



WERELDHAVE BELGIUM



Results 2018

Vilvoorde, 7 February 2019

PRESS RELEASE RESULTS 2018

Vilvoorde, 7 February 2019

SUMMARY

In 2018, Wereldhave Belgium recorded an increase of its net result from core activities per share from € 5.68 in 2017 to € 5.74 in 2018. The EPRA occupancy rate of the retail portfolio significantly increases in the course of 2018 from 94.9% as of 31 December 2017 to 97.2% as of 31 December 2018.

The 'Like-for-Like' rental growth in 2018 amounted to +2.9% (retail portfolio: +0,3%; offices portfolio: +18,2%) and the EPRA occupancy rate to 96.2% (2017: 94.3%).

The net asset value per share, before profit distribution and dividend payment, amounted to € 89.97 (2017: € 89.25), while the debt ratio amounted to 29.68% as of 31 December 2018, in line with this ratio as of 31 December 2017 (29.0%).

SAMENVATTING

Wereldhave Belgium heeft over 2018 een stijging van zijn netto resultaat van kernactiviteiten per aandeel van € 5,68 in 2017 tot € 5,74 in 2018 gerealiseerd.

De EPRA bezettingsgraad van de retail portefeuille is in 2018 fors gestegen, van 94,9% op 31 december 2017 tot 97,2% op 31 december 2018.

De 'Like-for-Like' huurgroei over 2018 kwam uit op + 2,9% (retail portefeuille: +0,3%; kantorenportefeuille: +18,2%) en de EPRA bezettingsgraad op 96,2% (2017: 94,3%).

De nettowaarde per aandeel vóór winstverdeling en dividenduitkering bedroeg € 89,97 (2017: € 89,25).

De schuldgraad bedroeg 29,68% op 31 december 2018, stabiel ten opzichte van 31 december 2017 (29,0%).

RÉSUMÉ

En 2018, Wereldhave Belgium a connu une croissance de son résultat net de ses activités clés par action, passant de € 5,68 en 2017 à € 5,74 en 2018.

Le taux d'occupation EPRA du portefeuille d'immeubles commerciaux a augmenté de manière significative en 2018, partant de 94,9% au 31 décembre 2017 pour atteindre 97,2% au 31 décembre 2018.

Le 'Like-for-Like' de l'évolution des revenus locatifs au cours de l'année 2018 s'est établi à +2,9% (portefeuille d'immeubles commerciaux: +0,3%; portefeuille d'immeubles de bureaux: +18,2%) tandis que le taux d'occupation EPRA s'est établi au 31 décembre 2018 à 96,2% (2017: 94,3%).

La valeur d'actif net par action, avant répartition du bénéfice et avant distribution du dividende, s'est établie à € 89,97 au 31 décembre 2018 (2017: € 89,25), tandis que le taux d'endettement s'est établi à 29,68% au 31 décembre 2018, en ligne avec celui du 31 décembre 2017 (29,0%).

STATEMENT OF THE BOARD OF DIRECTORS COMPRISING THE RESULTS ON 31/12/2018 (FOR THE PERIOD 01/01/2018 – 31/12/2018)

STRONG OPERATIONAL RESULTS AND FURTHER GROWTH OF THE RETAIL PORTFOLIO

- Net result from core activities per share € 5.74 (2017: € 5.68)
- Net asset value per share € 89.97 (2017: € 89.25)
- EPRA occupancy rate 96.2% (2017: 94.3%)
- Debt ratio of 29.68% (2017: 29.0%)
- Optional dividend proposal € 5.20 gross - € 3.64 net (2017: € 5.10 gross - € 3.57 net)
- Forecasted net result from core activities between € 5.90 and € 6.00 for 2019

KEY FIGURES

(X € 1,000)

RESULTS	31 DECEMBER 2017	31 DECEMBER 2018
Net rental income	50,103	52,746
Net result	54,682	40,541
Net result from core activities ¹⁾	39,404	40,730
Net result from non-core activities ²⁾	15,278	-191
Profit per share (x €1)	7.88	5.71
Net result from core activities per share (x €1)	5.68	5.74

BALANCE SHEET	31 DECEMBER 2017	31 DECEMBER 2018
Properties available for lease ³⁾	786,747	941,964
Development projects	66,817	14,692
Total investment properties portfolio	853,564	956,656
Shareholders' equity	619,284 ⁴⁾	678,428 ⁴⁾
Net asset value per share (x €1)	89.25 ⁴⁾	89.97 ⁴⁾
Debt ratio on total of assets	29.00%	29.67%
Share price	95.25	82.20
Number of shares	6,939,017	7,540,250
Average number of shares	6,939,017	7,098,634

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

²⁾ 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.

³⁾ 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'.

⁴⁾ Before profit distribution and dividend payment

NET RESULT

The net result for 2018, combining the net result from core and non-core activities, amounted to € 40.5 mln (2017: € 54.7 mln). Compared to 2017, this decrease is coming from a lower net result from non-core activities (€ -15.5 mln), partially compensated by a higher net result from core activities (€ 1.3 mln).

NET RESULT FROM CORE ACTIVITIES

In 2018, Wereldhave Belgium recorded a net result from core activities of € 40.7 mln (2017: € 39.4 mln).

This increase is mainly due to:

- the increase in the property result (€ +1.0 mln) resulting from additional rental income generated by the extension of the shopping centre 'Les Bastions' in Tournai, delivered on 12 April 2018, and from the non-recurring impact of the termination fee paid by Carrefour for its partial departure from the shopping centre 'Belle-Ile' in Liège; partially compensated by the decrease in rental income related to the disposals of the office buildings 'Madou' in Brussels and 'Jan Olieslagerlaan' in Vilvoorde, both realized in the course of 2018;
- the decrease of the property charges (€ +0.4 mln);
- the decrease of the general costs (€ +0.4 mln), which is mainly due to decreasing study costs on unrealized projects;
- the increase of financial expenses (€ -0.4 mln) due to the average growth of the financial debts coming from the investments performed during the year;
- the limited positive impact (€ +0.1 mln) on the rental income of the two retail parks in Turnhout and Brugge, acquired on 21 December 2018.

The net result from core activities per share amounts to € 5.74 (2017: € 5.68).

The EPRA Occupancy on 31 December 2018 stood at 96.2% (31 December 2017: 94.3%). Occupancy levels per sector on 31 December 2018 were 97.2% (31 December 2017: 94.9%) for the retail portfolio and 90.6% (31 December 2017: 91.7%) for the office portfolio.

NET RESULT FROM NON-CORE ACTIVITIES

The net result from non-core activities amounted to € -0.2 mln (2017: € 15.3 mln) and mainly consists in fair value revaluation of the investment properties portfolio (€ -0.5 mln) and of deferred tax liabilities (€ +0.3 mln). This difference in results is attributable to the stabilizing values of the property portfolio stated during the financial year 2018.

SHAREHOLDERS' EQUITY AND NET ASSET VALUE

As of 31 December 2018, the shareholders' equity amounted to € 678.4 mln (31 December 2017: € 619.3 mln), while the net asset value per share, including the profit generated over the current year, amounted to € 89.97 (31 December 2017: € 89.25).

The shareholder's equity has been increased over the year by:

- the distribution of an optional dividend which resulted in an equity increase of € 20.3 mln (capital and issue premium) by issuing 228,525 new shares;
- the contribution in kind of the retail park located in Turnhout, which resulted in an equity increase of € 33.1 mln (capital and issue premium) by issuing 372,708 new shares.

The number of issued shares as of 31 December 2018 amounted to 7,540,250 shares.

FINANCING POLICY

The total financial liabilities increased from € 234.0 mln on 31 December 2018 to € 286.0 mln on 31 December 2018, mainly due to investments in the portfolio and the acquisition of the retail park in Brugge.

During the year, the following relevant operations have been performed:

- a credit facility of € 30 mln, which expired in April 2018, has been refinanced by a new credit facility (term loan) of the same amount with a new term of 5 years and a fixed interest rate reduction of approximately 50 basis points;
- a credit facility of € 50 mln, maturing in April 2019, has been refinanced by a new credit facility (term loan) of the same amount with a new term of 4 years and a fixed interest rate reduction of approximately 75 basis points;
- a Treasury Notes program of € 100 mln has been initiated, which on the one hand will reduce the financing costs and on the other hand will increase the Company's visibility on the investors market. As of 31 December 2018, issues in this program have been performed for an outstanding total amount of € 35 mln.

Thanks to these refinancing operations, Wereldhave Belgium has extended the average duration of its financing structure (2.8 years). The average interest rate on the outstanding loans for 2018 was 1.09% (average interest rate 2017: 0.94%).

As of 31 December 2018, the debt ratio amounted to 29.68% (29.0% on 31 December 2017), providing room for additional investments.

PROPERTY PORTFOLIO

Properties available for lease

The fair value of the properties available for lease increased from € 786.7 mln on 31 December 2017 to € 942.0 mln on 31 December 2018; investments and divestments excluded, this value remained stable (€ -0.1 mln) over the financial year 2018.

The main investments and divestments performed in 2018 were:

- the acquisitions of the retail parks in Brugge and Turnhout (€ +73.3 mln);
- the transfer (reclassification) of the extension project of the shopping centre 'Les Bastions' in Tournai from sections 'Development projects' to 'Property available for lease' (€ +79.4 mln);
- other investment works realized in the existing portfolio (€ +6.5 mln);
- the transfer (reclassification) of a part of the '7 Fontaines' building in Tournai from 'Properties available for lease' to 'Development projects' (€ -2.3 mln);
- the disposal of the office building 'Jan Olieslagerslaan' (€ -2.2 mln).

Retail portfolio

Wereldhave Belgium further focuses on convenient shopping centres and retail parks that are dominant in their catchment area, and preferably with a potential for further expansion. By means of a proactive approach, the Company aims to maintain and strengthen the market position of its retail portfolio. The share of the retail portfolio in the investment properties portfolio, development projects included, amounted to around 90% as at 31 december 2018.

The EPRA occupancy rate - see above- of the retail portfolio increased from 94.9% as at 31 December 2017 to 97.2% as at 31 December 2018. This increase is mainly due to the dynamic rental activity in Kortrijk, Genk, Nivelles and Tournai (existing part and extension). 59 commercial leases were concluded during 2018 (49 new contracts and 10 lease renewals).

The 'like-for-like' property result of the retail portfolio remained stable at +0.3% (2017: -1.1%).

During the last quarter of 2018, the Company executed an agreement with Carrefour Belgium NV regarding the termination of their current lease and the conclusion of a new lease of approximately 4,500 m² GLA in the 'Belle-Ile' shopping centre in Liège, allowing Carrefour Belgium NV to invest again in a new 'Carrefour Market'. The new commercial lease has been agreed for a new period of 18 years with effect from 1 January 2019 and for a rent per m² which is slightly higher than the current price per m². According to the terms of this agreement, Carrefour Belgium NV paid a termination fee which generated an impact of € 0.7 mln on the net result from core activities of the 2018 financial year.

The vacant surface will be redeveloped into medium-sized units which will contribute to strengthening the attractiveness of the shopping centre. The Company has already initiated discussions with several large retailers interested to let these new units. Moreover, this agreement allows further progress to be made in the framework of the still ongoing renovation and extension projects of the commercial site 'Belle-Ile'.

During the final quarter of 2018, the Company finalized a double transaction: one whereby the Company acquired from Redevco Retail Belgium against cash the full ownership of a retail park of 20,727 m² GLA, consisting of 13 commercial units 100% and ideally located at Maalsesteenweg 334, Brugge-Sint Kruis; and the other whereby the Company, by means of a contribution in kind by Redevco Retail Belgium, acquired in exchange for newly issued shares of the Company the full ownership of a retail park of 20,557 m² GLA, consisting of 12 commercial units 100% and ideally located at Parklaan 80, Turnhout.

The values of these two assets were respectively agreed at € 40.0 million for the Brugge-Sint Kruis site and € 33.1 million for the Turnhout site, in line with their fair values determined by the independent appraiser. Both sites will contribute approximately € 4.6 million to the net rental income of the Company on an annual basis.

Growth through the search for new retail investment projects remains strategic for the Company.

Office portfolio

The EPRA occupancy rate evolved from 91.7% on 31 December 2017 to 90.6 % on 31 December 2018. The office park 'De Veldekens' in Berchem-Antwerpen is almost fully let at year-end, while the occupancy rate of the 'Business & Media' office park in Vilvoorde remained stable at around 76%.

The office building at Jan Olieslagerslaan, 41-45 in Vilvoorde has been sold on 4 July 2018, resulting in a capital loss of € -0.3 million compared to its latest market value.

The Company further focuses on reducing the vacancy among its portfolio. Consolidation of the current occupancy and renegotiation of maturing lease agreements remains strategic for the Company.

DEVELOPMENT PROJECTS

On 31 December 2018, the value of the development projects portfolio amounted to € 14.7 mln (31 December 2017: € 66.8 mln); investments and transfers excluded, the value slightly decreased (€ -0.4 mln) over the financial year 2018.

The main events occurred in 2018 were:

- the further development to completion of the shopping centre extension 'Les Bastions' in Tournai (€ +24.8 mln);
- the start of the redevelopment project '7 Fontaines' in Tournai (€ +0.2 mln);
- some further costs (€ +0.3 mln) on future projects in Liège and Waterloo;
- the transfer (reclassification) of part of the '7 Fontaines' building in Tournai from 'Properties available for lease' to 'Development projects' (€ +2.3 mln);
- the transfer (reclassification) of the shopping centre extension project 'Les Bastions' in Tournai from sections 'Development projects' to 'Property available for lease' (€ -79.4 mln).

Extension and structural renovation of shopping centre 'Les Bastions' in Tournai

On 12 April 2018, the renovated and extended shopping centre 'Les Bastions' in Tournai opened its doors to a lettable area with great success. With a total surface of more than 40,000 m², 'Les Bastions' became one of the leading commercial catchment poles in Wallonia. This redeveloped and extended shopping centre has seen a significant increase in visitors' number in 2018 and brought an important positive contribution to the results of the Company in 2018.

Considering the increase in surface by approximately 15,000 m², the EPRA occupancy rate of the shopping centre increased from 94.8% on 31 December 2017 to 99.2% on 31 December 2018, demonstrating the success of the development.

DEROGATION SHOPPING CENTRE 'BELLE-ILE' IN LIEGE

For the record, on 23 December 2016, the FSMA (financial services and markets authority) renewed the derogation to the shopping centre 'Belle-Ile' in Liège, in accordance with article 30 §3 and §4 of the REIT-regulation, on the limitation for a single property to represent more than 20% of the total portfolio. This derogation has been granted for a maximum period of 2 years, expiring on 31 December 2018.

Considering the various investments and acquisitions described above, the share of the fair value of the shopping centre compared to the value of the property portfolio decreased, for the first time in the past 20 years, below the 20% threshold, amounting to 19.1% on 31 December 2018. Therefore, a derogation would no longer be necessary for the Company.

Nevertheless, considering that this asset will require further investments in the coming months, in particular following the changes in the rental situation, which could bring back the share of this asset close to or even above the legal threshold, the Company submitted a request for a new exemption to the FSMA. This request has been granted on 11 December 2018 for an additional period of 2 years expiring on 31 December 2020. During this period, the Company will continue to take concrete actions to resolve this aspect of portfolio diversification on a structural basis.

CORPORATE - DIVIDEND

The Annual Shareholders' General Meeting will take place on Wednesday 10 April 2019 at 11 a.m. at the Company's registered office. A dividend of € 5.20 gross - € 3.64 net (2017: € 5.10 gross - € 3.57 net) per share will be proposed by the Board of Directors of the Statutory Manager to the Shareholders' General Meeting.

The Board of Directors further declares his intention to offer the possibility to the shareholders of the Company, by way of an optional dividend, to contribute their right to receive the dividend to the capital of the Company, against the issue of new shares (in addition to the options to either receive the dividend in cash or to opt for a combination of both previous options). The final decision will be made by the Board of Directors on Wednesday 24 April 2019 whereby the Board of Directors, within the framework of the authorized capital, will proceed to the increase of the share capital by the contribution in kind of the net dividend receivable (i.e. € 3.64 per share). For the shareholders opting for new shares in exchange of the (full or partial) contribution of their dividend receivable and benefiting from a reduced withholding tax or an exemption of such withholding tax, the contribution of the receivable will, just as for the shareholders who do not benefit from such reduction or exemption, amount to € 3.64 per share and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from 15 May 2019. The terms and conditions of this transaction will be established on 24 April 2019.

Because of this intention, the financial calendar, which was included in the previous press releases, has been adjusted, whereby the 'Ex-dividend date', the 'Dividend record date' and the 'Dividend payment date' are respectively fixed on 25 April, 26 April and 15 May 2019.

ORGANISATION

The Board of Directors of the Statutory Manager of Wereldhave Belgium announced on 15 January 2019 the departure, as of 1st March 2019, of Dirk Anbeek, co-Managing Director and co-Effective Leader of the Company.

As from 2016, Kasper Deforche is fulfilling together with him the functions of co-Managing Director and co-Effective Leader of the Company.

The going concern of the management of the Company's activities will continue to be handled by Kasper Deforche, in execution of his unaltered functions, together with the Board of Directors of the Company which, following the departure of Dirk Anbeek, will be constituted of Dirk Goeminne (President - Independent Director), Ann Claes (Independent Director), Brigitte Boone (Independent Director) and Kasper Deforche.

The majority shareholder of the Company will likely propose, on short notice, a new candidate as its representative within the Board of Directors.

The members of the Board of Directors would like to thank Dirk Anbeek for his contribution for years to the growth of the Company and wish him all the best with his future career.

RELATED PARTIES

Except for the existing intra-group credit facility, which was used for € 141 mln at 31 December 2018 and services rendered between entities of the Group, no transaction took place during 2018 between persons or institutions which can be considered as related parties of the Company.

PROSPECTS

For 2019, considering, among others, the positive contributions of the two newly acquired retail parks, Wereldhave Belgium forecasts a net result from core activities per share in a range of € 5.90 - € 6.00, needing to be adjusted in case of distribution of an optional dividend, which could be formally decided by the Board of Directors on 24 April 2019. Unexpected circumstances excluded, this objective can be achieved.

Wereldhave Belgium continues to look for new opportunities to further strengthen its portfolio through acquisitions or new developments.

FINANCIAL CALENDAR

Financial report 2018	Mid-March 2019
General Meeting of Shareholders	Wednesday 10 April 2019
Ex-dividend date (coupon detachment)	Thursday 25 April 2019
Dividend record date	Friday 26 April 2019
Dividend payable 2018	Wednesday 15 May 2019
Press release Q1 2019 (8:00 AM)	Thursday 25 April 2019
Press release Q2 2019 (8:00 AM)	Friday 19 July 2019
Press release Q3 2019 (8:00 AM)	Thursday 24 October 2019

Vilvoorde, 7 February 2019

NV Wereldhave Belgium SA
Statutory Management Company

For further information: C. Biquet - Chief Financial Officer - + 32 2 732 19 00
investor.relations@wereldhavebelgium.com

Wereldhave Belgium focuses on shopping centres and retail parks which are dominant in their catchment area. The shares of the Company are listed on Euronext Brussels. At 31 December 2018, Wereldhave Belgium's market capitalisation amounted € 620 mln.

For further information, please consult: www.wereldhavebelgium.com

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

(X € 1,000)

ASSETS	31 DECEMBER 2017	31 DECEMBER 2018
I. Non-current assets		
C. Investment properties	853,564	956,656
	853,564	956,656
D. Other tangible assets	579	718
G. Trade receivables and other non-current assets	0	475
	579	1,193
II. Current assets		
A. Assets held for sale		
Investment properties	16,447	0
D. Trade receivables	10,303	13,520
E. Tax receivables and other current assets	1,351	1,795
F. Cash and cash equivalents	2,115	6,931
	30,215	22,246
Total assets	884,359	980,095

(X € 1,000)

SHAREHOLDERS' EQUITY	31 DECEMBER 2017	31 DECEMBER 2018
I. Shareholders' equity attributable to the parent company's shareholders		
A. Capital	292,774	318,034
B. Issue premiums	50,563	78,733
C. Reserves		
a. Legal reserve	36	36
b. Reserve for the balance of changes in fair value of real estate properties	139,371	181,384
d. Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-503	-52
j. Reserve for actuarial gains and losses of defined pension schemes	-786	-521
m. Other reserves	956	925
n. Accumulated result	82,190	59,348
D. Net result of the year	54,682	40,541
	619,284	678,428
II. Minority interests	0	0

(X € 1,000)

LIABILITIES	31 DECEMBER 2017	31 DECEMBER 2018
I. Non-current liabilities		
A. Provisions		
Pensions	1,060	845
B. Non-current financial liabilities		
a. Credit institutions	186,000	109,726
c. Other		
Other loans	22,000	0
Rent guarantees received	795	810
C. Other non-current financial liabilities		
Authorised hedging instruments	503	159
E. Other non-current liabilities	0	0
F. Deferred taxes - liabilities		
b. Other	1,824	1,486
	212,182	113,024
II. Current liabilities		
B. Current financial liabilities		
a. Credit institutions	25,961	0
c. Other		
Other loans	0	176,000
Other	735	50
C. Other current financial liabilities		
Authorised hedging instruments	0	0
D. Trade payables and other current liabilities		
b. Other		
Suppliers	3,402	2,759
Taxes, remunerations and social security contributions	1,462	1,555
E. Other current liabilities	16,449	0
F. Accrued charges and deferred income		
Real estate income received in advance	903	2,235
Other	3,981	6,044
	52,893	188,642
Total shareholders' equity and liabilities	884,359	980,095
Net asset value per share (x € 1)	89.25	89.97

CONSOLIDATED PROFIT AND LOSS ACCOUNT TO 31 DECEMBER

(X € 1,000)

	31 DECEMBER 2017	31 DECEMBER 2018
I. Rental income		
Rent	49,725	51,891
Indemnification for early termination of lease	378	855
Net rental income	50,103	52,746
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	11,382	13,564
VII. Rental charges and taxes normally paid by the tenant on let properties	-11,991	-15,730
	-609	-2,166
Property result	49,494	50,580
IX. Technical costs		
Repairs	-419	-119
Insurance premiums	-61	-38
	-480	-157
X. Commercial costs		
Agency commissions	-303	-368
Publicity	-190	-116
	-493	-484
XI. Charges and taxes on non-let properties		
Costs on non-let properties	-906	-625
Real estate tax on non-let properties	-182	-347
	-1,088	-971
XII. Property management costs		
(Internal) property management costs	-1,010	-1,072
	-1,010	-1,072
Property charges	-3,072	-2,685
Property operating results	46,422	47,895
XIV. General company costs		
Staff costs	-2,611	-2,956
Other	-2,453	-1,721
XV. Other operating income and charges	457	415
	-4,607	-4,261
Operating results before result on the portfolio	41,815	43,634

(X € 1,000)

	31 DECEMBER 2017	31 DECEMBER 2018
XVI. Result on disposals of investment properties		
Net property sales (selling price - transaction costs)	0	2,489
Book value of the property sold	0	-2,524
	0	-35
XVII. Result on disposals of other non-financial assets		
Net sales of other non-financial assets (sale price - transaction costs)	-16	10
	-16	10
XVIII. Variations in the fair value of investment properties		
Positive variations in the fair value of investment properties	31,537	24,388
Negative variations in the fair value of investment properties	-16,152	-24,865
	15,385	-477
XIX. Other result on portfolio	-65	
	-65	0
	15,303	-503
Operating result	57,118	43,132
XX. Financial income		
Interests and dividends received	330	157
XXI. Net interest charges		
Nominal interest charges on loans	-2,433	-2,669
XXII. Other financial charges		
Bank charges and other commissions	-104	-102
Financial result	-2,207	-2,614
Result before tax	54,911	40,517
XXV. Corporate tax		
Corporate tax	-188	-299
Deferred tax on market fluctuations of investment properties	-41	323
Tax	-229	23
Net result	54,682	40,541
Net result shareholders of the Group	54,682	40,541
Result per share (x € 1)	7.88	5.71
Diluted result per share (x € 1)	7.88	5.71

CONSOLIDATED STATEMENT OF NET RESULT FROM CORE (1) AND NON-CORE (2) ACTIVITIES TO 31 DECEMBER

(X € 1,000)

	2017		2018	
	(1)	(2)	(1)	(2)
Net rental income	50,103		52,746	
V. Recovery of rental charges and taxes normally paid by the tenant on let properties	11,382		13,564	
VII. Rental charges and taxes normally paid by the tenant on let properties	-11,991		-15,730	
	-609		-2,166	
Property result	49,494		50,580	
IX. Technical costs	-480		-157	
X. Commercial costs	-493		-484	
XI. Charges and taxes on non-let properties	-1,088		-971	
XII. Property management costs	-1,010		-1,072	
Property charges	-3,072		-2,685	
XIV. General company costs	-5,064		-4,676	
XV. Other operating income and charges	457		415	
Operating results before result on the portfolio	41,815		43,634	
XVI. Result on disposals of investment properties		0		-35
XVII. Result on disposals of other non financial assets	-16		10	
XVIII. Change in fair value of the investment properties				
- positive		31,537		24,388
- negative		-16,152		-24,865
XIX. Other result on portfolio		-65		0
Operating result	41,799	15,319	43,644	-512
Financial result	-2,207	0	-2,614	0
Result before tax	39,592	15,319	41,030	-512
Corporate tax	-188	-41	-299	323
Net result	39,404	15,278	40,730	-191
Profit per share (x €1)	5.68	2.20	5.74	-0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME TO 31 DECEMBER

(X € 1,000)

	31 DECEMBER 2017	31 DECEMBER 2018
I. Net result	54,682	40,541
II. Other comprehensive income		
Items taken in the result		
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	306	451
Items not taken in the result		
E. Actuarial gains and losses of pledged pension schemes	95	265
Total other comprehensive income	400	716
Comprehensive income (I + II)	55,082	41,257
Attributable to:		
Minority interests	0	0
Shareholders of the group	55,082	41,257

CONSOLIDATED CASH FLOW STATEMENT TO 31 DECEMBER

(X € 1,000)

	31 DECEMBER 2017	31 DECEMBER 2018
Cash flow from operating activities		
Net result before tax	54,911	40,517
Income from interest and dividends	-330	-157
Result exclusive of dividend received	54,582	40,360
Depreciation tangible assets	194	141
Rental discounts and investments	630	-977
Interest charges	2,537	2,771
Variations in the fair value of investment property	-15,385	477
Movements in provisions	-1,000	-1,324
Movements in short term debts	-1,721	-849
Corporate tax paid	-373	-299
Corporate tax received	2,020	89
	-13,098	29
Net cash flow from operating activities	41,484	40,389
Cash flow from investment activities		
Acquisition investment properties	0	-40,207
Sales investment properties	0	2,240
Investments in investment properties	-35,067	-31,846
Acquisition furniture and vehicles	-356	-336
Interest and dividend received	330	157
Net cash flow from investment activities	-35,093	-69,992
Cash flow from financial activities		
Appeal credit institutions/Other	56,761	234,000
Repayment credit institutions/Other	-30,000	-181,961
Dividends paid	-35,389	-15,056
Interest paid	-2,149	-2,565
Net cash flow from financing activities	-10,777	34,419
Net cash flow	-4,386	4,816
Cash & bank balances		
At 1 January	6,501	2,115
Increase/decrease cash and bank balances	-4,386	4,816
At 31 December	2,115	6,931

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
Balance at 1 January 2017		292,774	50,563	36	113,007
Variations in the fair value of hedging instruments					
Transfer from reserves					
Provisions for pensions					
Other					
Net result					
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				
Balance at 31 December 2017		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
Restated balans at 31 December 2017		292,774	50,563	36	139,371
Adjutment on initial application of IFRS 9 (net of tax)					
Adjusted balans at 1 Januari 2018		292,774	50,563	36	139,371
Capital increase		25,260			
Issue premiums			28,170		
Variations in the fair value of hedging instruments					
Transfer from reserves					
Provisions for pensions					
Subsequent application of IFRS 9 (net of tax)	c				
Other					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties	d				42,013
Dividend over 2017	e				
Balance at 31 December 2018		318,034	78,733	36	181,384

Explanation

- | | |
|---|--|
| a | Changes in fair value of the investment properties portfolio over 2016. Reclassification of the heading 'Accumulated result'. |
| b | Dividend paid 2016
€ 5.10 (net € 3.57) per share: € -35,389 |
| c | Expected credit loss model |
| d | Changes in fair value of the investment properties portfolio over 2017. Reclassification of the heading 'Accumulated result'. |
| e | Dividend paid 2017
€ 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. |

(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	619,131
						25,260
						28,170
451						451
			-31	31		0
		265				265
					10	10
						0
					40,531	40,531
				-42,013		0
				-35,389		-35,389
-52	0	-521	925	59,349	40,541	678,428

SEGMENT INFORMATION

(X € 1,000)

2018	OFFICES	RETAIL	TOTAL
Rent	7,838	44,054	51,891
Indemnification for early termination of lease	31	824	855
Net rental income	7,869	44,877	52,746
V Recovery of rental charges and taxes normally paid by the tenant on let properties	2,574	10,990	13,564
VI Rental charges and taxes normally paid by the tenant on let properties	-2,670	-13,060	-15,730
	-96	-2070	-2166
Property result	7,773	42,807	50,580
IX Technical costs			-157
Repairs	24	-143	
Insurance premiums	-4	-34	
X Commercial costs			-484
Agency commissions	-145	-224	
Publicity	-13	-104	
XI Charges and taxes on non let properties			-971
Costs on non let properties	-223	-402	
Real estate tax on non let properties	-76	-271	
XII (Internal) property management costs	-117	-955	-1,072
Property operating results	7,220	40,675	47,895
XIV/X General company costs and other operating income and charges			-4,261
Operating result before result on the portfolio			43,634
XVI Result on disposals of investment properties			-35
Net property sales (selling price - transaction costs)	2,212	277	
Book value of the property sold	-2,524	0	
XVII Result on disposals of other non financial assets			10
XVIII Variations in the fair value of investment properties			-477
Positive variations in the fair value of investment properties	110	24,278	
Negative variations in the fair value of investment properties	-6,850	-18,015	
Operating result			43,132
Financial result			-2,614
Result before taxes			40,517

(X € 1,000)

2018	OFFICES	RETAIL	TOTAL
Corporate tax			-299
Deferred taxes on market fluctuations of investment properties			323
Tax			23
Net result			40,541
Investment properties			
Properties available for lease			
Balance at 1 January	103,235	682,765	786,000
Transfer of development projects to properties available for lease		79,412	79,412
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
Acquisition		73,303	73,303
Investments	321	6,175	6,496
Revaluation	-6,739	6,659	-80
Balance at 31 December	94,577	845,984	940,561
Capitalised rent incentives	239	1,164	1,403
Value properties available for lease	94,816	847,147	941,964
Development projects			
Balance at 1 January		66,817	66,817
Transfer of development projects to properties available for lease		-79,412	-79,412
Transfer of properties available for lease to development projects		2,329	2,329
Investments		25,147	25,147
Capitalised interest		206	206
Revaluation		-396	-396
Balance at 31 December		14,692	14,692

(X € 1,000)

2017	OFFICES	RETAIL	TOTAL
Rent	9,806	39,919	49,725
Indemnification for early termination of lease		378	378
Net rental income	9,806	40,297	50,103
V Recovery of rental charges and taxes normally paid by the tenant on let properties	2,256	9,126	11,382
VI Rental charges and taxes normally paid by the tenant on let properties	-2,415	-9,576	-11,991
	-159	-450	-609
Property result	9,647	39,847	49,494
IX Technical costs			-480
Repairs	-217	-202	
Insurance premiums	-8	-53	
X Commercial costs			-493
Agency commissions	-131	-172	
Publicity	-25	-165	
XI Charges and taxes on non let properties			-1,088
Costs on non let properties	-357	-549	
Real estate tax on non let properties	-12	-170	
XII (Internal) property management costs	-87	-923	-1,010
Property operating results	8,809	37,614	46,422
XIV/X General company costs and other operating			
V income and charges			-4,607
Operating result before result on the portfolio			41,815
XVII Result on disposals of other non financial assets			-16
XVIII Variations in the fair value of investment properties			15,385
Positive variations in the fair value of investment properties	110	31,427	
Negative variations in the fair value of investment properties	-5,380	-10,772	
XIX Other result on portfolio			-65
Operating result			57,118
Financial result			-2,207
Result before taxes			54,911

(X € 1,000)

2017	OFFICES	RETAIL	TOTAL
Corporate tax			-188
Deferred taxes on market fluctuations of investment properties			-41
Tax			-229
Net result			54,682
Investment properties			
Properties available for lease			
Balance at 1 January	123,452	659,905	783,357
Investments	1,500	2,205	3,705
Transfer of properties available for lease to investment properties held for sale	-16,447		-16,447
Revaluation	-5,270	20,655	15,385
Balance at 31 December	103,235	682,765	786,000
Capitalised rent incentives	511	236	747
Value investment properties excl. development projects	103,746	683,001	786,747
Development projects			
Balance at 1 January		35,318	35,318
Investments		31,121	31,121
Capitalised interest		378	378
Balance at 31 December		66,817	66,817

MOVEMENTS IN INVESTMENT PROPERTIES

(X € 1,000)

	2017	2018
At 1 January	783,357	786,000
Investment properties excl. development projects		
Transfer of development projects to properties available for lease	0	79,412
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
Acquisition	0	73,303
Investments	3,705	6,496
Revaluations	15,385	-80
At 31 December	786,000	940,561
Book value capitalised rent incentives	747	1,403
Value investment properties in conformity with the external evaluation report	786,747	941,964
Movements in development projects		
(x € 1,000)		
At 1 January	35,318	66,817
Transfer of development projects to properties available for lease	0	-79,412
Transfer of properties available for lease to development projects	0	2,329
Investments	31,121	25,147
Revaluations	378	206
Capitalised interest	0	-396
At 31 December	66,817	14,692
Total investment properties	853,564	956,656

BASIS OF PREPARATION FIGURES UP TO 31 DECEMBER 2018

The financial information regarding the period ending on 31 December 2018 has been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. The financial statement should be read in conjunction with the financial annual report for the year ending 31 December 2018. In 2018 Wereldhave Belgium has adopted two new IFRS standards or interpretations (**IFRS 15** Revenue from contracts with customers and **IFRS 9** Financial Instruments) in its accounting policies and has therefore adjusted its valuation rules for the preparation of the annual financial statement. Furthermore, the valuation rules are the same as those for the financial year ending on 31 December 2017.

CONSOLIDATION

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

RISK MANAGEMENT

In order to limit the possible impact for the company and its shareholders, the Management Company continuously monitors the business, financial, operational and strategic risks with which the REIT may be confronted.

The focus on shopping centres and retail parks 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 88 of the law of 3 August 2012, the Management Company confirms taking into account social, ethical and environmental aspects when controlling the financial means and executing rights conferred by securities in the portfolio. See annual financial report 2018, Section 'Corporate social responsibility'.

AUDIT

The statutory auditor has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement, which would require an adjustment to the figures included in the press release.

OBLIGATIONS REGARDING THE PROVISION OF INFORMATION TO THE PUBLIC (R.D. OF 14 NOVEMBER 2007)

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

- a. the set of financial statements, prepared in accordance with the applicable accounting standards, gives a true and fair view of the assets, liabilities, financial position and results of the REIT and the undertakings included in the consolidation taken as a whole;
- b. the statement regarding 2018 includes a fair review of the information required.