Stable result from core activities in the first half of the year of € 19.8 mln (€ 19.9 mln as of 30 June 2017);
- Increase of the number of shares by 228,525 units as a consequence of the optional dividend, which generated a dilution of the result from core activities per share from € 2.86 as of 30 June 2017 to € 2.82 as of 30 June 2018;
- Increase in value of the investment portfolio from € 853.6 mln (31 December 2017) to € 881.3 mln as of 30 June 2018
- Increase in the occupancy rate of the retail portfolio from 94.9% (31 December 2017) to 96.7% as of 30 June 2018
- Net result per share amounted to € 3.38 (€ 2.90 as of 30 June 2017)

## KEY FIGURES

(X € 1,000)

RESULTS	1 <sup>ST</sup> HALF YEAR 2017	1 <sup>ST</sup> HALF YEAR 2018
Net rental income	25,466	25,703
Net result	20,154	23,663
Net result from core activities <sup>1)</sup>	19,858	19,760
Net result from non-core activities <sup>2)</sup>	296	3,903
Profit per share (x €1)	2.90	3.38
Net result from core activities per share (x €1)	2.86	2.82

BALANCE SHEET	31 DECEMBER 2017	30 JUNE 2018
Properties available for lease <sup>3)</sup>	786,747	866,912
Development projects	66,817	14,413
<b>Total investment properties portfolio</b>	<b>853,564</b>	<b>881,325</b>
Shareholders' equity	619,284 <sup>4)</sup>	627,829 <sup>5)</sup>
Net asset value per share (x €1)	89.25 <sup>4)</sup>	87.59 <sup>5)</sup>
Debt ratio on total of assets	29.0%	29.2%
Number of shares	6,939,017	7,167,542
Average number of shares	6,939,017	7,005,933

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

<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

## NET RESULT

During the first half year, the net result from core and non-core activities amounted to € 23.7 mln (€ 20.2 mln as of 30 June 2017). Compared to the same period in 2017, this

increase is the result of a lower result from core activities (€ -0.1 mln) and a higher result from non-core activities (€ 3.6 mln).

## RESULT FROM CORE ACTIVITIES

Wereldhave Belgium obtained a result from core activities of € 19.8 mln (€ 19.9 mln as of 30 June 2017) over the first six months. Rental income increased by € 0.2 mln, while real estate expenses and general expenses decreased respectively by € 0.2 mln and € 0.3 mln compare to the same period last year.

Compared to last year, the interest rates remained historically low, keeping the financial costs quite stable, but the financial result decreased by € 0.3 mln due to a one off financial income of € 0.3 mln received last

year on the liquidation of real estate certificates 'Ring Shopping Kortrijk Noord' and 'Basilix'.

This brings the result from core activities per share to € 2.82 (€ 2.86 per 30 June 2017).

The EPRA occupancy rate per 30 June 2018 amounted to 95.7% (94.3% per 31 December 2017). Detailed by segment amounted this ratio to 96.7% for the retail portfolio (94.9% as of 31 December 2017) and 90.6% for the office portfolio (91.7% as of 31 December 2017).

## RESULT FROM NON-CORE ACTIVITIES

The result from non-core activities amounted to € 3.9 mln (€ 0.3 mln as of 30 June 2017). The result from non-core activities consisted essentially in the valuation results related to the investment properties portfolio.

In the first half year, the value of the portfolio excluding additional investments remained quite stable.

## SHAREHOLDERS' EQUITY AND NET ASSET VALUE

Shareholders' equity at 30 June 2018 amounts to € 627.8 mln (€ 619.3 mln as of 31 December 2017).

The net asset value per share (total equity / number of issued shares) at 30 June 2018, including the profit for the current year - after dividend payment and taking into account its

related increase of the number of shares, amounts to € 87.59 as of 30 June 2018 (€ 89.25 as of 31 December 2017).

In the first half year, the average interest rate on the outstanding loans amounted to 0.92% (0.94% for 2017).

## INVESTMENT PROPERTIES

### PROPERTIES AVAILABLE FOR LEASE

The fair value of the properties available for lease amounts to € 866.9 mln (€ 786.7 mln as of 31 December 2017:)

The net increase of € 80.2 mln is mainly due to the delivery of the extension project of the shopping centre 'Les Bastions' in Tournai (€ 76.7 mln) and a positive net revaluation of € 3.8 mln.

### RETAIL PORTFOLIO

After two years of intensive renovation and extension works, the shopping centre 'Les Bastions' in Tournai reopened its doors on 12 April 2018. The occupancy ratio currently amounts to 98% and discussions are ongoing for the last two available units in the shopping centre. The first results are promising with an increase of the number of visitors by more than 60%. Wereldhave Belgium takes pride in the nomination of Les Bastions for the shopping award 2018 organised by BLSC, the Belgian Luxembourg Council of Retail and Shopping Centres.

In the property 'Ring Shopping' in Kortrijk, the commercial effort is starting to show some positive effects with the signing of several new tenants (Electro Dépôt, Medi-Market, Only, etc). The occupancy rate increased from 88% to 95% over the past year, so as the number of visitors (+5.3% in 2018, after +4.5% in 2017).

The shopping centre in Nivelles will soon welcome the French sport retailer Decathlon. The opening of this store, with a brand-new concept, is promising and will without any doubt reinforce the attractiveness of this property.

The ongoing restructuring of Carrefour and the various associated strikes performed by its employees has weighted on the attractiveness of the shopping centres 'Shopping 1' in Genk and 'Belle-Ile' in Liège. The rental agreements have not been terminated yet but Carrefour has expressed its wish to decrease the size of these two stores. The negotiation with various retailers, amongst others Carrefour, are ongoing to ensure to preserve the attractiveness of these two sites.

Some contracts were signed during the period in 'Shopping 1' in Genk with various qualitative tenants (amongst others JD Sports, Action and Only).



Wereldhave Belgium is very satisfied with the performance of its retail park in Tournai: an in-house development opened in 2016, located close to the shopping centre 'Les Bastions' and intends to further increase the company's presence in this sector. The development of clusters on the retail market becomes more and more important, in which the platform of Wereldhave Belgium - with years of experience in financial administrative management of shopping centres, solid marketing concepts and attention to the appropriate tenants mix - could offer significant creation of value. The company notices that more and more retailers who were historically active in retail parks also expanded their activities in shopping centres, also the opposite. So as our shopping centres, retail parks are becoming, because of their accessibility, hubs for the increasingly important omni channels strategy developed by the retailers. The company has the ambition to further invest in this segment to enable its growth and to limit the individual size of the properties in its portfolio.

The proportion of the retail portfolio in the total investment properties, inclusive development projects and assets available for sale, amounts to 89.0% as of 30 June 2018.

#### *OFFICES PORTFOLIO*

The occupancy ratio of the office properties 'De Veldekens' in Antwerp amounted to 100% as of 30 June 2018. A resignation has nevertheless been introduced by a tenant for a surface of 1,094m<sup>2</sup>, which will be vacated as of 31 December 2018. The reletting of this surface is already ongoing and the company is fully confident that a new tenant will be identified soon.



Belle-Île

As of 31 December 2017, the office property Madou was classified in the properties available for sale based on the sale agreement signed in 2016, in which was foreseen that the operating risk of the property and the benefit of the rental income would remain by the company till the end date of the rental agreement on 31 January 2018. At that moment, all risks and rewards have been properly transferred and the property and the associated liability for the same amount (€ 16.4 mln) have been written off the financial statements of the company.

A sale agreement has been signed in June on a non-strategic property of +/-3,000m<sup>2</sup> located in Vilvoorde, Olieslagerslaan. Therefore, the property has been transferred as per 30 June 2018 in the properties available for sale. The transfer has effectively taken place on 4 July 2018.

### DEVELOPMENT PROJECTS

The fair value of the development projects portfolio amounted to €14.4 mln as of 30 June 2018 (€66.8 mln as of 31 December 2017). The net decrease of € 52.4 mln is mainly due to the works performed during the semester on the extension of the shopping centre 'Les Bastions' in Tournai (€22.1 mln) and the transfer of this project in the properties available for lease (€-76.7 mln).

During the semester, the company introduced a request for permit on its project '7 fontaines' in Tournai (budget of € 2.1 mln). It is related to the redevelopment of an existing property of +/- 3.000 m<sup>2</sup> for which the commercialization is already in an advanced stage.

## DEROGATION SHOPPING CENTRE 'BELLE-ILE' IN LIÈGE IN ACCORDANCE WITH ARTICLE 30 §3 AND §4 OF THE RREC LAW

On 23 December 2016, the management committee of the FSMA (financial services and markets authority) renewed the derogation to the shopping centre 'Belle-Ile' in Liège on the limitation of investing more than 20% of the assets in one single property in order to maintain its RREC status.

This derogation has been allowed against the following cumulative conditions:

- The derogation has been granted until 31 December 2018;
- The Company reports the share that the shopping centre 'Belle-Ile' represents in the investment properties portfolio to the FSMA every quarter;
- The periodic reports and prospectuses that the Company will publish in the future must explicitly state that the company's decision to focus on shopping centres implies a higher geographical concentration as well as an increased risk of, among other things, technical problems and increased fire hazard.

In accordance with article 30 §4 of the RREC Law, the debt ratio of the Company may not exceed 33% as long as the derogation on article 30 §1 and §2 of the RREC Law applies.

The fair value of the shopping centre 'Belle-Ile' amounts to 21.3% of the investment properties portfolio as per 30 June 2018 and the consolidated debt ratio is 29.2%.

The Company continues its efforts to bring the fair value of this asset under 20% through active prospecting to new investment opportunities. To realize this ambition, Wereldhave Belgium decided in 2017 to extend its investment scope to retail parks and assets in the Grand Duchy of Luxembourg.

This decision to extend the investment scope does not change the focus on retail property, which implies the maintenance of a sectoral concentration.

## SUSTAINABILITY

In the first half of the year, major efforts have been put into sustainability. A program of instalment of solar panels has been started to further increase the energy production capacity of the shopping centres in Liège, Kortrijk and Tournai. This action perfectly fits in the ambition of the company to increase the portion of renewable energy in the total energy consumption in the portfolio. Green energy is also used next to the locally self-produced energy

In terms of certification of our portfolio, we have started a BREEAM audit in the shopping centre 'Shopping 1' in Genk.

In the shopping centre 'Belle-Ile', a cycling event has been organized in the context of the Télévie. Besides the public, there were also lots of tenants and employees of the company who participated to this event.

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

## CORPORATE - DIVIDEND

The General Meeting of Shareholders on 11 April 2018, in accordance with the proposal of the Management Company, decided to distribute a dividend for 2017 of € 5.10 gross (net: € 3.57), under the form of an optional dividend. The dividend has been payable as from 8 May 2018.

This optional dividend generated an increase of the equity by € 20.3 mln (equity and issue premium) through creation of 228,525 new shares.

## PROSPECTS

Considering the capital increase, which created a dilutive effect on the result per share due to the increased number of shares, the prospects of net result from core activities per share were reduced for the ongoing accounting year, as published on 7 May 2018, by 10 eurocents compared to those published earlier. Unforeseen circumstances excepted, the Management Company expects a result from core activities per share between € 5.60 and € 5.70 by the end of 2018 (€ 5.68 in 2017).

Vilvoorde, 18 July 2018

NV Wereldhave Belgium SA  
Statutory Management Company

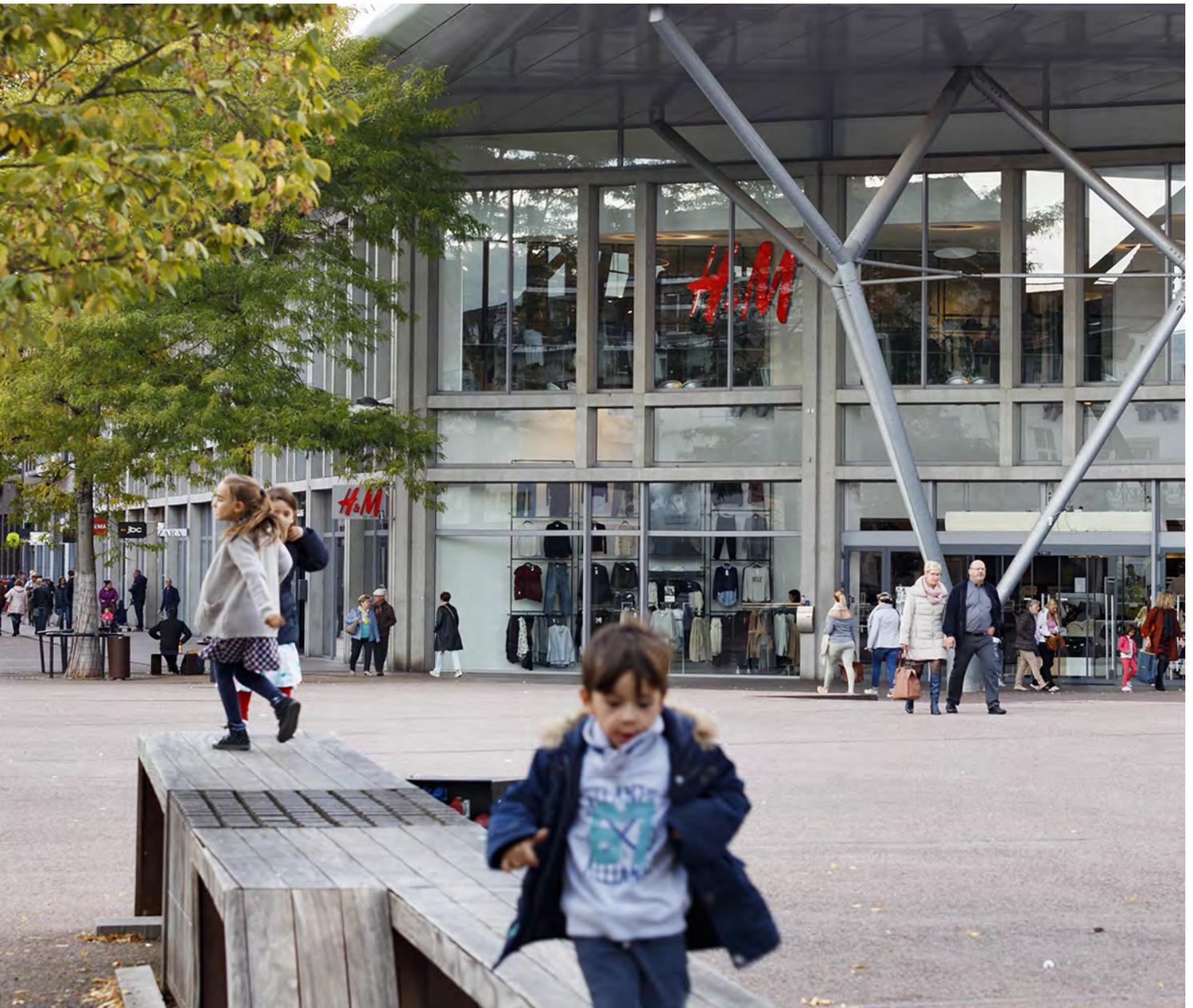
**For further information:**

Cédric Biquet

Chief Financial Officer  
[cedric.biquet@wereldhave.com](mailto:cedric.biquet@wereldhave.com)  
+ 32 2 732 19 00  
[www.wereldhavebelgium.com](http://www.wereldhavebelgium.com)

# 3

# PORTFOLIO SUMMARY AT 30 JUNE





## 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	20.88%	30,252
Shopping Centre Nivelles, Chaussée de Mons 18A, 1400 Nivelles	2012	18.75%	28,600
Shopping Centre "Les Bastions", Boulevard W. de Marvis 22, 7500 Tournai	2018	17.05%	43,500
Retailpark 'les Bastions' in Tournai	2016	2.26%	10,350
Shopping Centre "Shopping I", Rootenstraat 8, 3600 Genk	2014	7.19%	27,100
Shopping Centre "Kortrijk Noord", Ringlaan, 8500 Kortrijk	1973	13.00%	32,000
"Forum Overpoort", Overpoortstraat, 9000 Gent	2014	1.82%	3,700
Genk - Stadsplein, Stadsplein 39, 3600 Genk	2008	4.84%	15,618
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410	1968	1.62%	3,347
		<b>87.41%</b>	<b>194,467</b>
<b>Offices</b>			
'Business- & Media' office park, Medialaan 30, 1800 Vilvoorde	1999	1.02%	5,449 / 201*
'Business- & Media' office park, Medialaan 32, 1800 Vilvoorde	1999	0.69%	3,907 / 120*
Business- & Media' office park, Medialaan 28, 1800 Vilvoorde	2001	2.07%	12,772 / 246*
De Veldekens I, Roderveldlaan 1-2, 2600 Berchem	2001	2.01%	11,192 / 368*
De Veldekens II, Roderveldlaan 3-4-5, 2600 Berchem	1999	2.85%	16,003 / 1.008*
De Veldekens III, Berchemstadionstraat 76-78, 2600 Berchem	2002	2.05%	11,192 / 208*
		<b>10.69%</b>	<b>60,515 / 2,151 *</b>
<b>Development in commercial projects</b>			
Tournai - 7 Fontaines		0.22%	
Redevelopment shopping centre in Waterloo		0.20%	
Extension shopping centre 'Belle-Ile' in Liège		0.42%	
Nivelles land positions		0.79%	
		<b>1.63%</b>	
<b>Assets held for sale</b>			
Businessclass office park, Jan Olieslagerslaan 41-45, 1800 Vilvoorde	1998	0.25%	3,048 / 29*
		<b>0.25%</b>	<b>3,048 / 29 *</b>
<b>Totaal</b>		<b>100%</b>	<b>258,030 / 2,180 *</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.

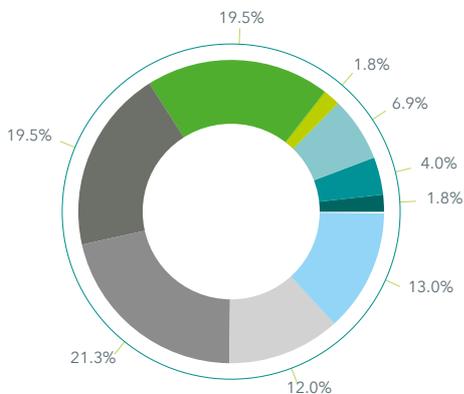
<sup>(5)</sup> On 23 December 2016 the FSMA granted a renewed dispensation until 31 December 2018 from the ban on investing more than 20% of the assets in one real estate stock.

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

PARKINGS (NUMBER OF SPACES)	CONTRACT RENT AT 30 JUNE	RENTAL VALUE VACANCY (€ X 1,000)	THEORETICAL	ESTIMATED RENTAL VALUE (€ X 1,000)	OCCUPANCY RATE AT 30 JUNE 2018
	2018 (€ X 1,000)		RENTAL VALUE AT 30 JUNE 2018 (€ X 1,000)		
		(1)	(2)	(3)	(4)
2,200	11,441	0	11,441	10,904	100.0%
1,452	8,518	10	8,528	8,472	100.0%
2,000	7,947	454	8,401	7,926	98.6%
360	1,120	29	1,149	1,171	97.5%
1,250	3,595	705	4,300	4,558	83.4%
2,000	6,684	323	7,007	6,975	95.1%
0	908	49	957	917	94.6%
44	2,719	117	2,835	2,864	95.9%
95	805	22	828	829	97.3%
	<b>43,737</b>	<b>1,708</b>	<b>45,445</b>	<b>44,614</b>	<b>96.7%</b>
178	737	205	942	833	75.2%
123	478	161	639	585	72.6%
305	1,246	403	1,650	1,859	78.3%
238	1,623	5	1,627	1,567	99.7%
316	2,274	24	2,298	2,208	98.9%
217	1,609	9	1,618	1,559	99.4%
	<b>7,967</b>	<b>806</b>	<b>8,773</b>	<b>8,612</b>	<b>90.9%</b>
82	310	23	333	243	90.7%
	<b>310</b>	<b>23</b>	<b>333</b>	<b>243</b>	<b>90.7%</b>
	<b>52,014</b>	<b>2,537</b>	<b>54,551</b>	<b>53,469</b>	<b>95.7%</b>

### GEOGRAFICAL BREAKDOWN

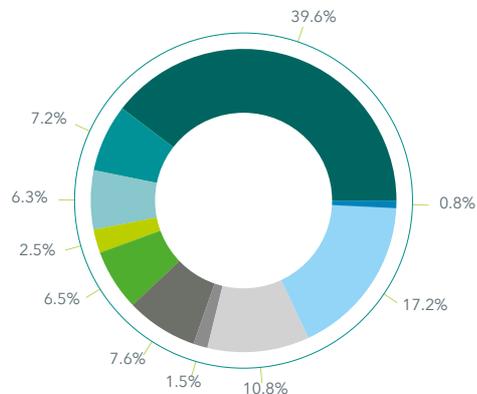
(as % of fair value)



- Ghent
- Vilvoorde
- Berchem-Antwerp
- Waterloo
- Nivelles
- Tournai
- Liège
- Genk
- Kortrijk

### BRANCHE-MIX INVESTMENT PROPERTIES - RETAIL

(as % of rental income)



- Fashion & accessories
- Care and hygiene
- Food
- Sports
- Leather/shoes
- Multimedia
- Decoration
- Services
- Restaurant & bar
- Other



# 4

## SUMMARISED FINANCIAL STATEMENTS FIRST HALF YEAR



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(X € 1,000)

ASSETS	31 DECEMBER 2017	30 JUNE 2018
<b>I. Non-current assets</b>		
<b>C. Investment properties</b>	853,564	881,325
	<b>853,564</b>	<b>881,325</b>
<b>D. Other tangible assets</b>	579	731
	<b>579</b>	<b>731</b>
<b>II. Current assets</b>		
<b>A. Assets held for sale</b>		
Investment properties	16,447	2,240
<b>D. Trade receivables</b>	10,303	13,023
<b>E. Tax receivables and other current assets</b>	1,351	1,068
<b>F. Cash and cash equivalents</b>	2,115	2,902
	<b>30,215</b>	<b>19,232</b>
<b>Total assets</b>	<b>884,359</b>	<b>901,288</b>

(X € 1,000)

SHAREHOLDERS' EQUITY	31 DECEMBER 2017	30 JUNE 2018
<b>I. Shareholders' equity attributable to the parent company's shareholders</b>		
<b>A. Capital</b>	292,774	302,357
<b>B. Issue premiums</b>	50,563	61,317
<b>C. Reserves</b>		
a. Legal reserve	36	36
b. Reserve for the balance of changes in fair value of real estate properties	139,371	154,756
d. Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-503	-334
j. Reserve for actuarial gains and losses of defined pension schemes	-786	-868
m. Other reserves	956	956
n. Accumulated result	82,190	85,945
<b>D. Net result of the year</b>	54,682	23,663
	<b>619,284</b>	<b>627,829</b>
<b>II. Minority interests</b>	<b>0</b>	<b>0</b>

(X € 1,000)

LIABILITIES	31 DECEMBER 2017	30 JUNE 2018
<b>I. Non-current liabilities</b>		
<b>A. Provisions</b>		
Pensions	1,060	1,160
<b>B. Non-current financial liabilities</b>		
a. Credit institutions	186,000	180,000
c. Other		
Other loans	22,000	0
Rent guarantees received	795	807
<b>C. Other non-current financial liabilities</b>		
Authorised hedging instruments	503	0
<b>E. Other non-current liabilities</b>	0	0
<b>F. Deferred taxes - liabilities</b>		
b. Other	1,824	1,686
	<b>212,182</b>	<b>183,653</b>
<b>II. Current liabilities</b>		
<b>B. Current financial liabilities</b>		
a. Credit institutions	25,961	73,500
c. Other	735	34
<b>C. Other current financial liabilities</b>		
Authorised hedging instruments	0	334
<b>D. Trade payables and other current liabilities</b>		
b. Other		
Suppliers	3,402	6,972
Taxes, remunerations and social security contributions	1,462	812
<b>E. Other current liabilities</b>	16,449	0
<b>F. Accrued charges and deferred income</b>		
Real estate income received in advance	903	1,046
Other	3,981	7,108
	<b>52,893</b>	<b>89,806</b>
<b>Total shareholders' equity and liabilities</b>	<b>884,359</b>	<b>901,288</b>
Net asset value per share (x € 1)	89.25	87.59

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(X € 1,000)

	1 <sup>ST</sup> HALF YEAR 2017	1 <sup>ST</sup> HALF YEAR 2018
<b>I. Rental income</b>		
Rent	25,078	25,631
Indemnification for early termination of lease	388	72
<b>Net rental income</b>	<b>25,466</b>	<b>25,703</b>
<b>V. Recovery of rental charges and taxes normally paid by the tenant on let properties</b>	5,572	5,693
<b>VII. Rental charges and taxes normally paid by the tenant on let properties</b>	-5,931	-6,547
	<b>-359</b>	<b>-854</b>
<b>Property result</b>	<b>25,107</b>	<b>24,849</b>
<b>IX. Technical costs</b>		
Repairs	-269	-4
Insurance premiums	-23	-22
	<b>-292</b>	<b>-26</b>
<b>X. Commercial costs</b>		
Agency commissions	-150	-196
Publicity	-56	-26
	<b>-206</b>	<b>-222</b>
<b>XI. Charges and taxes on non-let properties</b>		
Costs on non-let properties	-406	-401
Real estate tax on non-let properties	-53	-171
	<b>-459</b>	<b>-571</b>
<b>XII. Property management costs</b>		
(Internal) property management costs	-566	-485
	<b>-566</b>	<b>-485</b>
<b>Property charges</b>	<b>-1,523</b>	<b>-1,304</b>
<b>Property operating results</b>	<b>23,584</b>	<b>23,545</b>
<b>XIV. General company costs</b>		
Staff costs	-1,351	-1,523
Other	-1,425	-981
<b>XV. Other operating income and charges</b>	164	192
	<b>-2,612</b>	<b>-2,313</b>
<b>Operating results before result on the portfolio</b>	<b>20,972</b>	<b>21,233</b>

(X € 1,000)

	1 <sup>ST</sup> HALF YEAR 2017	1 <sup>ST</sup> HALF YEAR 2018
<b>XVII. Result on disposals of other non-financial assets</b>		
Net sales of other non-financial assets (sale price - transaction costs)	5	15
	<b>5</b>	<b>15</b>
<b>XVIII. Variations in the fair value of investment properties</b>		
Positive variations in the fair value of investment properties	11,825	21,925
Negative variations in the fair value of investment properties	-11,483	-18,152
	<b>342</b>	<b>3,773</b>
	<b>347</b>	<b>3,788</b>
<b>Operating result</b>	<b>21,319</b>	<b>25,020</b>
<b>XX. Financial income</b>		
Interests and dividends received	314	34
<b>XXI. Net interest charges</b>		
Nominal interest charges on loans	-1,239	-1,293
<b>XXII. Other financial charges</b>		
Bank charges and other commissions	-52	-47
<b>Financial result</b>	<b>-977</b>	<b>-1,306</b>
<b>Result before tax</b>	<b>20,342</b>	<b>23,714</b>
<b>XXV. Corporate tax</b>		
Corporate tax	-142	-181
Deferred tax on market fluctuations of investment properties	-46	130
<b>Tax</b>	<b>-188</b>	<b>-51</b>
<b>Net result</b>	<b>20,154</b>	<b>23,663</b>
<b>Net result shareholders of the Group</b>	<b>20,154</b>	<b>23,663</b>
<b>Result per share (x € 1)</b>	<b>2.90</b>	<b>3.38</b>
<b>Diluted result per share (x € 1)</b>	<b>2.90</b>	<b>3.38</b>

## STATEMENT OF COMPREHENSIVE INCOME

(X € 1,000)

	1 <sup>ST</sup> HALF YEAR 2017	1 <sup>ST</sup> HALF YEAR 2018
<b>I. Net result</b>	<b>20,154</b>	<b>23,663</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	189	169
<b>Items not taken in the result</b>		
E. Actuarial gains and losses of pledged pension schemes	0	-82
Total other comprehensive income	189	87
<b>Comprehensive income (I + II)</b>	<b>20,343</b>	<b>23,750</b>
Attributable to:		
Minority interests	0	0
Shareholders of the group	20,343	23,750

## CONSOLIDATED CASH FLOW STATEMENT

(X € 1,000)

	1 <sup>ST</sup> HALF YEAR 2017	1 <sup>ST</sup> HALF YEAR 2018
<b>Cash flow from operating activities</b>		
Net result before tax	20,342	23,714
Income from interest and dividends	-2	-34
<b>Result exclusive of dividend received</b>	<b>20,340</b>	<b>23,680</b>
Depreciation tangible assets	108	71
Rental discounts and investments	331	-560
Interest charges	1,291	1,340
Variations in the fair value of investment property	-342	-3,773
Movements in provisions	-1,592	-1,984
Movements in short term debts	1,642	1,819
Corporate tax paid	0	0
Corporate tax received	0	89
	<b>1,437</b>	<b>-2,998</b>
<b>Net cash flow from operating activities</b>	<b>21,777</b>	<b>20,682</b>
<b>Cash flow from investment activities</b>		
Sale real estate certificates	0	0
Payment for investment property	-14,609	-23,122
Acquisition furniture and vehicles	-33	-222
Interest and dividend received	2	34
<b>Net cash flow from investment activities</b>	<b>-14,639</b>	<b>-23,310</b>
<b>Cash flow from financial activities</b>		
Appeal credit institutions/Other	72,000	44,000
Repayment credit institutions/Other	-45,200	-24,461
Dividends paid	-35,389	-14,993
Interest paid	-1,439	-1,131
<b>Net cash flow from financing activities</b>	<b>-10,028</b>	<b>3,415</b>
<b>Net cash flow</b>	<b>-2,890</b>	<b>787</b>
<b>Cash &amp; bank balances</b>		
At 1 January	6,501	2,115
Increase/decrease cash and bank balances	-2,890	787
<b>At 30 June</b>	<b>3,611</b>	<b>2,902</b>



## CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

(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>Balance at 1 January 2017</b>		292,774	50,563	36	113,007
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	a				26,364
Dividend over 2016	b				
<b>Balance at 31 December 2017</b>		292,774	50,563	36	139,371

(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
306						306
			-31	31		0
		95				95
				5		5
					54,682	54,682
				-26,364		0
				-35,389		-35,389
-503	0	-786	956	82,190	54,682	619,284

(X € 1,000)

2018	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	LEGAL RESERVE	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
<b>Restated balans at 31 December 2017</b>		292,774	50,563	36	139,371
Adjustment on initial application of IFRS 9 (net of tax)					
<b>Adjusted balans at 1 Januari 2018</b>		292,774	50,563	36	139,371
Capital increase		9,583			
Issue premiums			10,754		
Variations in the fair value of hedging instruments					
Transfer from reserves					
Provisions for pensions					
Subsequent application of IFRS 9 (net of tax)	e				
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				15,385
Dividend over 2017	c				
<b>Balance at 30 June 2018</b>		302,357	61,317	36	154,756

## Explanation

- |   |  |
|---|--|
| a | Changes in fair value of the investment properties portfolio over 2016. Reclassification of the heading 'Accumulated result'.  |
| b | Dividend paid 2016<br>€ 5.10 (net € 3.57) per share: € -35,389   |
| c | Changes in fair value of the investment properties portfolio over 2017. Reclassification of the heading 'Accumulated result'.  |
| d | Dividend paid 2017<br>€ 5.10 (net € 3.57) per share: € -35,389 of wich € 14,993 paid in cash and the balance paid out in 228,525 new shares, which led to a capital increase and issue premiums. |
| e | Expected credit loss model   |

(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
-503	0	-786	956	136,872		619,284
				-153		-153
-503	0	-786	956	136,720	0	619,132
						9,583
						10,754
169						169
						0
		-82				-82
					-1	-1
				-1		-1
					23,664	23,664
				-15,385		0
				-35,389		-35,389
-334	0	-868	956	85,945	23,663	627,829

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

(X € 1,000)

	1ST HALF YEAR 2017		1ST HALF YEAR 2018	
	(1)	(2)	(1)	(2)
<b>Net rental income</b>	<b>25,466</b>		<b>25,703</b>	
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	5,572		5,693	
VII. Rental charges and taxes normally paid by the tenant on let properties	-5,931		-6,547	
	<b>-359</b>		<b>-854</b>	
<b>Property result</b>	<b>25,107</b>		<b>24,849</b>	
IX. Technical costs	-292		-26	
X. Commercial costs	-206		-222	
XI. Charges and taxes on non-let properties	-459		-571	
XII. Property management costs	-566		-485	
<b>Property charges</b>	<b>-1,523</b>		<b>-1,304</b>	
XIV. General company costs	-2,776		-2,504	
XV. Other operating income and charges	164		192	
<b>Operating results before result on the portfolio</b>	<b>20,972</b>		<b>21,233</b>	
XVII. Result on disposals of other non financial assets	5		15	
XVIII. Change in fair value of the investment properties				
- positive		11,825		21,925
- negative		-11,483		-18,152
<b>Operating result</b>	<b>20,977</b>	<b>342</b>	<b>21,247</b>	<b>3,773</b>
<b>Financial result</b>	<b>-977</b>	<b>0</b>	<b>-1,306</b>	<b>0</b>
<b>Result before tax</b>	<b>20,000</b>	<b>342</b>	<b>19,941</b>	<b>3,773</b>
<b>Corporate tax</b>	<b>-142</b>	<b>-46</b>	<b>-181</b>	<b>130</b>
<b>Net result</b>	<b>19,858</b>	<b>296</b>	<b>19,760</b>	<b>3,903</b>
Profit per share (x €1)	2.86	0.04	2.82	0.56

## SEGMENT INFORMATION 1ST HALF YEAR 2018

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

(X € 1,000)

1 <sup>ST</sup> HALF YEAR 2018	OFFICES	RETAIL	TOTAL
Rent	4,067	21,564	25,631
Indemnification for early termination of lease	31	41	72
<b>Net rental income</b>	<b>4,098</b>	<b>21,605</b>	<b>25,703</b>
V Recovery of rental charges and taxes normally paid by the tenant on let properties	961	4,732	5,693
VI Rental charges and taxes normally paid by the tenant on let properties	-1,074	-5,472	-6,547
	<b>-113</b>	<b>-740</b>	<b>-854</b>
<b>Property result</b>	<b>3,984</b>	<b>20,865</b>	<b>24,849</b>
IX Technical costs			-26
Repairs	37	-41	
Insurance premiums	-2	-20	
X Commercial costs			-222
Agency commissions	-80	-116	
Publicity	-8	-18	
XI Charges and taxes on non let properties			-571
Costs on non let properties	-133	-268	
Real estate tax on non let properties	-63	-108	
XII (Internal) property management costs	-34	-451	-485
<b>Property operating results</b>	<b>3,701</b>	<b>19,844</b>	<b>23,545</b>
XIV/X General company costs and other operating income and charges			-2,313
<b>Operating result before result on the portfolio</b>			<b>21,233</b>
XVII Result on disposals of other non financial assets			15
XVIII Variations in the fair value of investment properties			3,773
Positive variations in the fair value of investment properties	62	21,863	
Negative variations in the fair value of investment properties	-6,963	-11,188	
<b>Operating result</b>			<b>25,020</b>
<b>Financial result</b>			<b>-1,306</b>
<b>Result before taxes</b>			<b>23,714</b>

(X € 1,000)

1 <sup>ST</sup> HALF YEAR 2018	OFFICES	RETAIL	TOTAL
Corporate tax			-181
Deferred taxes on market fluctuations of investment properties			130
<b>Tax</b>			<b>-51</b>
<b>Net result</b>			<b>23,663</b>
<b>Investment properties</b>			
Properties available for lease			
Balance at 1 January	103,235	682,765	786,000
Investments	270	2,930	3,199
Transfer of development projects to properties available for lease		76,692	76,692
Transfer of properties available for lease to development projects		-2,329	-2,329
Transfer of properties available for lease to investment properties held for sale	-2,240		-2,240
Revaluation	-6,900	11,097	4,197
<b>Balance at 30 June</b>	<b>94,365</b>	<b>771,154</b>	<b>865,518</b>
Capitalised rent incentives	402	992	1,394
<b>Value properties available for lease</b>	<b>94,766</b>	<b>772,145</b>	<b>866,912</b>
Development projects			
Balance at 1 January		66,817	66,817
Transfer of development projects to properties available for lease		-76,692	-76,692
Transfer of properties available for lease to development projects		2,329	2,329
Investments		22,205	22,205
Capitalised interest		175	175
Revaluation		-422	-422
<b>Balance at 30 June</b>		<b>14,413</b>	<b>14,413</b>

(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>
V	Recovery of rental charges and taxes normally paid by the tenant on let properties	1,104	4,878	5,982
VI	Rental charges and taxes normally paid by the tenant on let properties	-1,175	-5,166	-6,341
		<b>-71</b>	<b>-288</b>	<b>-359</b>
	<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>			
Properties available for lease			
Balance at 1 January	123,452	659,905	783,357
Investments	149	905	1,054
Transfer of properties available for lease to investment properties held for sale	-17,354		-17,354
Revaluation	-2,220	2,562	342
<b>Balance at 30 June</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>
Development projects			
Balance at 1 January		35,318	35,318
Investments		10,963	10,963
Capitalised interest		150	150
<b>Balance at 30 June</b>		<b>46,431</b>	<b>46,431</b>

## MOVEMENTS IN INVESTMENT PROPERTIES

(X € 1,000)

	31 DECEMBER 2017	30 JUNE 2018
<b>Properties available for lease</b>		
Balance at 1 January	783,357	786,000
Transfer of development projects to properties available for lease	0	76,692
Transfer of properties available for lease to development projects	0	-2,329
Transfer of properties available for lease to investment properties held for sale	-16,447	-2,240
Investments	3,705	3,199
Revaluations	15,385	4,197
<b>Total properties available for lease</b>	<b>786,000</b>	<b>865,518</b>
Book value of capitalised rent incentives	747	1,394
<b>Fair value investment properties</b>	<b>786,747</b>	<b>866,912</b>
<b>Development projects</b>		
Balance at 1 January	35,318	66,817
Transfer of development projects to properties available for lease	0	-76,692
Transfer of properties available for lease to development projects	0	2,329
Investments	31,121	22,205
Revaluations	0	-422
Capitalised interest	378	175
<b>Total development projects</b>	<b>66,817</b>	<b>14,413</b>
<b>Total investment properties</b>	<b>853,564</b>	<b>881,325</b>

For statements on the evolution of the figures compared to previous period, we refer to chapter 2 of the half yearly financial statement. This applies both to the movements on the investment portfolio and the other important evolutions.

(X € MLN)	FINANCIAL ASSETS AND LIABILITIES		NON-FINANCIAL ASSETS AND LIABILITIES		TOTAL	FAIR VALUE			
	BOOK VALUE		BOOK VALUE	TOTAL		LEVEL 1	LEVEL 2	LEVEL 3	TOTAAL
	FAIR VALUE - HEDGING INSTRUMENTS	OTHER FINANCIAL LIABILITIES	AT COST						
<b>Assets measured at fair value</b>									
Properties available for lease								866.91	866.91
Development projects *								1.95	1.95
Investment properties held for sale								2.24	2.24
<b>Assets not measured at fair value</b>									
Development projects *			12.46	12.46				12.46	12.46
<b>Liabilities measured at fair value</b>									
Authorised hedging intruments	0.3				0.3		0.3		0.3
<b>Liabilities not measured at fair value</b>									
Interest-bearing debts		253.5		253.5			253.5		253.5

Trade receivables and other receivables, as well as trade debts and other debts were not included in the above table.

Their book value is considered to be a reasonable approximation of the fair value.

\*Development projects are initially valued at cost and, thereafter, at fair value. If its fair value cannot be reliably measured, the development projects can be valued at historical cost less impairments. The following criteria are set in order to decide when a property development can be measured at fair value:

- An irrevocable building permit has been obtained;
- An approved building contract;
- Funding requirements are met;
- >70% has already been pre-let.

There have been no changes in the underlying valuation techniques (capitalization method) compared to the 2017 report. The effect of changes in the fair value of assets valued at fair value (level 3) is recorded as changes in the fair value of investment properties in the profit and loss account.

The sensitivity of the fair value can be estimated as follows:

- The effect of an increase (decrease) of 1% of rental income leads to an increase (decrease) of the fair value of the portfolio of about € 8.7 mln;
- The effect of an increase (decrease) of the average initial yield (total rental income at balance sheet date divided by the investment value of the investment properties portfolio) of 25 basis points leads to a decrease (increase) of the portfolio of about € 34.9 mln (€ 37.9 mln).

## VALUATION EXPERTS' REPORT

We received from Cushman & Wakefield (valuation experts), a report, prepared on 30 June 2018, 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**

The fair value determined by Cushman & Wakefield amounted to € 436,117,000 for the retail properties valued by them.

### **CBRE**

The fair value determined by CBRE amounted to € 336,265,000 for the retail properties valued by them, € 1,953,000 for the development projects valued by them, € 94,530,000 for the office portfolio valued by them and € 2,240,000 for the office properties available for sale valued by them.

## FINANCING

The total financial debts increased from € 234.0 mln as of 31 December 2017 to € 253.5 mln as of 30 June 2018, mainly due to works performed in the portfolio during the semester.

During the semester, a credit facility of € 30 mln that came to an end has been refinanced by a new credit line ('term loan') of € 30 mln for a duration of 5 years

and a fixed interest rate of 1.36%, which creates an immediate positive impact on the average duration of the financial debts of the company.

Moreover, a credit facility of € 50 mln that comes to maturity in April 2019 has been reclassified from long term to short term financial debts.

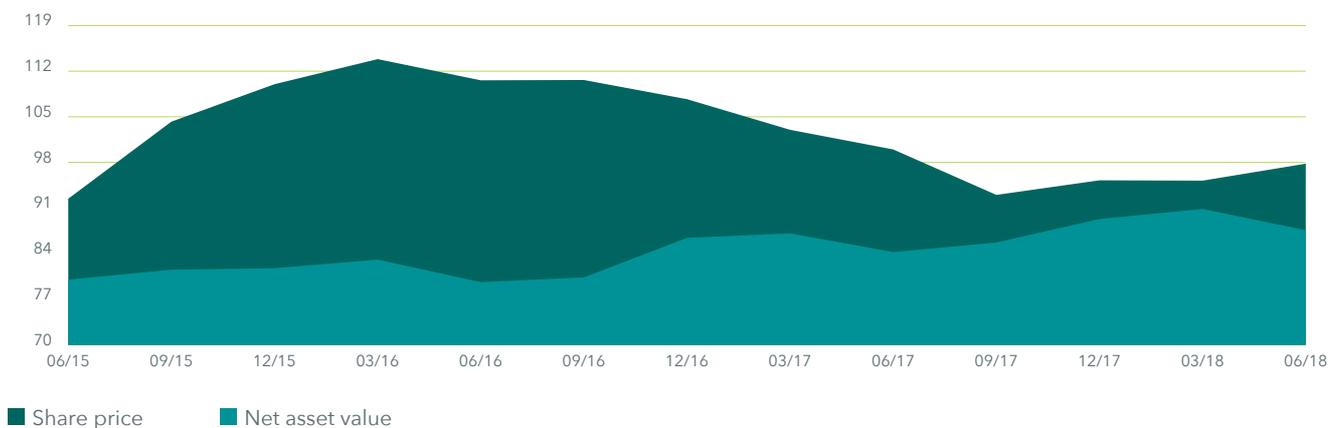
## SHAREHOLDERS

Of the 7,167,542 shares in circulation at 30 June 2018, 35.91% were held by Wereldhave N.V., 33.42% by

Wereldhave International N.V. and 30.67% by the public.

### SHARE PRICE/NET ASSET VALUE

(before profit sharing x € 1)



■ Share price

■ Net asset value

## BASIS OF PREPARATION OF HALF YEAR FIGURES 2018

These are the summarised half year financial statements of Wereldhave Belgium, a partnership limited by shares and regulated real estate company (RREC). These statements are in thousands of euros.

The summarized financial information regarding the first half year 2018 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.

This interim financial information should be read in conjunction with the financial annual report for the year ending 31 December 2017. Wereldhave Belgium has adopted during the first half year 2018 two new IFRS standards or interpretations, used for the interim financial statements, and has therefore adapted its accounting rules for the preparation of this interim financial information. Those adaptations of the accounting rules will also be reflected in the year-end financial report as at 31 December 2018. Excepted these adaptations, the accounting rules are identical to those used for the annual financial statements for the year ending 31 December 2017.

### New IFRS standards

The two adopted standards and interpretations are:

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, so as its clarifications (issued on 12 April 2016).

Wereldhave Belgium has adopted this standard as from 1 January 2018, according to the complete retrospective method without practical exemptions. This adoption has not created any significant impact on the results of the company. The various flows of income from the group, mainly consisting in rental incomes, collection of rental charges and taxes and re-invoicing of the property management fees are covered by IFRS 15, while rental incomes are covered by IFRS 16 (in 2018 still IAS 17).

Common rental charges are costs performed by the company and are related to the common services, as utilities, maintenance or security. The company operated as principal because it decides how, by who and when the services are rendered, for which it is contractually engaged. It re-invoiced the costs and taxes to the tenants, except for the portion related to available surfaces (supported by the owner). Because it is the principal, the rental charges and the collection of these charges can be presented separately (gross). The rental charges management implies various performance obligations that need to be fulfilled month after month. Therefore, the accounting of the collection of these charges can be recognized over time.

Property management fees are fees collected by the manager as remuneration of its property management activities and intend to cover fixed costs (personnel, offices, ...). This property management is performed month after month by Wereldhave Belgium Services. The fees collected can therefore also be recognized over time.

**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.

Wereldhave Belgium applied this standard as from 1 January 2018. This adoption has not generated significant impact on the half-year financial statements as of 30 June 2018.

IFRS 9 requires Wereldhave Belgium to recognize in advance expected credit losses on its financial assets.

Regarding the accounting treatment of the hedging instruments, there were no changes compared to last year: Wereldhave Belgium has a derivative instrument (IRS) recorded according to hedge accounting, meaning that it is recorded at fair value with all changes in value directly recorded in the equity. This accounting treatment has not been adapted because the hedge is 100% effective.

Regarding the accounting treatment of the trade receivables, Wereldhave Belgium applied the 'Expected credit loss model' (simplified approach), according to which default percentages by maturity of receivables have been calculated based on the defaults experienced over the last two accounting years. These percentages were applied on the trade receivables closing balance as of 31 December 2017, requiring the accounting of a provision of € 0.2 mln directly recorded in equity. As of 30 June 2018, this calculation has been performed again and requested an adaptation of this provision through profit and loss accounts. As of 31 December 2017, a provision for doubtful debtors was recorded according to IAS 39 and amounted to € 0.1 mln.

A number of new standards, amendments to standards and interpretations are not yet effective for the interim financial statements as at 30 June 2018, and have not been applied in preparing these interim 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.

The impact of this standard as lessee is mainly related to the leasehold on 'Ring Shopping Kortrijk Noord' and on the company cars. The total impact of this adoption on the consolidated balance sheet is expected to be an increase of the assets and liabilities by around € 10 mln. We refer to the note 33 in the consolidated year-end financial report as of 31 December 2017.

## CONSOLIDATION

The published figures in this half yearly statement are consolidated figures. In accordance with the relevant legislation, the companies of the perimeter 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 2017 (business, financial, operational and strategic risks), are identical to those described in the financial annual report 2017. 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 76-109, 'Corporate social responsibility'.

Regarding the derogation received according to article 30 §3 and §4 of the law of 12 May 2014 on regular real estate companies ('RREC'), please refer to section 8. 'Derogation shopping centre 'Belle-Ile' in Liège in accordance with article 30 §3 and §4 of the RREC Law' of this halfyear report. The Company continues its efforts to bring the fair value of this asset under 20% through active prospecting to new investment opportunities. We refer to note 2 in the 2017 financial report.

## 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 2018

AS of 4 July 2018, the effective transfer of the property Olieslagerslaan, located in Vilvoorde, has been completed. The sales price was in line with the fair value of the property as of 30 June 2018.

After 30 June 2018, no other significant events occurred requiring adjustments tot the accounts or further disclosure.



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## 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.

# 6

# 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 JUNE 30, 2018 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 June 30, 2018, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the 6-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors 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 June 30, 2018 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.

## EMPHASIS OF MATTER

We draw attention to the section 'risk management' in the notes to the condensed consolidated interim financial information where the Board of Directors discloses the waiver received in accordance with article 30 §3 and §4 of the law of 12 May 2014 for Registered Real Estate Companies. Our opinion is not modified in respect of this matter.

Antwerp, July 17, 2018

KPMG Réviseurs d'Entreprises/  
Bedrijfsrevisoren  
Statutory Auditor  
Represented by  
Filip De Bock  
Réviseur d'Entreprises/Bedrijfsrevisor