WERELDHAVE

INTEGRATED ANNUAL REPORT 2017

RESULTS

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OUR REPORTING FRAMEWORK

This is the integrated annual report 2017 of Wereldhave N.V. It will be published in digital form on the Company's website www.wereldhave.com

This report focuses on the operational, financial and sustainability performance for the financial year 2017 of Wereldhave N.V. and its subsidiaries.

The report covers our portfolio of shopping centres in the Netherlands, Belgium, Finland and France and offices in Belgium, owned and managed by the group.

About Wereldhave

Wereldhave invests in dominant convenience shopping centres in larger regional cities in the Netherlands, Belgium, France and Finland.

The area surrounding our centres will include at least 100,000 inhabitants within 10 minutes' travel time from the shopping centre.

We focus on shopping centres that strike a balance between convenience and shopping experience.

With easy accessibility, products that cover all the daily shopping needs, a successful mix of international and local retail products and strong food anchor stores, our centres provide convenience shopping to accommodate a busy urban lifestyle as well as an ageing population.

We aim for an experience that goes beyond shopping, with restaurants, kids' playgrounds and high quality amenities in order to attract families – and keep them with us for longer visits. For more information: www.wereldhave.com

Feedback

We welcome any feedback from our stakeholders.

Please contact us for feedback or any questions you might have at: investor.relations@wereldhave.com and/or sustainability@wereldhave.com

WERELDHAVE

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Wereldhave is a member of the following organisations:

Member of Dow Jones Sustainability Indices In Collaboration with RobecoSAM
EPRA European Public Real Estate Association
GRESB 2017
DGBC Dutch Green Building Council Participant
IVBN

OUR REPORTING FRAMEWORK

Five reporting topics

1 STRATEGY
Owner and operator of shopping centres with long- term societal and financial returns

2 OPERATIONS
How our shopping centres performed in 2017

3 SUSTAINABILITY
Our sustainability framework is fully integrated in our business strategy and operations

4 RESULTS
Our financial, environmental and societal results in 2017

5 GOVERNANCE & RISK
Our Governance & Risk framework is designed for our business strategy and operations

BRINGING PEOPLE TOGETHER

Wereldhave believes in shopping centres that bring people together.

Shopping centres that are strongly intertwined with local society. Where people love to come, not just to shop, but also to meet people and visit events.

Shopping centres that meet different needs and provide a rich, inspiring experience, this way strengthening the economic position of the region and enriching the range of entertainment and relaxation being offered.

Bringing people together leverages shopping as a social activity, a combination of need-to-do with recreation and entertainment. This will drive footfall, rent roll and ultimately the value of our shopping centres, with long- term societal and financial returns for all stakeholders.

MESSAGE FROM THE CEO

Focus on operations

Dear stakeholder,the year 2017 was a turbulent year, with recovering markets in the Netherlands, Belgium and Finland, but headwind in France. The direct result decreased by 0.6% to € 150.1m, or € 3.43 per share, exactly within the guidance we provided. The decrease was primarily caused by disposals in the Netherlands and lower rental income in France.

In France, market conditions were tight, especially during the first half of the year. Bad debts and defaulting tenants caused a decrease in net rental income. A further drop in occupancy appeared likely, as the large fashion chains were seeking to rationalise their store base. With the appointment of Olivier Mourrain as new Managing Director for France, we set two key priorities: securing our key anchors and improving the overall tenant quality. During the last quarter of 2017, occupancy found the way up again. Our target for 2018 in France is to stabilise rental income, improve occupancy and quality of the tenant base.

In the Netherlands, the retail market recovered from the difficult year 2016. The number of bankruptcies decreased significantly and retailer interest is picking up. In the first quarter of the year, the Dutch management organisation was changed. We created four business units to bring operational accountability down in the organisation. It allows us to rapidly respond to market changes. Leasing activity remained high and I am proud that several new shop formats were first launched in the Netherlands in our portfolio. Together with the increasing number of package deals, it clearly shows that our centres are viewed as the right platform by retailers.

In Belgium, the change in the leasing team we implemented in 2016 started to bear fruit. Leasing picked up, particularly for the Tournai extension plan. We now anticipate that the centre will be nearly fully let at opening in April 2018. In 2018, our focus in Belgium will be on the reletting of two Carrefour hypermarkets in Genk and Liege.

Finland showed a strong recovery in 2017. Like-for-like rental growth was driven by an increase in occupancy, with rental values remaining stable. Even though approx. 7,000 m² in the heart of the centre is under redevelopment, footfall went up by 2.6%. Our target in Finland for 2018 is to complete the cinema development and to improve the F&B offer in the centre. The huge interest for Finnkino's press conference, where they announced the first Imax for Finland, strengthens our conviction that Itis is the preferred retail centre for Greater Helsinki.

MESSAGE FROM THE CEO

Since we launched our sustainability policy in 2013, more than 76% of the asset value of our shopping centres is now rated BREEAM Very Good or higher. During 2017, we invested approximately 1.1% of our net rental income in more than 200 social inclusion initiatives. By providing space in kind, organising social events, facilities and sponsoring, we invest in connecting our shopping centres to society, bringing people together.

The next step for 2018 is our Customer Journey project. In 2017, we identified a number of key trends and we defined our shopping centre vision for the year 2025, with short term targets. We selected six overarching promises for our shopping centre visitors. This will help our shopping centres to claim the competitive edge in their catchment areas. We do this by standardising where possible, while maintaining flexibility to bring in the local flavor. The overall aim is to create a frictionless and customer centric shopping centre, anchored in the hearts of the catchment area. It entices visitors to stay longer and spend more, creates customer intimacy and loyalty.

We will set up a dedicated project management organisation to roll out the plans. The investment scheme amounts to approx. € 6m and includes detailed actions per shopping centre, depending on their situation. We are also improving the digital foundations of our shopping centres. A first pilot was launched in the Netherlands, with e-mail marketing on (consent-based) shopping behavior analyses with wifi-tracking. Such pilot projects are an important tool in our customer journey project. Only tested and proven concepts will be fully rolled out.

This new shopping centre approach also embodies our vision of the changing organisation Wereldhave is. We are gradually including the DNA of a retailer into our organisation. Our key values have been redefined to the concept of “winning together in a responsive and responsible way”.

Our main focus is on improving the overall quality of the portfolio. This is an expensive process, as it involves disposing of higher yielding assets and reinvesting in lower yielding but also lower risk assets. With focused refurbishments, high quality tenants and an improved customer journey, we keep our shopping centres up-to-date and catering to the needs of visitors and retailers.

The associated need for capex is structurally higher than before, as well as the fit-out contributions to accommodate tenants. After careful consideration, we have therefore decided to propose a resetting of the dividend level, to make our dividend covered by cash-flow from operations. We acknowledge that for many shareholders, dividend is a key driver for their investment decision. A lower dividend is certainly a disappointment for shareholders, but our dividend will become more sustainable. A higher quality portfolio will also improve the Company’s risk profile. As we are convinced we have to move in this direction, we truly believe this is the right decision.

I would like to thank all employees for their contribution to the success of the Company. Thanks to their relentless efforts, we have been able to keep occupancy of our shopping centres stable and to generate an increase in footfall in all countries. At the end of the day, it is footfall that drives the rent roll. Let’s embark on our journey of further building a solid platform for high quality convenience centres!

Dirk Anbeek
CEO

KEY PERFORMANCE INDICATORS

OPERATIONS

	2017	2016
Net rental income (x € 1m)	195.2	201.5
Like-for-like SC rental growth (%)	-0.7	1.0
Occupancy SC portfolio (%)	95.5	95.5
Visitors, like-for-like (x 1m)	149.6	148.2
Leasing activities (# leases)	444	493

OUTLOOK 2018

EPS: between € 3.30 and € 3.40
Pay-out ratio: between 75% and 85%
Dividend 2018: € 2.52 per share, € 0.63 per quarter

RESULTS & FINANCE

	2017	2016
Total result (x € 1m)	84.3	120.8
Direct result (x € 1m)	150.1	151.0
Indirect result (x € 1m)	-65.8	-30.2
Direct result per share (in €)	3.43	3.45
NAV per share (EPRA) (in €)	50.00	51.47
Dividend proposal per share (in €)	3.08	3.08
Property investment portfolio* (x € 1m)	3,651	3,701
Shareholders' equity (x € 1m)	1,929	1,979
Nominal interest bearing debt (in € 1m)	1,562	1,570
LTV (Loan-To-Value) (as a%)	40.7	39.0

*Including lease incentives.

SUSTAINABILITY

		2017	2016
Bricks	BREEAM Very Good certified (% of NAV)	76%	59%
People	Employee satisfaction	7.6	7.6
Partners	Tenant satisfaction	6.8	6.7
Society	Customer satisfaction	7.8	7.7

see sustainability chapter for all KPIs

KEY FIGURES 2013-2017

RESULTS

(x € 1m)

	2013	2014	2015	2016	2017
Net rental income	99.9	114.8	184.7	201.5	195.2
Result	50.0	26.9	103.8	120.8	84.3
Direct result	81.3	85.7	133.7	151.0	150.1
Indirect result	-31.2	-58.8	-29.9	-30.2	-65.8

BALANCE SHEET

(x € 1m)

	2013	2014	2015	2016	2017
Investments property in operation*	1,745.2	3,238.3	3,659.3	3,701.3	3,651.3
Development projects	413.2	43.9	66.2	101.2	122.4
Shareholders' equity	1,349.4	1,823.4	2,015.1	1,978.8	1,928.6
Interest bearing debt	680.7	1,251.0	1,510.0	1,566.0	1,557.7

* Including lease incentives.

KEY FIGURES 2013-2017

NUMBER OF SHARES

	2013	2014	2015	2016	2017
At 31 December	21,679,608	35,020,921	40,270,921	40,270,921	40,270,921
Average during the year*	21,679,608	25,384,336	37,690,510	40,257,762	40,248,165

* Excluding remuneration shares, number used to calculate EPS.

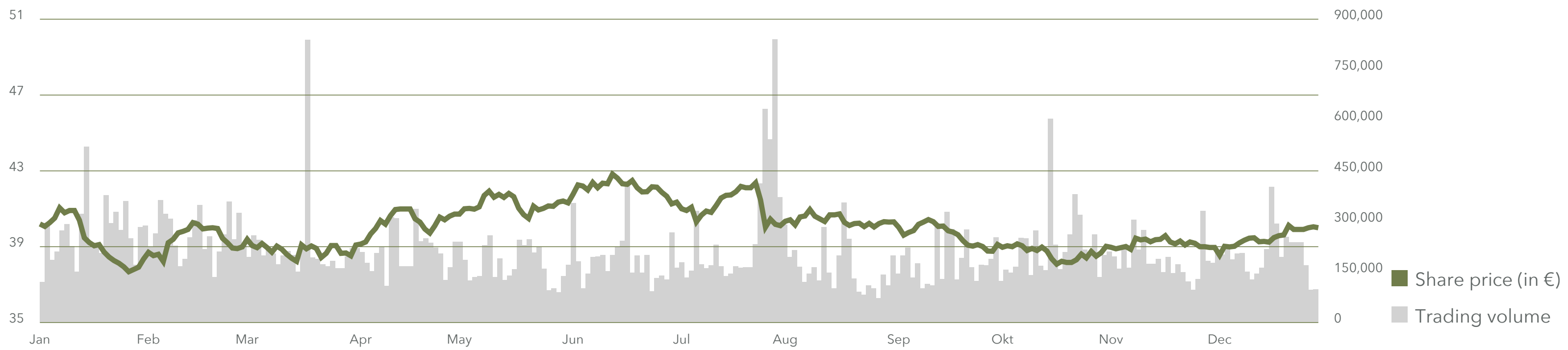
SHARE DATA (IN €)

	2013	2014	2015	2016	2017
EPRA NAV	56.41	54.35	52.10	51.47	50.00
Direct result	2.86	2.97	3.23	3.45	3.43
Indirect result	(1.28)	(2.38)	(0.88)	(0.95)	(1.75)
Dividend	2.87	2.87	3.01	3.08	3.08
Pay-out	100%	97%	93%	89%	90%
Result per share	1.58	0.59	2.35	2.50	1.68

THE SHARE

WERELDHAVE SHARE PRICE & TRADING VOLUME 2017

Adjusted for dividend



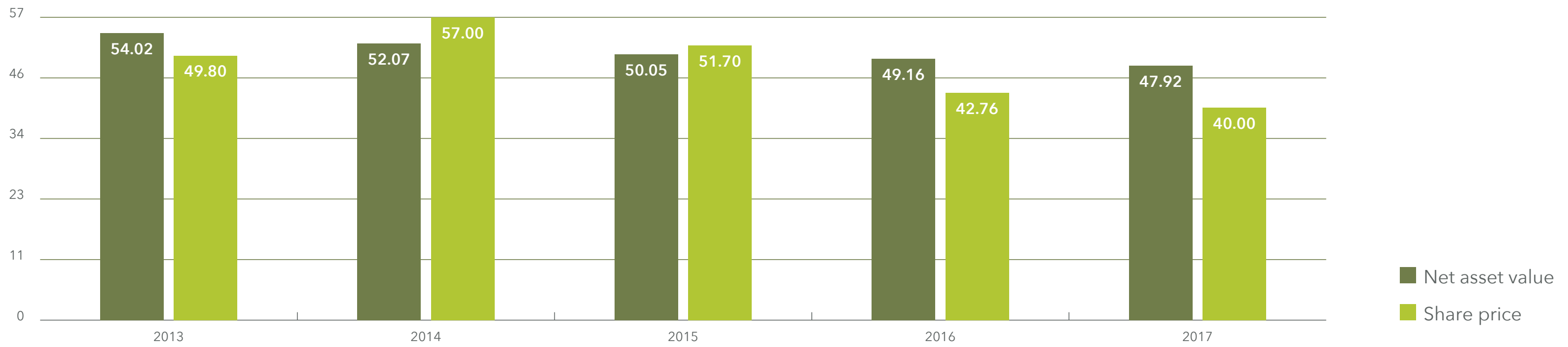
THE SHARE

3 YEAR WERELDHAVE SHARE PRICE DEVELOPMENT VS EPRA INDEX

Corrected for dividend

NET ASSET VALUE AND SHARE PRICE

(at December 31 in €)



FINANCIAL CALENDAR

January 2018

23	Ex-dividend interim dividend Q3 2017
24	Dividend record date
26	Dividend payment date

March 2018

9	Convocation Annual General Meeting of Shareholders 2018
23	Record date Annual General Meeting of Shareholders 2018

April 2018

20	Trading update Q1 2018
20	Annual General Meeting of Shareholders 2018
24	Ex-dividend final dividend 2017
25	Dividend record date
30	Dividend payment date

July 2018

24	Press release H1 2018
26	Ex-dividend date interim dividend Q1 2018
27	Dividend record date
31	Dividend payment date

October 2018

19	Trading update Q3 2018
23	Ex-dividend interim dividend Q2 2018
24	Dividend record date
25	Dividend payment date

January 2019

29	Ex-dividend interim dividend Q3 2018
30	Dividend record date
31	Dividend payment date

April 2019

26	Annual General Meeting of Shareholders 2019

HIGHLIGHTS 2017

2017

JANUARY
Payment dividend third quarter 2016

MARCH
Publication Annual Report 2016

APRIL
Annual General Meeting of Shareholders

APRIL
Payment of final dividend 2016

EMTN

MAY
Wereldhave launches EMTN program

MAY
Disposal Stadshagen and Oosterheem shopping centres

JULY
Payment dividend first quarter 2017

JULY
Primark shell Dock Vauban completed

SEPTEMBER
Grand opening first phase Tilburg city centre

SEPTEMBER
Wereldhave remains GRESB Green Star and DJSI included

OCTOBER
Building permit Finnkino in Itis

OCTOBER
Olivier Mourrain appointed MD Wereldhave France

OCTOBER
Start Verrerie project in Rouen

OCTOBER
Payment dividend second quarter 2017

NOVEMBER
Finnkino announces IMAX for Itis

DECEMBER
Wereldhave secures € 76m USPP funding

2018

VISION, MISSION AND PROFILE

VISION

Shopping behaviour has undergone rapid changes over the past ten years. Internet has increased price transparency and product lifecycles have shortened. This has put a pressure on retailer margins, resulting in a need for a higher turnover. The retail offer and landscape is changing continuously and dominance and convenience of shopping locations are key issues.

The ageing population, ongoing urbanisation and a busy lifestyle add to the importance of connectivity to the micro-environment. Shopping is evolving into a combination of need to do with recreation and entertainment, a social experience.

As the business environment has changed, so has the role of a shopping centre owner. From providing real estate as a traditional landlord, a shopping centre owner has to become a retail specialist, with a thorough understanding of marketing and operations of the centre and its tenants. Where it traditionally was the retailer's job to attract visitors to the centre, this responsibility is increasingly shifting to the landlord.

Operational excellence is what drives the footfall, the rent roll and ultimately the value of a shopping centre. Operational excellence is not only about financial parameters, but also about societal and sustainable parameters.

MISSION

Wereldhave's mission is to bring people together in a convenient, positive and energising urban retail environment.

We invest in our centres to make them more attractive and sustainable, providing an appealing retail and leisure offer with events and retail formats that are targeted at the local community. We embrace an integrated approach, which makes it possible to improve the customer journey.

As a retail operator, we measure our success by the increasing footfall in our centres, the sales of our retailers and the net rental income, which is the fundament for the return to our shareholders. Wereldhave's mission is to own and operate shopping centres to realise solid long-term societal and financial returns for all stakeholders.

VISION, MISSION AND PROFILE

PROFILE

Wereldhave – established in 1930 – is a Dutch property investment company, which invests in convenience shopping centres that are dominant in their micro-environment in larger regional cities in the Netherlands, Belgium, France and Finland. We focus on shopping centres that strike a balance between convenience and shopping experience.

During the years 2012 up to 2016, Wereldhave has evolved from a diversified property investor into a pure retail platform. In the Derisk phase (2012/2013) the US and UK portfolios were sold, followed by the disposals of the Spanish mixed property portfolio and the French offices portfolio.

The Regroup phase (2013/2014) was used to build a strong retail platform. During the Growth phase (2014/2015) Wereldhave acquired 6 shopping centres in France and 9 in the Netherlands.

The years 2015 and 2016 were used to integrate the new portfolios into the organisation.

From 2017 and onwards, our focus is on the optimisation of the portfolio and the rotation of assets. We anticipate internal growth and limited external growth and will dispose of assets disciplined and selectively, using the proceeds to further enhance the overall quality of the portfolio.

We operate our shopping centres with the aim to maintain solid long-term financial, societal and sustainable returns for all our stakeholders. We invest time, effort and money in our assets and employees, in order to strengthen the relationship with stakeholders, including the tenants and visitors of our shopping centres. This will lead to more sustainable and profitable returns on capital in the short and long term. Wereldhave wants to combine sustainability and commercial business. To underpin our ambitions, we have integrated sustainability into our overall strategy and operations.

Shares in Wereldhave are listed on the Euronext Amsterdam (AMX) Stock Exchange. The company has the fiscal status of an investment institution; therefore, it pays no corporation tax in the Netherlands (other than for development activities in the Netherlands). Wereldhave's Belgian investments consist of a 69.57% interest in Wereldhave Belgium, a tax-exempt investment company listed on the Euronext Brussels Stock Exchange. The investments in France are subject to the SIIC (Sociétés d'Investissements Immobilières Cotées) regime.

MARKET, ENVIRONMENTAL AND SOCIETAL TRENDS

Our strategy responds to the market, environmental and societal trends and developments below.

Ageing population and ongoing urbanisation

Fertility rates in North Western Europe are low and the population is ageing. Urban environments are still growing, as the population is leaving the rural areas.

Our response

Wereldhave focuses on shopping centres at prime locations in the larger regional cities, with strong underlying demographic and economic fundamentals.

We aim to improve this focus with selective asset rotation.

Proximity and time efficiency

Driven by time pressure, nowadays customers value quick-and-easy shopping excursions.

Our response

We focus on convenience shopping, with strong food anchors to ensure a high and stable footfall. Our centres cover all the daily shopping needs. They are dominant in their catchment area and in size range between 20,000m² and 50,000m². Being located in larger regional cities, travel time is limited. With excellent parking facilities and good public transport connections, we provide quick and easy shopping.

We launched a Customer Journey project to improve facilities and services, organising events and work together with suppliers to provide clean and safe spaces to visit.

Shopping experience

Customers want a social shopping experience with new and exciting retail formats, leisure and entertainment, with food and beverage becoming an increasingly important component.

Our response

We tailor the choice of tenants, events and marketing to the local environment. Our shopping centres must play a meaningful role for the community they are serving. We aim to allocate 1% of NRI annually to create local events and position our centres to really become the centre where people go to shop, meet and enjoy themselves. Committed and loyal customers and their stable or increasing footfall will drive value for our tenants and – ultimately – our rental income.

We aim to enhance the customer journey of our centres. Our convenience shopping criteria will be implemented in all centres.

Mobile world

With mobile hi-speed internet availability, prices have become transparent. This puts a pressure on retailer margins.

Our response

Our centres are food anchored, preferably with one hypermarket or two to three supermarkets. This not only adds to the convenience, but food sales have also shown to be most economic robust and internet resilient. In addition, supermarkets ensure two-thirds of the visitor base.

We aim to maintain our leasing excellence. Since 2012, the share of resilient retail formats in our centres increased from 76% to 83% in 2017.

MARKET, ENVIRONMENTAL AND SOCIETAL TRENDS

STRATEGY EXPLAINED

Wereldhave's strategy is designed to respond to the market, environmental and societal trends and developments, described on page 16.

Wereldhave wants to be the specialist owner and operator of dominant urban convenience shopping centres in larger regional cities in the Netherlands, Belgium, France and Finland.

Our centres are generally considered to be the dominant centre in their respective trade areas. Being the dominant centre creates natural footfall and competition is controllable.

We focus on shopping centres that cover all day to day shopping needs. In order to accommodate this, they generally have a size of between 20,000 m² and 50,000 m², with a catchment area of at least 100,000 people within 10 minutes' driving time. This makes our centres conveniently close, with ease of access and limited travel time.

Our centres must be food anchored, preferably with one hypermarket or two to three supermarkets. This not only adds to the convenience, but food sales have also shown to be most economic robust and internet resilient as online impact on groceries is very limited.

Shopping is a social experience. Our tenants mix, events and marketing are tailored to the characteristics of the local environment. Our shopping centres must play a meaningful role for the community they are serving. We aim to allocate 1% of NRI annually to create meaningful local events and position our centres to really become the centre where people go to shop, enjoy and meet. Committed and loyal customers and their stable or increasing footfall will drive value for our tenants and – ultimately – our rental income.

As a rule of thumb, 0.5 % of the asset value is needed as annual maintenance capex to keep a shopping centre up to date. We are convinced that by continuously investing in our shopping centres, the retailers will adapt their retail formula to the latest standard. This drives footfall, retail sales, occupancy and rental income.

For Wereldhave sustainability means investing time, effort and money in our assets and employees, in order to strengthen the relationship with all stakeholders, including the tenants, visitors of our shopping centres and local communities in the micro-environments in which we operate.

'Specialist owner and operator of dominant urban convenience shopping centres in larger regional cities in continental Western Europe.'

This will lead to more sustainable and profitable returns on capital in the short and long term. Wereldhave wants to combine sustainability and commercial business in an integrated approach, investing in (sustainable) bricks, but at the same time in our employees, partners, and society. This means that our sustainability framework consists of four pillars: Bricks, People, Partners, and Society.

All this in the right timing and balance makes it possible for Wereldhave to bring people together!

INTEGRATED STRATEGIC BUSINESS MODEL

Strategic focus

BENEFITS OF CONVENIENCE SHOPPING

DRIVES FOOTFALL

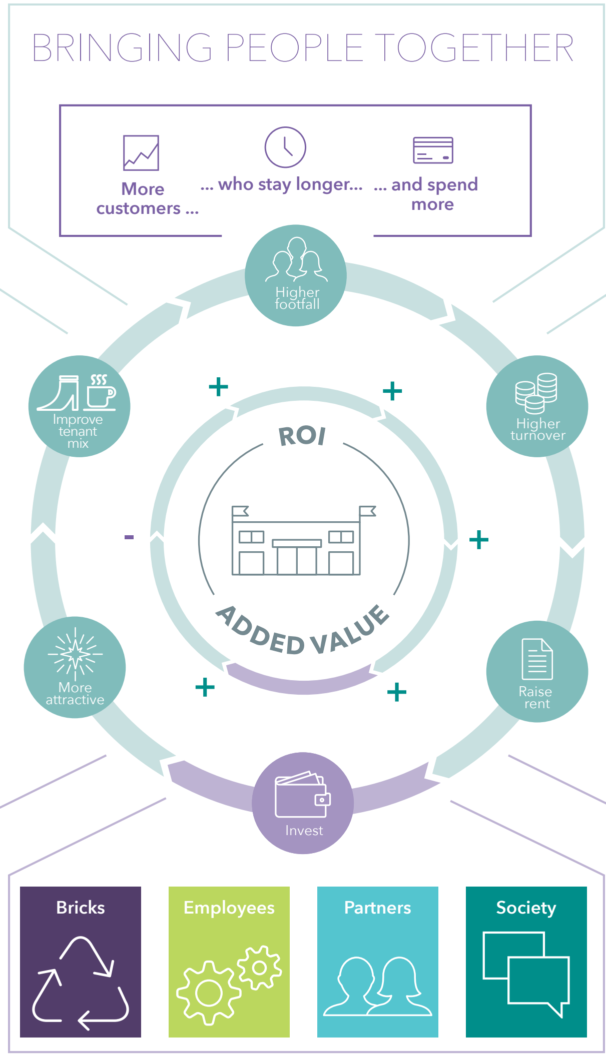
Focus on supermarkets that attract similar footfall to premium shops

RESILIENT THROUGH THE CYCLE

Non discretionary spending is resilient through the cycle, which benefits food anchored retail formats

COUNTERING E-COMMERCE

Internet resilient shops (food anchors, F&B and services) > 30% of tenant categories



GAIN MARKET SHARE IN THE MICRO-ENVIRONMENT

BETWEEN 20,000 m² AND 50,000 m²

- Minimum size
- Retail mix

FOOD ANCHORED

- Supermarket presence
- Internet resilient

DOMINANT IN ITS CATCHMENT AREA

- The dominant centre
- Natural footfall

TAILORED TO THE MICRO-ENVIRONMENT

- Leasing strategy
- Catchment area's demographics

RISK MANAGEMENT

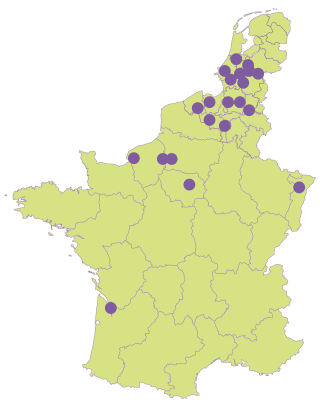
GOVERNANCE

FULLY FOCUSED ON CONVENIENCE SHOPPING CENTRES

Strategic focus

GAIN MARKET SHARE IN THE MICRO-ENVIRONMENT

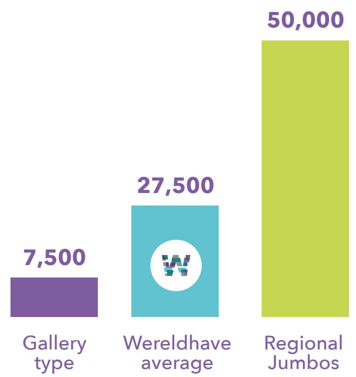
PRIME LOCATIONS IN REGIONAL CITIES



Located in cities with strong underlying demographic and economic fundamentals

BETWEEN 20,000 m² AND 50,000 m²

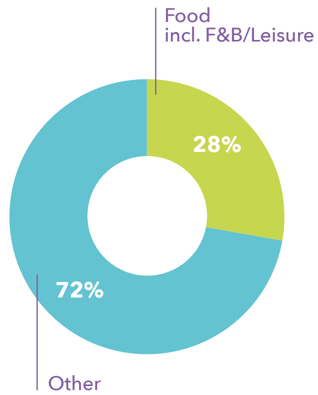
m² GLA per shopping centre



Offering all daily shopping needs and social experience

FOOD ANCHORED

Average GLA split



Containing 1 hypermarket or 2-3 supermarkets (29 of the 30 shopping centres)

DOMINANT IN THEIR CATCHMENT AREAS

Catchment area

>100,000 inhabitants

within 10 minutes drive time

Visitor number growth above market

STRATEGIC MANAGEMENT AGENDA 2018-2019

Our main target for the years 2018 – 2019 is to increase the market share in the micro-environment of our shopping centres.

Management agenda 2018-2019	Strategic direction	Targets 2018-2019	2017
Respond to consumer trends	• Optimise the customer journey • Continue tenant intimacy	• Drive footfall above market	• **FL: +/-** • **NL: +** • **BE: +** • **FR: +** • **Customer Journey project launched** • **Tenant satisfaction at 6.8 against 6.7 in 2016**
Drive EPS	• Improve internet resilience tenant base • Increase occupancy • Maintain low cost of debt	• >85% resilient • >97% occupancy • <2% at longer maturities	• 82% • 95.5% • 1.96%
Optimise portfolio	• Realise asset rotation • Complete development pipeline • Sustainability • Limited external growth	• € 200m disposals • € 236m pipeline • Keep front position • Selective acquisitions	• € 78m divested • € 156m spent • Green star GRESB, DJSI Europe • none
Tailor organisation	• Assertive entrepreneurship • Behaviour drive and P&L responsibility • Innovation	• € 15m - € 16m overhead	• € 16.3m including € 1.7m one-off for reorganisation costs

HIGHLIGHTED TILBURG CITY CENTRE

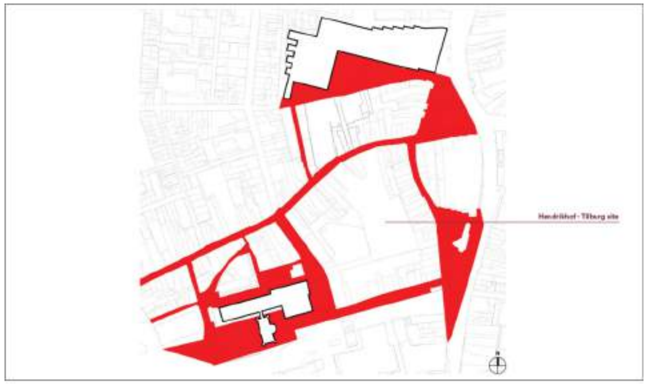
Frederikstraat, seen from the Pieter Vreedeplein

In December 2015, Wereldhave acquired ten shopping centres in the Netherlands, two of which were part of Tilburg's prime shopping area: the Emmapassage and the Pieter Vreedeplein. As befits any new owner, Wereldhave consulted with the municipality soon thereafter. This led to a series of talks to see how Tilburg's function as a shopping city could be strengthened.

The municipality and Wereldhave agreed that the city centre structure was not ideal. The municipality was eager to have a Primark in the old district council building, but this would only worsen the already fragmented layout of the prime shopping area. Together we worked out an action plan that soon led to success.

For example, this was the reason for Primark to choose Tilburg over Breda, and Hudson's Bay showed an interest in taking over the vacated V&D location.

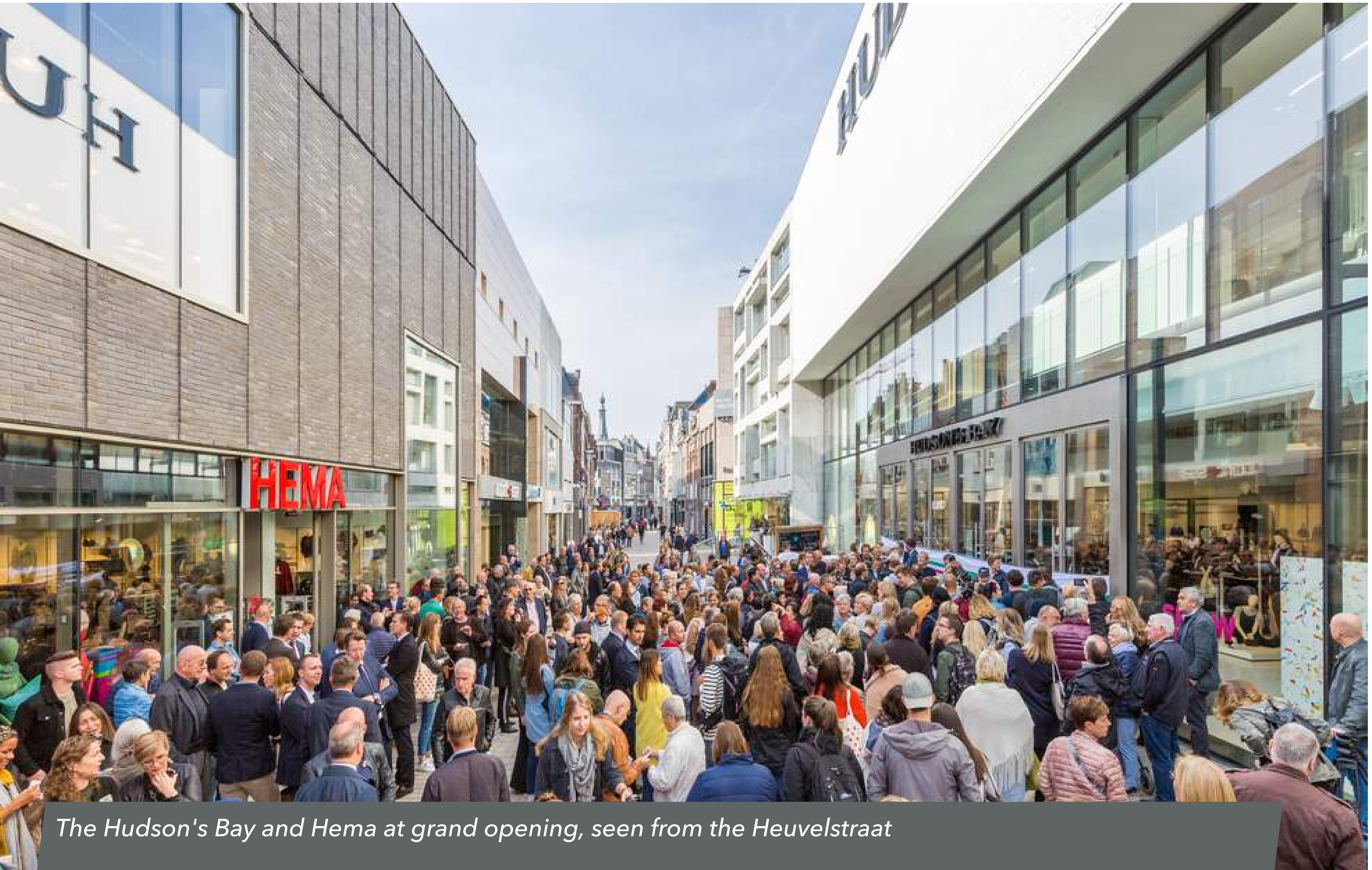
The plan worked out by Wereldhave and the municipality led to an improvement of the shopping routing in the city centre. It opened up a new shopping street in the historic centre, the Frederikstraat. This is basically the missing rung in the city centre's ladder structure, connecting the Pieter Vreedeplein, Heuvelstraat and Emmapassage. In addition, the Stadhuisstraat will be transformed into a shopping street, linking the Primark with the Emmapassage.



The entire redevelopment will be implemented without adding any additional retail space. The municipality committed itself to actively contribute to reducing the number of smaller retail strips, such as the Koningsplein and the Schouwburgpromenade. It was not long before the new plans were given the name "Winkelrondje Tilburg", Tilburg Shopping Circle.

The first section of the Frederikstraat could be realised without making drastic changes to the zoning scheme. Both the municipality and Wereldhave purchased a number of properties in the city centre to enable the breakthrough. Once it became clear that the plans would be implemented, Hudson's Bay stepped in. Wereldhave purchased the V&D and Hema locations, and the municipality now owns two shops in the Heuvelstraat.

HIGHLIGHTED



The Hudson's Bay and Hema at grand opening, seen from the Heuvelstraat

On 21 September, the new shopping street was opened. The significant change of the city centre took less than 18 months to complete. Many new tenants were attracted by Tilburg's success, such as Decathlon and Scotch & Soda, both new to Wereldhave’s portfolio.

The southern, second section of the passage covers part of the Hema location. It was decided in consultation with Hema to redevelop the store in anticipation of the second phase of the Frederikstraat and to open its doors at the same time as Hudson's Bay's. This became Hema's first flagship store in the Netherlands, featuring improved sightlines and a range of products clearly divided into "worlds". The restaurant in particular was given a complete overhaul, with artisanal, natural and fresh being the key words. Since its opening, the Hema store has welcomed 60% more visitors than the already ambitious estimate.

HIGHLIGHTED

The second phase of the Frederikstraat and the two residential towers in the zoning area require a change to the zoning plan. The residential towers will be constructed by Volker Wessels, Wereldhave's partner in the redevelopment of the city centre. Wereldhave will become the owner of the shops along the new passage, while Volker Wessels will bear the sales risk of the residential properties. The first steps have been taken. Tilburg is now ranked in the top ten of shopping cities in the Netherlands and given the size of the city, it belongs on that list. Although the success of the first phase has wetted our appetite, the second phase of the Frederikstraat will not open before 2019.

The old V&D department store, seen from the Heuvelstraat

OPERATIONS

Gross rental income for 2017 amounted to € 223.4m, a decrease of 3% compared to 2016, due to lower rental income in France and disposals in the Netherlands. Overall occupancy of the shopping centres at the end of 2017 stood at 95.5% (2016: 95.5%).

Leasing activity was high during the year, with 444 leases, rotations and renewals signed. Like-for-like rental growth was strong in Finland and solid in the Netherlands.

In France, occupancy dropped during the year from 94.4% to 91.9% at the third quarter, but rebounded by 130 bps during the last quarter to close the year at 93.2%. Several key anchors were secured, albeit at lower rents. This led to a decrease of rental income for the second half of the year. The full year impact will continue in H1 2018. New leases added to the overall quality of our tenant portfolio, not only commercially but also financially. As announced earlier, our target clearly remains to stabilise net rental income in France during 2018.

In the Netherlands, the rental market has improved. Pressure on rents has decreased significantly compared to 2016, but the lagged effects of pressure in the fashion, household goods and electronics segments is still visible in our markets, particularly at restarts after financial restructuring.

In Finland, leasing was strong and the rental market is stable, resulting in an improved occupancy. The retail market was also stable in Belgium, where occupancy rose during the year, but dropped during the last quarter. This was due to friction vacancy in Nivelles.

In Belgium, like-for-like rental income decreased by 1.1%. This can be attributed to the strategic decision to implement free parking in Genk, which resulted in a loss in parking income (-1.6%). In France, like-for-like rental income decreased by 7.0% overall, due to the decrease in occupancy, lower rents and bad debts.

Composition of the portfolio

In 2017, two smaller shopping centres were sold in the Netherlands. Stadshagen in Zwolle (11,500m²) and Oosterheem in Zoetermeer (11,700m²) were sold during the second quarter for € 74.2m. This is slightly above book-value, also above the purchase price for which they were bought in 2015. In December 2017, Wereldhave sold a strip of shops adjacent to the Cityplaza shopping centre in Nieuwegein for € 3.8m, which is above book-value. Also in December, agreement was reached for the disposal of 89 residential units in Capelle aan de IJssel for € 12.9m, also above book-value. The transaction will be completed at the end of the first quarter of 2018.

Ring Shopping, Kortrijk

There were no changes to the portfolio in the other countries. The asset rotation plan for 2017-2018 consists of asset disposals up to € 200m, of which € 78m has been realised and another € 12.9m has been committed.

Development pipeline

The committed development pipeline currently consists of four projects in the Netherlands, one in Belgium, one in Finland and two in France. The total value of the committed development pipeline as at December 31, 2017, amounted to € 236.0m, of which € 156.0m was spent. The completion of the current development projects will require € 80.0m in additional investments.

OPERATIONS

The Netherlands

In the Netherlands, the development pipeline consists of Tilburg City Centre, De Koperwiek (Capelle aan den IJssel), Koningshoek (Maassluis) and Presikhaaf (Arnhem).

In April 2017, the refurbishment of Eggert in Purmerend was completed. The centre is now fully let, with Albert Heijn and a Sportsworld as anchors to replace the former V&D department store. Footfall of the shopping centre increased by 9.6% in 2017.

The redevelopment of Koningshoek in Maassluis is nearly completed. The centre underwent a strong refurbishment and has been extended by around 5,000m², with a new HEMA, Aldi and Action opening their doors in the fourth quarter. The final phase consists of the creation of an extended and renewed shop for the third supermarket in the centre, Hoogvliet. It will be completed in the first quarter of 2018. The number of entrances to the centre was reduced and the lay-out was fully revised. Footfall went up by 2.5% in 2017.

The new HEMA format was launched in five stores in the Netherlands and Belgium, two of which in Wereldhave assets. The designated shopping "worlds" and a new food & beverage format are turning out to be a big success, with turnover and average ticket price significantly above the old levels.

In Capelle aan den IJssel, works for the first phase of the redevelopment of the Koperwiek shopping centre are making good progress. It consists of the construction of a parking garage for 280 cars and the creation of a new food court, which will connect both sides of the shopping centre. Completion of this phase is planned for H2 2018.The total redevelopment is planned for completion in 2019.

In Arnhem, the refurbishment of the Presikhaaf shopping centre is also progressing well. Several anchors are upgrading their shop formats, in line with the refurbishment of the mall.

HEMA was moved to the middle of the shopping centre, to make room for two large supermarkets at the front, Albert Heijn and Aldi. The third supermarket Coop will anchor the other end of the centre. Completion of the € 19m refurbishment and extension is on schedule for 2019.

Belgium

In Belgium, the committed development pipeline consists of the extension of 'Les Bastions' in Tournai. The shopping centre will double from 15,000 m² to 30,000 m² and together with the adjacent retail park the site will provide more than 40,000 m² of retail space. Particularly during the second half of the year, good progress in letting was made. It is anticipated that the centre will be nearly fully let at the Grand Opening in April 2018, with big and renowned national and international brands. The extension of the Belle-Ile shopping centre in Liege is not yet committed. Urban planning consent was obtained for a possible extension of 8,000 m²; the progress will be monitored in combination with the evolution of the unit of Carrefour (10,000 m²).

OPERATIONS

Construction site for the Finnkino cinema in Itis

Finland

In Finland, the construction of a Finnkino 9-screen cinema is progressing well. The demolition permit was granted in June and demolition works of the former Anttila department store were completed by the end of November. The building permit for the Finnkino cinema was granted in September and became unconditional in October 2017. The 9-screen Finnkino cinema is scheduled to open its doors at the end of 2018. It will be the first IMAX® movie theater in Finland. The press conference in which Finnkino announced its decision to create an Imax in Itis generated a lot of media attention for Itis. Wereldhave expects that the Finnkino in Itis will provide a boost to footfall and sales. The project involves some retailer relocations and the creation of a food & beverage court in the centre. The total area impacted is circa 7,000 m² of current retail space over four floors and additionally involves demolishing an office block situated on the roof level and relocation of those tenants.

France

In France, the committed development pipeline consists of the Primark for Docks Vauban in Le Havre and the Verrerie project in Saint Sever, Rouen. The shell for the Primark in Docks Vauban was completed in July 2017 and tenant fit-out works started early in August. Primark will open its doors on 21 Febuary 2018. In Rouen, works for the Verrerie project at the Saint Sever shopping centre started in October 2017. The project will add an extensive food hall in front of the entrance of the Kinepolis cinema.

Portfolio overview

As at December 31, 2017, the value of the total investment portfolio amounted to € 3,773.7m, of which 97% was shopping centres and 3% related to office properties in Belgium.

The geographical distribution of the portfolio as a percentage of the total portfolio is: Finland: 15%, the Netherlands: 39%, France: 23% and Belgium: 23%.

OPERATIONS

OCCUPANCY

(as a %)	Occupancy*				
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Belgium	95.9	95.6	95.7	96.1	94.9
Finland	95.7	96.4	96.3	96.6	96.7
France	94.4	93.5	93.3	91.9	93.2
Netherlands	95.8	95.8	96.2	96.1	96.5
Shopping centres	***95.5***	***95.3***	***95.4***	***95.3***	***95.5***
Offices (Belgium)	***90.9***	***90.6***	***92.0***	***91.9***	***91.7***
Total portfolio	**95.3**	**95.1**	**95.3**	**95.1**	**95.3**

* Portfolio value: investment properties excluding investment properties under construction

OPERATIONS

INVESTMENT PORTFOLIO DISTRIBUTION (AS A %)

	2013	2014	2015	2016	2017
Retail	78	86	97	97	97
Offices	21	14	3	3	3
Other	1	-	-	-	-
Total	**100**	**100**	**100**	**100**	**100**

INVESTMENT PORTFOLIO GEOGRAPHICAL DISTRIBUTION (AS A %)

	2013	2014	2015	2016	2017
Belgium	29	22	20	21	23
Finland	28	19	17	15	15
France	10	37	23	24	23
Netherlands	28	22	40	40	39
Spain	5	-	-	-	-
Total	**100**	**100**	**100**	**100**	**100**

OPERATIONS

NET RENTAL INCOME DISTRIBUTION PER COUNTRY (AS A %)

	2013	2014	2015	2016	2017
Belgium	32.5	31.8	23.9	23.1	23.8
Finland	22.7	24.3	15.5	13.6	14.3
France	9.4	9.8	30.9	22.8	20.9
Netherlands	30.7	34.1	29.7	40.5	41.0
Spain	4.7	-	-	-	-
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

DISPOSAL OF INVESTMENT PROPERTIES (X € 1M)

	2013	2014	2015	2016	2017
Belgium	-	14.1	-	-	-
France	-	90.3	401.0	-	-
Netherlands	34.0	-	-	24.2	82.5
Spain	-	95.2	-	-	-
United Kingdom	250.9	-	-	-	-
United States	514.0	-	-	-	-
Total	**798.9**	**199.6**	**401.0**	**24.2**	**82.5**

OPERATIONS

ACQUISITION OF INVESTMENT PROPERTIES (X € 1M)

	2013	2014	2015	2016	2017
Belgium	-	113.2	-	-	-
Finland	-	-	11.2	-	-
France	-	858.8	1.7	-	-
Netherlands	-	237.6	778.0	54.8	-
Total	**-**	**1,209.6**	**790.9**	**54.8**	**-**

OPERATIONS

KEY FIGURES

Shopping Centre Operations

	THE NETHERLANDS		BELGIUM		FINLAND		FRANCE		TOTAL GROUP	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Like-for-like rental growth (as a %)	0.4	0.8	4.9	-1.1	-2.7	5.5	1.4	-7.0	1.0	-0.7
Occupancy (as a %)	95.8	96.5	95.9	94.9	95.7	96.7	94.4	93.2	95.5	95.5
Visitors (x € 1m)	76.1	76.4	14.2	14.6	17.2	17.6	40.7	41.0	148.2	149.6

PROPERTY PORTFOLIO THE NETHERLANDS

Emiclaer
Amersfoort

Lettable area	19,300 m^2
Parking spaces	675
Year of acquisition	2015
Year of construction/renovation	1993
Annual theoretical rent (x € 1m)	4.6
Visitors	4.3

Presikhaaf
Arnhem

Lettable area	34,200 m^2
Parking spaces	1,244
Year of acquisition	2015
Year of construction/renovation	1987
Annual theoretical rent (x € 1m)	4.5
Visitors	3.9

Kronenburg
Arnhem

Lettable area	38,000 m^2
Parking spaces	1,300
Year of acquisition	1988
Year of construction/renovation	2015
Annual theoretical rent (x € 1m)	9.9
Visitors	5.5

De Koperwiek
Capelle aan den Ijssel

Lettable area	21,800 m^2
Parking spaces	900
Year of acquisition	2010-2014
Year of construction/renovation	1995
Annual theoretical rent (x € 1m)	5.1
Visitors	5.7

Sterrenburg
Dordrecht

Lettable area	13,200 m^2
Parking spaces	450
Year of acquisition	2015
Year of construction/renovation	1993
Annual theoretical rent (x € 1m)	2.9
Visitors	3.6

Woensel XL
Eindhoven

Lettable area	10,400 m^2
Parking spaces	925
Year of acquisition	2010
Year of construction/renovation	2006
Annual theoretical rent (x € 1m)	3.0
Visitors	1.9

PROPERTY PORTFOLIO THE NETHERLANDS

Etten-Leur
Etten-Leur

Lettable area	22,800 m²
Parking spaces	1,100
Year of acquisition	1991
Year of construction/renovation	2015
Annual theoretical rent (x € 1m)	3.6
Visitors	3.2

Middenwaard
Heerhugowaard

Lettable area	35,500 m²
Parking spaces	1,850
Year of acquisition	2015
Year of construction/renovation	2011
Annual theoretical rent (x € 1m)	10.3
Visitors	5.6

Vier Meren
Hoofddorp

Lettable area	38,900 m²
Parking spaces	1,000
Year of acquisition	2014
Year of construction/renovation	2013
Annual theoretical rent (x € 1m)	8.9
Visitors	7.8

Winkelhof
Leiderdorp

Lettable area	17,900 m²
Parking spaces	830
Year of acquisition	1993
Year of construction/renovation	1999
Annual theoretical rent (x € 1m)	4.5
Visitors	3.9

Koningshoek
Maassluis

Lettable area	18,200 m²
Parking spaces	1,060
Year of acquisition	2010
Year of construction/renovation	2016
Annual theoretical rent (x € 1m)	3.5
Visitors	3.9

CityPlaza
Nieuwegein

Lettable area	50,300 m²
Parking spaces	720
Year of acquisition	2015
Year of construction/renovation	2012
Annual theoretical rent (x € 1m)	13.6
Visitors	6.7

PROPERTY PORTFOLIO THE NETHERLANDS

Eggert
Purmerend

Lettable area	19,900 m^2
Parking spaces	390
Year of acquisition	2010
Year of construction/renovation	2015
Annual theoretical rent (x € 1m)	5.1
Visitors	3.9

Roselaar
Roosendaal

Lettable area	18,000 m^2
Parking spaces	415
Year of acquisition	2010-2014
Year of construction/renovation	2015
Annual theoretical rent (x € 1m)	4.4
Visitors	5.4

In de Bogaard
Rijswijk

Lettable area	19,400 m^2
Parking spaces	2,680
Year of acquisition	2015
Year of construction/renovation	2002
Annual theoretical rent (x € 1m)	4.6
Visitors	2.5

Emmapassage
Tilburg

Lettable area	5,700 m^2
Parking spaces	300
Year of acquisition	2015
Year of construction/renovation	1992
Annual theoretical rent (x € 1m)	1.3
Visitors	3.2

Pieter Vreedeplein
Tilburg

Lettable area	22,700 m^2
Parking spaces	780
Year of acquisition	2015
Year of construction/renovation	2008
Annual theoretical rent (x € 1m)	3.3
Visitors	5.4

Frederikstraat
Tilburg

Lettable area	18,600 m^2
Parking spaces	n.a.
Year of acquisition	2015-2017
Year of construction/renovation	2016-2017
Annual theoretical rent (x € 1m)	3.8
Visitors	n.a.

PROPERTY PORTFOLIO THE NETHERLANDS
as at December 31, 2017

PARKING SPACES *in % of total property portfolio in the Netherlands*	SHOPPING CENTRE	LETTABLE AREA *in % of total property portfolio in the Netherlands*
4.3	Cityplaza, Nieuwegein	11.8
6.0	Vier Meren, Hoofddorp	9.2
11.2	Middenwaard, Heerhugowaard	8.4
7.5	Presikhaaf, Arnhem	8.1
7.9	Kronenburg, Arnhem	8.9
5.4	De Koperwiek, Capelle a/d Ijssel	5.1
4.7	Pieter Vreedeplein, Tilburg	5.3
6.6	Etten-Leur, Etten-Leur	5.4
2.4	Eggert, Purmerend	4.7
16.2	In de Bogaard, Rijswijk	4.6
4.1	Emiclaer, Amersfoort	4.5
2.5	Roselaar, Roosendaal	4.2
5.0	Winkelhof, Leiderdorp	4.2
6.0	Koningshoek, Maassluis	4.3
2.7	Sterrenburg, Dordrecht	3.1
5.6	WoensXL, Eindhoven	2.4
1.8	Emmapassage, Tilburg	1.3
0.0	Frederikstraat / Heuvelstraat, Tilburg	4.4

PROPERTY PORTFOLIO THE NETHERLANDS
Shopping Centre Operations

KEY ECONOMIC PARAMETERS
(European Economic Forecast, autumn 2017)

	2016	2017	2018E	2019E
GDP growth, %, yoy	2.2	3.2	2.7	2.5
Harmonised index of consumer prices, %, yoy	0.1	1.3	1.5	2.2
Unemployment, %	6.0	4.8	4.0	3.5
Private consumption, %, yoy	1.6	2.1	2.3	1.8

LOCATIONS

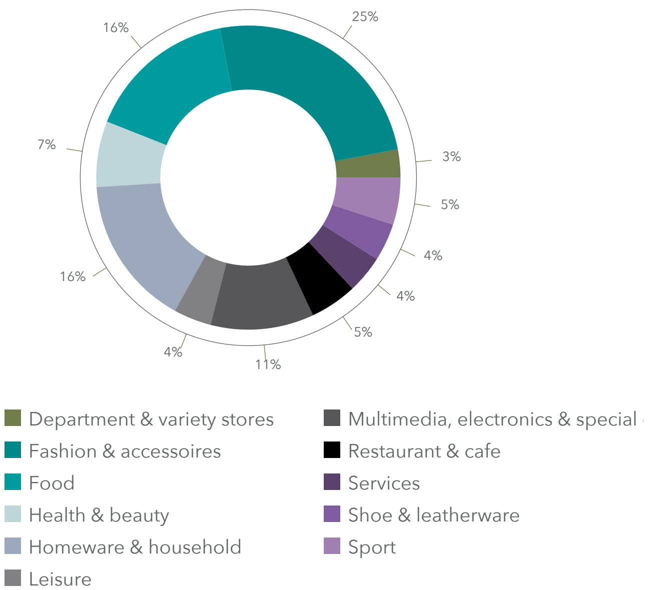
m² shops	424,793
Retail units	1,114
Tenants	1,205
Employees (FTE)	53

PROPERTY PORTFOLIO THE NETHERLANDS

KEY DATA

	2017	2016
Net rental income (in €m)	80.1	81.6
Occupancy (as a %)	96.5	95.8
Investment properties market value (in €m)	1,415.4	1,451.5
Investment properties under construction (in €m)	55.5	65.9
Acquisitions (in €m)	-	54.8
NIY (as a %)	5.4%	5.5%
EPRA NIY (as a %)	5.3%	5.2%

TENANT MIX



TOP 10 TENANTS

1	Ahold-Delhaize
2	Blokker
3	Hema
4	A.S. Watson Group
5	C&A
6	Hennes & Mauritz
7	Jumbo
8	Metro (Media Markt)
9	Excellent Retail Brands
10	FNG N.V.

THE NETHERLANDS

The economy of the Netherlands is expected to grow by 2.7% in 2018 (source: Eurostat Autumn 2017 European Economic Forecast). This growth will be driven predominantly by domestic demand. Household consumption is projected to pick up further in 2018, due to the favourable labour market conditions and a steady growth in real wages. The unemployment rate is expected to decrease to 4% in 2018 and 3.5% in 2019. HICP inflation is expected to rise to 1.5% in 2018, accelerating to 2.2% in 2019.

In 2017, the number of bankruptcies was significantly lower than the previous year. The number of visitors in shopping centres is increasing and the retail sector is recovering on the back of the improved consumer sentiment. Turnover based rents are becoming increasingly popular. Nearly half of the leases that were signed in 2017 have a sales-based rent component. It allows Wereldhave to benefit from upside potential by improving footfall and sales.

Yields of prime shopping centres continued to compress and the spread between prime and secundary yields remained large. Prime yields for shopping centres are now around 5.25%.

In October 2017 the new Dutch government coalition agreement announced plans to abolish the Dutch REIT status for property investments that are held directly in the Netherlands. These plans relate to the proposed cancellation of dividend withholding tax in the Netherlands. It would make our investments in the Netherlands less profitable, as these would become subject to a 21% corporate tax rate. It is currently not certain if these plans will materialise and if so, how they will be implemented. Several associations representing the interests of Dutch REITs have made a combined effort to emphasise the need for a level playing field for real estate investments in the Netherlands compared to its neighbouring countries.

Portfolio

Two smaller shopping centres, Stadshagen in Zwolle (11,500m²) and Oosterheem in Zoetermeer (11,700m²), were sold during the second quarter for € 74.2m. This is above book-value and also above the purchase price for which they were bought in 2015. Wereldhave acquired these two shopping centres with a 98% occupancy. In spite of the many bankruptcies that hit the retail sector in 2016, Wereldhave managed to bring the occupancy to between 99% and 100%.

In December 2017, Wereldhave sold a strip of shops adjacent to the CityPlaza shopping centre in Nieuwegein for € 3.8m, which is above book-value. Also in December, agreement was reached for the disposal of 89 residential units in Capelle aan de IJssel for € 12.9m, also above book-value. The transaction will be completed at the end of the first quarter of 2018.

Development portfolio

In April 2017, the refurbishment of Eggert in Purmerend was completed. The centre is now fully let, with Albert Heijn and a Sports World as anchors to replace the former V&D department store. Footfall of the shopping centre increased by 9.6% in 2017.

The redevelopment of Maassluis is nearly complete. The centre was extended by approx. 5,000m², with a new Hema, Aldi and Action opening their doors in the fourth quarter. The final phase consists of the creation of a new shop for a third supermarket to the centre, Hoogvliet. It will be completed in the first quarter of 2018. The number of entrances to the centre diminished and the lay-out was fully revised. Footfall went up by 2.5% in 2017. The new Hema format was launched in five stores in the Netherlands and Belgium, two of which in Wereldhave assets. The designated shopping "worlds" and a new food & beverage format are turning out to be a big success, with turnover and average ticket price some 50% above the old levels.

THE NETHERLANDS

The first phase of the Tilburg inner city redevelopment scheme was completed in September 2017, with the opening of a Hudson's Bay store and a new street, connecting the Pieter Vreedeplein with the Heuvelstraat, Tilburg's shopping high street. Hema opened its first store with the new format, with a significantly improved food & beverage offer and a redesigned lay-out. Many new retailers decided to open a store in Tilburg, with large names such as Decathlon and Scotch & Soda. Plans are being prepared for the next phase, which is to redevelop the Emmapassage, connecting the Heuvelstraat to the new Primark next-door.

In Capelle aan den IJssel, works for the first phase of the redevelopment of the Koperwiek shopping centre are making good progress. It consists of the construction of a parking garage for 280 cars and the creation of a new food court, which will connect both sides of the shopping centre. Completion of this phase is planned for H2 2018.The total redevelopment is planned for completion in 2019.

In Arnhem, the refurbishment of the Presikhaaf shopping centre is also progressing well. Several anchors are upgrading their shop formats, in line with the refurbishment of the mall. HEMA was moved to the middle of the shopping centre, to make room for two large supermarkets at the front of the shopping centre, Albert Heijn and Aldi. The third supermarket Coop will anchor the other end of the centre. Completion of the refurbishment and extension is on schedule for 2019.

Organisation

In the first quarter of 2017, a reorganisation of the head office and the Dutch management organisation was successfully completed. Four business units were created, each with four shopping centres, bringing operational accountability down in the organisation. The total costs of the reorganisation amounted to € 1.7m.

Sustainability

Wereldhave organised a lot of events in its shopping centres in 2017, ranging from a competition for the best vlogger, drone racing events, and social inclusion events such as 'the longest dining table'. The events were well visited and contributed to the healthy increase in footfall during the year. Shopping Centre the Roselaar was partner to a very special project in June. Disabled persons were given the opportunity to become interns for a day. This project 'Prokkelstage' stimulates their contact with society and was endorsed by several retailers, such as Albert Heijn, Etos, C&A, HEMA, The Althlete's Foot, Jamin, ICI Paris XL, VERO MODA and the security company.

In 2017, 444 solar panels were installed on the rooftop of shopping centre Koningshoek, which generates 110,000 kWh, the equivalent of the average annual energy consumption of 36 households. Electricity generated during the opening hours flows back to tenants through service cost reductions, whilst energy generated outside opening hours is sold back to the electricity grid and generates revenue.

THE NETHERLANDS

New BREEAM certificates were obtained for six Dutch shopping centres in Leiderdorp, Arnhem, Roosendaal, Etten-Leur, Nieuwegein and Tilburg.

In November 2017, Wereldhave and Dutch Olympic swimming champion Pieter van den Hoogenband from Topsport Community signed a three-year partnership. The agreement provides Wereldhave the opportunity to enhance its business with the knowledge and insights of the Topsport Community, to create winning teams that deliver a higher performance.

Results and valuation

Our portfolio in the Netherlands is beginning to see the benefits of continued economic growth, increasing employment and strong consumer confidence. Compared to the previous year, the number of retailer bankruptcies dropped significantly in 2017. In most cases, stores that became vacant were quickly filled, either with re-starts or new tenants. The rental market has improved. Pressure on rents has decreased significantly compared to 2016, but the lagged effects of pressure in the fashion, household goods and electronics segments is still visible in our markets, particularly at restarts after financial restructuring.

In 2017, 231 leases were signed for a total of 85,323m². Like-for-like rental growth for the year 2017 amounted to 0.8% (equal to the index). HEMA launched two of the first three shops with their new format in the Netherlands in our portfolio, in Maassluis and Tilburg. C&A opened their first new concept store in Arnhem. Other notable deals were with Decathlon, Scotch & Soda and Specsavers. The latter signed a package deal to extend the lease for 6 shops and to open 7 new shops in our shopping centres. Footfall in the Dutch shopping centres increased by 0.4%, which is 1.1% above the market average.

The portfolio was valued at € 1,415.4m on December 31, 2017 (2016: € 1,451.5m). The decrease is mainly due to the disposals in Zwolle and Zoetermeer and a negative property valuation adjustment of € 24.5m. The value of the development portfolio stood at € 55.5m at year-end 2017.

Outlook

For the year 2018, focus will be on the committed development projects and on leasing and operations. Wereldhave Netherlands aims for a further increase in occupancy in 2017.

Middenwaard, Heerhugowaard

PROPERTY PORTFOLIO BELGIUM

Ring Shopping
Courtrai

Lettable area	31,600 m²
Parking spaces	2,000
Year of acquisition	2014
Year of construction/renovation	2005
Annual theoretical rent (x € 1m)	7.0
Visitors	3.3

Shopping 1
Genk

Lettable area	20,300 m²
Parking spaces	1,250
Year of acquisition	2010
Year of construction/renovation	2014
Annual theoretical rent (x € 1m)	3.9
Visitors	4.0

Stadsplein
Genk

Lettable area	14,900 m²
Parking spaces	44
Year of acquisition	2012
Year of construction/renovation	2008
Annual theoretical rent (x € 1m)	2.9
Visitors	n.a.

Overpoort
Gent

Lettable area	4,000 m²
Parking spaces	n.a.
Year of acquisition	2012
Year of construction/renovation	2014
Annual theoretical rent (x € 1m)	0.9
Visitors	n.a.

Belle-ile
Liège

Lettable area	30,300 m²
Parking spaces	2,200
Year of acquisition	1994
Year of construction/renovation	1994
Annual theoretical rent (x € 1m)	11.4
Visitors	3.8

Nivelles-Shopping
Nivelles

Lettable area	28,900 m²
Parking spaces	1,452
Year of acquisition	1984
Year of construction/renovation	2012
Annual theoretical rent (x € 1m)	8.5
Visitors	3.6

PROPERTY PORTFOLIO BELGIUM

Les Bastions Shopping
Tournai

Lettable area	33,300 m²
Parking spaces	1,260
Year of acquisition	1988
Year of construction/renovation	1996
Annual theoretical rent (x € 1m)	7.2
Visitors	2.0

Les Bastions Retailpark
Tournai

Lettable area	10,300 m²
Parking spaces	360
Year of acquisition	2016
Year of construction/renovation	2016
Annual theoretical rent (x € 1m)	1.1
Visitors	0.9

Waterloo
Waterloo

Lettable area	3,000 m²
Parking spaces	95
Year of acquisition	2010
Year of construction/renovation	1967
Annual theoretical rent (x € 1m)	0.8
Visitors	n.a.

De Veldekens
Antwerp

Lettable area	38,400 m²
Parking spaces	771
Year of acquisition	1999
Year of construction/renovation	2002
Annual theoretical rent (x € 1m)	5.2
Visitors	n.a.

Jan Olieslagerslaan
Vilvoorde

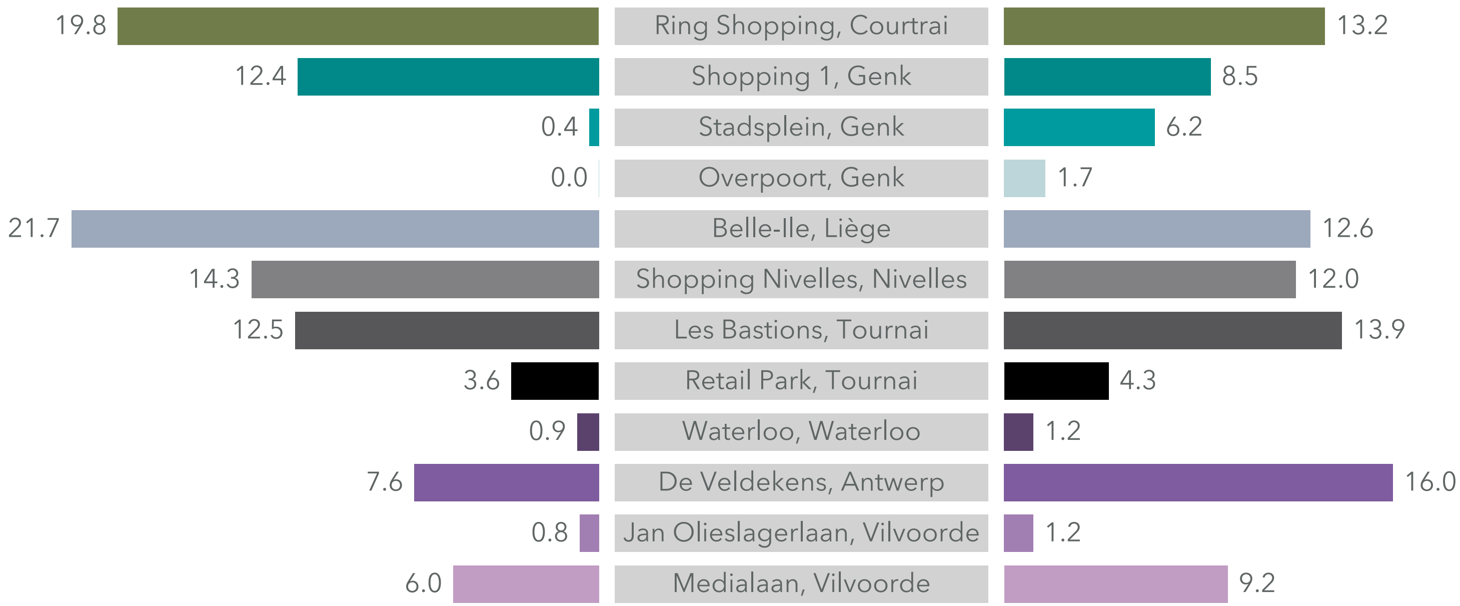
Lettable area	3,000 m²
Parking spaces	82
Year of acquisition	1999
Year of construction/renovation	1999
Annual theoretical rent (x € 1m)	0.3
Visitors	n.a.

Medialaan
Vilvoorde

Lettable area	22,100 m²
Parking spaces	606
Year of acquisition	1998
Year of construction/renovation	2002
Annual theoretical rent (x € 1m)	3.2
Visitors	n.a.

PROPERTY PORTFOLIO BELGIUM
as at December 31, 2017

PARKING SPACES *in % of total property portfolio in Belgium* | **SHOPPING CENTRE** | **LETTABLE AREA** *in % of total property portfolio in Belgium*



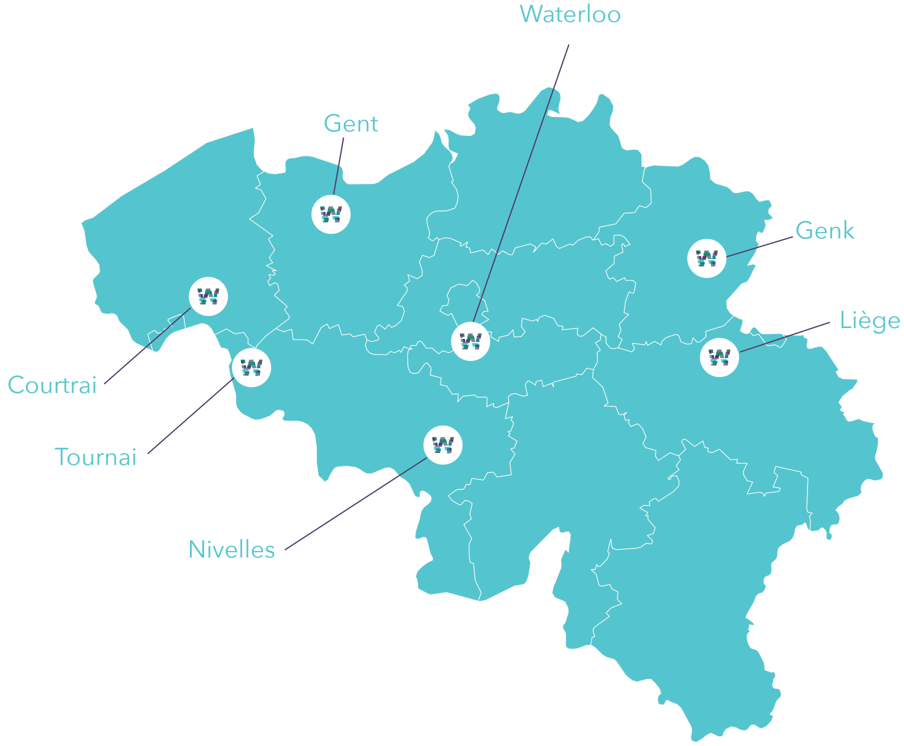
PROPERTY PORTFOLIO BELGIUM
Shopping Centre Operations

KEY ECONOMIC PARAMETERS
(European Economic Forecast, autumn 2017)

	2016	2017	2018E	2019E
GDP growth, %, yoy	1.5	1.7	1.8	1.7
Inflation, %, yoy	1.8	2.2	1.4	1.6
Unemployment, %	7.8	7.3	7.0	6.8
Private consumption, %, yoy	1.7	1.8	1.9	1.8

LOCATIONS

m² shops	176,595
Retail units	483
Tenants	452
Employees (FTE)	48

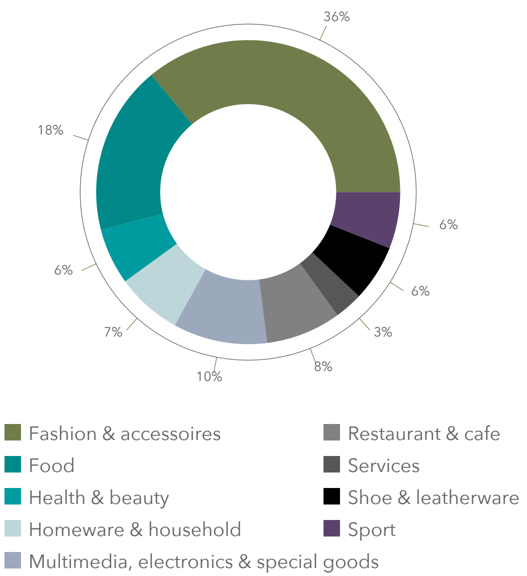


PROPERTY PORTFOLIO BELGIUM

KEY DATA

	2017	2016
Net rental income (in €m)	37.6	37.6
Occupancy (as a %)	94.9	95.9
Investment properties market value (in €m)	683.2	660.5
Investment properties under construction (in €m)	66.8	35.3
Acquisitions (in €m)	-	-
NIY (as a %)	5.5	5.7
EPRA NIY (as a %)	5.3	5.6

TENANT MIX



TOP 10 TENANTS

1	Carrefour
2	C&A
3	Hennes & Mauritz
4	Ahold-Delhaize
5	A.S. Watson Group
6	Excellent Retail Brands
7	Cassis & Paprika
8	Redisco
9	AS Adventure
10	Etam

BELGIUM

Economic growth in Belgium is expected to remain fairly stable at 1.8% in 2018 on the back of improved labour market and investment conditions (source: Eurostat Autumn 2017 European Economic Forecast). Growth is mainly driven by domestic demand, particularly private consumption and investment. Due to the wage moderation measures, the unemployment rate declined to 7.3% in 2017 (from 8.5% in 2015). In 2018, a new collective wage agreement will come into effect and the temporary suspension of wage indexation will end. Real wage growth is expected to remain moderate. Inflation was relatively high in Belgium at 2.2% in 2017, partly caused by the introduction of the taxation on electricity consumption in 2015. The effect will phase out and inflation is expected to decline to 1.4% in 2018.

According to Cushman & Wakefield (retail market snapshot Q4 2017) the retail market in Belgium performed strongly over the last quarter of 2017. Consumer confidence levels are relatively high, underpinning the gradual recovery of the economy overall, but sentiments are mixed because of growing vacancy levels in main streets locations.

Stadsplein Genk

Several retailers are searching for opportunities to open anchor stores in core locations but decision processes are lengthy. The transaction volume in the retail investment market was in line with previous years, mainly because of the sale of the Woluwe shopping centre in the final quarter. Yields for prime shopping centres have continued to decline and are now around 4%.

Portfolio

There were no changes in the investment portfolio in 2017. Early in 2018 the composition of the offices portfolio changed. The 'Madou' office building in Brussels (12,200 m²) was transferred at the end of 2016, but Wereldhave retained the right to rental income and enjoyment of the lease contract, against the full operational risks up to expiry at the end of January 2018.

Development portfolio

The committed development pipeline consists of the expansion project for 'Les Bastions' in Tournai. The shopping centre will double from 15,000 m² to 30,000 m² and together with the adjacent retail park the site will provide more than 40,000 m². Particularly during the second half of the year, good progress in letting was made. It is anticipated that the centre will be nearly fully let at the Grand Opening in April 2018, with large and renowned national and international brands.

The extension of the Belle-Ile shopping centre in Liege is not yet committed. Urban planning consent was obtained for a possible extension of 8,000 m², but construction will only start once 70% has been pre-let.

Organisation

The financial director of Wereldhave Belgium, Mr Eddy de Landtsheer, stepped down as at January 31, 2018. He was succeeded by Mr Cédric Biquet, who has extensive real estate financial experience. He joined the Company on January 1, 2018, to ensure a smooth transition.

BELGIUM

Sustainability

In 2017, an energy audit and performance measurement was commissioned for the shopping centres in Nivelles and Courtrai. Both shopping centres were evaluated in 2016 according to the 'BREEAM In Use' methodology, with the scores 'Very Good' for the building and 'Excellent' for the property management. The overall goal of the audit is to optimise energy consumption, with an acceptable IRR on investments. In the shopping centre 'Belle-Ile' in Liège, a sun protective film was placed to prevent overheating in summer and reduce the energy consumption for cooling.

In 2017, Wereldhave Belgium issued a new general policy on energy, water and waste. Green charters have now almost generally been endorsed by our suppliers and partners. In every shopping centre of the portfolio a sustainability committee was established, as integrated part of the consultation committee. It enhances the interaction between tenant and landlord by the exchange of knowledge and possibly setting up new partnerships. Increased involvement means added value to the actions.

Results and valuation

In Belgium, 88 leases were signed in 2017 for a total of 26,009m². The most notable deals were with Zara, Bershka, Electro Depot, H&M, Superdry and JD Sports.

Occupancy decreased due to an expiring lease in the Nivelles shopping centre in the fourth quarter. Reletting is ongoing. At year-end 2017 occupancy stood at 94.9% (2016: 95.9%).

The strategic decision to introduce free parking in Genk depressed like-for-like rental income, but supported footfall in the centre, which rose by 13%. Tenant sales went up by 1.3%. Like-for-like rental growth for the year 2017 amounted to -1.1% (index 1.8%), of which -1.6% caused by the introduction of free parking in Genk. Footfall in the Belgian shopping centres increased by 2.7%, which is 0.4% above the market average.

On January 25, 2018, Carrefour made a press announcement of its intention to close its two shops in Wereldhave Belgium's shopping centres Shopping1 (Genk) and Belle-Ile (Liège).

No further formal action was taken by Carrefour and as such, the existing leases remain in force. These represent 3.7% of Wereldhave Belgium's total rent roll. The unit in Liège has an early termination option as per September 23, 2018 and in Genk at November 30, 2019. Wereldhave Belgium has started to draft alternative plans for these units, which implies reletting and/or a redevelopment or splitting up of the respective units.

The occupancy of the Belgian offices portfolio investment improved from 90.9% at year-end 2016 to 91.7% in 2017. Three new leases (1,765 m²) were concluded in the 'De Veldekens' office park in Berchem-Antwerp, bringing occupancy of the office park to 100%.

The total portfolio was valued at € 786,8m on December 31, 2017 (2016: € 784.5m). The value of the development portfolio stood at € 66.8m at year-end 2017 (2016: € 35.3m). The net increase of € 31.5 mln is mainly due to the construction works relating to the expansion (15,000 m²) of the shopping centre 'Les Bastions' in Tournai.

Outlook

For the year 2018, focus will be on the completion of the extension of shopping centre les Bastions in Tournai and plans to improve the overall performance in Courtrai and Genk.

PROPERTY PORTFOLIO FINLAND

Itis

Helsinki

Lettable area	100,500 m^2
Parking spaces	1,600
Year of acquisition	2002
Year of construction/ renovation	2014
Annual theoretical rent (x € 1m)	31.7
Visitors	17.6

Itis shopping centre, Helsinki

SHOPPING CENTRE OPERATIONS

KEY ECONOMIC PARAMETERS

(European Economic Forecast, autumn 2017)

	2016	2017	2018E	2019E
GDP growth, %, yoy	1.9	3.3	2.7	2.4
Inflation, %, yoy	0.4	0.9	1.3	1.7
Unemployment, %	8.8	8.6	8.3	8.0
Private consumption, %, yoy	1.8	2.0	1.8	1.6

LOCATIONS

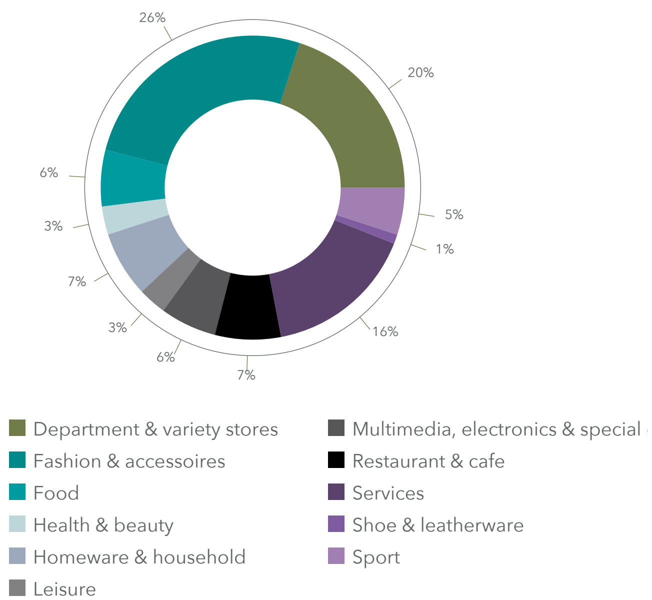
m² shops	100,540
Retail units	175
Tenants	168
Employees (FTE)	14

PROPERTY PORTFOLIO FINLAND

KEY DATA

	2017	2016
Net rental income (in €m)	27.9	27.5
Occupancy (as a %)	96.7	95.7
Investment properties market value (in €m)	572.0	565.6
Investment properties under construction (in €m)	-	-
Acquisitions (in €m)	-	-
NIY (as a %)	4.9	4.9
EPRA NIY (as a %)	4.7	4.8

TENANT MIX



TOP 10 TENANTS

1	Stockmann
2	Hennes & Mauritz
3	Gigantti
4	Nordea Bank
5	Veljekset Halonen
6	Tokmanni
7	Kesko
8	Sats
9	Suomalainen Kirjakauppa
10	Hok-Elanto Liiketoiminta

FINLAND

The Finnish economy is expected to grow by 2.7% in 2018, which is well above the EU average. Finnish exports have experienced strong growth in 2017 across all major product categories. Exports are projected to remain favourable in 2018. Inflation is expected to increase to 1.7% in 2018 and private consumption growth is expected to be strong at 1.8%, slightly under the 2% growth in 2017 (source: Eurostat Autumn 2017 European Economic Forecast). Employment is rising, but the fall in unemployment is held back by an increase in the labour force, as discouraged workers reactivated their job search.

According to Cushman & Wakefield (retail market snapshot Q4 2017), occupier demand picked up in 2017, mostly towards prime locations. The retail rents remained stable in most of the sectors. Demand is expected to further improve in key retail locations. Although new shopping centre openings in 2018 and 2019 will add strong supply in the retail market. However, when comparing to annual growth in demand through population growth and improved purchasing power, the pace of completions indicates a fairly balanced shopping centre segment in the Helsinki Metropolitan Area. The investment volume in retail in 2017 amounted to some € 4.6 bn, a record high. Prime yields for shopping centres are now around 4.4%.

Portfolio

There were no changes to the Finnish portfolio in 2017. The development of a new cinema in the middle of Itis is progressing well. The demolition permit was granted in June and demolition works of the former Anttila department store were completed by the end of November. The building permit for the Finnkino cinema was granted in September and became unconditional in October 2017. The 9-screen Finnkino cinema is scheduled to open its doors at the end of 2018. It will be the first IMAX® movie theater in Finland. The press conference in which Finnkino announced its decision to create an Imax in Itis generated a lot of media attention to Itis. Wereldhave expects that the Finnkino in Itis will provide a boost to footfall and sales.

The project involves some retailer relocations and the creation of a food & beverage court in the centre. The total area impacted on is circa 6,500 sq metres of current retail space over four floors and additionally involves demolishing an office block situated on the roof level and relocation of those tenants.

Organisation

Mr Richard Belt decided to retire from the Board. He was succeeded by interim manager Belinde Bakker, who together with Anne-Maria Hautala oversees Wereldhave's Finnish operations. There were no other significant changes to the organisation.

Sustainability

During 2017, for a pilot 120 solar panels were installed on the rooftop of the Pasaasi part of the centre. Fire safety training were given to property and tenants' staff, including fire-fighting training. It was also decided to improve escalator safety, in view of recurring incidents with people ignoring the escalator safety rules. Poles were installed in front of the escalators to prevent people taking their zimmer frame on the escalator instead of using the elevators.

FINLAND

The bi-annual Itis sale in March and September were well visited. Several other events were organised in Itis during the year, which generated media attention in newspapers and blogs. The co-operation with the Hope foundation was continued. The third joint Christmas gift drive exceeded all expectations by collecting 3,500 Christmas gifts to underprivileged children and youth.

The tenant satisfaction score in Itis showed the results of our efforts. The overall tenant satisfaction score went up to 4.55/5 against 4.26/5 in 2016.

Results and valuation

In Finland, a total of 62 leases was signed for 8,859m² and occupancy increased in 2017 by 100 bps to 96.7%. Like-for-like rental growth for the year 2017 amounted to 5.5% in Finland (index 0.3%). Leasing activity was high and there were first signs of international retailers entering the Finnish market. JDSports agreed terms for the former Seppälä unit. It will be their first shop in Finland. Together with the first Imax in Finland, this proves that Itis is the preferred retail centre in Greater Helsinki. Other important leases that were signed were with FeelVegas, Indecoria and Ego, a cosmetics store.

A lease was signed with Regus for 950m² of office space above Itis. Although the ongoing refurbishment of the Finnkino impacts more than 7,000m² in the heart of the centre and Itis does not benefit from the introduction of larger opening hours for hypermarkets, footfall in Itis still increased by 2.6% in 2017. This is only 0.3% below the market average.

The Finnish portfolio was valued at € 572.0m on December 31, 2017 against € 565.6m a year earlier. The change relates to the investments made in connection with the Finnkino cinema.

Outlook

The prime focus for 2018 will be on leasing, the development of the food & beverage area opposite to the entrance of Finnkino, the introduction of key account management and more specialty leasing in the malls of the centre.

Bulevardi, Itis, Helsinki

PROPERTY PORTFOLIO FRANCE

Côté Seine
Argenteuil

Lettable area	18,900 m²
Parking spaces	1,350
Year of acquisition	2014
Year of construction/renovation	2010
Annual theoretical rent (x € 1m)	6.0
Visitors	5.5

Mériadeck
Bordeaux

Lettable area	32,300 m²
Parking spaces	1. 670
Year of acquisition	2014
Year of construction/renovation	2008
Annual theoretical rent (x € 1m)	8.5
Visitors	10.2

Docks Vauban
Le Havre

Lettable area	58,500 m²
Parking spaces	2,000
Year of acquisition	2014
Year of construction/renovation	2009
Annual theoretical rent (x € 1m)	6.9
Visitors	6.1

Docks76
Rouen

Lettable area	37,100 m²
Parking spaces	1,000
Year of acquisition	2014
Year of construction/renovation	2009
Annual theoretical rent (x € 1m)	10.1
Visitors	4.0

Saint-Sever
Rouen

Lettable area	33,600 m²
Parking spaces	1,800
Year of acquisition	2014
Year of construction/renovation	2012
Annual theoretical rent (x € 1m)	9.5
Visitors	9.1

Rivetoile
Strasbourg

Lettable area	28,500 m²
Parking spaces	1800
Year of acquisition	2014
Year of construction/renovation	2008
Annual theoretical rent (x € 1m)	9.7
Visitors	6.1

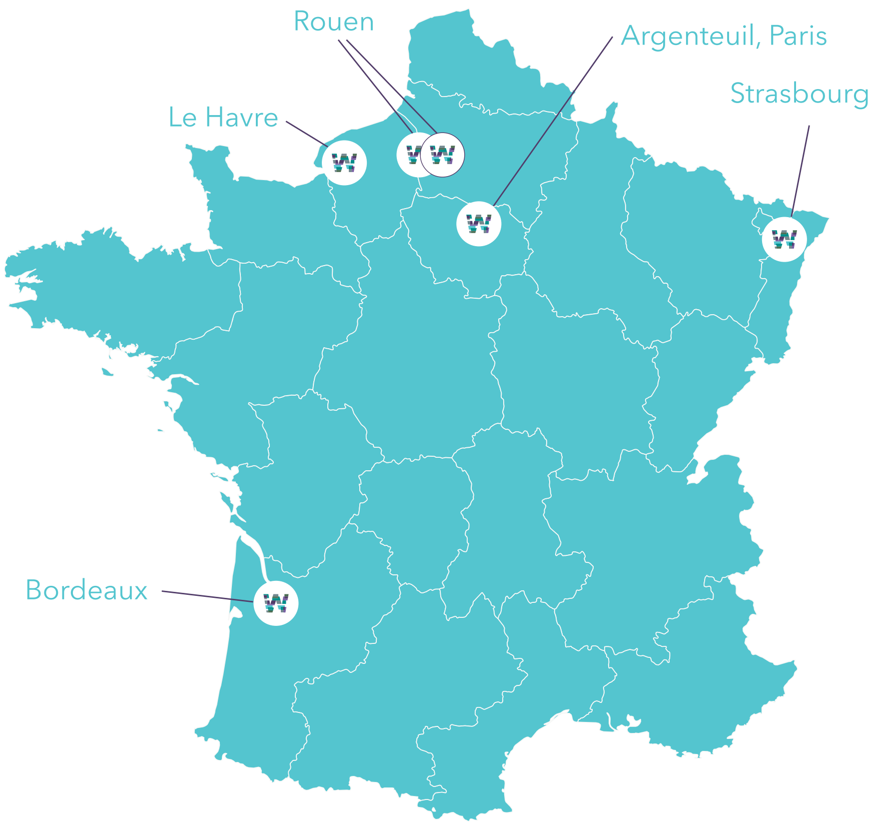
PROPERTY PORTFOLIO FRANCE
as at December 31, 2017

PARKING SPACES *in % of total property portfolio in France*	SHOPPING CENTRE	LETTABLE AREA *in % of total property portfolio in France*
14.0	Côté Seine, Agenteuil	9.0
17.4	Mériadeck, Bordeaux	15.5
20.8	Docks Vauban, Le Havre	28.0
10.4	Docks 76, Rouen	17.8
18.7	Saint-Sever, Rouen	16.1
18.7	Rivetoile, Strasbourg	13.6

PROPERTY PORTFOLIO FRANCE
Shopping Centre Operations

KEY ECONOMIC PARAMETERS
(European Economic Forecast, autumn 2017)

	2016	2017	2018E	2019E
GDP growth, %, yoy	1.2	1.6	1.7	1.6
Inflation, %, yoy	0.3	1.1	1.2	1.5
Unemployment, %	10.1	9.5	9.3	8.9
Private consumption, %, yoy	2.2	1.1	1.4	1.4



LOCATIONS

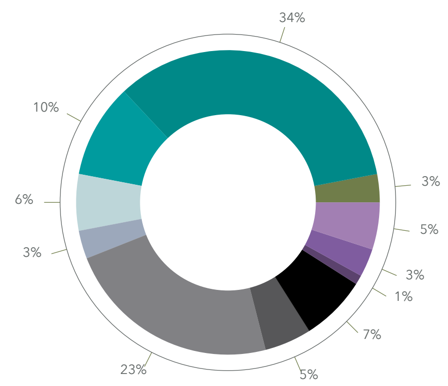
m^2 shops	208,899
Retail units	456
Tenants	391
Employees (FTE)	57

PROPERTY PORTFOLIO FRANCE

KEY DATA

	2017	2016
Net rental income (in €m)	40.8	45.9
Occupancy (as a %)	93.2	94.4
Investment properties market value (in €m)	877.1	899.7
Investment properties under construction (in €m)	-	-
Acquisitions (in €m)	-	-
NIY (as a %)	4.7	5.1
EPRA NIY (as a %)	4.6	4.7

TENANT MIX



- Department & variety stores
- Fashion & accessoires
- Food
- Health & beauty
- Homeware & household
- Leisure
- Multimedia, electronics & special
- Restaurant & cafe
- Services
- Shoe & leatherware
- Sport

TOP 10 TENANTS

1	Hennes & Mauritz
2	E.Leclerc
3	Pathé
4	Auchan
5	Sephora
6	Mango
7	Camaieu
8	Promod
9	Inditex
10	Jules

FRANCE

Economic activity increased in 2017, primarily driven by private investment growth. Growth is expected to remain solid in 2018. GDP growth is expected to reach 1.8% in 2018 (source: Eurostat Autumn 2017 European Economic Forecast). Private consumption is set to recover somewhat in 2018 in line with disposable income, after subdued growth in 2017. Inflation is forecast to increase to 1.2% in 2018. The labour market is gradually recovering, supporting consumption and household investment. The unemployment rate is expected to decline to 9.3% in 2018 (2015: 10.4%).

According to Cushman & Wakefield (retail market snapshot Q4 2017), all retail sectors have benefited from the upturn in employment. The INSEE household confidence indicator shows positive results, supported by a reassuring economic and political context after the outcome of the 2017 presidential elections. Rental values are stable for the best high street locations and prime regional out of town schemes. Rents are expected to decline in the other categories. Investor demand is expected to remain steady in 2018. Prime yields for shopping centres are now around 3.5%.

Portfolio

There were no changes in the composition of the investment portfolio in 2017. The portfolio consists of six shopping centres, of which two in Rouen, and one in Le Havre, Bordeaux, Argenteuil and Strasbourg.

Development portfolio

In Le Havre, the shell for the Primark in Docks Vauban was completed in July 2017 and tenant fit-out works started early in August. Primark will open its doors on February 21, 2018. The announced store opening has added to the appeal of the centre. The sealing project was completed in December 2016. Footfall numbers are positive and leasing activity is increasing. Now that the inner climate has improved, specialty leasing is also picking up.

In Rouen, works for the Verrerie project at the Saint Sever shopping centre started on October 2, 2017. The project will add an extensive food hall in front of the entrance of the Kinepolis cinema. Vapiano signed as one of the first food anchors.

Organisation

In April 2017, Stéphanie Naji joined Wereldhave France as the new Finance Director. Olivier Mourrain was appointed Managing Director of Wereldhave France as from October 2017 and Eric Damiron stepped down as per the same date. There were no other significant changes in the organisation.

The improvement items from the first employee survey in 2016 were role clarity, internal communication and career development opportunities. In 2017, job descriptions were made and discussed with employees. It resulted in an onboarding pack for new employees. Several internal events were organised for people to get to meet each other, particularly for the ones working more remote from Paris, and an outline for training and career development opportunities was drafted.

Sustainability

In June 2017, the 2nd edition of our annual business partners event was organised. It was well visited and proved to be a success. Some 80 people spent an excellent evening on the rooftop of Wereldhave's Paris office.

FRANCE

A broad range of events was organised in our shopping centres. Notable events were a bloggers workshop in Docks76, honey extraction from the beehives in Rivetoile, fashion events and an interactive digital fitting room.

Results and valuation

Net rental income in France decreased by 11.1% to € 40.8m (2016: € 45.9m). Rents are under pressure, as the largest fashion chains are optimising their store base. Bad debt and defaulting tenants also impacted rental income. Like-for-like rental decline for the year 2017 amounted to 7.0% (index 1.0%). After the management change in our French operations we defined two key priorities: securing key anchors and improving the overall tenant quality, commercially and financially. Overall occupancy in France decreased to 91.9% in Q3, but recovered to 93.2% at year-end 2017 (2016: 94.4%). Several key anchors were secured, albeit at lower rents. The full year impact on net rental income will continue in H1 2018. As announced earlier, our target is to stabilise net rental income in France during 2018.

New leases added to the overall quality of our tenant portfolio. A total of 63 leases was signed for a total of 21,445m². Leases were signed with Mango in Mériadeck, a package deal with H&M for the entire portfolio, Action and Zeeman for Coté Seine, SuperDry and Etam in Docks76 and Rituals in Rivetoile. Footfall in the French shopping centres went up by 0.7%, which is 2.5% above the French CNCC index. Especially Docks Vauban and Rivetoile performed well.

The portfolio was valued at € 877.1m on December 31, 2017 (2016: € 899.7m).

Outlook

In 2018, our prime focus will be on the improvement of the occupancy of our centres, particularly in Bordeaux and Rouen. In Rouen we will focus on the Verrerie project and the addition of a Primark to the Saint Sever shopping centre. Also in Rouen, we will pursue the addition of a food anchor to the Docks76 shopping centre. For Mériadeck, we are working on plans to reposition and revitalise the centre and improve the tenant quality.

Mériadeck, Bordeaux

STAKEHOLDER ENGAGEMENT AND MATERIALITY

OUR STAKEHOLDERS

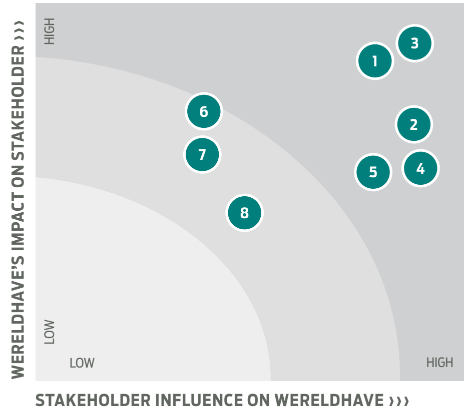
As three of the four pillars of our sustainability framework are directly connected to our stakeholders, it may be clear that stakeholder engagement is fundamental to our business. The framework itself was also drafted in close consultation with the stakeholders. The table at the right shows our various stakeholders and their strategic relevance and importance. A continuous dialogue with our stakeholders is business as usual for us. We engage each type of stakeholder differently, depending on their strategic importance.

Our asset managers need to understand the relevance of our shopping centres for their local communities. They need to know what drives the customer and keep close contact with tenants, local authorities and other local stakeholders. We have included an overview of our stakeholder consultations in the appendices. Stakeholders that have any questions/remarks on the sustainability strategy and performance of Wereldhave are encouraged to contact us at sustainability@wereldhave.com.

MATERIAL TOPICS

The strategic sustainability agenda for the years 2013-2020 was drafted on the basis of a materiality assessment. Stakeholders were consulted with a range of dialogue instruments, such as one-to-one interviews, stakeholder group interviews, internal workshops, review of senior management, feedback, satisfaction surveys and desk research. The valuable feedback we gathered from these consultations was used to define the 'materiality of topics'. These are the items that may have a substantial impact on the long-term value of Wereldhave and its stakeholders.

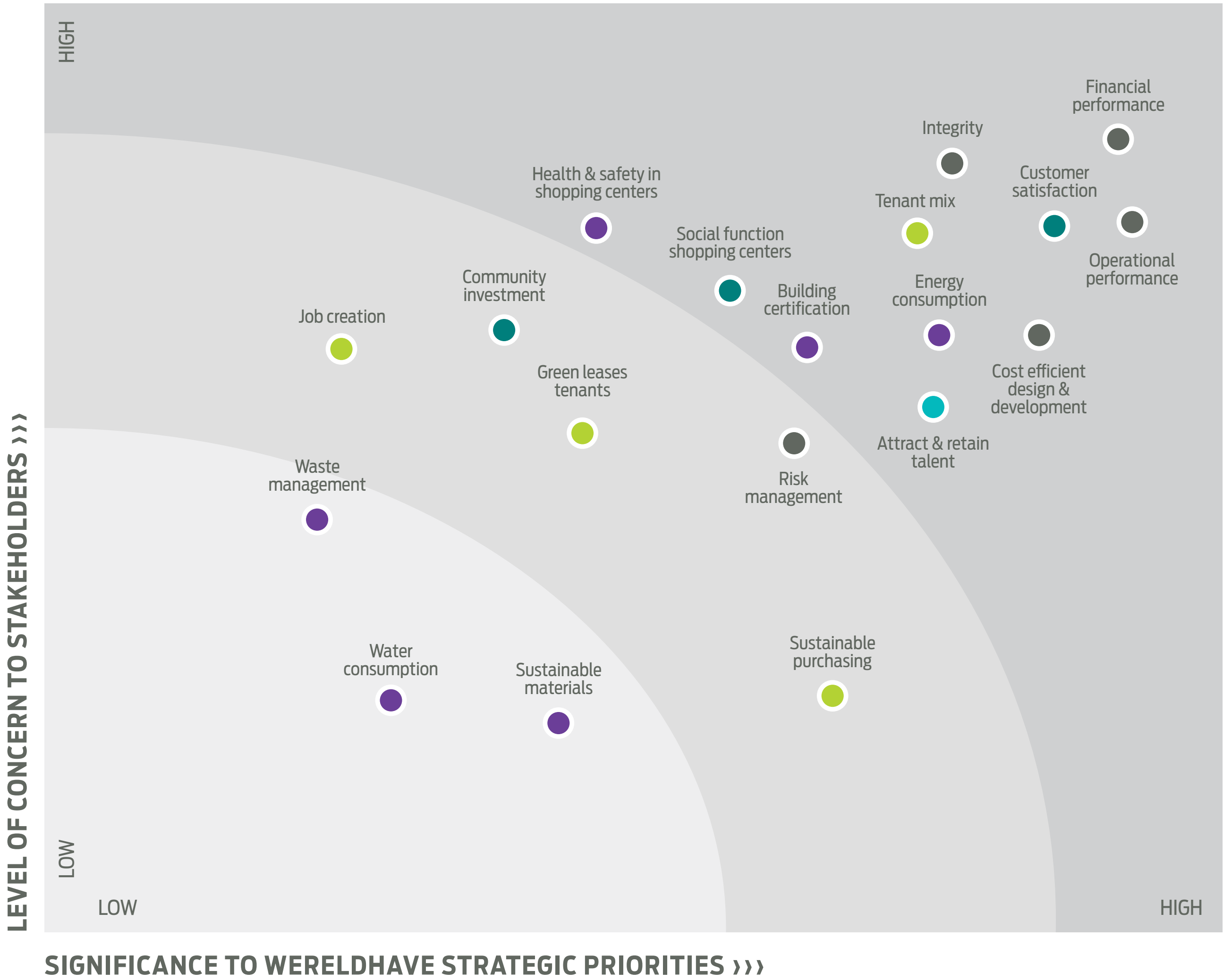
The consultations were attended by shopping centre visitors, tenants, employees, investors and representatives of local communities. We have selected the most relevant topics for our organisation and our managed retail portfolio to create value for our stakeholders in a consistent process. It resulted in our materiality analysis. The Materiality Matrix plots the relevance and importance of topics for both stakeholders and the company.



1. **CUSTOMERS**
   135 million visitors
   Average satisfaction score 7.8
2. **TENANTS**
   2,125 retailers
   186.4 million NRI from retail
   95.5% occupancy shopping centres
3. **EMPLOYEES**
   192 employees
   Average satisfaction 7.6
4. **INVESTORS**
   Dividend per share 3.08
5. **COMMUNITIES**
   2.1 million investment in communities
6. **GOVERNMENTS**
   197 new retail jobs in local municipalities
   20,564 retail jobs
7. **SUPPLIERS & CONTRACTORS**
   Sustainable purchasing and assessments in all countries
8. **NGO'S**
   Partnering for sustainable development

STAKEHOLDER ENGAGEMENT AND MATERIALITY

MATERIALITY MATRIX



FOCUS AREA	MATERIAL TOPIC	MOST RELEVANT TO
OPERATIONAL EXCELLENCE	Financial performance	investors, employees
	Operational performance	tenants
	Integrity	investors, employees
	Cost efficient design & development	tenants
	Risk management	investors
BRICKS	Energy consumption	tenants
	Building certification	investors
	Health & safety in shopping centers	customers, tenants
	Sustainable materials	tenants
	Waste management	tenants
	Water consumption	tenants
PEOPLE	Attract & retain talent	employees
PARTNERS	Tenant mix	customers
	Sustainable purchasing	tenants
	Green leases tenants	tenants
	Job creation	communities
SOCIETY	Customer satisfaction	tenants
	Social function shopping centers	communities, customers
	Community investment	communities

SUSTAINABLE VALUE CREATION

We believe sustainability is an ongoing effort to create inspiring places that facilitate the need for social and sustainable engagement in the communities we are part of. We bring people together in efficient and community focused shopping centres that are anchored in the hearts of their catchment area.

We invest in our centres to make them more attractive and sustainable, providing an appealing retail and leisure offer with services, events and retail formats that are targeted to the local community. This is how we aim to realise sustainable growth for our stakeholders, whilst increasing social impact and reducing our carbon footprint. To integrate sustainability in our business strategy we have created a pillar framework with four focus areas.

"Bringing people together in shopping centres that are anchored in the hearts of their catchment area"

Bricks, environmental impact
Dedicated to reducing the environmental impact of our real estate assets, through the optimisation of energy efficiency, the use of sustainable materials and the promotion of sustainable transport modes.

People, human impact
Attract and retain people, develop our human capital and grow employee talent potential. Wereldhave aims to be a good employer for people who invest in themselves, their work and our company.

Partners, supply chain collaboration
Strengthening sustainable partnerships with our key stakeholders to achieve our sustainability objectives.

Society, social impact
Our social responsibility is towards the society in the catchment areas of our shopping centres. We aim to foster social inclusion and to play a meaningful role in the local community.

SUSTAINABILITY GOVERNANCE

Sustainability at Wereldhave is managed by the Group Sustainability Committee (GSC), which is chaired by the CEO and responsible for the sustainability strategy, reporting and communication. Other members of the GSC are the CFO, the country directors and the Group CSR Manager. Each country contributes to the Group's sustainability targets. The local sustainability coordinators in the countries are responsible for reporting performance indicators, meet group targets and share best practices. The different sustainability activities across our portfolio are implemented by leasing, operations, development, marketing and human resources managers.

GLOBAL CHALLENGES

In 2015, United Nations launched the 2030 Agenda for Sustainable Development (SDGs) and one year later the Paris Agreement on climate change came into force to limit the rise of global temperatures. Wereldhave has integrated the relevant global social and environmental agendas into it's core business. See the appendices for our contribution to the Sustainable Development Goals.

SUSTAINABLE VALUE CREATION

RECOGNITION

Since 2013 we are fully committed to our sustainable business model. It is fully integrated and success in sustainability supports the improvement of our operational results. With our integrated strategy we aim to have a positive impact on society and environment. Wereldhave has been selected by third parties as one of the top-scoring companies in the real estate industry for its sustainability achievements. Our goal is to continue to implement our sustainability strategy into our operations and provide transparency towards our stakeholders on our sustainability achievements. This will continue to result in positive outcomes in these sustainability ratings.

In 2017 Wereldhave was again recognised as a sustainable leader in the real estate industry:

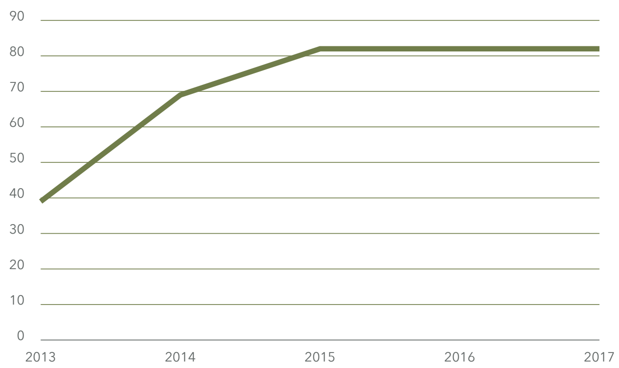
Global Real Estate Sustainability Benchmark
4th year in a row GRESB Five star rating

Dow Jones Sustainability Index
3th year in a row included in DJSI Europe
Bronze Class Sustainability Award 2018

EPRA sBPR Gold
2nd year in a row

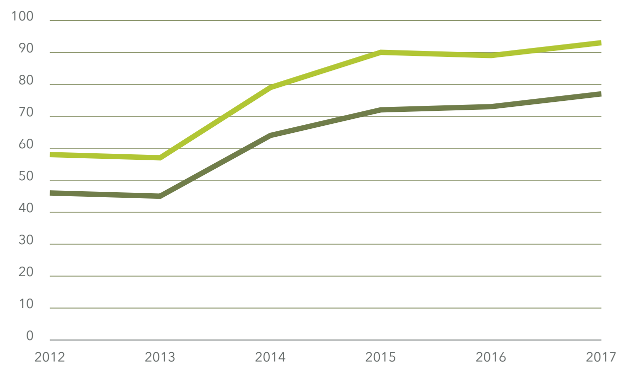
Carbon Disclosure Project
Increased performance (Management, level B)

Global Real Estate Sustainability Benchmark
Performance 2013 - 2017



score

Dow Jones Sustainability Index *Performance 2012 - 2017*



score ranking

BRICKS: ENVIRONMENTAL PERFORMANCE

We are committed to reduce the environmental impact of our real estate assets, by optimising the energy efficiency, reducing the use of natural resources, applying sustainable materials and promoting public transportation. We are dedicated to keep our shopping centres attractive, healthy & safe for the customers, by our pro-active local management and by executing refurbishment and redevelopment projects.

Energy efficiency

For Wereldhave, attractive shopping centres should as well be sustainable and cost efficient. Energy efficiency has been a key topic of our policy since 2013. As our insight in the environmental impact of our properties increases, we seek to further reduce the environmental impact where possible. By reducing our energy consumption, we can restrict the use of fossil fuels and decrease our carbon emissions. With digital smart metering and our Environmental Management System, we are able to monitor energy and water consumption at our shopping centres and offices on a 24/7 basis. We use these analytics to identify outliers, benchmark properties and monitor if we are still in line with our reduction targets.

Another tool we apply on a recurring basis is the night walk. This is a shopping centre visit after opening hours to identify unnecessary energy consumption. Several checks are carried out during a night walk, such as standard time settings of installations and lighting in the building management systems, manual switch-on times of escalators and lighting of shop windows. It allowed us to save up to 10% on unnecessary energy consumption and tenants were notified of unnecessary shop window lighting.

Target	Performance	Progress
Improve energy efficiency by 30% (baseline 2013) by 2020	Energy efficiency improved by 28% (2013-2017)	●
Generate 2,000 MWh renewable energy on site by 2020	1,930 MWh renewable energy generated on site	●
Water efficiency programme for shopping centres by 2017	79% of shopping centres	◉
Waste management plan for shopping centres by 2017	79% of shopping centres	◉
Health, safety and risk assessments for shopping centres by 2017	75% of shopping centres	◉
BREEAM 'Very Good' for shopping centres by 2020	76% of NAV BREEAM certified	●

● Achieved or ongoing ◉ Partially met ○ Not met

BRICKS: ENVIRONMENTAL PERFORMANCE

Energy efficiency is a standard item during our renovation projects. Measures taken include the installing of LED lighting and replacing inefficient technical installations. In Maassluis, new installations and lighting generated an energy consumption reduction of 14% and a gas usage reduction of 32% in 2017.

Over the past 5 years we have been actively reducing our energy consumptions to reach our 2020 target (-30% energy efficiency in kWh per visitor). Since 2013 we have already reduced the energy consumption (on a like for like basis) by 28%. Due to a cold winter the gas consumption has increased in 2017, but taking into account the increase in degree days, we could actually see a reduction in the total energy consumed for our retail portfolio. Energy efficiency is reported in the metric of kWh per visitor, which links sustainability directly to our operational performance. See the appendix for a complete overview per country on the energy consumption for our portfolio.

Wereldhave is procuring energy from sustainable sources in the last three years. In Finland we only use hydro power generated energy, in the Netherlands electricity from wind energy. 34% of our total energy consumption relates to renewable energy sources, 3% is renewable energy generated on site.

We are keen to further improve the efficiency of our portfolio because we are convinced there is still room for improvement. We see opportunities to further reduce our energy consumption by renewing lighting, building management systems and technical installations, when renovating projects. Close co-operation with our maintenance suppliers provides us new tools. In 2017, we signed a new maintenance contract with Dalkia to optimise the energy consumption of our French assets. Motion detector switched lighting in transport corridors is another area where improvement can be made.

Water

Fresh drinking water is becoming scarce and expensive. Optimising water usage is a valuable tool to reduce operational costs. We monitor consumption for each asset and have smart meters in place for many properties. We installed 150 water tap Aerators in retail units to reduce water consumption. During renovations, inefficient water equipment will be replaced to bring it up to standard in accordance with the latest BREEAM guidelines. Replacing the toilet facilities is an important topic in our plans to improve the overall customer journey. So this is a true win-win situation for lowering our environmental impact and improving customer satisfaction. To reduce the water consumed on-site even further, we ensure water is recuperated. In 2017 over 11,000 m3 is recuperated in three Belgium shopping centres.

Optimising energy consumption

Currently, 8 Dutch Shopping Centres and 6 French Shopping Centres have special maintenance contracts to optimise energy consumption by investing in innovative solutions. Sharing our targets and challenge our facility and maintenance management partners helps us to further reduce energy usage and our environmental impact. Installing led-lighting, replacing current equipment such as air curtains by energy efficient ones, or adjusting ventilation to footfall levels during the day, are some examples of what will be implemented within the next two years in the French portfolio.

The Operations Manager for Wereldhave in France, Jean-Philippe Pinteaux is very pleased with the facility management contract with Dalkia on all the French shopping centres. "It will be a great help for us in reaching the ambitious target of 30% of energy savings by 2020!"

BRICKS: ENVIRONMENTAL PERFORMANCE

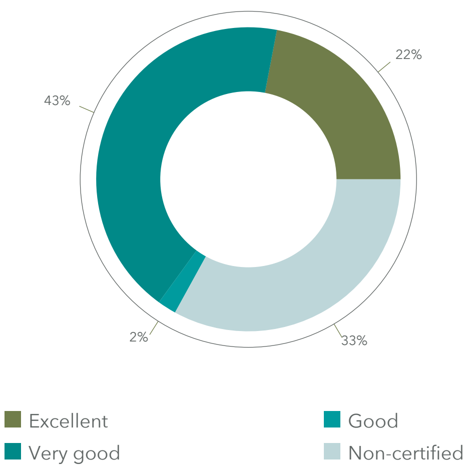
Renewable energy

On-site generated solar energy improves our sustainability performance, but also lowers our service charges to tenants. In December 2017, 444 solar panels were installed on the rooftops of the renovated shopping centre Koningshoek in Maassluis. It generates the equivalent annual consumption of 36 households, accounting for a quarter of all electricity consumption of Koningshoek. The installation brought the total number of solar panels in our Dutch portfolio to well over 5,800, with an expected production of 1,450 MWh annually. In Belgium 2,100 solar panels generate 660 MWh renewable energy annually at the shopping centres Nivelles and Belle-Ile. Wereldhave Belgium has the ambition to install approximately 7,200 solar panels producing 2,300 MWh solar energy in 2018.

BREEAM and Energy Performance Certificates

Wereldhave uses BREEAM since 2013 to standardise and improve the quality of its assets and asset management. We strive to achieve BREEAM Very Good for all Shopping Centres in 2020. The BREEAM assessment and certification process includes topics like tenant satisfaction, accessibility, health & safety risk management, biodiversity, maintenance, waste management, energy and water efficiency. In 2017, we obtained BREEAM certificates for seven additional shopping centres Cityplaza, Kronenburg, Winkelhof, Roselaar, Etten-Leur, Emmapassage, and new development Les Bastions Retail Park. At 31 December 2017, 21 shopping centres were BREEAM certified, resulting in a coverage of 78% of the retail NAV. In 2017, we obtained 4 Energy Performance Certificates (EPC) for shopping centres Koperwiek, Eggert, WoensXL and Koningshoek in the Netherlands. They all have an overall energy label A, which is the highest rating in the Netherlands. We have EPC labels in place in all countries where this is mandatory, covering 82% of our total NAV.

BREEAM certified assets (% NAV)



BRICKS: ENVIRONMENTAL PERFORMANCE

Biodiversity - Air bee 'n bee

With a clever green setup and conscious maintenance, our properties can provide habitats to support local animal and plant species. In line with the BREEAM certification, an ecologist performs an assessment on-site to gain insight in the biodiversity impact of our shopping centres and their surroundings. Specific attention is given to bees, since they are an endangered species due to the usage of pesticides, monoculture and low biodiversity in agriculture, diseases and parasites in the hives. Bees are one of the first actors in the food chain and provide pollination for many of our fruit and vegetable crops. Belgium asked the local non-profit organisation Natuurpunt to join forces to create awareness in the community through organising workshops in Nivelles and Kortrijk. Local bee-hives 'Air bee 'n bees' were created with bamboo and wood.

Insect hotels were also installed in Arnhem, Etten-Leur, Nieuwegein, Leiderdorp, Roosendaal and Tilburg. These hotels are made from natural materials and intend to provide shelter for local wildlife. In addition, fifty bird boxes and nine water basins were installed.

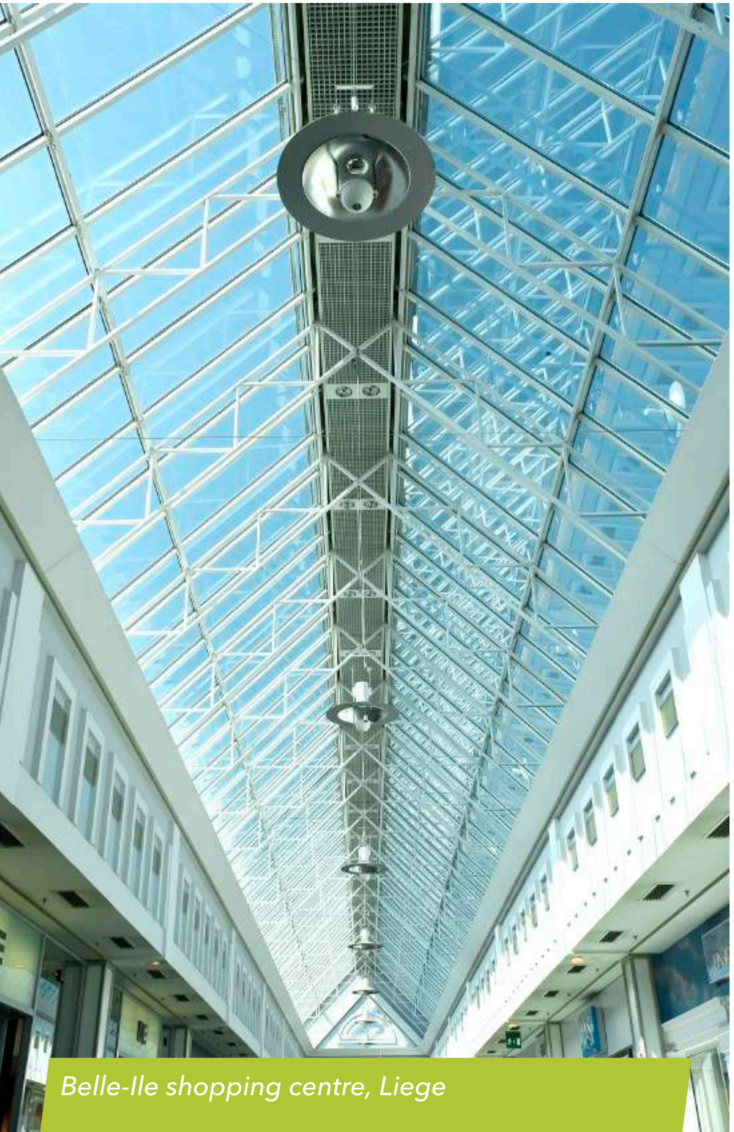
Health and safety

Health and safety risks have been assessed for 75% of our shopping centres, using our standard health and safety dashboards. During the assessment the presence of certificates, actions plans and trainings is checked. These checks relate to health & well-being, energy management and building & technical installations. Health and safety dashboard are updated on a regular basis by the local shopping centre management teams. Shopping centre Itis has a special health & safety committee, that includes members from security, cleaning, technical maintenance and internal staff. The committee uses a digital health & safety tool to monitor issues and risks on a daily basis. Incidents are reported to the shopping centre management.

Waste

Waste has an environmental and economic value. Wereldhave has implemented a waste management policy for all of its shopping centres. The waste management policy aims to separate waste streams and collect as efficiently as possible, reduce carbon emissions and costs from transportation by automatic "full" notifications for waste press containers and introducing 'the polluter pays' service charge adjustments for waste. This optimises the number of pick-ups required by waste management companies, resulting in fewer trucks entering the urban environments of our catchment areas. In 2017, Shopping Centre Mériadeck launched a platform for collecting plastic waste for the local community, in collaboration with local partners.

BRICKS: ENVIRONMENTAL PERFORMANCE



Belle-Ile shopping centre, Liege

State-of-the-art technology

In Shopping Centre Belle-Ile in Liege, Belgium, 2,400 m² of window solar films were installed in 2017. These films provide renewable energy for the shopping centre and reduces the need for electricity, the use of gas and water since they are connected to the cooling towers and heating installations.

We apply an innovative technology in which 5 thin metal layers are inserted into a clear polyester film. These films are fitted on the inside of the windows, which also guarantees a long lifespan of more than 10 years. This technology improves the thermal isolation of our windows in the winter and prevents overheating in the summer. We estimate that it will reduce our energy consumption by approximately 25%.

PEOPLE: OUR HUMAN CAPITAL

Wereldhave aims to provide an inspiring and challenging work environment in which talented employees can find responsibilities as well as career and growth opportunities. We believe in a flexible, out-put driven way of working, in entrepreneurship and in inspiring leadership

Employee satisfaction

In 2016, an employee satisfaction survey was held by a third party. The overall satisfaction score of 7.6 was high (response rate 89.5%). Some aspects that provides room for improvement include career development opportunities, role clarity and efficiency, leadership and communication.

In 2017, Wereldhave implemented a reorganisation in the Holding and Dutch management organisation. The overall goal was to make the company more agile and increase entrepreneurship. The efficiency of decision making processes was improved and as a result, the responsibility of the teams increased. As many employees took on new job positions, additional training and coaching was given to help employees meet the required new job competencies.

In 2017 periodical business updates were held at the Holding and Dutch management organisation to further improve internal communications. In addition, the development of a dynamic group communication platform is started.

In France, our onboarding programme includes half a day in a shopping centre to create a better understanding of retail operations. In addition, the 'live my life' programme is set up to encourage exchanges between employees from different work places. Family workshops were held with a specialist to inform and help employees on a healthy work-life balance and personal issues.

Target	Performance	Progress
Achieve employee satisfaction scores of 7.5 or higher by 2017	Employee satisfaction score 7.6	●
Invest 2% of total salary budget in training & development by 2017	2.1% of salary budget invested	●
Improve efficiency of performance management process by 2017	81% of employees had 2 appraisals	◉
Succession planning for all key positions by 2017	100% of key positions succession planning	●
Increase percentage of female senior managers to 33% by 2017	35% female senior managers	●
Increase diversity by providing job experience positions for people with disabilities by 2017	5 initiatives	●
100% of Wereldhave staff involved in social inclusion activity by 2017	79% of staff involved in CSR activity	◉

● Achieved or ongoing ◉ Partially met ○ Not met

PEOPLE: OUR HUMAN CAPITAL

Training & development

Wereldhave encourages its employees to develop relevant skills by our training and development programme 'Wereldhave Academy'. The objectives of this programme are:

- attract and retain talents
- develop our human capital and grow employee talent potential
- drive a culture of high engagement and high performance
- developing leadership capabilities
- getting talent ready for key positions
- being an employer of choice for talents

The training and development programme is adjusted to the specific requirements of the local organisations and their strategic priorities. We aim to invest 2% of our annual employee budget in training & development of employees, to help them to realise the organisational goals in an efficient manner. In 2017, we have achieved the 2% target and several types of training and education were organised; collective trainings focused on business and personal development as well as individual trainings to develop professional skills.

Collective trainings include onboarding, e-mail behaviour, work effectiveness, speaking in public. In addition, integrity awareness trainings were provided in 2017 in France, Belgium and Finland. Partly due to the training offered and the additional attention given internally to integrity, no breaches against the Code of Ethics were reported in 2017. We apply a standard assessment tool to measure new candidates against specific job competencies.

Performance management: appraisals

To monitor the satisfaction and motivation of individual employees we hold bi-annual appraisals. In 2017 81% of employees were appraised twice. A digital Performance Management system was introduced, "Talent Excellence". It supports management and employees with effective and efficient HR processes, such our review cycle, training & development, talent management and succession planning.

Succession planning

In 2017 Wereldhave has identified key positions that have a significant influence within the organisation. To reduce the risk of loss when these positions become vacant we have made plans for internal succession in the next 3-5 years. To identify our potential, we used a systematic 9-grid approach to evaluate our talent pool. We adopted a "Wereldhave Academy" training and education scheme for potential future leaders.

Diversity

Wereldhave wants to provide equal opportunities for all. We have defined targets for gender diversity and equality for our management organisation and we expect our suppliers to do the same. Wereldhave supports the principles of the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinationals. Human rights as defined by the United Nations in its Universal Declaration of Human rights are common standard. We encourage our employees to respect these rights by committing to our Code of Ethics and Business Integrity principles. We aim to reach 33% of senior management roles taken by women, and we want to encourage equal chances for all by providing job experience in our shopping centres for people with disabilities. 58% of all Wereldhave employees is female, and females represent 35% of senior management.

PEOPLE: OUR HUMAN CAPITAL

We run several schemes to promote the participation of persons with a disability. In France we started a cooperation with a company to clean and decorate the rooftop terrace. They employ mentally disabled persons. We organised a training to raise awareness during the disability week at the headquarter of Wereldhave France. Several workshops were held, such as 'sensorial tests' in recognising smells, noises and objects without seeing them. The goal was to experience the life of a visually-disabled person.

In the Netherlands shopping centre Roselaar hosted 'intern for a day, Prokkelstage' for the second time. It is a very special project for disabled persons, making them interns for a day at Shopping Centre Roselaar. This project 'Prokkelstage' stimulates the contact between disabled persons and society. Intern positions were offered by several retailers such as Albert Heijn, Etos, C&A, HEMA, The Althlete's Foot, Jamin, ICI Paris XL, VERO MODA and the security company.

Works council

As the creation of a Works Council depends on local legislation and the size of the local company, Wereldhave France and Wereldhave NV, have a Works Council, representing the employees. Due to the size of our company, a Collective Labor Agreement (CLA) (Collective Bargaining Agreement) is not applicable. The French Works Council, chaired by the Managing Director, has been created after the summer through a thorough process of election of its 6 members. Topics that have been issued by the French Works Council are the economic and financial situation of the company, health, safety and various other topics concerning the French employee's well-being. The Dutch Works Council, chaired by Jan van Straaten (Head Accounting/ Consolidation Controller) consists of 4 members from both the holding and WH NL. The Works Council has quarterly meetings with the CEO, the Managing Director of WH NL and the HR Director. On the agenda of the Dutch Works Council are topics on organisational change, climate and culture and communication with employees. This year the main topic of discussion was the Dutch organisation and the actions taken as a result of the employee survey 2016.

Employee engagement

Our employees were involved in local initiatives to collect money for charity and in social inclusion events at the shopping centres. In 2017 our employees joined amongst others the Amsterdam Cityswim for ALS, Télévie 24-hour cycling activity for cancer research in Belle-Ile and Purmerend, L'Amazone run against breast cancer in Le Havre, and IMMORUN in Brussels.

In 2017, all Wereldhave employees were invited in Bordeaux for the bi-annual international employee event, to enjoy the culinary and cultural heritage of the Bordeaux region. We were invited for a workshop on rooftop gardening at the Shopping Centre Mériadeck. During the workshop, we learned how rooftop gardens contribute to the local biodiversity and thus the quality of life in the community.

During the festive season our employees have contributed to a lot of heart-warming charity events at our shopping centres. For example, on Christmas eve, Ring Shopping in Kortrijk has invited over 400 less fortunate people for dinner, in co-operation with the foodbank and other partners. Over 35 volunteers, including the Shopping Centre Manager and team members, prepared dinner, laid the tables and created a warm and festive atmosphere.

PARTNERS: TEAMING UP IN SUPPLY CHAIN RESPONSIBILITY

Strengthening sustainable partnerships with our key stakeholders is necessary to achieve our sustainability objectives. For our continued success, we largely depend on our partners such as tenants and suppliers, particularly when it comes to our sustainability performance.

Contribution to local employment

We continuously upgrade our retail portfolio to make our shopping centres more attractive and ready for future customer demands. Since 2013, we count the number of jobs in our shopping centres to gain insight in our contribution to local employment, to provide possible services for our tenants and their employees and to measure the impact of our redevelopment projects.

Many jobs were created in 2014 by the completion of the redevelopment in Finland (282 new jobs) and the addition of 29,100 m2 from development and extensions.

In 2017, new retail jobs were created with the first phase of the redevelopment of City Centre Tilburg. More than 175 retail jobs were created with shop openings of Hudson's Bay, Costes, a new HEMA, Decathlon, Sissy Boy & Tumble 'N Dry.

We were able to add 197 retail jobs in 2017 to the 917 jobs that were already created in the previous years. We are now pleased to conclude that the target to create 1,000 permanent retail jobs has been achieved.

Tenant satisfaction

In line with our motto 'bringing people together' we further strengthened relations with our tenants. Together with our retailers we have to attract customers to visit our shopping centres. Retail tenant satisfaction surveys are held on a regular basis to measure the impact of renovation projects, monitor satisfaction of our services and to identify possible improvements for the shopping centre and its local management. It provides insight in tenants' expectations and priorities. Through these independent surveys we collect information from our retailers on topics such as cleaning, security, marketing activities, opening hours, parking facilities, inner climate air quality and heating, the diversity of shops and the amenities available. This helps us to further improve the customer journey of our shopping centres.

Tenants are overall satisfied, with an average score of 6.8. Our tenants appreciate our shopping centres parking facilities, security and safety standards we have in place and the diversity of our retail mix with local, national and international retailers. In the last 3 years we have undertaken a tenant satisfaction survey in all shopping centres.

PARTNERS: TEAMING UP IN SUPPLY CHAIN RESPONSIBILITY

Target	Performance	Progress
Create 1,000 permanent retail jobs by investing € 200m in shopping centres by 2017	Over 1,100 retail jobs created since 2014	●
Tenant engagement: set up sustainability committee in all SCs by 2017	Sustainability on the agenda of 89% of SCs	◉
Tenant engagement: tenant satisfaction survey in all SCs by 2017	Tenants satisfaction surveys in 100% of SCs	●
Assess suppliers' compliance with suppliers charter in all SCs by 2017	12 supplier assessments performed	●

● Achieved or ongoing ◉ Partially met ○ Not met

PARTNERS: TEAMING UP IN SUPPLY CHAIN RESPONSIBILITY

During redevelopment and renovation projects it can be a challenging task to keep tenants satisfied. However, over the past years we have learned how to reduce disruption and nuisance as much as possible. Ensuring the health and safety of our tenants and customers has got a high priority during construction works. By using dividing walls for construction sites, we can still offer our customers a convenience shopping experience. Furthermore, we put a lot of effort in informing tenants, consumers and neighbours about our development plans with special information sessions, news updates and social media. To show our plans and the progress we make, we started using live-streaming, vloggers and Augmented Reality. Shopping Centre Presikhaaf has a special 24/7 live-stream channel to follow the redevelopment project, and Augmented Reality is used to show the development plans for the new IMAX cinema in shopping centre ITIS. In 2017, we asked a vlogger to share impressions of the redevelopment activities in shopping centre Koperwiek on a recurring basis.

Tenant engagement

For Wereldhave tenant engagement goes beyond tenant satisfaction. We engage our tenants and key accounts by sharing knowledge about trends, research, footfall, satisfaction survey results and the sustainable performance of our shopping centres. We organise meetings on a regular basis to discuss trending topics for tenants on shopping centre level as well as for our key accounts. In addition, we encourage our tenants to invest in sustainable materials and management through our sustainability standard (Green Lease) for all new leases and lease renewals. The Green Lease contains clauses on labour conditions, materials to be used for during fit-outs, energy consumption and water use. A Green Lease also stipulates which data need to be disclosed between parties and describes their mutual efforts in communication, to raise awareness to reduce the environmental footprint of our shopping centres. Sustainability is integrated in general meetings with our retailers and the special tenant committees at 89% of our shopping centres.

Main topics are evaluating energy consumption and reduction plan, sharing best practices, sharing knowledge obtained from nightwalks and BREEAM assessments. In 2017, for the second year in a row, Wereldhave Netherlands organised the MAPIC Beach Bootcamp for key accounts on the beach in Cannes. The Wereldhave Beach Bootcamp brought together a group of 30 key accounts and Wereldhave colleagues for an active kick off to the conference.

PARTNERS: TEAMING UP IN SUPPLY CHAIN RESPONSIBILITY

Supply Chain Management

We outsource many shopping centre services to trusted third parties such as maintenance of installations, cleaning and security. To ensure the implementation of our company standards regarding corporate responsibilities and risk management by suppliers we integrate a Sustainable Procurement Policy (Supplier Code of Conduct) in all new supplier contracts since 2014. The policy is based on the Ten Principles of the UN Global Compact and OECD-guidelines. It covers economic, environmental and social topics such as human rights, child labor, working conditions, business ethics and contributing to the environment by efficient energy and water consumption, use of environmental friendly and sustainable materials, stimulate re-use and recycling of waste, reduce carbon emissions from transport and a sustainable supply chain. We have over 1,500 suppliers, of which 35 suppliers are highly important because they can influence our day to day operations and contribute to the image of our shopping centres. All suppliers are checked by third parties, either directly hired by Wereldhave or via external verification or certification agencies. We have requirements in place for all our technical maintenance, cleaning companies and external security teams to have external certificates (quality or environmental standards or certifications) in place. In 2017, interviews were held with 34% of our most important suppliers in all countries to assess their compliance regarding our sustainable procurement policy. During the interviews, topics were discussed such as the evaluation of the sustainable procurement policy, priorities regarding further embedding sustainability, sharing best practices and outcomes of satisfaction surveys, finding opportunities to enhance the quality of work, using sustainable transport, waste collection, and supporting social initiatives. The outcomes are used to further strengthen our relationship with our suppliers.

A supply chain spending analysis was carried out in 2017, these insights give valuable input for mapping suppliers based on quality and cost efficiency. Improvements were found in international maintenance contracts such as an international collaboration with Schindler.

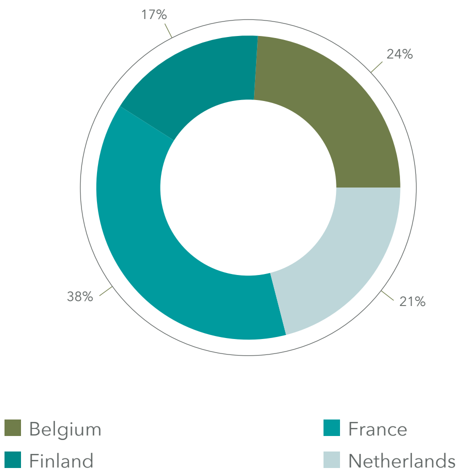
International maintenance contract

Following a successful tender process, Wereldhave and Schindler have reached an agreement on a 5-year maintenance contract for Belgium, the Netherlands and France, covering 161 elevators, 91 escalators and 66 travellators in Wereldhave's shopping centres. Finland is not yet included in the package deal, as existing maintenance contracts could not be terminated early. The package deal clearly shows the benefits of Wereldhave's increased portfolio size. It generates annual cost savings on service charges of € 250k, whilst service levels remain equal or improve.

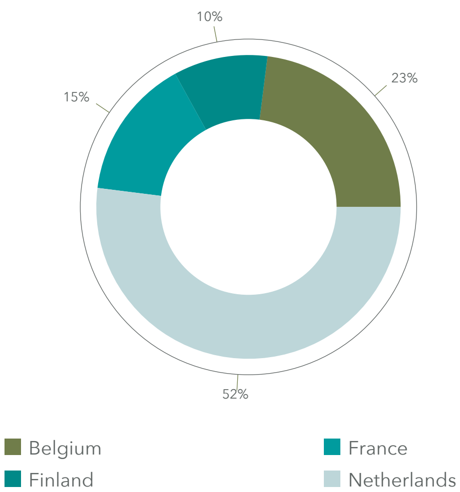
PARTNERS: TEAMING UP IN SUPPLY CHAIN RESPONSIBILITY

Supply chain spending analysis

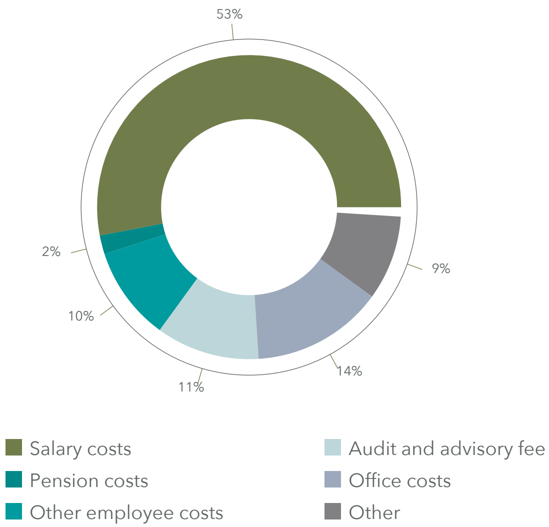
Service costs



Capex



General costs



SOCIETY: SOCIAL PERFORMANCE

We take our social responsibility towards the society in the catchment areas of our shopping centres. We aim to foster social inclusion and to play a meaningful role in the local community.

Retail customer satisfaction

Wereldhave regularly commissions customer satisfaction surveys, to better understand what drives our customers. Over the past three years, surveys have been made in 86% of our retail portfolio. These surveys follow a uniform but condensed questionnaire and are held every other year. This approach has resulted in several initiatives to further improve the customer journey, through improving facilities and services, organising events and work together with suppliers to provide clean and safe spaces to visit.

Our overall aim is to achieve a satisfaction score of 7.5 (good) or higher. We measure the footfall in all of our shopping centres and monitor trends and developments continuously. Footfall and dwell-time are the first indicator of the customer's perception. In 2017, footfall in our portfolio rose by 1.0% overall. In the Netherlands, footfall went up by 0.4%, in Belgium by 2.7%, in France by 0.7% and in Finland by 2.6%.

In 2017, customer surveys were held in our 6 French shopping centres and satisfaction research was conducted in the catchment area of sixteen Dutch shopping centres. We analyse the outcome of the questionnaires thoroughly and discuss this in the local management team meetings. Specific required actions for improvement are then determined for each shopping centre. These are laid down in the shopping centre business plans. Progress against the plans is monitored on a quarterly basis. The current average satisfaction score came out at 7.8, which is well above our target.

In 2017, Shopping Nivelles opened a new concept of Info Point, to improve the hospitality of the shopping centre with a welcoming service desk. Additional services are offered with partners, such as free use of smartphone chargers, photo print service, personal shopping assistance, tickets for public transport to and from the shopping centre, additional pick-up and collect services.

Target	Performance	Progress
Improve retail customer satisfaction to good	Retail customer satisfaction score 7.8	●
Invest 1% of NRI to strengthen our connection to local community	2.1 million euro invested, representing 1.1% of NRI	●

● Achieved or ongoing ◉ Partially met ○ Not met

SOCIETY: SOCIAL PERFORMANCE

Connection to local community

We support local initiatives and prefer those that connect to our business and have a positive social impact locally. We often see social challenges in the catchment areas of our centres. Every area has its own challenges and we believe that we can have a positive local social impact by operating our shopping centres in a socially responsible manner. Our target for community servicing investments is set at 1% of our Net Rental Income (NRI). We use this budget for social impactful events, partnerships, and facilities to support education, health, local employment and accessibility for the local community.

We allocate the budget over events, investments in shopping centres, rent reduction for social concepts and sponsoring in kind. To keep our operational costs low, the majority of contributions is made up of providing space for free. Organising social events not only creates customer loyalty and satisfaction, it also provides valuable insight in consumer expectations. A tailored approach that creates value for both society and Wereldhave.

In 2017 we invested 2.1 million euro which represents 1.1% of the NRI, which is above target. In 2017, we created a special kiss and ride for our local partner 'e-wheels' at shopping centre Sterrenburg in Dordrecht. E-wheels is the electric shuttle service for the local community offering affordable short distance rides. Especially elderly and physical disabled visitors use this facility to and from shopping centre Sterrenburg or the local hospital. E-wheels employs over 30 drivers that have a distance to the labour market. They deliver over 400 rides on a weekly basis. It helps our customers to stay independent and socially connected, which has a positive impact on the quality of life in the community.

Dining in the community

"The longest dining table" was an event initially organised in one of our Belgian shopping centres. Being successful, it was repeated in Dutch shopping centres in 2015, 2016 and 2017. This year the longest dining table was linked to Neighbours' Day, an annual party where neighbours come together to socialise. We invited our neighbours in Leiderdorp, Capelle a/d IJssel, Hoofddorp, Arnhem, Maassluis and Nieuwegein to come for lunch. It was a great success! Over 1,250 neighbours of different ages and backgrounds enjoyed lunch together at our shopping centres, resulting in positive energy and helping people feel a greater sense of community.

SOCIETY: SOCIAL PERFORMANCE

The longest dining table, Cityplaza Nieuwegein

Philanthropy and corporate sponsorship

Wereldhave focuses its corporate sponsorships and philanthropic initiatives on the field of culture and sports, with the involvemcent of its employees. In 2017 Wereldhave spent over €155,000 on corporate sponsorships and philanthropy.

W are a partner of Amsterdam Carré Theatre since 2016. The prime focus of the partnership is to provide advisory support for the sustainable renovation of the prestigious 19th century circus theatre. We have contributed project management assistance for the refurbished Amstel Foyer on the attic. Another partner is Festival Classique in The Hague, with the purpose to make classical music attractive for all.

We stimulate our employees to join sportive charity initiatives. In 2017 employees participated in several charity runs and the Amsterdam City Swim to raise funds for ALS. In addition, our partner A.S.R. Nereus (successful student rowing club in the Netherlands) has arranged a special row clinic for our employees.

RESULTS

TOTAL RESULT

The total result for 2017 amounts to € 84.3m, against € 120.8m for 2016.

DIRECT RESULT

The direct result decreased by 0.6% from € 151.0m to € 150.1m, or € 3.43 per share (FY 2016: € 3.45). This can be attributed to the disposals of properties in the Netherlands, lower rental income in France and costs and indemnities that were not repeated in 2017. The impact was mitigated by net savings from the group restructurings, lower interest costs and tax benefits. Net rental income decreased by 3% from € 201.5m to € 195.2m. General costs for 2017 of € 16.3m were 8% lower than in 2016 (€ 17.6m). The average interest rate remained low at 1.96% and interest costs decreased by 4% from € 31.6m in 2016 to € 30.2m in 2017.

	2017	2016
Net rental income	195.2	201.5
General costs	-16.3	-17.6
Other income and expense	0.4	-
Net interest	-30.2	-31.6
Taxes on result	1.1	-1.3
Total direct result	**150.1**	**151.0**

INDIRECT RESULT

The indirect result for 2017 came out at € -65.8m. The valuation of the portfolio decreased by € -65.0m. The average EPRA NIY on the portfolio remained at 5.1%. There were negative revaluations in the Netherlands, Finland and France and an upward valuation in Belgium. The revaluation was € -25.2m in the Netherlands. This was not portfolio wide, but reflects the non-strategic assets. In France, lower rent levels caused a negative revaluation of € -45.5m. In Finland, non-yielding maintenance capex and fit-out contributions accounted for a € -8.9m revaluation. In Belgium, lower yields and a positive revaluation of the Tournai development project resulted in an upward revaluation of € 19.8m. This was partly offset by a € 5.2m lower valuation of the Belgian offices portfolio. Other financial income and expense was € 2.9m, mainly relating to the value of derivatives and hedge accounting.

	2017	2016
Valuation result	-65.0	-29.6
Result on disposal	0.2	-0.9
Taxes	-1.2	0.7
Other income and expense	0.2	-0.4
Total indirect result	**-65.8**	**-30.2**

EQUITY AND DEBT

EQUITY

On December 31, 2017, shareholders' equity including minority interest amounted to € 2,117.0m (December 31, 2016: € 2,161.2m). The number of shares in issue did not change during the year, at 40,270,921 ordinary shares. The net asset value per share (EPRA) including current profit stood at € 50.00 at December 31, 2017 (2016: € 51.47). EPRA NNNAV stood at € 47.41 per share (December 31, 2016: € 48.32)

DEBT FINANCING

In 2017, Wereldhave refinanced bank loans and facilities to an amount of € 330m. In May 2017 Wereldhave established a Euro Medium Term Note Programme to diversify its funding base. A first placement of € 10m for 10 years was done in July 2017. In August, Moody's Investor Service reconfirmed Wereldhave's Baa1 credit rating with a stable outlook. In February 2018, Moody's Investor Service changed the outlook to negative. In December 2017, Wereldhave issued US private placement notes for a total amount of approximately EUR 76 m for 10 years.

Nominal interest-bearing debt was € 1,562.0m at December 31, 2017, which together with a cash balance of € 14.0m gives a net debt of € 1,548.0m. Undrawn borrowing capacity amounted to € 240m and the Loan-to-value ratio amounted to 40.7% (December 31, 2016: 39.0%).

As at year-end 2017 the average cost of debt and ICR were 1.96% and 6.6 respectively. The weighted average term to maturity of interest-bearing debt was 4.8 years.

DIVIDEND

In respect of the year 2017, a final dividend will be proposed of € 0.77 per share. This implies a full year 2017 dividend of € 3.08. The ex-dividend date is April 24, 2018. The dividend will be payable as from April 30, 2018.

On February 2, 2018, Wereldhave announced a reset of the dividend level from 2018 to ensure a sustainable dividend going forward. We see that the rapidly changing retail landscape is causing a structural higher need for capex. It requires continuous efforts and investments to keep shopping centres up-to-date and catering to the needs of visitors and retailers. With a dividend level that is covered by free cash-flow from operations, Wereldhave will be able to continue to raise the overall quality of its portfolio through ongoing asset rotation, focused refurbishments and extensions, high quality tenants and an improved customer journey. This will improve our risk profile.

Over the past twelve months we have carefully analysed our centres against the background of the ongoing trends in the retail landscape. This has resulted in an identified capital expenditure programme that will improve the customer journey of our visitors and the overall quality of our centres, now and in the future. The plan will be executed in an efficient way by taking advantage of the benefits of scale of a well-defined overall scheme.

To allow for these measures, the dividend pay-out range for 2018 and onwards will be lowered to 75% - 85% of the direct result (currently 85%-95%). For the year 2018, a dividend will be proposed of € 2.52 per share. The quarterly dividend will be set at € 0.63 per share.

OUTLOOK

Wereldhave anticipates a slight decrease of the direct result in 2018. For the full year 2018 and assuming no changes in the composition of the portfolio, the direct result per share is expected to be between € 3.30 and € 3.40 per share and a dividend of € 2.52, payable in four equal quarterly dividends of € 0.63 per share.

INTERVIEW
Tamara Obradov

In 2017, Wereldhave has focused on strengthening its customer journey for the coming years. Tamara Obradov, then a consultant at EdenMcCallum, has been appointed as external project manager. She has a long track record in online and offline retail, strategy development and implementation.

'The past years, Wereldhave has been focusing on the customer journey in its shopping centres,' Tamara says. 'Our mission from 2017 onwards is to bring these activities under one fundamental and focused framework, to maximise results. I am very enthusiastic to play a part in this, as project manager.'

Tamara explains the first crucial steps that have been taken in 2017. 'The first phase was providing initial insights: what are we working on? In May, we started with a survey amongst current visitors of 7 Wereldhave shopping centres. We asked some 5,000 customers how they experienced their visit, thus mapping their customer journey. One of the main outcomes was that people get less pleasure from their offline shopping.'

The third place

'We paired this with an in-depth trend analysis of key market insights. We see major demographic changes: people get older, have more money to spend and the number of one person households is increasing. At the same time urban areas are changing, as well as the retail business, with converging online and offline behaviour. Also people are looking for positive experiences, in a more "seemless" way: in more hybrid places that combine work and leasure, sports and meeting up with friends – the third place, besides home and work.'

All the crucial insights of both the customer survey and the market analysis have been combined in Wereldhave's strategic focus for 2025. Tamara: 'Wereldhave wants to offer people a mixed use place nearby: an appealing space that combines a high quality one-stop-shop customer experience, answering the visitors' social needs as well.'

INTERVIEW

Short term focus: basics at least on par

In order to realise this proposition, a strategic two-storey plan has been developed. 'Our first short term focus is on getting all the basics on or above par, to offer customers a pleasant, frustration-free customer journey. To make sure we would be doing the right things, we visited 18 shopping centres, from Wereldhave as well as competitors, with five different personas. A mother with a baby, can she get the Maxi Cosi out of her car easily and is the centre accessible for a baby stroller? Is there something to do for families with teenagers? Can visually impaired visitors find their way? We have also differentiated in various flows: people who are in a buy or a browse flow have different needs and expectations from people who are searching for something specific. If someone wants to pick up something quickly, is that possible too?'

'Building on Wereldhave's characteristics with a well-defined scheme of targeted actions will leverage success.'

The general customer needs resulting from this thorough research were the starting point of the standardised improvement plan that is being rolled out now. Tamara: 'By standardising the required basic improvements – such as adequate parking spaces, signage, family toilets – we can speed up and work as efficient as possible. This approach also makes it easier to monitor quality. Partners have been selected and a meticulous roll-out plan is in place. A plan in which there is space for the local touch as well.'

Medium-term focus: building on Wereldhave's proximity

For the medium term focus, the fact that Wereldhave's centres are community anchored plays a distinctive role. 'Wereldhave is no high street shopping centre, nor a mega-mall. It is the closest to your living room. Therefore, Wereldhave is uniquely equipped to bring people together and to play a binding role in the local community. This is the fundament for the business models we developed for the medium term. Models in which we can develop customer services and special commercial propositions for tenants based on "owning the last mile".'

Supporting this two-way strategic plan, working methods have been adjusted as well. 'We seek for continuous improvement, based on actionable insights from customer and market data. We work agile, in small pilots, giving us the possibility of using feedback directly for inspection and adaptation if necessary.'

Pilots in Nieuwegein and Leiderdorp

At year-end, two of these pilots were in operation. 'We are currently piloting Wi-Fi tracking in Nieuwegein. We monitor where customers go, where they stay, which shops they enter – everything with their permission of course. The heat maps this information provides offer valuable information for tenants to maximise conversion. Another example is the "fresh street" in Leiderdorp. We are piloting the way we can brand this concept as a more distinctive element within the customer journey.'

Tamara is convinced there is a future for shopping centres. 'These centres are here to stay, but they will get to play a different role. I am very happy to help Wereldhave taking up this new role successfully. In this project so far, I have experienced great energy and drive to innovate at the company. Wereldhave knows its centres and their service areas very well and really wants to pro-actively service both tenants and customers. Just this has given the project a kick-start.'

STAFF & ORGANISATION

Changes to the organisation

In view of the rapidly changing retail environment, Wereldhave restructured in the group office and the Dutch organisation during the first quarter of 2017. Four business units were created, each with four shopping centres, to push P&L responsibility downwards within the business reporting line. The overall goal was to make the Company more agile and to increase entrepreneurship. The new organisational structure became effective as per March 1, 2017.

Leasing and asset management are the key tasks for the organisation. The four business units each have full P&L responsibility, with their own leasing, operations and direct support functions. All other staff functions are shared. As decision structures and reporting lines were changed, we used agile scrum sprints to redefine and improve job processes. All job descriptions were revised. To create high performance teams, coaching of the business unit and staff teams was organised.

Further changes to the group head office were made, to increase internal efficiency and share expertise, combining roles with the Dutch management organisation, such as HR, Sustainability and Legal. The organisational change did not cause any disruption in business processes. The associated reorganisation costs in 2017 amounted to € 1.7m, with annual savings on general costs kicking in from 2018 onwards.

In the other countries, there have also been some management changes. Wereldhave appointed Stépahanie Naji as Financial Director France in April 2017. Olivier Mourrain was appointed Managing Director for Wereldhave France in October 2017; Eric Damiron stepped down as per the same date. Also in October, the Director of Operations in Finland retired. Belinde Bakker was appointed as interim Director. In Belgium, the Finance Director Eddy de Landtsheer retired at the end of January 2018. Cédric Biquet joined the Company as the new Finance Director as per January 1, 2018. Together with his relevant financial real estate experience, this will ensure a smooth transition.

The development expertise within the group was strengthened with the appointment of Frank Adriaensen as Director Developments for the Group. He combines the task with his previous position of Development Director of Wereldhave Belgium.

Facts & figures per December 31, 2017

Number of employees	184 FTE
Women	112 (58.3%)
Men	80 (41.7%)
Average age	40.7 years
Average length of service	5.3 years
Absence due to illness	2.9%

During 2017, a talent management and succession programme was designed, with focus on the attraction and retention of key employees. During the year, Wereldhave spent approximately 2% of the total annual salary pay for targeted training and development. A digital performance management system was launched in 2017, enabling more efficient HR processes such as performance management, training and development, talent management and succession planning. It replaced the more static approach of assessment forms.

STAFF & ORGANISATION

Another initiative that was launched in 2017 was an onboarding programme. Several times during the year, new joiners participate in the onboarding programme, which is led by our top management. The goal is to make new employees acquainted with the company's strategy, processes and systems.

Overall, staff turnover ratio was high in 2017 at 40.2% (2016: 26.5%). This can be primarily attributed to the reorganisation in the Netherlands, but also to changes in management in the other countries. The organisation is gradually adapting to the changing retail environment. The reorganisation in the Netherlands was used to further implement core values. With external professional assistance, the cultural values ambition, entrepreneurship, transparency and teamwork are gradually being overhauled to the concept of "winning together in a responsive and responsible way, to create an output driven management, a positive work environment, growth opportunities and trust in leadership.

The Board wishes to express its gratitude towards all employees for their dedication and commitment.

Internal Communications

In September 2017, Wereldhave organised an event for all employees in Bordeaux, enforcing team cooperation and cultural awareness. A total of 154 employees attended the event. During the year, several WE-R internal newsletters were published. Colleagues from all countries provide articles about Wereldhave activities that are worth sharing. Internal audio casts were held twice during the year to present the results to employees. These audio casts were held on the afternoon of the day of publication, allowing employees to come up with questions or raise discussions. The participation rate for these audio casts is high.

EPRA TABLES
as per December 31, 2017

INVESTMENT PROPERTY – RENTAL DATA

(x € 1,000)

	Gross rental income	Net rental income	Lettable space (m²)	Annual theoretical rent*	Estimated rental value*	EPRA vacancy rate
Belgium	50,666	46,360	240,158	52,432	52,261	5.8%
Finland	29,618	27,896	100,540	31,730	32,630	3.3%
France	49,206	40,792	208,899	50,707	51,039	6.8%
Netherlands	93,929	80,119	424,793	96,171	97,551	3.5%
Total portfolio	**223,419**	**195,167**	**974,390**	**231,040**	**233,481**	**4.7%**

* excluding parking and residential

The EPRA vacancy rate is determined on a unit by unit basis. Vacancy due to redevelopment has been excluded from the vacancy rate. The total reversionary potential is currently estimated at approximately 1.1%.

INVESTMENT PROPERTY – LEASE DATA

(x € 1,000)	Average lease length in years*		Annual rent of leases expiring in		
	to break	to expiry	Year 1	Year 2	Year 3-5
Belgium	2.6	5.5	4,775	22,455	20,921
Finland	4.1	4.5	5,606	11,226	10,207
France	2.0	4.0	8,975	18,368	16,842
Netherlands	3.8	4.8	8,278	43,509	30,194
Total portfolio	**3.2**	**4.7**	**27,634**	**95,558**	**78,164**

* Excluding indefinite contracts

INVESTMENT PROPERTY – LIKE-FOR-LIKE NET RENTAL INCOME

NET RENTAL INCOME 2017

(x € 1,000)

	Properties owned throughout 2 years	Acquisitions	Disposals	Develop-ment	Other	Total net rental income
Belgium	42,412	-	2,698	848	402	46,360
Finland	27,896	-	-	-	-	27,896
France	40,792	-	-	-	-	40,792
Netherlands	73,809	2,397	1,984	669	1,259	80,118
Total portfolio	**184,910**	**2,397**	**4,682**	**1,517**	**1,661**	**195,167**

Like-for-like net rental growth -0.8% total portfolio.

NET RENTAL INCOME 2016

(x € 1,000)

	Properties owned throughout 2 years	Acquisitions	Disposals	Develop-ment	Other	Total net rental income
Belgium	42,940	-	2,604	577	370	46,491
Finland	26,441	-	-	1,023	-	27,464
France	43,860	-	-	1,100	950	45,910
Netherlands	73,196	-	6,054	1,110	1,244	81,604
Total portfolio	**186,437**	**-**	**8,658**	**3,810**	**2,564**	**201,469**

Like-for-like net rental growth is determined on a unit by unit basis. Units in redevelopment are excluded from the like-for-like analysis.

CALCULATION EPRA 'TRIPLE NAV' PER SHARE

	December 31, 2017	December 31, 2016
Shareholders' equity per share	47.92	49.16
Adjustment for fair value of derivatives	0.22	0.40
Adjustment for deferred taxes	1.86	1.91
EPRA net asset value per share	***50.00***	***51.47***
Adjustment for fair value of derivatives	-0.22	-0.40
Adjustment for fair value of interest bearing debt	-1.25	-1.60
Adjustment for fair value of deferred tax	-1.12	-1.15
EPRA 'triple NAV' per share	**47.41**	**48.32**

EPRA COST RATIO

(x € 1,000)

	December 31, 2017	December 31, 2016
Net service charges	6,463	5,732
Property expenses	21,789	22,983
General Costs	16,290	17,625
Ground rent	(1,233)	(1,134)
Total Costs (EPRA)	***43,309***	***45,206***
Gross rental income	223,419	230,184
Cost ratio (%)	**19.4%**	**19.6%**

EPRA NET INITIAL YIELD AND 'TOPPED-UP' INITIAL YIELD

(x € 1,000)	Income	Investment properties
Gross investment portfolio valuation excluding assets in development		***3,648,266***
Purchasers costs		-183,607
Properties in Development (Belgium & Netherlands)		309,038
Properties classified as held for sale		38,047
Net portfolio valuation as reported in the financial statements		3,811,744
Income and yields		
Net operational income used for calculation of EPRA Net Initial Yield	185,002	5.1%
Rent-free periods (including pre-lets)	762	0.0%
Rent for 'topped-up' initial yield	185,764	5.1%

SUMMARY OF INVESTMENT PROPERTIES

(in € millions)	Shopping Centres		Offices		Total	
	market value	annual theoretical rent*	market value	annual theoretical rent	market value	annual theoretical rent
Belgium	750	43.7	104	8.7	854	52.4
Finland	572	31.7	-	-	572	31.7
France	877	50.7	-	-	877	50.7
Netherlands	1,471	96.2	-	-	1,471	96.2
Total portfolio	**3,670**	**222.3**	**104**	**8.7**	**3,774**	**231.0**

* excluding parking and residential

SUMMARY OF THE VALUATION ADJUSTMENTS OF THE INVESTMENT PROPERTIES

(in € millions)

	market value	revaluation in 2017	Shopping Centres	Offices	Total
Belgium	854	15	2.7%	-4.2%	1.7%
Finland	572	-9	-1.5%	-	-1.5%
France	877	-45	-4.9%	-	-4.9%
Netherlands	1,471	-25	-1.7%	-	-1.7%
Total portfolio	**3,774**	**-65**	**-1.6%**	**-4.2%**	**-1.7%**

EPRA PERFORMANCE MEASURES

PERFORMANCE MEASURES	DEFINITION	PURPOSE
EPRA NAV	IFRS Net Asset Value (NAV) excluding certain items not expected to crystallise in a long-term investment property business model. The EPRA NAV excludes the fair value of derivatives and deferred tax liabilities.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.
EPRA NNNAV (triple net)	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real estate entity.
EPRA Net Initial Yield	Annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property , including estimated purchasers' cost (EPRA Net Initial Yield = ((Annualised rent passing + other income + turnover rent -/- property expenses) / Gross Property Value)).	A comparable measure for portfolio valuations.
EPRA Vacancy	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A measure of investment property space that is vacant, based on ERV.
EPRA Cost Ratio	The calculation for a cost ratio is based on total operating cost and gross rental income.	Cost ratio to reflect the relevant overhead and operating costs of the business and provide a recognised and understood reference point for analysis of a company's costs.

DIRECT & INDIRECT RESULT

for the year ended December 31, 2017

(x € 1,000)	2017		2016	
	direct result	indirect result	direct result	indirect result
Gross rental income	223,419	-	230,184	-
Service costs charged	40,920	-	37,893	-
Total revenues	***264,339***	***-***	***268,077***	***-***
Service costs paid	-47,383	-	-43,625	-
Property expenses	-21,789	-	-22,983	-
Total expenses	***-69,172***	***-***	***-66,608***	***-***
Net rental income	***195,167***	***-***	***201,469***	***-***
Valuation results	-	-64,987	-	-33,355
Results on disposals	-	220	-	-922
General costs	-16,290	-	-17,625	-
Other income and expense	394	-2,689	33	-2,817
Operational result	***179,271***	***-67,456***	***183,877***	***-37,094***
Interest charges	-30,300	-	-31,616	-
Interest income	69	-	49	-
Net interest	***-30,231***	***-***	***-31,567***	***-***
Other financial income and expense	-	2,869	-	6,237
Result before tax	***149,040***	***-64,587***	***152,310***	***-30,857***
Income tax	1,056	-1,178	-1,357	678
Result	**150,096**	**-65,765**	**150,953**	**-30,179**
Profit attributable to:				
Shareholders	138,110	-70,421	138,760	-38,140
Non-controlling interest	11,986	4,656	12,193	7,961
Result	**150,096**	**-65,765**	**150,953**	**-30,179**
Earnings per share (€)	***3.43***	***-1.75***	***3.45***	***-0.95***

OUR SUSTAINABILITY RESULTS 2017

✓ = target 100% achieved

Year = Year Estimate

BRICKS

Improve energy efficiency by 30% per visitor like-for-like (baseline 2013)	2020	-28%
Generate 2,000 MWh renewable energy on site	2020	1,930 MWh
Water efficiency program for all shopping centres	2017	79%
Waste management plan for all shopping centres	2017	79%
Health, safety and risk assessments for shopping centres	2017	75%
Achieve BREEAM 'Very Good' for shopping centres	2020	76%

PEOPLE

Achieve employee satisfaction scores of 7.5 or higher	2017	100% score 7.6
Invest 2% of total salary budget in training & development	2017	100% 2.1% of salary budget
Improve efficiency of performance management process	2017	81% of employees had two appraisals
Succession planning in place for all key positions	2017	100%
Increase percentage of female senior managers to 33%	2017	✓ 35%
Increase diversity by providing job experience positions for people with disabilities	2017	✓ 5 initiatives
100% of Wereldhave staff involved in social inclusion activity	2017	79%

PARTNERS

Create 1,000 permanent retail jobs by investing € 200m in shopping centres	2017	✓ 1,100
Tenant engagement: set up sustainability committee in all shopping centres	2017	89%
Tenant engagement: tenant satisfaction survey in all shopping centres	2017	100%
Assess suppliers' compliance with suppliers charter in all shopping centres	2017	✓ 12

SOCIETY

Improve retail customer satisfaction to good	2017	✓ 7.8
Invest 1% of NRI to strengthen our connection to local community	2017	✓ 2.1 million euro

GROUP

Remain GRESB Green Star	2017	100%
Maintain inclusion in DJSI Europe Index	2017	100%
Maintain EPRA Gold Award sBPR	2017	100%

REPORT FROM THE SUPERVISORY BOARD

Dear Shareholders

The retail landscape is changing rapidly, not only in the classical stores, but also the online retailers. The difference between online and offline shopping is eroding. Internet is everywhere. As we shop in a store, we compare prices, read reviews and make our choice. In 2017, we therefore held multiple meetings to discuss the strategy of Wereldhave with the Board of Management. The key question that was raised is: What are the long-term trends, what are its implications on our shopping centres and how should we anticipate to these trends?

Long-term socio-demographics, changing consumer behavior, technological developments and retailing trends strengthen our conviction that food anchored convenience shopping centres are the right strategic choice for Wereldhave. This requires an organisation that also understands the consumer. For Wereldhave, this is quite a cultural change. From an asset management oriented organisation, the Company is more and more including the DNA of a retail organisation. We see that the more output oriented design of the Dutch organisation is working out well. In Belgium and Finland, Wereldhave's intensified leasing efforts are also starting to bear fruit. We are convinced that after the recent changes to the organisation, France will follow suit in 2018.

Role and responsibility of the Board

Wereldhave has a two-tier board structure. The members of the Board of Management are responsible for the day-to-day operations of the Company. The role of the Supervisory Board is to supervise the strategy and the business of the Company and its subsidiaries, as well as to support the Board of Management by providing advice. The Supervisory Board shall be guided by the interests of the Company, taking the interests of the Company's stakeholders into account.

The Supervisory Board maintains regular contact with the external auditor and focuses on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Board has joint responsibility and acts without a mandate and independently of any particular interests associated with the company.

Composition of the Board

The Supervisory Board of Wereldhave N.V. currently consists of five members, all of whom are independent from the Company.

The composition of Wereldhave's Supervisory Board is compliant to the Corporate Governance Code: the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive have been fulfilled and all members meet the independence criteria.

At the AGM in April 2017, Mr Adriaan Nühn has been appointed Chairman of the Supervisory Board and Mr Hein Brand as Supervisory Board member. Other members of the Supervisory Board are Mr Herman van Everdingen, Mr Gert van de Weerdhof and Mrs Leen Geirnaerdt (Vice-Chair). Mr Van Oosten and Mr Bomhoff stepped down from the Board.

REPORT FROM THE SUPERVISORY BOARD

The profile for members of the Supervisory Board was amended in 2017, with the adoption of a diversity policy. The new profile is posted on the Company's website. The composition of the Board is in line with the profile for members of the Board, as it relates to experience, background and nationality. The gender diversity score of the Supervisory Board is at 20%, which is below target. The Supervisory Board pursues that with future nominations, the gender representation will be brought to at least 30 percent of each gender represented in the Supervisory Board. The first new appointments for members of the board are scheduled for 2019, when mr Van Everdingen will retire from the Board.

The Supervisory Board held seven regular meetings with the Board of Management. Four of these meetings were held to discuss the quarterly results, one for the annual report, one to prepare the AGM and in December 2017, the budget for 2018 was discussed and approved.

Several extra meetings were held during the year, to discuss the Company strategy and the Customer Journey project. In the January meeting, the Managing Director Netherlands Pieter Polman gave an update on the status of the reorganisation of the Dutch management organisation. In July, he attended another meeting to present the transition process of his organisation and discuss the implementation of the Customer Journey project.

In the October meeting, special attention was paid to the plans of the new government coalition to abolish the Dutch REIT status. The Board of Management provides regular updates on the topic. Wereldhave is joining the combined effort of several associations to emphasise the need for a level playing field for real estate investments in the Netherlands compared to its neighbouring countries.

Meetings

Two meetings were held outside the presence of the Board of Management, which were dedicated to the Board evaluation and the remuneration policy. During each Supervisory Board meeting the two committees provided feedback of their meetings and made recommendations for decisions by the Supervisory Board.

Attendance at meetings

A total of ten meetings was held in 2017. The average attendance rate of Supervisory Board members stood at 94% for the meetings of the Supervisory Board, whilst the attendance at committee meetings stood at 100%. Mr Van de Weerdhof did not attend two meetings (attendance 80%), whilst Mr Van Everdingen could not attend one meeting (attendance 90%). They submitted their voting instructions to the Chairman. Mr Nühn and Mr Brand attended several meetings before their appointment in April 2017 as observer, which formed part of their introduction to the Company.

Strategy

The Supervisory Board was closely involved in strategic discussions with the Board of Management. In the February meetings, the management agenda for 2017-2018 was discussed and approved. In June, the Supervisory Board held an extra meeting to discuss the strategic focus on convenience shopping. The meeting was also attended by the Managing Directors of Wereldhave Netherlands and Belgium and several other members of the management team. The meeting kicked off with an outside-in view on Wereldhave from an investor perspective. Feedback from some 40 investors and analysts was discussed and the Supervisory Board endorsed the suggestions for improvement, particularly in disclosure.

REPORT FROM THE SUPERVISORY BOARD

External experts were asked to outline the strategic environment for property investments in retail and the changing consumer behavior, against the rapidly increasing internet retail spending. After these introductions, workshops were held to review the strategic options and to discuss the need to improve the customer journey. This enabled the Supervisory Board to get a good view on the opportunities and challenges for the Company and to support the Board of Management in making the right strategic choices. In December 2017, several senarios were discussed again and it was decided to make detailed financial scenario analyses. In January 2018, these scenarios were discussed in an extra strategy meeting.

The decision to reset the dividend level from 2018 onwards was taken in the meeting on February 1, 2018. The Supervisory Board acknowledges that lowering the dividend is a painful measure. It is however in the long-term best interest of the Company and its shareholders. A dividend that is fully covered by cashflow from operations is necessary to continue improving the overall quality of the portfolio.

Asset rotation will remain an important item in the Company's strategy, together with focused refurbishments and extensions. The Supervisory Board is convinced that with Wereldhave's customer journey project, the overall quality of the portfolio will improve further, to make Wereldhave more resilient in the rapidly changing retail environment.

Financial statements

The Board of Management submitted the 2017 financial statements and the Board's Management Report to the Supervisory Board. The Supervisory Board discussed the KPMG audit report and KPMG's opinion with the auditor. The members of the Supervisory Board approved the accounts and signed the 2017 financial statements. The accounts have been audited by KPMG, who issued an unqualified auditor's report. The Supervisory Board recommends the adoption of the 2017 financial statements. The Supervisory Board also supports the Board of Management's proposal to shareholders of a 2017 dividend in cash of € 3.08 per share, of which € 2.31 was already paid in quarterly installments of € 0.77 in July and October 2017 and January 2018.

Financing

The Supervisory Board monitors the financing of the Company, including the balance sheet and available headroom against the loan covenants. The treasury policy was updated in 2017 and discussed with the Audit Committee. The Board approved the launch of a Euro Medium Term Note programme of € 2 bln, with a first drawdown in May. In the fourth quarter, the Supervisory Board approved a US-private placement of USD 90m in December. These bonds and notes are used to raise the percentage of debt at fixed interest rates, whilst increasing the average maturity of the debt portfolio. The use of derivatives and the hedging policy is a standard item of the financial reporting by the Board of Management. Other financial items that were discussed, are the budget, the outlook and guidance, the achievement of the financial objectives from the 2017 budget and the management agenda, the portfolio valuations, the annual and interim results and dividend.

REPORT FROM THE SUPERVISORY BOARD

Operations

There were no major changes to the portfolio in 2017. A recurring topic during the year was the operational performance in France, of which the Board of Management kept us closely informed. Leasing was slow during the first quarter and the uncertainty about the presidential elections dominated the French market sentiment. In June, it became clear that the operational performance was seriously behind target. The Board of Management then decided to change the French Management. Olivier Mourrain was appointed Managing Director for France. His appointment was made public on the Capital Markets Day in October, which was attended by two members of the Supervisory Board. In the December meeting, the Board of Management could inform us that there was a new energy in the French leasing team. Several anchor tenants were secured, albeit at lower rents, and new leases were signed. Occupancy improved during the final quarter, but the impact of lower rents will continue in 2018. Rental income in France is expected to stabilise in the second half of the year 2018.

In Belgium, recent changes to the leasing organisation are starting to pay off. Leasing activity is rising. Operations in the Netherlands and Finland were solid and in line with expectations. Wereldhave's development projects are a recurring item in the management reporting. The Supervisory Board discussed the risk of cost overruns and delays. The Board is pleased with the nomination of Mr Frank Adriaensen of Wereldhave Belgium as Group Director Developments. His vast experience in developments is used to prepare and manage projects in Finland and France and to oversee the Dutch development scheme.

Risk Management

The Supervisory Board considers Risk Management to be a full Board topic, prepared by the Audit committee. In 2017, the Board of Management reviewed the risk management analysis and the internal framework. The risk management analysis contains a bottom-up analysis of the risks, mitigating measures, the risk appetite and the change in appetite during the year. The internal control framework was also revised. These documents were discussed with the Audit Committee and the external auditor and approved by the Supervisory Board in the October meeting.

The Supervisory Board approved the appointment of an internal auditor in 2017. Until now, Wereldhave did not have an internal audit function, given the limited size of the organisation. In view of the new Dutch governance code, the Supervisory Board approved the proposal to outsource the internal audit function to BDO accountants. They started their audit in October, based on the revised internal control framework. The audit findings were discussed in February 2018, before the adoption of the accounts.

REPORT FROM THE SUPERVISORY BOARD

Culture

Over the past five years, Wereldhave has evolved from an asset management company with a diversified asset base in seven countries to an operator of shopping centres in four countries. This required a major shift in the DNA of the Company. The process started with a focus on operational excellence, a target of the Regroup phase during 2013-2015. The core values were defined as ambition, entrepreneurship, transparency and teamwork. The corporate identity was revamped and the head office moved to WTC Schiphol. It was a good start, but as the retail landscape is changing rapidly, further changes to the DNA are needed. The reorganisation in the Netherlands early in 2017 was used to further implement core values. The cultural values for the new Dutch organisation were discussed with the Supervisory Board. Ambition, entrepreneurship, transparency and teamwork are gradually being overhauled to the concept of ""winning together in a responsive and responsible way".

Presentations by country managers are a new regular item on the agenda of the Supervisory Board. This enables the Board to directly question them and discuss value creation, performance and ambitions directly. It provides a good insight in the culture and the potential of the organisation and offers a challenge for young potentials. The Supervisory Board will continue to discuss cultural values with the Board of Management, to assist them in their overhaul of the DNA of the organisation.

Sustainability

Sustainability is a recurring item on the management reporting. The Supervisory Board monitors progress against KPI reporting and questions the Board of Management where needed. One of the members of the Board actively participated in the fundraising events at one of our shopping centres, which underlines the commitment of the Board to employees. The Supervisory Board is supportive of the sustainability framework as integrated part of the strategy and is pleased that Wereldhave was again rated GRESB Green Star and remained included in the DJSI index Europe in 2017.

Investor relations

The Supervisory Board carefully reviews press releases for the publication of full-year and half-year results and the three and nine-month trading updates. The Supervisory Board was well informed about Investor Relations, which is a standing item during its meetings. Updates included the share price development, analyst research, investor feedback on roadshows and movements in the shareholder base, including short selling. An uncensored outside-in view on Wereldhave was discussed in the strategy meeting in June. In October, a Capital Markets Day was held in the Netherlands, with visits to the Tilburg city centre redevelopment, two shopping centres in Arnhem and one in Nieuwegein. Two members of the Supervisory Board attended the event and had valuable discussions with investors and analysts during the Day.

REPORT FROM THE SUPERVISORY BOARD

Corporate Governance

In 2017, several steps were taken to implement the Dutch Governance Code. An internal audit function was installed, the risk management and control framework was revised, the performance of the external auditor was assessed, the remuneration policy was reviewed and new corporate governance charter was adopted.

Wereldhave is compliant to the Dutch corporate governance code, as amended in 2016, with the exception of two items to be explained;

1) In deviation of Article 4.3.3. of the Code, article 15.3 of the articles of association does not yet stipulate that in the event a majority voted in favor to cancel a binding nomination but the required representation of capital was not present at the meeting, a second meeting will be called, in which a simple majority will pass the resolution. Also, article 15.6 of the articles of association stipulates that a Management Board or Supervisory Board member nominated for appointment cannot be dismissed by an absolute majority. A proposal to amend the articles of association will be put to the AGM in 2018, to bring the AoA in line with the best practice provision.
2) In deviation of article 3.1.2.vi of the Code, Wereldhave does not apply a shareholding period of 5 years. As from the year 2015, the Company applies a shareholding guideline for members of the Board of Management of 2.5 x base salary, to be gradually built up with performance shares. The vesting period is three years. The shareholding guideline does not apply for the portion of the shares that have vested, to pay the taxes that are due upon vesting. A holding period does not imply a quantity of shares to be held and is therefore a less suitable alignment instrument. Applying a shareholding guideline provides a better alignment, since it is volume and impact driven. This deviation to the Dutch Corporate Governance Code was approved by shareholders in the EGM in September 2015.

Evaluation

Over the past two years, the composition of the Supervisory Board changed significantly, with changes to 80% of the seats. The new members attended the introduction programme. This consisted of visits to the country portfolios and management organisations as well as presentations by head office staff functions.

The Supervisory Board continued its practice to regularly evaluate its own meetings immediately afterwards, without the Board of Management being present. In 2017, the Supervisory Board discussed its own performance and the performance of its committees in December, based on an extensive questionnaire, which was updated in view of the revised Dutch corporate governance code. The results were discussed in a plenary board meeting in December. The follow-up of the 2016 items for improvement were also discussed. The Supervisory Board decided to increase attention to ICT and Culture and assessed that there was no specific need for education or training of its members. An extensive board evaluation with the help of an external advisor will be held in 2018. Another topic of discussion in this meeting was the review of other positions held by Supervisory Board members and members of the Board of Management.

No transactions with a potential conflict of interest with Supervisory board members were reported by members of the Supervisory Board in 2017.

The evaluation of the Board of Management was prepared by the Remuneration- and Nomination Committee and discussed in a Supervisory Board-only meeting. The outcome was subsequently discussed with the members of the Board of Management.

Audit Committee

The Audit Committee's main role is to oversee financial accounting and reporting, internal control and risk management. In this context, the Audit Committee examines and reports to the Supervisory Board on the following matters:

- quarterly, semi-annual and annual financial statements and consolidated accounts;
- business information, asset valuations, off-balance sheet commitments and the Group's overall cash position;
- internal control and risk management;
- the Company's financial policy (accounting methods, etc.), finance and tax planning;
- the evaluation and adoption of the Statutory Auditor's recommendations;
- the relationship between the Company and its Statutory Auditor.

The Audit Committee consist of two Supervisory Board members: Mrs L. Geirnaerdt (Chair) and Mr Van Everdingen. The Audit Committee held four regular meetings in 2017 to discuss the 2016 FY results, the annual report for 2016 and the quarterly results for 2017. All meetings were attended by the Company's CFO and CEO, the Director Finance and Investments and the Company Secretary.

The attendance rate of the meetings was 100%. The agenda, documentation and minutes of the meetings of the Audit Committee were shared with all Supervisory Board members.

Regular items on the agenda were:

- The quarterly results and financial statements;
- The annual accounts;
- The valuation of the portfolio of shopping centres and offices;
- The audit plan by the external auditor and the related audit fees;
- Most important findings of the auditor;
- Board report and auditor's report;
- The quarterly press releases;
- Management of interest rate- and currency risks and hedges;
- Capital structure;
- The annual budget;
- Preparation by the Company for the Corporate Governance and In Control Statement;
- The risk- and control framework and organisation of the Group Finance Department;
- Post acquisitions reviews and deviations from the initial investment proposals;
- Legal and tax risk reports
- Review of the tax position and compliance to the fiscal status.

In addition to the regular topics, special attention was paid to the following items:

- The external valuations for the standing portfolio were discussed with the auditors twice a year. The external valuator attended a committee meeting to discuss the scope of their work and recent trends and developments.
- The quarterly dividend was discussed in the July meeting of the committee and subsequently approved by the Board.
- The audit plan 2017 by KPMG was discussed and approved in the July meeting of the Audit Committee. The Committee determined that the interim financial report will not be audited.
- The entirely revised internal risk management policy and the control framework were discussed in the October meeting, together with the updated treasury policy and the valuation manual. Tax and legal risk reports were a recurring item for the Committee meetings. The Committee discussed the appointment of BDO as internal Auditor and rendered a positive advice to the Supervisory Board, who followed this recommendation.
- The materiality threshold as applied by KPMG is set out in the Audit opinion. The Audit Committee ascertained that all audit findings in excess of the threshold, adjusted and unadjusted, will be reported by the auditor.
- Hedge accounting was also a recurring item on the agenda. Wereldhave only uses derivatives to hedge interest rate and currency exposure of underlying debt positions and interest payments.

REPORT FROM THE SUPERVISORY BOARD

- At mid-term of the external Auditor's appointment (2016-2017-2018), the Audit Committee discussed the Auditor's performance review, as drafted by the Board of Management. The overall outcome of the review was 'good' and the feedback with some items for improvement was subsequently discussed between the Chair of the Audit Committee and the lead partner.

Remuneration- and Nomination Committee

The remuneration committee and the selection and appointment committee have been combined in one committee, the Remuneration and Nomination Committee. It consists of Mr Van de Weerdhof (Chair) and Mr Nühn.

The Committee convened four times in 2017. Recurring items on the agenda were the remuneration report and the board evaluations. The Committee ascertained whether the targets for the STI and LTI and vesting conditions for earlier incentive schemes were met. As announced on the Annual General Meeting of Shareholders in April 2017, the Remuneration- and Nomination Committee reviewed the remuneration policy. Several meetings were held to discuss proposed amendments. The Committee discussed the views of the Board of Management on its own remuneration with the CEO.

In view of the reset of the dividend level, the Supervisory Board and the Board of Management have mutually decided not to proceed with proposals to amend the remuneration policy. The overall outline of the draft policy as well as remuneration levels were to remain unchanged, but the proposal aimed to make the policy more clear and understandable, whilst improving the focus on long-term value creation. With the Total Shareholder Return at its current level, the TSR multiplier for the long-term incentives in respect of the years 2015 and 2016 is at zero.

The current remuneration policy does not allow for a long-term incentive for the year 2017, as the earnings per share did not increase compared to the previous year. Given the outlook, it is highly likely that a long-term incentive will also not be granted for the year 2018. This implies that the shareholding guideline of 2.5x the fixed annual income cannot be met with. The remuneration levels for the shorter and medium terms are below market standard. Although the alignment of remuneration would improve with the new proposal, the Supervisory Board and the Board of Management feel that a long-term bonus payment for the year 2018 would be inappropriate. Reference is made to the remuneration report in this annual report.

The committee prepared and held the evaluation meetings of the members of the Board of Management, prepared the evaluation of the (members of the) Supervisory Board and updated the skills matrix for members of the Board. This matrix is included in the profile for members of the board, which was amended in October 2017 with the inclusion of a diversity policy.

The Committee held selection talks with candidates for the position of CFO, in view of Mr Bolier's expiring term. After due consideration, it was agreed that Mr. Bolier's term as CFO of Wereldhave will expire and that Mr. A.W. de Vreede will be proposed as the new CFO.

Wereldhave does not have an executive committee, but the remuneration of senior management is a recurring item on the agenda of the Remuneration and Nomination Committee. In the October meeting of the Committee, the HR Director gave an update on the talent retention and management succession programme. The Committee discussed the review of the top 20 employees with the Board of Management and advised the Board to review talents each year and calibrate the different reviews.

Finally, the committee attended the meeting of the Works Council in which the Group culture was also a topic of discussion.

REPORT FROM THE SUPERVISORY BOARD

Management

The Board of Management consists of Mr D.J. Anbeek (CEO) and Mr R.J. Bolier (CFO). The Board is assisted by a Management team, consisting of the Country Directors and Group Staff Directors.

The management team does not qualify as an executive committee under best practice 2.1.3. of the Dutch Corporate Governance Code. The members of the Board of Management are the statutory directors of the Group's real estate companies and as such, solely responsible for the decision making. The functioning of the entire management team was discussed plenary and the follow-up of items for improvement was monitored on a regular basis. Other than the attendance at seminars and conferences, no need for additional training or education of members of the management team was established.

At the AGM on 20 April 2018, Mr. Bolier's term as CFO of Wereldhave will expire. By mutual consultation, the Supervisory Board and Mr. Bolier have agreed that he is not eligible for another term, for him to pursue other business interests. The Supervisory Board would like to thank Mr Bolier for his contribution to the Company over the past four years.

Mr. A.W. de Vreede (Dennis, 48) will be proposed as CFO and member of the Board of Management of Wereldhave N.V. He has broad financial real estate experience, previously at Redevco (2008-2011) and Prologis (2012-2013). From 2013 until recently he worked as CFO for DeepOcean.

The appointment will be for a term of four years, starting April 1, 2018, up to and including April 2022, subject to the approval of the AGM on April 20, 2018. The fixed remuneration is set at € 380,000 per annum, with variable pay and other secondary conditions in line with the Company's remuneration policy.

No transactions with a potential conflict of interest were reported by members of the Board of Management in 2017.

Finally

The Supervisory Board would like to thank the Board of Management and all employees for their achievements in 2017. The Board wishes them lots of success in the continued pursuit of an improved customer journey, whilst improving the overall operational performance of Wereldhave's convenience shopping centres.

On behalf of the Supervisory Board,

Adriaan Nühn, Chairman of the Supervisory Board

COMPOSITION OF THE SUPERVISORY BOARD

A.NÜHN

(1953, M, DUTCH NATIONALITY)

Chairman Supervisory Board, member Remuneration-and Nomination Committee
Appointed in 2017, term expires in 2021

Principal position:
Independent Board Advisor

Other Board positions:
Chair Non-Executive Board, Takeaway.com
Non-Executive Member of the Board, Cloetta AB Sweden (until April 2018)
Non-Executive Member of the Board, Anglovaal Industries Ltd. (AVI) South Africa
Non-Executive Member of the Board, Hunter Douglas N.V., Willemstad, Curaçao

L. GEIRNAERDT

(1974, F, BELGIAN NATIONALITY)

Vice-chair of the Supervisory Board, Chair Audit Committee
Appointed in the Supervisory Board in 2016, term expires in 2020
Appointed in the Audit Committee in 2016, term expires in 2020

Principal position:
CFO Recruit Global Staffing

Other board positions:
CFE (Belgium) | member Supervisory Board and Audit committee

G. VAN DE WEERDHOF

(1966, M, DUTCH NATIONALITY)

Member, Chair Remuneration-and Nomination Committee

Appointed in the Supervisory Board in 2016, term expires in 2020

Principal position:
Independent Board Advisor

Other board positions:
Sligro Food Group N.V.

Chairman Supervisory Board at CTAC

COMPOSITION OF THE SUPERVISORY BOARD

H.J. VAN EVERDINGEN

(1955, M, DUTCH NATIONALITY)

Member, member of the Audit Committee

Appointed in the Supervisory Board in 2011.
Reappointed in 2015. Term expires in 2019
Appointed in the Audit Committee since 2013

Principal position:
Director Catalyst Advisors

Other board positions:
Director Berlage Winkelfonds Duitsland
Board Member Karel Doorman foundation

H. BRAND

(1955, M, DUTCH NATIONALITY)

Member

Appointed in the Supervisory Board in 2017, term expires in 2021

Principal position:
Independent Board Advisor

Other board positions:
Member Supervisory Board, Syntrus Achmea Real Estate & Finance
Member Supervisory Board, Cocon Vastgoed B.V.
Member Advisory Board PropertyNL

REMUNERATION REPORT

Remuneration of the Board of Management

Policy

The remuneration policy 2015 and onwards was adopted by the Extraordinary General Meeting of Shareholders on July 23, 2015, with effect from January 1, 2015.

The goals of the remuneration policy for members of the Board of Management are to align individual and company performance, strengthen long-term commitment to the Company, and attract and retain the best executive management talent, whilst creating alignment with stakeholders. The essential qualifications comprise not only knowledge and experience in the field of real estate, but also the prerequisite management competencies. The policy aims to safeguard the Company's performance and value growth, whilst positioning Wereldhave as an attractive employer for highly qualified directors.

The remuneration levels for Board members are based on surveys and analyses by internationally recognised firms specialising in executive compensation. The Supervisory Board regards Wereldhave as an operational company, rather than a financial company, and compares market practice remuneration of European peer companies to individual benchmark remuneration.

As Sponda (FI) was taken over by Blackstone, it was removed from the peer group and replaced by Carmila (FR). The Peer group now consists of:

Altarea-Cogedim (FR), Atrium (AU), Citycon (FI), Cofinimmo (BE), Deutsche Euroshop (DE), ECP (NL), Gecina (FR), Hamborner (DE), Hufvudstaden (SE), IGD (IT), Klépierre (FR), Leasinvest (BE), Mercialys (FR), NSI (NL), PSP (CH), Retail Estates (BE), Carmila (FR), Unibail-Rodamco (FR), VastNed (NL) and Wereldhave (NL).

This peer group serves both for assessing the remuneration levels as measuring TSR performance.

Fixed income

As from January 1, 2017, fixed income is set at € 515,112 for the CEO and € 383,809 for the CFO. These amounts will be indexed annually.

Variable income: STI and LTI

The maximum variable income amounts to a base variable income of 100% of the fixed annual income, with a maximum initial grant of 40% payable as short-term incentive in cash and a maximum initial grant of 60% as long- term incentive in shares. At the end of the vesting period, the initial long-term grant is subject to a TSR multiplier, ranging from 0 to 3. This implies that the minimum LTI is zero and the maximum LTI can amount to 180% of fixed income (the effect of the reinvestment of dividend not yet included). For further details, see below.

The short-term incentive score is determined by like-for-like rental growth (LFL RG: 30% of fixed income) and sustainability (10% of fixed income).

The STI incentive is calculated as follows:

- LFL RG at or above inflation scores 15% of fixed income;
- LFL RG at or above budget scores 15% of fixed income;
- Remain rated GRESB Green Star scores 10% of fixed income.

The LTI incentive is based on the direct result per share (EPS) and is calculated as follows:

- EPS growth at inflation 20% bonus;
- at 100 bps over inflation 40% bonus and
- at 200 bps over inflation the maximum of 60% bonus;

- EPS growth scores between 0 and 200 bps over inflation will be calculated at a sliding scale.

If the Loan-to-Value at year-end exceeds 40%, no conditional long-term incentive will be granted in respect of that year.

As from the year 2015, the Company applies a shareholding guideline for members of the Board of Management of 2.5 x base salary, to be gradually built up with performance shares. The vesting period is three years, against the previous two years period. In view of the shareholding guideline and in deviation of the Dutch Corporate Governance Code, no additional two year holding period is applicable. A holding period does not imply a quantity of shares to be held and is therefore a less suitable alignment. Applying a shareholding guideline provides a better alignment, since it is volume and impact driven.

The shareholding guideline does not apply for the portion of the shares that have vested, to pay the taxes that are due upon vesting.

Conditions variable income

The short-term incentive is payable in cash, the long-term incentive in Wereldhave shares only. The long-term incentive is granted conditionally. When the conditional LTI bonus is awarded, the amount in cash is calculated into a conditional share balance based on the share price at the end of the first day of trading after ex-dividend listing of the Wereldhave share in the year in which the conditional LTI bonus is awarded.

If a dividend is paid on Wereldhave shares, the conditional share balance will be increased by a number of conditional shares equal to the amount of the dividend divided by the current share price. These additional conditional shares are subject to the same terms as the conditional shares that were initially awarded.

Wereldhave applies a three years' vesting period. The TSR performance against the peer group is used as a correction mechanism to set the final outcome of the long-term incentive. Depending on the ranking against the TSR performance of the peer group, the conditional share balance (including reinvestment of dividend) can be multiplied by a maximum of 3 if Wereldhave belongs to the top TSR performers or even annulled if the three years' TSR performance ranks with the bottom of the peer group. The LTI in respect of the year 2016 will vest in 2019, based on the TSR performance over the three preceding years.

Depending on the ranking against the TSR performance of the peer group, the conditional share balance (including reinvestment of dividend) will be multiplied, applying the following score table:

TSR ranks	1-3	x 3
TSR ranks	4-5	x 2.5
TSR ranks	6-7	x 2
TSR ranks	8-9	x 1.5
TSR ranks	10-11	x 1
TSR ranks	12-14	x 0.5
TSR ranks	15-20	x 0

REMUNERATION REPORT

Vested shares are transferred to the director, if the terms are satisfied after a performance period of three years, following the year in respect of which these shares were awarded.

If a director is dismissed without further notice in accordance with the law, the conditional share balance reverts to the Company. If the director steps down or is not reappointed at the end of the agreed appointment period, the scheme remains intact with regard to the conditional share balance. Once the conditions have been met, the vested shares will be transferred to the director. Upon vesting, the members of the Board of Management pay income tax and social charges on the long-term variable remuneration.

The share-based remuneration awarded to the members of the Board of Management will be subject to article 2:135 Section 7 of the Dutch Civil Code as applicable from time to time. This provision requires the Company to deduct from the directors' remuneration an amount equal to certain value increases realised by the director through a sale or in connection with the termination of the relationship with the director, after certain corporate events affecting the Company having been announced. Should at such time the payments owed by the Company to the director not be sufficient to cover the relevant amount, the Company will have a claim against the director for the (remaining) amount.

The Supervisory Board is authorised to adjust the amount of an incentive to an appropriate level if payment of the incentive, based on standards of reasonableness and fairness, would be unacceptable. Incentive for this purpose means the unpaid part of the variable remuneration of which the granting is entirely or partially dependent on the achievement of certain targets or the occurrence of certain circumstances. The Supervisory Board is also authorised to withdraw conditional long-term benefits in exchange for a cash payment at market value, if circumstances require. The Supervisory Board will motivate a decision to adjust an incentive or to withdraw in exchange for cash appropriately.

The Supervisory Board is authorised to claw back an incentive entirely or partially to the extent that the award paid out was based on incorrect information with respect to the achievement of targets or the occurrence of circumstances on which the incentive was based. The Supervisory Board will motivate the decision to claw back the incentive appropriately.

If one or more companies from the peer group cease to exist or their TSR performance will no longer be reported by EPRA, the Supervisory Board will replace these companies with EPRA members of comparable size and nature.

If GRESB ceases to rate companies Green Star, the Supervisory Board will replace this indicator with an equivalent as published by an independent leading sector specialist, whereby the Company must rank between the top 25% of sustainability performers in the sector.

Pension

No provision facilitating early retirement is in place. Members of the Board of Management are subject to the same pension scheme as all other Wereldhave employees in the Netherlands. Wereldhave has a defined contribution scheme with a retirement age of 67, based on a fiscal maximum ladder of 3% up to € 100,000 per annum (pre indexation). The Company makes an annual gross-up compensation payment of 22.4% of pensionable salaries in excess of the fiscal maximum. The calculation is based on the salaries as at December 31, 2014, indexed with CPI annually (and not taking into account any later changes in fixed remuneration in relation to the new remuneration policy 2015 and onwards).

For Mr Anbeek, the pension compensation in 2017 amounted to € 73,058 and for Mr Bolier to € 53,964. These amounts will be indexed with CPI of 1.5% for 2018.

REMUNERATION REPORT

Other secondary conditions

Wereldhave N.V. offers the members of its Board of Management a competitive package of secondary employment benefits in accordance with those offered to its other employees. This benefit package includes accident insurance, disability insurance, a company car and director liability insurance. The Company does not issue loans, advances or guarantees to the members of its Board of Management.

Conditions of assignment

Directors are appointed for a four-year period with a possibility of early termination. The severance payment is capped at one year's salary with a notification period of two months for the director and four months for the Company. The contract of assignment does not contain a change-of-control clause.

The contracts contain a clause that requires the Company to compensate the directors for any loss or damage in relation to liability claims based on acts or omissions in the performance of their duties. Damage to reputation is explicitly excluded. The indemnification does not apply to claims related to personal gain, advantage or rewards to which the director was not entitled, or if the claimed loss or damage was caused by gross negligence, intent, deliberate recklessness or serious imputability. It does include the costs of defence, which are advanced by the Company under the condition that these expenses must be repaid if it is determined in a final judgment that the director was not entitled to indemnification.

Shopping1, Genk, Belgium

REMUNERATION REPORT

Execution of the remuneration policy in 2017

Fixed income 2017

Mr Anbeek (CEO) received a fixed salary for 2017 of € 515,112. Mr Bolier (CFO) was paid a remuneration of € 383,809. These salaries were indexed with the Dutch consumer price indexation (CPI) of 1.5% as per January 1, 2018 to € 522,839 and € 389,566 respectively.

STI 2017

The STI incentive is calculated as follows:

- LFL RG at or above inflation scores 15% of fixed income
- LFL RG at or above budget scores 15% of fixed income
- Remain rated GRESB Green Star scores 10% of fixed income

Like-for-like rental growth for the year 2017 amounted to -1.1% in Belgium (index 1.8%), 5.5% in Finland (index 0.3%), -7.0% in France (index 1.0%) and 0.8% in the Netherlands (index 0.8%). This results in a score of 7.5% (Finland above inflation, Netherlands at inflation).

Actual like-for-like rental growth for the year 2017 was above budget in Belgium and the Netherlands and below budget in France and Finland. This results in a score of 7.5%.

The Company remained rated GRESB Green Star, which scores 10%.

The total STI score therefore amounts to 25% (7.5%+7.5%+10%).

This implies that in respect of the year 2017, a short-term incentive of 25% of fixed salary is payable in cash. For Mr Anbeek this amounts to an STI of € 128.778 and for Mr Bolier € 95,952.

Wereldhave pay ratio

In light of transparency and clarity, Wereldhave applies a methodology to calculate the internal pay ratio that is IFRS-driven (i.e. linked to Wereldhave's notes to the consolidated financial statements). Furthermore, the approach is standardised, which allows for context in the external market.

Wereldhave's internal pay ratio is calculated as the total CEO compensation divided by the average employee compensation:

- Total CEO compensation as disclosed in Note 30 to the consolidated financial statements (General Costs);
- Average employee compensation based on salaries and social security contributions, pension costs, other employee costs and average FTE as disclosed in Note 30 to the consolidated financial statements (General Costs).

For 2017, Wereldhave has a pay ratio of 9, implying that the CEO pay is 9 times the average pay within the organisation. In 2016, the pay ratio was 9.

LTI 2017

The LTI incentive is calculated as follows:

- EPS growth at inflation 20% bonus
- at 100 bps over inflation 40% bonus and
- at 200 bps over inflation the maximum of 60% bonus.
- EPS growth scores between 0 and 200 bps over inflation will be calculated at a sliding scale.

If the Loan-to-Value at year-end exceeds 40%, no conditional long-term incentive will be granted in respect of that year.

At December 31, 2017, the Loan-to-Value stood at 40.7%. Compared to the previous year, EPS for 2017 decreased. This implies that in respect of the year 2017 no long-term incentive is granted.

Further details on the remuneration of the Board of Management can be found in note 30 to the Annual Accounts 2017.

REMUNERATION REPORT

Share ownership Board of Management

Balance at 31/12/2017

	Performance shares				
	2015	2016	Total	Private	Shareholding
D.J. Anbeek	7,370	7,548	14,918	11,453	26,371
R.J. Bolier	5,489	5,623	11,112	6,185	17,297

Shares vesting in 2017

Due to the changes in the remuneration policy 2015 and onwards and the introduction of a three year vesting period, no shares have vested in 2017.

Other

No transactions with a potential conflict of interest were reported by members of the Supervisory Board or the Board of Management in 2017. No loans were issued to members of the Board of Management.

Further details of the terms and conditions for the members of the Boards can be found in the remuneration report from the Supervisory Board, as published on the Company's website.

Remuneration of the Supervisory Board

The 2017 remuneration of the Supervisory Board amounted to € 47,976 for the Chairman, € 39,896 for the Vice Chairman and € 32,321 for members. Committee chairs received a fixed remuneration of € 7,575 and committee members € 5,050 per annum. These amounts are indexed annually.

The Company has not awarded any options or shares to members of the Supervisory Board. The remuneration of the Supervisory Board members is not affected by the Company's results, or by any change of control at the Company. No loans were issued to members of the Supervisory Board.

CORPORATE GOVERNANCE

Wereldhave is committed to a high standard of Corporate Governance. We adhere to strict principles of business ethics and the adequate provision of forward-looking information. Transparency is a key cultural value to us. The Company's business ethics are embedded in the Business Integrity Policy and the Code of Ethics for employees, which is published on our website www.wereldhave.com.

Legal structure

Wereldhave N.V. is a real estate investment company, listed at Euronext Amsterdam (AMX). The Company was founded in 1930 and is listed since 1947. Wereldhave has the fiscal status of an investment institution, so it is subject to a 0% corporation tax rate in the Netherlands (other than for development activities in the Netherlands). Its Belgian investments consist of a 69.57% interest in Wereldhave Belgium, a tax-exempt investment company with variable capital listed on the Euronext Brussels Stock Exchange. The investments in France are subject to the SIIC (Sociétés d'Investissements Immobilières Cotées) regime.

Board of Management

Wereldhave has a two-tier board structure. The Board of Management is responsible for achieving the Company's aims, the strategy and associated risk profile, the development of results and company social responsibility issues that are relevant to the Company.

Composition and division of responsibilities

The members of the Board of Management are jointly responsible for the management and running of Wereldhave N.V. and its subsidiaries, with due respect for their roles and tasks. The CEO takes the lead in this, and is the main point of liaison for the Supervisory Board. The Board of Management is accountable to the Supervisory Board and to the General Meeting of Shareholders.

The Board of Management of Wereldhave consists of Mr D.J. Anbeek (CEO) and Mr R.J. Bolier (CFO). Mr Anbeek (CEO) was reappointed in 2017. Mr Bolier was appointed in 2014. His term expires in april 2018. He is not eligible for another term. Mr. A.W. de Vreede (Dennis, 48) will be proposed as CFO and member of the Board of Management of Wereldhave N.V. at the AGM on April 20, 2018.

Additional regulation regarding the Board of Management is set out in the Governance Charter of Wereldhave which can be consulted at www.wereldhave.com.

Appointment and remuneration

The Board of Management is appointed and dismissed by the General Meeting of Shareholders, from a nomination to be drawn up by the Supervisory Board. The members of the Board of Management have been appointed for a period of four years. The agreements contain a break option with a four months' notice and a maximum severance payment of one year's salary.

The Board of Management's remuneration is determined by the Supervisory Board, based on advice from the Remuneration- and Nomination Committee. The current remuneration policy was adopted and approved by the Extraordinary General Meeting of Shareholders in 2015, with effect from January 1, 2015. In 2017, the Supervisory Board reviewed the remuneration policy, to bring it in line with the new Dutch Corporate Governance Code.

More details can be found in the remuneration report 2017.

Related party transactions

In the year under review there have been no business transactions with members of the Board of Management in which conflicts of interest may have played a role. All business transactions between the Company and members of the Board are published in the Annual Report.

CORPORATE GOVERNANCE

COMPOSITION BOARD OF MANAGEMENT

D.J. ANBEEK

(M 54)

Appointed in 2009, reappointed in 2013 and 2017

Previous experience:

2006-2009 Albert Heijn EVP Franchise & Real Estate
1996-2005 Ahold several international management positions
1994-1995 PwC Senior Consultant
1988-1994 DSM several financial positions

Education:

1991 University of Limburg - RC, Controlling
1988 Vrije Universiteit Amsterdam - Drs, Business Economics

Other board positions:

member Supervisory Board Ordina NV
member Supervisory Board Detailresult Groep N.V.

R.J. BOLIER

(M 56)

Appointed in 2014, term expires, not eligible for reappointment.

Previous experience:

Dec 2011-Jun 2013 Warburg Pincus
Jan 2009-Mar 2012 Atrium European Real Estate
Mar-Dec 2008 several consultancy
Jan 2007-Feb 2008 Meretec Ltd.
Mar 1998-Dec 2006 Assa Abloy AB
May 1995-Mar 1998 Thermopanel Group
Aug 1994-Apr 1995 Blue Circle Home Products

Education:

2013 International Directors Programme INSEAD
2007 Chartered Accountant ACA, member of the ICAEW
1996 Fellow Chartered Institute of Management Accountants
1994 Chartered Management Accountant, CIMA
1987 University of Amsterdam, Drs Business Administration

CORPORATE GOVERNANCE

Supervisory Board

The role of the Supervisory Board is to supervise the manner in which the Board of Management implements the Company's strategy (including corporate social responsibility), as well as to assist the Board of Management by providing advice. The Supervisory Board is charged with the supervision of the policies carried out by the Board of Management and the general affairs of the company and its affiliated enterprise and will maintain regular contact with the external auditor. In doing so, the Supervisory Board should also focus on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting. In discharging its role, the Supervisory Board shall be guided by the interests of the Company, and to that end, shall weigh the relevant interests of the Company's stakeholders, also including the shareholders.

Composition and committees

The Supervisory Board consists of at least three members. The members are appointed by the General Meeting of Shareholders. The Supervisory Board of Wereldhave N.V. currently consists of five members, who are all independent from the Company as defined in the Corporate Governance Code. The Supervisory Board has two standing Committees, an Audit Committee and a Remuneration- and Nomination Committee. At least one of the members of the Audit Committee will be a financial expert. At present, both members of the Audit Committee qualify as such. The Chairman of the Supervisory Board cannot be the Chairman of the Selection and Remuneration- and Nomination Committee.

The duties of the Committees are laid down in Wereldhave's Governance Charter, which can be found at the Company's website.

At present, the Company does not fully comply with the Dutch Act on Management and Supervision, which – among others – aims at a representation of at least 30% of either gender in both boards. The gender diversity score of the Supervisory Board is at 20%. The Supervisory Board pursues that with future nominations, the gender representation will be brought to at least 30%. The board will continue to select members primarily on the basis of expertise, experience, background and skills. However, as long as representation is below 30%, nominations for a seat to be taken by an overrepresented gender will be explicitly motivated to shareholders.

The members of the Supervisory Board and its Committees are:

Mr Adriaan Nühn (Chair and member of the Remuneration- and Nomination Committee), Mrs Leen Geirnaerdt (Vice Chair and Chair Audit committee), Mr. Herman van Everdingen (member Audit Committee), Mr. Gert van de Weerdhof (Chair Remuneration- and Nomination committee) and Mr. Hein Brand. The profile for members of the Board can be found at the Company's website.

CORPORATE GOVERNANCE

Appointment and remuneration

The Supervisory Board members are appointed by the General Meeting of Shareholders for a maximum of four years. A Supervisory Board member can be reappointed for a second term of four years. In principle, Wereldhave applies a maximum term in office for Supervisory Board members of 8 years. The Supervisory Board member may then – in view of extraordinary circumstances - only be reappointed for a period of two years, but such reappointment proposal needs to state the reasons for the exception to the general 8-year rule.

The schedule for rotation can be found at the Company's website.

The remuneration of the Supervisory Board in 2017 amounted to € 47,976.14 for the Chairman, € 39,895.95 for the Vice Chairman and € 32,320.77 for members. Committee chairs received a fixed remuneration of € 7,575.18 and committee members € 5,050.12 per annum. These amounts will be indexed annually.

The Company has not awarded any options or shares to members of the Supervisory Board. The remuneration of the Supervisory Board members is not affected by the Company's results, or by any change of control at the Company. No loans were issued to members of the Supervisory Board.

Meetings of the Board

The Supervisory Board convenes according to a fixed schedule, at least six times per year. During one of these meetings, without the Board of Management being present, The Supervisory Board discusses its own functioning, the relationship with the Board of Management, the composition and assessment of the Board of Management, including matters of remuneration. In 2018, no terms of Supervisory Board members are expiring.

Related party transactions

In the year under review there have been no business transactions with members of the Supervisory Board in which conflicts of interest may have played a role. All business transactions between the Company and members of the Board are be published in the Annual Report.

General Meeting of Shareholders

At least once a year, a General Meeting of Shareholders will be held. The agenda of the Annual General Meeting of Shareholders shall in each case contain the report of the Board of Management, the dividend policy, the adoption of the financial statements, the report of the Supervisory Board, and the proposal to distribute dividends or other distributions. Resolutions to release the members of the Board of Management and Supervisory Boards from liability for their respective duties shall be voted on separately.

Requests of investors who solely or jointly represent 1% of the issued capital to place items on the agenda of the General Meeting of Shareholders shall be honoured if such requests are submitted to the Board of Management or the Supervisory Board at least 60 days before the scheduled date of the Meeting, unless, in the opinion of the Supervisory Board and the Board of Management, there are vital interests of the Company opposing the inclusion of such item or items in the agenda. The resulting discussion in the General Meeting should not affect the orderly course of the Meeting.

The secretary of the Company will take minutes of the proceedings at the meeting. The minutes will be signed by the Chairman of the Meeting and the Company Secretary. In principle, the minutes will be published on the Wereldhave website within one month after the Meeting and copies of such minutes are available free of charge on request.

Voting at shareholders meetings

Wereldhave pursues increased shareholder participation at its general meetings, by making proxy forms and voting instructions available online, by enabling voting via internet prior to the meeting and by contacting the known larger shareholders to question them to attend or vote. The attendance rate at the AGM on April 21, 2017 stood at 43.3% of the issued share capital.

CORPORATE GOVERNANCE

Issuance of shares

In accordance with Article 7 of the Articles of Association, the General Meeting of Shareholders, by virtue of the resolution adopted on April 21, 2017, has granted the authority to the Board of Management to issue shares and to limit or exclude the pre-emptive rights when issuing ordinary shares. The authorisation is limited to 10% of the issued capital of Wereldhave N.V. per April 21, 2017 plus an additional 10% of the issued capital of Wereldhave N.V. per that moment in case of a merger or acquisition for a period of 18 months, starting April 21, 2017. No shares were issued in 2017.

Acquisition of own shares

The Annual General Meeting of Shareholders that was held on April 21, 2017 authorised the Board of Management to repurchase own paid-up shares, whether on the stock exchange or otherwise, to a maximum of 10% of the issued capital of Wereldhave N.V. per April 21, 2017, whereby the acquisition price must be between the nominal value per share and 10% above the average price for these shares on the Euronext Amsterdam on the five (5) trading days preceding the acquisition by Wereldhave, for a period of 18 months, starting April 21, 2017. During the year 2017, no shares were repurchased.

Policy on communications between the Company and its shareholders

The Company adopts a passive attitude with regard to entering into dialogues with shareholders outside the framework of the shareholders' meeting. This means that, in principle, discussions will only take place following an invitation from shareholders.

Wereldhave reserves the discretionary right to decide whether Wereldhave will accept invitations from shareholders or parties representing shareholders to enter into a dialogue. Wereldhave can ask for further clarification of such a shareholder's vision, intentions and long-term objectives before accepting or rejecting an invitation to a dialogue.

Discussions with one or more shareholders or parties representing shareholders will be held by the Board of Management, together with other company representatives if necessary. Any requests from shareholders for the Chairman of the Supervisory Board to attend or participate in these discussions will be presented to the Chairman, who will decide whether or not to accept the invitation.

After prior consultation with the Supervisory Board, the Board of Management decides on requests for a meeting with the Chairman of the Supervisory Board without the Board of Management being present. Meetings with individual shareholders without the Board of Management being present will only be conducted by the Supervisory Board with shareholders representing a stake of more than 5% of the outstanding share capital and furthermore on the basis of written preliminary questions presented in advance, allowing Wereldhave to make a prior assessment as to whether answering these questions individually or jointly is desirable or even necessary.

At any given time, both before and after accepting the invitation from shareholders for face-to-face consultations outside the formal context of the shareholders' meeting, Wereldhave reserves the right to ask the shareholders in question for a statement of the stake they directly or indirectly represent, as well as details of the purchasing conditions, purchasing date and previous owner of the stake.

Further details can be found in the policy as published on the Company's website.

Protective devices

The protective devices consist of the possibility to issue preference shares up to 50% of the issued share capital (less one share), calculated after issue.

CORPORATE GOVERNANCE

The contract between the Company and the Foundation in relation to the preference shares Wereldhave entails the granting to the Foundation of the right to, on a continuous basis, take, if necessary in tranches, preference shares up to a maximum of, after exercise, 50% of the issued capital (less one share). Both parties have the interim right to cancel the agreement. Following the issue and subsequent repurchase or withdrawal of the preference shares, the Company intends to discuss the protective devices with the General Meeting of Shareholders.

The objective of the Foundation, in accordance with article 2 paragraph 1 of its articles of association, is to promote the interests of Wereldhave, of the companies affiliated to Wereldhave and all stakeholders, whereby the foundation also takes into account maintaining the independence, continuity and identity of the Company. The Board of the Foundation consisted of Messrs P. Bouw (Chairman), M.W. den Boogert and R. de Jong. In February 2018, Mr Den Boogert stepped down and was replaced by Mr. S. Perrick. The Foundation is independent from the Company within the meaning of section 5:71 paragraph 1 under c of the Financial Supervision Act. The foundation does not hold any shares in Wereldhave at present.

The Foundation intends to take preference shares if, amongst others, a threatening situation occurs where a significant interest might come in the possession of legal entities or persons who possibly aim to acquire control over the Company without the involvement of the Board, without guarantees with respect to the independency and continuity of Wereldhave and its affiliates and without the possibility to safeguard the interests of employees, other shareholders and other parties related to Wereldhave or, affiliated companies, or without the real value of the Wereldhave shares being reflected in a take-over bid, or if power is, or may be exercised with the intention to amend the strategic policy which is determined by the Board and Supervisory Board.

Wereldhave and the Foundation have agreed that the Foundation can request the Company to withdraw or buy back the shares six months after issuance of the preference shares. In addition, Wereldhave is obliged to convene a general meeting of shareholders within eighteen months after the issuance date of the preference shares, where the withdrawal or buy back of the preference shares will be put on the agenda. These contractual clauses imply that the issue of any preference shares is intended as a temporary protective device.

Audit

The Board of Management is responsible for the quality and completeness of publicly disclosed financial reports. The Supervisory Board shall see to it that this responsibility is fulfilled.

The Audit Committee undertakes preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the company's financial reporting and the effectiveness of the Company's internal risk management and control systems. In 2017, an internal audit function was installed. The Audit Committee reviewed the internal Audit plan, which was approved by the Supervisory Board. The internal audit function was outsourced to BDO Accountants.

The Annual General Meeting of Shareholders approved the appointment of KPMG accountants B.V. as the external auditor for the years 2016 up to and including 2018.

The external auditor may be questioned by the General Meeting of Shareholders in relation to his auditor's opinion on the financial statements. The external auditor shall attend and be entitled to address the General Meeting of Shareholders for this purpose.

CORPORATE GOVERNANCE

Risk appetite and risk management

Wereldhave's risk management policy is designed to identify, assess and respond to the main risks that are inherent to (the execution of) our strategy. The risk management framework consists of a top down annual strategic review and risk inventory, supported by a bottom-up reporting on risk indicators. We cannot eliminate all risks, but aim to manage our risk exposure by mitigating measures, whilst pursuing our business opportunities to achieve our strategy. With the exception of the risks presented below, we have not identified any risks that could have a materially adverse effect on our business. While we have completed the risk analysis with due care, unidentified or unforeseen risks may also have a material adverse effect on our business.

The Board of Management has assessed the main risks and categorised these as external risks and internal risks. Risks are monitored on a continuous basis, with mitigating measures in place. Internal risks are monitored through key performance indicators, which form part of our reporting framework.

We also performed a bottom up risk assessment where all departments in a country defined their main risks. The top down risk management outcome was aligned with the bottom-up risks and with incidents as reported by the individual countries / processes, as well with the findings of internal and external audits. The changes in risk during the year are charted below.

CORPORATE GOVERNANCE

Main external risks	Key risk indicators	Change in risk during the year	
Macro-economic environment	• GDP growth	FI	↓
	• Inflation	NL	↓
Appetite: LOW	• Unemployment	BE	→
	• Private consumption	FR	→
Political and regulatory	• Political and financial stability	FI	→
	• Euro/EU break-up	NL	→
Appetite: LOW	• Legislation	BE	→
	• Infrastructure	FR	→
Property investor demand	• Property yields	FI	↓
	• Borrowing costs	NL	↑
Appetite: LOW	• Capital growth forecasts	BE	→
	• Taxation	FR	→
Occupier demand	• Online vs offline: consumer behavior	FI	↓
	• Footfall	NL	↓
Appetite: MEDIUM	• Leasing activity	BE	→
	• Consumer confidence	FR	↑
	• Value of the portfolio vs debt	Group	→
Availability and cost of finance	• Real estate credit availability		→
	• Interest rates		→
Appetite: LOW	• Counterparty risk		↓
	• Terrorism threat level	FI	→
Events and emergencies	• Extreme weather	NL	→
	• Electric power disruptions	BE	→
Appetite: LOW	• Cyber attacks	FR	→

CORPORATE GOVERNANCE

Main internal risks	Key risk indicators	Change in risk during the year	
Asset allocation	• Asset selection	**Group**	→
Appetite: LOW	• Execution hold/sell analysis		→
	• Capital expenditure forecast		→
	• Transaction and completion risk		→
Development pipeline	• Asset selection	**FI**	→
	• Development exposure	**NL**	→
Appetite: LOW	• Pre-letting	**BE**	↓
	• Execution: delays and cost overruns	**FR**	→
Operational performance	• Leasing activity	**FI**	↓
	• Occupancy	**NL**	↓
Appetite: MEDIUM	• Net rental income and LFL RG	**BE**	→
	• Customer satisfaction	**FR**	↑
Human capital and organisation	• Culture	**FI**	→
	• Succession planning and talent management	**NL**	→
Appetite: LOW	• Employee satisfaction	**BE**	→
	• Fraud	**FR**	→
Capital structure and funding	• LTV and covenant headroom	**Group**	↑
	• Debt maturity		→
Appetite: LOW	• Fixed/floating		↓
	• Sources of funding		↓
Stability of income	• Upcoming expiries	**FI**	→
	• WALT	**NL**	↓
Appetite: LOW	• ERV development	**BE**	→
	• Exposure to bad debt/tenants	**FR**	↑
Regulatory compliance	• Tax risks	**Group**	→
	• Legal risks		→
Appetite: LOW	• Data privacy		→
	• BREEAM certification		→

CORPORATE GOVERNANCE

The risk level rose in 2017 compared to the previous year particularly in France due to an increased number of retail bankruptcies, against a reduction of risk in the Netherlands in view of the improved retail climate. In Finland, the Netherlands and France the risk of project execution rose due to the increase of the committed development pipeline.

DESCRIPTION OF RISKS AND MITIGATING MEASURES

External risks

Macro-economic environment

Wereldhave operates convenience shopping centres and is dependent on consumers buying from our tenants. Consumer confidence and consumer spending is affected by changes in the macro-economic environment, such as economic growth, demographics, unemployment and inflation.

We make our shopping centres attractive places to go and having one or more food anchors is very important for us, as they have been proven to ensure footfall even when economic times are adverse.

Political and regulatory

Significant political events, such as Brexit, and changes in legislation, increase the reluctance of investors and businesses to make investments, whilst the impact of changes in policy or legislation may add to uncertainty and reluctance. Changes in infrastructure may severely impact the accessibility of our shopping centres.

We are not in a position to influence the outcome of political events and changes in legislation, but we do take these into account in our investment and divestment decisions. We closely monitor developments in legislation and infrastructure and join with other property companies to seek the debate on proposed regulatory changes.

Property investor demand

The market value of our assets is an important metric. These valuations are affected a.o. by rent levels, occupancy, the general macro-economic environment and supply and demand of investment properties. A devaluation of the value of the portfolio could impact our borrowing capacity and the possibilities to raise equity.

We operate our shopping centres in a responsible way and keep them up-to-date in order to remain an attractive place to shop, with a high footfall. This will ensure that tenants will be interested to stay within the centre at market rents. The properties are valued by external valuers twice a year and this will ensure that the values represent the market value. We use a number of valuers and rotate them regularly to ensure independence and fresh expertise.

Occupier demand

Rental income, rental growth and property values could be seriously impacted by weakening occupier demand and tenants in default. When existing leases expire, Wereldhave may find itself in a position of being unable to let or re-let vacant units at acceptable conditions and timing. Wereldhave might be unable to attract a sufficient number of high-profile chains into its shopping centres and may not be able to maintain occupancy and rental levels. Internet shopping has increased substantially over recent years. If online shopping will replace shopping in brick and mortar shops, it could be a risk that retailers need less space in our shopping centres.

We have a high quality and diversified tenant base and monitor exposure to individual tenants and chains. We require deposits or guarantees and monitor solvency of our tenants on an ongoing basis. With our key-account management approach we work together to best meet their requirements, using a pro-active approach. There is a trend in online retailing that click and collect is increasing in popularity and this ensures that shoppers rely on physical shops (omni-channel retailing). Even pure internet retailers start to rent shops for displaying their products and adding value to their brand.

Availability and cost of finance

Reduced availability of finance may adversely impact our ability to refinance debt and/or drive up cost. These factors may also result in weaker investor demand for property. We believe it is important to maintain steady cash-flows and the ability to pay a stable or growing dividend. It is important that our capital structure allows us to pay dividend even in difficult times. There is a risk that our capital structure weakens significantly due to lower property valuations and that we will be breaching our covenants and will not be able to pay dividend or refinance our loans. Wereldhave also uses financial instruments for hedging purposes, such as managing interest and currency risks, and this could entail a counterparty risk.

We closely watch our Loan-to-Value, which we want to keep below 40%. This is also in respect to our credit rating. A closely controlled cash flow forecast is updated regularly to ensure staying within our targets. Wereldhave aims for good access to the money- and capital markets with a prudent capital structure, the use of a diversified set of funding sources, a well-spread maturity profile of debt and continuous dialogue with investors, banks and other financial institutions. We only enter into agreements on financial instruments with recognised market parties.

Events and emergencies

A catastrophic event such as a terrorist attack, cyber-crime and extreme weather conditions may disrupt markets or the operation of one or more of our shopping centres. Climate change and extreme weather may impact the the operational and maintenance costs of our assets.

We have security and emergency procedures in place in our shopping centres and a back-up recovery and business continuity plan for our ICT systems. The asset emergency procedures are tested and reviewed regularly and depending on the threat level, we increase security at our shopping centres. We have appropriate insurance in place across the portfolio. Climate change risks are assessed as part of the BREEAM certification.

Internal risks

Asset allocation

We aim to invest and divest in the right place with the right timing. Changes in market sentiment could result in a drop in value. When acquiring assets, Wereldhave could overestimate the expected yield and therefore pay too much, or be unable to acquire under satisfactory conditions. When an acquisition is financed with disposals, delay in one of these related transactions could compromise our ability to complete the transaction or lead to a temporary loss in rental income. The assets acquired could contain a hidden defect, as a result of which the acquisition does not generate the anticipated yield.

Our investment decisions are subject to a robust due diligence process, including an in-depth commercial review and a competition analysis, supported by a third party expert second opinion. We always hire reputable and first class local advisors to support us in the transaction. The decision-making is collegial and investment decisions are the prerogative of the Board of Management. For large investments and divestments (above € 50m), the approval of the Supervisory Board is required.

CORPORATE GOVERNANCE

Development pipeline

We currently execute several refurbishment and extension programmes. The risk is that projects will be more expensive and/or have longer lead times and/or have lower quality levels and/or generate lower cash flows than planned. As a result, the business cases could give lower returns than foreseen or do not even add value to the Company. We also run the risk of selecting the wrong asset for (re)development.

Project development and realisation is organised within each country. We only develop extensions and refurbishments of assets that are already in our portfolio and we do not engage in greenfield developments. This gives us a solid view on the commercial risks entailed. Upfront several capex scenarios are made and these form part of the business case. During the realisation phase, projects are closely monitored by our project managers. Once finished, each project will be evaluated to ensure that new knowledge and experience are incorporated in future projects. The Board of Management only is authorised to enter into development commitments on behalf of the Company. For large projects (above € 50m), the approval of the Supervisory Board is required.

Operational performance

Shopping centres need continuous attention in order to remain attractive and relevant. Operational management of shopping centres therefore includes activities such as cleaning, security, maintenance, frequent contacts with tenants, contract management, organising events etc. We operate our own shopping centres. The related risk is that the operational performance is lower than expected by visitors or that there is a mismatch between the quality level of the operational performance and the cost level. Dilemma is that some aspects of low operational performance such as maintenance, are only felt over the longer term.

At each shopping centre, we have a local representative who is responsible for all aspects of the operational performance. This asset manager can make use of several centralised Wereldhave services, such as marketing, technical, legal and ICT to fulfill this task. Shopping centres are visited by operational and leasing staff frequently and by the Board of Management on a recurring basis to ensure compliance with operational excellence standards.

Human capital and organisation

Our business is highly dependent on or executive management and employees. If Wereldhave loses the support of certain key employees, its success and results could be adversely impacted. We also run the risk of unauthorised transactions or fraud by employees and/or conspiring counterparties.

We are committed to applying a policy to attract and retain talented employees, with short- and long term incentive schemes for selected employees. In addition, we have a talent development programme in place and have succession planning for key positions within the Company. We have a strict code of conduct, outlining our business integrity principles and regularly organise integrity awareness trainings and we hold internal audits to monitor compliance.

Capital structure and funding

Our capital structure recognises the balance between performance, risk and flexibility. Leverage magnifies the capital returns, positive and negative. An increase in leverage increases the risk of a breach of covenants and may increase finance costs. Failure to manage refinancing requirements may result in a shortage of funds to sustain the operations of the business or repay facilities as they fall due.

CORPORATE GOVERNANCE

We manage our debt and equity finance to balance the benefits of leverage against the risks. We maintain strong balance sheet metrics, with a targeted LTV below 40%, whereas the headroom in our covenants allows for an LTV of 60%. We do not adjust this leverage approach in view of changes in property market yields. Wereldhave is rated Baa1 by Moody's with a negative outlook. We monitor the maturity profile of our debt portfolio and regularly evaluate the covenant headroom. We have committed and uncommitted credit facilities available and use diversified set of funding sources. The Company is balance sheet financed, with no mortgages on property. This allows for maximum flexibility in financing and transacting.

Stability of income

Wereldhave's ability to collect rents depends on the solvency of its tenants. The risk is that (large anchor) tenants may not pay rent on time or may default on payments, especially in more difficult economic environments, and this could materially affect Wereldhave's operational performance and/or its results. If developments or acquisitions are funded with disposals, the risk is that timing may not be optimal, leaving a gap in income. In addition, an increase in lead time of development projects, could widen the gap.

We undertake comprehensive profit and cash flow forecasting incorporating scenario analyses to model the impact of proposed transactions. We have a pro-active tenant approach and already line-up alternatives if a tenant default may become likely. Our tenant base is highly diversified and we monitor our exposure to individual tenants and sectors.

Regulatory compliance

Compliance risks are related to the application of existing legislation and new legislation. The most relevant risk relates to taxation laws. Wereldhave benefits from special tax regimes in the Netherlands, Belgium and France. Each of these regimes applies strict conditions, a.o. with respect to permissible activities, the level of debt financing and dividend distribution requirements. There could be a risk that Wereldhave does not meet one or more of the requirements or that the tax authorities take a different view on how the distributable result should be calculated. Wereldhave also runs the risk that changes in legislation may be less advantageous. An ICT data breach could result in damages to our reputation as well as punitive damages.

Wereldhave applies a continuous monitoring process to ensure that it is in line with the various tax regimes. We are a member of various international bodies involved in changes in taxation, thus having a constant entry to the most recent tax developments. We regularly monitor the safety of our ICT environment.

Risk appetite

Our risk appetite is included in our overall strategy.

- We have a clear sector and product focus: Wereldhave invests in convenience shopping centres that are dominant in their micro environment. We focus on shopping centres that strike a balance between convenience and shopping experience.
- We have a clear geographical focus: We invest in larger regional cities in northwest continental Europe, countries with a stable political and economic outlook.
- We have a clear development strategy: we only develop to extend or refurbish properties that are already in our portfolio and do not engage in greenfield developments. The committed development pipeline must remain below 10% of our investment portfolio and for new developments at risk, we require a pre-letting of 70% before construction starts.

CORPORATE GOVERNANCE

- We have a clear low risk financial profile: We aim to maintain our Loan-to-Value below 40%, also in respect to keep a stable credit rating. We use a diversified set of funding sources and a well spread maturity profile of our debt portfolio. In view of the historically low interest rates, we have raised the percentage of loans at fixed interest rates to around 80%. Wereldhave only uses derivatives to hedge interest rate and currency exposure of underlying debt positions and interest payments.

Internal control framework

The Board of Management is responsible for the organisation, implementation and functioning of the internal risk management and control systems that are geared towards Wereldhave's business activities and our risk appetite. The Board of Management is aware that there is no risk management and control system that can provide absolute guarantees in terms of achieving the business objectives and preventing significant errors, losses, fraud or the violation of laws or regulations.

Wereldhave's Internal Control Framework is to provide reasonable assurance that risks are identified and mitigated in order to achieve important objectives.

Our Internal Control Framework consists of the following elements:

- A planning & control cycle
- KPI reporting
- Key controls
- Risk management (self-assessments and internal auditing)
- External and internal audit
- Letter of representations signed by the Board of Management
- Manuals to ensure consistent application
- A Code of Conduct and regulations for reporting alleged irregularities

Wereldhave has strict procedures in place for the periodic preparation of quarterly and annual figures based on approved accounting principles. The internal management reports are designed to immediately identify developments in the value of investments and the result per share. Electronic data processing is used in a computerised, integrated central information system to which all foreign and domestic business units are directly connected. Wereldhave aims to guarantee the reliability and continuity of its ICT organisation and automated data processing by employing a system of preventative and repressive measures. This system is designed to safeguard the integrity, exclusiveness, availability and verifiability of the automated data processing and data storage. Daily backups are made of the data files, a data recovery plan is in place and is tested regularly.

We have an administrative organisation in which effective internal controls are embedded (see below). The administrative organisation / internal control system is based on a division of functions. This system includes a computerised information system with role based access. Both contracting and payment take place based on the 'four-eyes' principle. The Managing Directors of Wereldhave N.V. are also the directors of the local property holding companies. This implies that the local directors do not have a general power of attorney to represent the property owner. It ensures that no property acquisitions, disposals and developments can be concluded locally unless they have been explicitly approved by the Board of Management, ensuring a high level of control according to the COSO framework.

Wereldhave's key processes are:

Business:

Leasing, Valuations, Acquisitions & Disposals, Development projects and Operations

Support:

Sustainability, ICT & Information Security, Human Resources, Procurement and Legal

CORPORATE GOVERNANCE

Finance:

Finance & Reporting, Internal Audit, Treasury, Insurance and Taxation

We have set key controls for each of these processes, and integrated these into the business processes. This is laid down in our business process descriptions and in-house manuals. The follow-up of the key controls is monitored twice a year. Our local management organisations perform a self-assessment based on a questionnaire and report to the internal audit function, which was created in 2017 and outsourced to a third party. This approach ensures that group companies are familiar with the standard business processes and manuals and the relevant key controls.

Risk monitoring

Legal, Tax and Compliance risk reports are a recurring topic on the meetings with the Audit Committee.

Wereldhave performs an annual stress test to simulate several extreme but plausible events, to measure how these events would impact the company's income and financial position. The results of the stress testing are part of risk management monitoring and discussed with the Audit Committee and the Supervisory Board. The Supervisory Board and the Board of Management will consider whether the strategy takes appropriate account of the Groups principal risks.

Improvements during the year 2017

The Board of Management assesses the organisation continuously and the functioning of the internal risk management and control systems that support that organisation. The outcome of these assessments and any significant appropriate actions are discussed with the Audit Committee and the Supervisory Board together with the strategy and risks.

The internal Audit function was installed in July 2017, by decision of the Supervisory Board. Until the year 2016, Wereldhave's control department performed annual country reviews, causing a potential blur of control measures and supervision. The introduction of the internal audit function separated and improved the three lines of defense. The internal auditor performs a systematic assessment of the effectiveness of key controls and monitors compliance, with a focus on special topics which have been selected by the Board of Management and approved by the Audit Committee. The internal auditor tests the control framework in each country. The outcome of the tests is subsequently discussed with local management and improvements will be implemented where necessary. The internal auditor reports his findings to the Board of Management and sends a summary of his report directly to the Audit Committee and the Supervisory Board. The Audit Committee discusses the observed weaknesses, instances of misconduct and irregularities and findings from the internal and the external auditor with the Board of Management and reports to the Supervisory Board.

Risk monitoring was improved with recurring stress tests, to measure the impact of plausible scenarios on the group's financial stability.

CORPORATE GOVERNANCE

The internal authorisation schedule was updated in 2017 and distributed to the entire organisation. The schedule outlines approval and decision procedures for key processes.

In the Netherlands, a project controller was added to the organisation to strengthen the project administration and cost control of our extensive Dutch development pipeline. In Finland, additional development and project management expertise was added to the organisation, by commissioning our Belgian development director to the Finnkino development team.

A pilot project to embed the cultural values was launched in the Netherlands, with extensive third party assistance and several team-building sessions. The project will be evaluated early in 2018, and cultural value discussions and implementation in other countries are to start shortly thereafter.

Financial statements and statement by the Board of Management

Financial Statements

The Board of Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code. The financial statements consist of the consolidated financial statements and the Company's financial statements. The responsibility of the Board of Management includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Management is also responsible for the preparation of the Report of the Board of Management that is included in this Annual Report, which has been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code. The Board of Management endeavours to present a fair review of the situation of the business at balance sheet date and of the state of affairs in the year under review. Such an overview contains a selection of some of the main developments in the financial year and can never be complete.

Statement by the Board of Management

The Company has identified the main risks it faces, including financial reporting risks. These risks can be found in the chapter Main Risks above. In line with the Dutch Corporate Governance Code and the Dutch Act on financial supervision (Wet op het financieel toezicht), the Company has not provided an exhaustive list of all possible risks. Furthermore, developments that are currently unknown to the Board of Management or considered to be unlikely may change the future risk profile of the Company.

The design of the Company's internal risk management and control systems has been described in the chapter Risk Management above. The objective of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives and the risk of material errors to the financial reporting. Accordingly, these systems can only provide reasonable, but not absolute, assurance against material losses or material errors.

The Board of Management reviewed and analysed the main strategic, operational, financial & reporting, and compliance risks to which Wereldhave is exposed, and assessed the design and operating effectiveness of the Wereldhave risk management & control system. The outcome of this assessment was shared with the audit committee and the Supervisory Board, and was discussed with our external auditor.

CORPORATE GOVERNANCE

As required by provision I.4.3 of the Dutch Corporate Governance Code and section 5:25c(2)(c) of the Dutch Act on financial supervision (Wet op het financieel toezicht) and on the basis of the foregoing and the explanations contained in Risk Management, the Board of Management confirms that to its knowledge:

- the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.
- the financial statements for 2017 provide, in accordance with IFRS as adopted by the EU, a true and fair view of the consolidated assets, liabilities and financial position as at December 31, 2017, and of the 2017 consolidated income statement of Wereldhave N.V.;
- the Annual Report provides a true and fair view of the situation as at December 31, 2017, and the state of affairs during the financial year 2017, together with a description of the main risks faced by the Group.

Schiphol, March 5, 2018

D.J. Anbeek, CEO

R.J. Bolier, CFO

APM'S

We judge and explain our performance using certain alternative performance measures. These alternative performance measures are not defined under IFRS, but they are consistent with how the real estate sector measures financial performance. Wereldhave considers the following metrics to constitute

Alternative Performance Measures as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures.

Direct result

The direct result (or EPRA earnings) consists of net rental income, general costs, other gains and losses (other than exchange rate differences and non-recurring projectrelated costs) minus, financial income and expense (other than the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on interest bearing debt) and tax charges on the direct result. Reference is made to 'Direct & Indirect' result, page 90.

EPS

Earnings Per Share is calculated by dividing:

- Direct result attributable to owners of the Group (excluding minority interest), refer to 'Direct & Indirect' result (page 90)
  by the
  - Weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (refer to page 9)

Direct result of € 138.1m divided by the average number of shares of 40.25m = € 3.43 per share.

EPRA Cost Ratio

The calculation of the cost ratio is based on total operating cost divided by gross rental income. Reference is made to the EPRA tables on page 87.

EPRA NAV

EPRA NAV is the IFRS Net Asset Value (NAV) excluding certain items not expected to crystallise in a long-term investment property business model. The EPRA NAV excludes the fair value of derivatives and deferred tax liabilities.

IFRS NAV € 1,928.6m plus EPRA NAV adjustments of € 83.6m divided by the average number of shares 40.25m = € 50.00 per share.

EPRA NIY

Annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = ((Annualised rent passing + other income + turnover rent -/- property expenses) / Gross Property Value)). Reference is made the EPRA tables on page 88 and to note 5 in the financial statements.

APM'S

EPRA NNNAV

EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes. Reference is made to the EPRA tables on page 87.

IFRS NAV € 1,928.6m plus EPRA NAV adjustments € 83.1m minus EPRA NNNAV adjustments € 103.9m divided by the average number of shares 40.25m = € 47.41 per share.

Indirect result

The indirect result consists out of the fair value movements of investment properties and conversion rights on convertible bonds, the impact of ineffectiveness on hedges, exchange rate differences that are accounted for under other financial income and expense, the interest addition to leasehold obligations, the movement in deferred tax liabilities, non-recurring project related costs and actuarial gains and losses on employee benefit plans. Reference is made to page 90.

Interest Coverage Ratio

The interest coverage ratio is the ratio of the interest charge in the direct result and the net rental income. The calculation is as follows: Net Rental Income (€ 195.2m) divided by External interest paid (€ 29.7m) = 6.6x. The external interest paid is the cash part of the net interest costs of € 30.2m as presented in note 32 in the financial statements.

LTV

Loan to value (LTV) is the ratio of net debt to the aggregate value of properties and investments. Net debt amounts to € 1,549.5m divided by € 3,811.7 = 40.7%. Reference is made to note 5 and 18 in the financial statements.

Net Debt

Net debt is the sum of the non-current and current interest-bearing liabilities (€ 1,558m) deducted by cash and cash equivalents (€ 13.6m) and the effect of the hedged foreign currency movements of the debt (€ 5.5m) = € 1,549.5m.

Net Initial Yield

Calculated as the annualised contracted rent and other incomes for the next 12 months, net of property expenses, divided by the asset value (net of estimated transfer taxes and transaction costs). Reference is made to note 5 in the financial statements.

(EPRA) Occupancy

The (EPRA) Occupancy rate is the estimated rental value of let units as a percentage of the total estimated rental value of the portfolio, excluding development properties. It includes accommodation, under offer, subject to asset management (where they have been taken back for refurbishment and are not available to let as at the balance sheet date) or occupied by the Group. Reference is made to the EPRA tables on page 85 and note 5 in the financial statements.

EPRA Occupancy = 100% minus EPRA Vacancy rate (EPRA tables).

Solvency

Solvency Ratio means the ratio of: "Shareholders Equity" (less "Intangible Assets" (if any)) and "Provision for Deferred Tax Liabilities"; to "Balance Sheet Total" (less "Intangible Assets"). Reference is made to note 18 in the financial statements.

Shareholders Equity (€ 2,117.0m) plus deferred tax liabilities (€ 77.1m) minus Intangible assets (€ 1.2m) divided by balance sheet total € (3,924.1m) minus Intangible assets (€ 1.2m).

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CONTENTS (FINANCIAL STATEMENTS)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at December 31, 2017

(x € 1,000)

Assets	Note	December 31, 2017	December 31, 2016
Non-current assets			
Investment property in operation		3,643,322	3,696,221
Lease incentives		8,014	5,110
Investment property under construction		122,361	101,233
Investment property	5	*3,773,697*	*3,802,564*
Property and equipment	6	2,118	2,503
Intangible assets	7	1,162	1,473
Derivative financial instruments	9.23	20,619	51,665
Deferred tax assets	8	2,235	-
Other financial assets	9	280	251
Total non-current assets		*3,800,111*	*3,858,456*
Current assets			
Trade and other receivables	10	55,096	42,088
Tax receivables	11	13,650	6,876
Cash and cash equivalents	12	13,585	40,666
Derivative financial instruments	9.23	3,567	-
Total current assets		*85,898*	*89,630*
Investments held for sale		38,047	-
Total assets		**3,924,056**	**3,948,086**
Equity and Liabilities			
Equity			
Share capital	14	40,271	40,271
Share premium	15	1,711,033	1,711,033
Reserves	16.17	177,331	227,507
Attributable to shareholders		*1,928,635*	*1,978,811*
Non-controlling interest		188,398	182,403
Total equity		*2,117,033*	*2,161,214*
Non-current liabilities			
Interest bearing liabilities	18	1,502,458	1,520,787
Deferred tax liabilities	19	77,127	77,051
Derivative financial instruments	23	38,250	28,645
Other long term liabilities	20	14,411	30,526
Total non-current liabilities		*1,632,246*	*1,657,009*
Current liabilities			
Trade payables		8,893	6,174
Tax payable	21	13,730	9,793
Interest bearing liabilities	18	55,200	45,200
Other short term liabilities	22	96,892	68,696
Derivative financial instruments	23	62	-
Total current liabilities		*174,777*	*129,863*
Total equity and liabilities		**3,924,056**	**3,948,086**

CONSOLIDATED INCOME STATEMENT

for the year ended December 31, 2017

(x € 1,000)

	Note	2017	2016
Gross rental income	26	223,419	230,184
Service costs charged		40,920	37,893
Total revenue		***264,339***	***268,077***
Service costs paid		-47,383	-43,625
Property expenses	27	-21,789	-22,983
Net rental income		***195,167***	***201,469***
Valuation results	28	-64,987	-33,355
Results on disposals	29	220	-922
General costs	30	-16,290	-17,625
Other income and expense	31	-2,295	-2,784
Operating result		***111,815***	***146,783***
Interest charges		-30,300	-31,616
Interest income		69	49
Net interest	***32***	***-30,231***	***-31,567***
Other financial income and expense	33	2,869	6,237
Result before tax		***84,453***	***121,453***
Income tax	34	-122	-679
Result for the year		**84,331**	**120,774**
Result attributable to:			
Shareholders		67,690	100,620
Non-controlling interest		16,641	20,154
Result for the year		**84,331**	**120,774**
Basic earnings per share (x € 1)	37	1.68	2.50
Diluted earnings per share (x € 1)	37	1.63	2.16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended December 31, 2017

(x € 1,000)

	Note	2017	2016
Result		***84,331***	***120,774***
Items that maybe recycled to the income statement subsequently			
Effective portion of change in fair value of cash flow hedges	23	6,541	-13,439
Items that will not be recycled to the income statement subsequently			
Remeasurement of post-employment benefit obligations	20	95	113
Total comprehensive income		***90,967***	***107,448***
Attributable to:			
Shareholders		74,205	87,283
Non-controlling interest		16,762	20,165
		90,967	**107,448**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2017

(x € 1,000)	Attributable to shareholders						
	Share capital	Share premium	General reserve	Hedge reserve	Total attributable to share-holders	Non-controlling interest	Total equity
Balance at January 1, 2016	**40,271**	**1,711,033**	**264,769**	**-1,004**	**2,015,069**	**172,747**	**2,187,816**
Comprehensive income							
Result	-	-	100,620	-	100,620	20,154	120,774
Remeasurement of post employment obligations	-	-	79	-	79	34	113
Effective portion of change in fair value of cash flow hedges	-	-	-	-13,416	-13,416	-23	-13,439
Total comprehensive income	*-*	*-*	*100,699*	*-13,416*	*87,283*	*20,165*	*107,448*
Transactions with shareholders							
Shares for remuneration	-	-	-397	-	-397	-	-397
Share based payments	-	-	268	-	268	-	268
Dividend	-	-	-122,824	-	-122,824	-10,347	-133,171
Other	-	-	-588	-	-588	-162	-750
Balance at December 31, 2016	**40,271**	**1,711,033**	**241,927**	**-14,420**	**1,978,811**	**182,403**	**2,161,214**
Balance at January 1, 2017	**40,271**	**1,711,033**	**241,927**	**-14,420**	**1,978,811**	**182,403**	**2,161,214**
Comprehensive income							
Result	-	-	67,690	-	67,690	16,641	84,331
Remeasurement of post employment obligations	-	-	66	-	66	29	95
Effective portion of change in fair value of cash flow hedges	-	-	-	6,449	6,449	92	6,541
Total comprehensive income	*-*	*-*	*67,756*	*6,449*	*74,205*	*16,762*	*90,967*
Transactions with shareholders							
Shares for remuneration	-	-	-300	-	-300	-	-300
Share based payments	-	-	-32	-	-32	-	-32
Dividend	-	-	-124,030	-	-124,030	-10,767	-134,797
Other	-	-	-19	-	-19	-	-19
Balance at December 31, 2017	**40,271**	**1,711,033**	**185,302**	**-7,971**	**1,928,635**	**188,398**	**2,117,033**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended December 31, 2017

(x € 1,000)

	Note	2017	2016
Operating activities			
Result		***84,331***	***120,774***
Adjustments:			
Valuation results	28	64,987	33,355
Net interest	32	30,231	31,567
Other financial income and expense	33	-2,869	-6,237
Results on disposals	29	-220	922
Deferred tax		-1,057	-678
Amortisation		983	1,082
Movements in working capital		-6,897	-6,649
Cash flow generated from operations		***169,489***	***174,136***
Interest paid		-30,534	-32,776
Interest received		93	59
Income tax paid		-140	-1,544
Cash flow from operating activities		***138,908***	***139,875***
Investment activities			
Proceeds from disposals direct investment properties	29	81,155	40,550
Investments in investment property	5	-148,779	-132,993
Investments in equipment		-408	-459
Investments in financial assets		-29	25
Investments in intangible assets		-94	-246
Investments in other long-term assets		-	-66
Cash flow from investing activities		***-68,155***	***-93,189***
Financing activities			
Proceeds from interest bearing debts	18	111,410	344,106
Repayment interest bearing debts	18	-74,500	-254,705
Proceeds of other long-term liabilities		532	146
Other movements in reserve		-479	-107
Dividend paid		-134,797	-133,171
Cash flow from financing activities		***-97,834***	***-43,731***
Increase/decrease in cash and cash equivalents		-27,081	2,955
Cash and cash equivalents at January 1	11	40,666	37,711
Cash and cash equivalents at December 31	**11**	**13,585**	**40,666**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

Wereldhave N.V. ('the Company') is an investment company which invests in real estate (shopping centres and offices). The property portfolio of Wereldhave N.V. and its subsidiaries ('the Group') are located in Belgium, Finland, France and the Netherlands. The Group is principally involved in leasing investment property under operating leases. The property management is performed by Group management companies. The Company is a limited liability company incorporated and domiciled in the Netherlands. The address of the Company's registered office is Schiphol Boulevard 233, 1118 BH Schiphol. The shares of the Company are listed on the Euronext Stock Exchange of Amsterdam. The consolidated financial statements for the year ended December 31, 2017 were authorised for issue by the Supervisory Board on March 5, 2018 and will be presented to the shareholders for approval on April 20, 2018.

2. TAX STATUS

Wereldhave N.V. has the tax status of an investment company (FBI status) in accordance with section 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969'. This status assumes that the Group is (almost) exclusively engaged in portfolio investment activities. As a consequence, corporation tax is due at a rate of 0% in the Netherlands, provided that certain conditions are met. The main conditions concern the requirement to distribute the taxable result as dividend and restrictions with regard to the leverage. The taxable result of Wereldhave N.V. must be distributed as a dividend to its shareholders within eight months after the year during which the result was made. In general terms, the leverage restrictions imply that investments in real estate (including qualifying real estate companies) may only be financed through debt up to a maximum of 60% of their value. For investments in other assets the maximum level of debt allowed is only 20%. There is no requirement to include capital gains, arising on disposal of investments, in the result to be distributed.

The subsidiaries in Belgium (OGVV status) and France (SIIC status) have a similar status. Subsidiaries in Finland are subject to corporation tax. In Belgium the net value of one single asset may not exceed 20% of the total Belgium portfolio. By year-end 2017, the net value of Belle-Ile exceeded 20%. In January 2017, a concession was provided by the FSMA for a period of maximum 2 years.

In October 2017 the new Dutch government announced plans to abolish the Dutch REIT status for property investments that are held directly in the Netherlands. These plans relate to the proposed cancellation of dividend withholding tax in the Netherlands. It would make investments in the Netherlands less profitable, as these would become subject to a 21% corporate tax rate. It is currently not certain if these plans will materialise and if so, how they will be implemented.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Basis of accounting

Statement of compliance

The consolidated financial statements of Wereldhave N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

Income and cash flow statement

The Group presents a separate 'statement of profit or loss' and 'other comprehensive income'.

The Group reports cash flows from operating activities using the indirect method. Interest received and interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities as this most appropriately reflects the Group's business activities.

Preparation of the consolidated financial statements

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property and derivative financial instruments that have been measured at fair value.

The preparation of consolidated financial statements in conformity with EU-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 and 24.

Change in accounting policy and disclosures

Change in classification

The group reclassified in the comparative figures (2016) an amount of EUR 3.7m from 'other income and expense` to 'valuation results`. This change has no impact on equity and results.

New and amended standards adopted by the Group

Wereldhave has not changed its accounting policies during 2017. The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these consolidated financial statements.

IFRS 9

IFRS 9, released in July 2015, replaces the current accounting standard IAS 39 Financial instruments: Recognition and Measurement. IFRS 9 'Financial Instruments' includes the standards regarding classification and measurement, hedge accounting and impairment.

IFRS 9 introduces a new expected credit loss impairment model and changes to the classification and measurement for financial assets. The impairment model is based on the notion of providing for expected losses at inception of a contract.

IFRS 9 is effective for periods beginning on or after January 1, 2018 and has been endorsed by the EU. Wereldhave is currently in the process of implementing the new Standard. Based on the current assessment of the potential impact of adopting IFRS 9, the following observations can be made:

Classification and Measurement

Wereldhave has assessed there will not be a material impact on its accounting for financial assets and trade and other receivables.

Impairment

IFRS 9 requires Wereldhave to record expected credit losses on all of its debt securities, loans and trade receivables. This should be done on a 12 month or lifetime basis. Depending on the staging of the credit risk, a full and detailed assessment has not yet been undertaken on how the impairment provisions will be affected by the new model, it will result in an earlier recognition of credit losses. Wereldhave estimates that this will not have a material impact.

Hedge accounting
For the consolidated financial statements of Wereldhave N.V. this mainly affects the hedge accounting for cross-currency interest rate swaps (CCIRS) due to the cost of hedging approach. In addition to the hedge reserve (part of equity) under IAS 39, IFRS 9 introduces an additional line item in equity which is named “cost of hedging”. Changes in the fair value of CCIRS that are caused by the cross-currency basis spreads are directly booked in this cost of hedging reserve, instead of the income statement (for fair value hedges) or hedge reserve (for cash flow hedges). Accordingly, Wereldhave estimates that this will have an impact of € -1.2m on equity.

IFRS 15
IFRS 15, 'Revenue from contracts with customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted, subject to EU adoption.

Classification and Measurement
The Group does not expect significant impact on the financial statements.

IFRS 16
IFRS 16, ‘Leases’, 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. 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.

Classification and Measurement
The Group has started an initial assessment of the potential impact on its consolidated financial statements.

The Group as a lessee
So far, the impact identified is that the Group will recognise a right of use asset on the balance sheet. For leasehold contracts this will become part of investment property. For other (mainly office) leases this will become part of the financial assets. A lease liability will appear on the balance sheet under financial liabilities. In the income statement the cost of the leases will move from property expenses for the leasehold and general expenses for the office leases to interest charges and a revaluation /amortization charge.

The group does not expect significant impact on the financial statements and the financial covenants.

The Group as a lessor
The Group does not expect significant impact on current and future leases as result of IFRS 16.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a significant impact on the Group.

3.2 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Wereldhave recognises acquisitions if IFRS 3R "Business Combinations" or IAS 40 "Investment Property" applies. Acquisitions are considered a business combination if there is an acquisition of assets, rental activities and such, a management organisation, that the acquired entity can operate as an independent company with the aim of generating economic results. Wereldhave does not necessarily consider acquisitions of properties within a legal company as a business combination, but evaluates these acquisitions individually for the above operational characteristics.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

Consolidated financial statements are prepared using uniform accounting policies for similar transactions. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Chief Executive Officer (CEO) of the Company.

3.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros, which is the Company's functional currency and the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within other financial income and expenses.

The following exchange rates against the euro, were used for these consolidated financial statements:

	average		year-end	
	2017	2016	2017	2016
GBP	*1.14147*	*1.22391*	*1.12601*	*1.16798*
USD	*0.88639*	*0.90409*	*0.83299*	*0.94868*
CAD	*0.68292*	*0.68266*	*0.66275*	*0.70482*

3.4 Comprehensive income

In the statement of comprehensive income no separate line for tax is included as there are no taxable items. This is due to the tax status of the Group and some subsidiaries.

3.5 Derivative financial instruments

The main purpose of the derivative financial instruments contracted by the Group is to hedge exchange rate and interest rate risks arising from financing activities. The Group does not hold any derivatives for trading purposes. Derivative financial instruments are carried at fair value. Transaction expenses related to derivative financial instruments are accounted for in the income statement.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised in the income statement as they arise.

3.6 Hedge accounting

In general, Wereldhave is committed to use hedge accounting in order to limit the effects of changes in fair value and cash flows due to currency exchange rates and interest rate differences in the income statement.

The Group uses hedging instruments such as interest and cross currency swaps. Transactions are entered into a limited number of counterparties with strong credit ratings. Hedging operations are governed by internal policies and rules approved and monitored by the Board of Management.

Wereldhave hedges the interest rate risk and the currency risk related to its long-term liabilities and interest payments. If possible, hedge accounting is applied to these positions.

On initial designation of the hedge, Wereldhave formally documents the relationship between the hedging instrument(s) and hedged item(s), together with the methods that will be used to assess the effectiveness of the hedging relationship. Wereldhave makes an assessment, both at inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in income statement (net finance expenses).

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect income statement it qualifies as a cash flow hedge.

Changes in the fair value of a derivative hedging instrument designated as a cash flow hedge are recognised in the statement of comprehensive income and recognised directly in equity in the hedge reserve to the extent the hedge is effective. To the extent the hedge is ineffective; changes in fair value are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised or the designation is revoked, then hedge accounting is discontinued and the cumulative unrealised gains or losses (recognised directly in equity) from the statement of comprehensive income are immediately accounted for in the income statement. When a hedging instrument is terminated but the hedged transaction still is expected to occur, the cumulative gain or loss up to that point will remain part of the statement of comprehensive income. The cumulative gains or losses are presented in accordance with the above policy when the transaction occurs.

Fair value hedges
Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the income statement. The hedged item is recognised at fair value regarding to the hedged risk and the profit or loss attributable to the change in fair value is recognised in the income statement and adjusts the carrying amount of the hedged item. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised over the period to maturity.

3.7 Investment property
Property that is held for long-term rental income or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs. After this initial recognition, investment property is carried at fair value.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date and adjusted, if necessary, for differences in the nature, location or condition of the specific asset.

If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow or capitalisation projections. Valuations are performed as of the financial position dates 30 June and 31 December by professional independent external valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Significant unobservable input	*Relationship between significant unobservable inputs and the fair value measurement*
• Growth forecast for market rent level	The estimated fair value increases (decreases) if:
• Periods of vacancy following expiration of a lease	• The expected growth of market rent levels is higher (lower)
• Occupancy rate	• The periods of vacancy are shorter (longer)
• Rent-free periods and other lease incentives	• The occupancy rate is higher (lower)
• Theoretical net yield	• The rent-free periods are shorter (longer)
	• The estimated maintenance costs / investments are higher
	• The net-yield is lower (higher)

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Properties eligible for disposal are classified as assets held for sale. In the case of sale of properties, the difference between net proceeds and book value is recognised in the income statement under results of disposal.

Lease incentives, rent free periods and other leasing expenses

Rent-free periods and investments made or allowances granted to tenants by Wereldhave ("lease incentives") are allocated on a linear basis over the lease term. The lease term consists of the period until the first break option for the tenants, which period can be extended by management with the expected prolongation of the leases.

In determining the property at fair value capitalised lease incentives are adjusted for the valuation results, to avoid double counting.

Investment property under construction

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

It may sometimes be difficult to reliably determine the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non-standard
- The level of reliability of expected cash inflows after completion
- The development risk specific to the property
- Past experience with similar constructions
- Status of construction permits

Costs include the material and labour for the construction, costs of staff directly related to technical supervision, project management on the basis of time spent and finance costs. The finance cost are capitalised interest that is charged until the date of delivery and is based on the interest to be allocated to development or on the basis of the average effective rate of the Group, where no specific project financing is present. Interest charges include interest and all costs associated with Wereldhave raising funds.

The fair value of development is determined on an identical basis as investment properties, with the understanding that the capitalisation factor is adjusted to reflect development risks.

Fair value changes and impairment losses are recognised in the income statement as valuation result. Investment property under construction are transferred to investment properties on the date of delivery.

3.8 Leases

Group company is the lessee

Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to income statement on a straight-line basis over the period of the lease.

Finance lease

Leases of assets, where the Group company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding obligations, net of finance charges, are included in long-term liabilities. The interest element of the finance cost is charged to the income statement over the lease period. Investment properties acquired under finance leases are carried at their fair value. Fair value changes are recognised through income statement.

Group company as the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the consolidated statement of financial position. See Note 26 for the recognition of rental income.

3.9 Property and equipment

Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost includes the cost of replacing part of existing plant and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day- to-day servicing of an item of plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

Office Furniture:	10 years
Equipment:	3-5 years
Cars:	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

3.10 Intangible assets

Computer software

Acquired computer software licenses and costs relating to internally developed software are capitalised at cost incurred to acquire, develop and implement the specific software. These costs are amortised over their estimated useful lives (5 to 10 years).

3.11 Impairment of non-financial and financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3.12 Financial instruments

Wereldhave categorises its financial instruments measured at fair value in three categories. Level 1 valuations are based on quoted market prices, level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either direct or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

3.13 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to- maturity financial assets and available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially all risks and rewards of ownership.

The Group's financial assets consist of cash, loans and receivables and (hedging) derivatives.

Financial assets recognised in the consolidated statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Cash and cash equivalents are also classified as loans and receivables.

Derivative financial assets and liabilities are classified as financial assets at fair value through profit or loss. Derivative financial assets and liabilities comprise mainly cross currency and interest rate swaps. The Group does apply hedge accounting in accordance with IAS 39. Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Gains or losses on derivatives are recognised in the profit or loss in net change in fair value of financial instruments at fair value through profit or loss.

3.14 Financial liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method (see Note 3.21 for the accounting policy on borrowings).

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

An overview of the carrying amounts of the financial assets and liabilities is set out in note 24.

3.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank overdrafts. Cash and cash equivalents are measured at nominal value.

3.16 Non-current assets held for sale

Non-current assets (or a disposal group) are held for sale in case the carrying amount will be recovered principally by means of a sale rather than by continuing use. This only applies if the asset (or disposal group) is available for immediate sale in its present condition. Furthermore, the sale must be highly probable, management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. The sale should be completed within one year from the date of classification.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of the carrying amount and fair value less cost to sell. No re-measurement takes place if the assets have already been measured at fair value under IAS 40. Non-current assets held for sale or the assets from a disposal group are presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities. Assets and liabilities held for sale are not offset against each other.

A disposal group is a group of assets and liabilities that is sold or intended to be sold in one transaction.

3.17 Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less provision for doubtful debts.

A provision for doubtful debts of trade receivables is established when there is evidence that the Company has the risk that it will not be able to collect all amounts due according to the original terms. Indicators for such an event are among others significant financial difficulties of a debtor, non-compliance with payment conditions and bankruptcy. The movement in the provision is recognised as property expenses in the income statement. If trade receivables are uncollectible, they are written off against the provision. Subsequent recoveries of amounts previously written off are credited against property expenses in the income statement.

3.18 Equity

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are deducted from the proceeds. When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in the general reserve in equity. Repurchased shares are classified as treasury shares and deducted from total equity. When treasury shares are reissued the proceeds are credited to the treasury share reserve and any surplus is credited to the share premium reserve. Dividends are recognised as a liability in the period in which they are declared.

3.19 Dividend policy

As an investment company in accordance with Article 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969', the Company is required to distribute at least the taxable result as dividend.

As from 2018, Wereldhave aims for a dividend pay-out ratio of 75 - 85% of its direct result (net rental income, general costs, other gains and losses, financial income and expense (other than the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on repurchased interest bearing debt and actuarial gains and losses on employee benefit plans) and tax charges on direct result.

3.20 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Any increase in the provision due to passage of time is recognised as interest charges.

3.21 Non-current liabilities

Interest bearing debt

Interest bearing debt is initially recognised at fair value, minus transaction costs. Subsequently interest bearing debt is measured at amortised cost. Any difference between the face value and the carrying amount is recognised in the income statement over the period of the interest bearing liabilities on the basis of the effective interest per loan. The portion of loans outstanding to be repaid within twelve months is shown under current liabilities.

Convertible bonds

The components of a convertible bond are stated separately in accordance with the economic content of the agreement as a financial liability and shareholders' equity. At the time of issue, the fair value of the debt component is determined on the basis of market interest rate applicable to a comparable non-convertible instrument. This amount is carried as a financial liability on the basis of amortised cost of purchase using the effective interest rate method up until the time of fulfilment, i.e. when the instrument is converted or reaches its maturity. The equity option component is calculated by subtracting the value of the debt component from the fair value of the whole instrument. The resultant value, less the income tax impact, is recognised as part of the share premium reserve in shareholders' equity.

Other long-term liabilities

Long-term debts from employee benefit plans are accounted for in accordance with paragraph 3.22.

3.22 Pension plans

Defined contribution plans

Defined contribution plans are pension schemes to which a Group company makes a fixed annual contribution and where the Company does not have a legal or constructive obligation to make further payments if the pension fund of the pension scheme does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

3.23 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently at amortised cost basis using the effective interest method.

3.24 Revenue

Gross Rental income

Rental income from investment properties leased out under operating leases is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives are recognised as a reduction of the rental income, and are straight-lined over the minimum term of the lease. Rent adjustments due to indexation are recognised as they arise. Rental income does not include value added tax or amounts charged to tenants in respect of service and operating costs.

Variable rental income, such as turnover related rent or income from specialty leasing is recognised in the income statement in the period to which it relates, if it can be estimated reliably. If a reliable estimate is not possible, recognition takes place at the time of realisation.

Revenue received from tenants for early termination of leases is directly recognised in the income statement in the period to which the revenues relates.

Service costs charged

Where there are service contracts with third parties, service charges are recovered from tenants. Service charges in respect of vacant property are expensed as property expenses. They mainly relate to gas, water, electricity, cleaning and security. Service charges are shown on a gross basis when Wereldhave acts as a principal.

3.25 Expenses

Service costs paid

Service costs are shown on a gross basis when Wereldhave acts as a principal. In case Wereldhave acts as an agent only the non-recoverable amount of the service and operational costs is presented. In the presentation on a gross basis, costs and charges are shown separately.

Property expenses

Property expenses consist of operational cost for the account of Wereldhave attributable to the accounting period, such as:

- Maintenance
- Property tax
- Insurance premiums
- Property management and
- Letting expenses

Letting expenses include the depreciation of capitalised expenditure in connection with a letting, such as fit out contributions paid by Wereldhave. The expenditure is depreciated over the term of the lease. Investment property depreciation charges are not recognised, because investment properties are valued at market value see paragraph 3.8. The market value calculation takes technical and economic obsolescence into account.

General costs

General costs are expenses that are not directly attributable to the operation of properties (including salaries of staff not directly involved with properties, office overheads, advice, valuation and audit fees, listing costs and promotion costs). Direct staff costs relating to property management are included in property expenses. Direct staff costs relating to supervising and monitoring investment and development projects are capitalised as part of the Investment property under Construction on the basis of time spent.

3.26 Results on disposal

The results on disposal are the differences between the realised selling prices, net of selling costs, and the carrying amount, based on the last reported fair value (mostly the latest appraisal).

Results on disposal from the sale of investment property or fixed assets are processed if the following conditions are met:

- The entity has transferred the rights to all major economic benefits and any significant risks to the buyer
- The legal entity does not keep possession of those goods and therefore cannot decide on its use

- The amount of revenue can be reliably determined
- It is probable that the economic benefits associated with the transaction will flow to the new legal owner and
- Costs already incurred and the potential future costs in respect to the transaction can be measured reliably

3.27 Interest charges and interest income

Interest comprises the total of interest attributable to the accounting period on loans, other debts, accounts receivable and cash and bank balances and is split between interest received and interest paid. Interest income & charges is recognised in the income statement as it accrues. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, to the fair value of the financial asset or financial liability as at the recognition of the instrument.

Interest attributable to the acquisition or construction of an asset that takes a substantial period of time to complete, is capitalised as part of the cost of the respective assets, starting from preparation of the plan until completion. Capitalised interest is calculated using the Group's weighted average cost of debt or the borrowing cost of specific project financing.

3.28 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to the Board of Management is generally recognised as an expense, with a corresponding reserve in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the amount payable to the Board of Management in respect of share-based payments arrangements, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the Board of Management become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share-based payments arrangements. Any changes in the liability are recognised in profit or loss.

3.29 Income tax

Tax charges on the income statement for a year comprise current and deferred tax and are calculated on results before taxes, taking into account any tax-exempt components of result and non-deductible costs. Losses to be offset against probable future results are recognised as deferred tax asset. Current tax is the expected tax payable or receivable on the taxable income or loss for the period. Deferred tax consists of the expected tax payable or receivable on changes in the value of assets or liabilities which will be realised at the time of sale. Tax charges are calculated using tax rates prevailing at the balance sheet date.

Current tax and deferred tax is recognised in income statement except to the items recognised directly in equity or in other comprehensive income in which case, the tax is also recognised in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income statement
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The carrying value of the Group's investment property is assumed to be realised by sale at the end of use.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable results will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.30 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:
- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.31 Segment reporting

The Wereldhave Board of Management has determined the operating segments based on the information reviewed by the Board of Management for assessing performance and allocating resources. Management considers the business from a geographic perspective and the management assesses performance for Belgium, Netherlands, Finland, France and Head office. A segment consists of assets and activities with specific risks and results, differing from other sectors.

3.32 Rounding of amounts

All amounts as disclosed in the financial statements and notes have been rounded off to the nearest thousand euros unless otherwise stated and may not add up due to rounding.

3.33 Significant estimates in the accounts

Investment property

The assets in the Company and its subsidiaries mainly consists of the property portfolio. The market value of these assets cannot be assessed using official quotations or listings.

A valuation based on fair value is a time- and location based estimate. The estimate is based on the price level on which two well-informed parties under normal market conditions would make a transaction for that specific property on the date of valuation. The fair value of a property in the market can only be determined accurately at the moment of the actual sale of the property.

Twice a year (June 30 and December 31) the properties are valued by external valuers. The valuer appraises at fair value with his own market knowledge and information. The valuation is prepared by the valuer and verified and approved by Wereldhave.

The fair value is based on a net yield calculation, where market rents are capitalised. Elements of this calculation include current and future rent levels, expected vacancy rates, rent indexations, turnover rents, lease incentives, etc. The yields and market rents used are specific for the country, the location, the type of property, the level of maintenance and the general rent ability of every single property. The determination of applicable yields is based upon comparable transactions, supplemented with market and building specific knowledge and remaining other assumptions, in which the professional judgment of the valuer will become more important if the available transaction information is not sufficient.

Apart from assumptions with respect to yields, costs for future maintenance investments are also taken into account in the valuation. Furthermore, explicit assumptions are made per lettable location and per tenant with regard to (re)letting, the start date of such (re)letting and the costs related thereto. Also, adjustments are made for expected costs of vacancy (present and future) and for differences between the market rent and contractual rent. Sales costs at the expense of the buyer, including transfer tax payable, are deducted from the market value.

General assumptions with regard to the valuation of investment property have been disclosed in paragraph 3.7 and in note 5.

Pensions

With regard to the measurement of defined benefit plans, assumptions have been made with regard to interest rates, expected return on assets, mortality rates and future salary increases. Deviations from the assumptions will impact on assets, liabilities and results on future periods. In order to mitigate risks Wereldhave uses external experts for the measurement of defined benefit plans. Assumptions have been disclosed in note 20.

4. SEGMENT INFORMATION

Geographical segment information 2017

(x € 1,000)

Result	Belgium	Finland	France	Netherlands	Headoffice	Total
Gross rental income	50,666	29,618	49,206	93,929	-	223,419
Service costs charged	9,576	7,103	15,538	8,703	-	40,920
Total revenue	***60,242***	***36,721***	***64,744***	***102,632***	***-***	***264,339***
Service costs paid	-11,253	-8,161	-18,034	-9,935	-	-47,383
Property expenses	-2,629	-664	-5,918	-12,578	-	-21,789
Net rental income	***46,360***	***27,896***	***40,792***	***80,119***	***-***	***195,167***
Valuation results	14,566	-8,896	-45,457	-25,200	-	-64,987
Results on disposals	-	-	-	220	-	220
General costs	-3,932	-754	-3,494	-2,787	-5,323	-16,290
Other income and expense	344	-	-1,913	-143	-583	-2,295
Operating result	***57,338***	***18,246***	***-10,072***	***52,209***	***-5,906***	***111,815***
Interest charges	-2,433	-12,511	-15,790	-18,393	18,827	-30,300
Interest income	10	13	-	46	-	69
Other financial income and expense	-	-	-	1	2,868	2,869
Income tax	-232	268	-857	699	-	-122
Result	**54,683**	**6,016**	**-26,719**	**34,562**	**15,789**	**84,331**
Total assets						
Investment properties in operation	786,000	568,936	876,445	1,411,941	-	3,643,322
Investment properties under construction	66,817	-	-	55,544	-	122,361
Assets held for sale	16,447	-	-	21,600	-	38,047
Other segment assets	25,573	6,880	31,853	237,936	1,600,840	1,903,082
minus: intercompany	-10,280	-	-	-65,000	-1,707,476	-1,782,756
	884,557	***575,816***	***908,298***	***1,662,021***	***-106,636***	***3,924,056***
Investments						
Gross rental income by type of property						
Shopping centres	40,858	29,618	49,206	93,929	-	213,611
Offices	9,808	-	-	-	-	9,808
	50,666	**29,618**	**49,206**	**93,929**	**-**	**223,419**

Geographical segment information 2016

(x € 1,000)

Result	Belgium	Finland	France	Netherlands	Headoffice	Total
Gross rental income	49,891	29,326	52,990	97,977	-	230,184
Service costs charged	9,262	7,355	12,502	8,774	-	37,893
Total revenue	***59,153***	***36,681***	***65,492***	***106,751***	***-***	***268,077***
Service costs paid	-10,204	-8,597	-14,682	-10,142	-	-43,625
Property expenses	-2,459	-621	-4,899	-15,004	-	-22,983
Net rental income	***46,490***	***27,463***	***45,911***	***81,605***	***-***	***201,469***
Valuation results	25,583	-59,060	26,226	-26,104	-	-33,355
Results on disposals	-	-	-114	-808	-	-922
General costs	-3,947	-1,357	-2,953	-5,404	-3,964	-17,625
Other income and expense	-68	-	468	-	-3,184	-2,784
Operating result	***68,057***	***-32,954***	***69,538***	***49,289***	***-7,148***	***146,783***
Interest charges	-2,372	-13,334	-15,862	-28,518	28,470	-31,616
Interest income	-2	18	32	-45	46	49
Other financial income and expense	-	-	-	-	6,237	6,237
Income tax	-219	8,283	-1,592	-7,151	-	-679
Result	**65,464**	**-37,987**	**52,116**	**13,575**	**27,605**	**120,774**
Total assets						
Investment properties in operation	783,356	563,047	899,674	1,450,144	-	3,696,221
Investment properties under construction	35,319	-	-	65,914	-	101,233
Other segment assets	32,222	4,932	21,456	142,534	1,743,387	1,944,531
minus: intercompany	-10,035	-	-	-65,000	-1,718,864	-1,793,899
	840,862	***567,979***	***921,130***	***1,593,592***	***24,523***	***3,948,086***
Investments	***19,845***	***7,440***	***20,472***	***82,807***	***-***	***130,564***
Gross rental income by type of property						
Shopping centres	40,028	29,326	52,990	97,977	-	220,321
Offices	9,863	-	-	-	-	9,863
	49,891	**29,326**	**52,990**	**97,977**	**-**	**230,184**

5. INVESTMENT PROPERTY

(x € 1,000)	2017			
	Investment property in operation	Lease incentives	Investment property under construction	Total Investment property
Balance at January 1	*3,696,221*	*5,110*	*101,233*	*3,802,564*
Purchases	-	-	-	-
Investments	59,120	-	91,443	150,563
From / to development properties	65,080	-	-65,080	-
To investments held for sale	-38,954	-	-	-38,954
Disposals	-76,362	-73	-4,500	-80,935
Valuations	-61,783	-	-735	-62,518
Other	-	2,977	-	2,977
Balance at December 31	**3,643,322**	**8,014**	**122,361**	**3,773,697**

(x € 1,000)	2016			
	Investment property in operation	Lease incentives	Investment property under construction	Total Investment property
Balance at January 1	*3,655,269*	*3,985*	*66,231*	*3,725,485*
Purchases	14,105	-	40,694	54,799
Investments	46,659	-	32,877	79,536
From / to development properties	32,619	-	-32,619	-
Disposals	-25,025	-	-	-25,025
Valuations	-27,405	-	-5,950	-33,355
Other	-	1,125	-	1,125
Balance at December 31	**3,696,221**	**5,110**	**101,233**	**3,802,564**

Investment property in operation

In 2017 Wereldhave disposed the shopping centres Oosterheem in Zoetermeer, Stadshagen in Zwolle and a strip of shops adjacent to the Cityplaza shopping centre in Nieuwegein. The office building Madou has been sold by Q1 2018 and therefore classified as ‘assets held for sale`.

Investment property under construction

The former V&D property in Tilburg project has been transferred to investment properties.

99.8% (2016: 99.6%) of the total property portfolio was measured at fair value.

Overview of measurement of total investment property:

(x € 1,000)

	December 31, 2017	December 31, 2016
Fair value		
Investment property in operation (including lease incentives)	3,651,336	3,701,331
Investment property under construction (IPUC)	113,439	85,360
	3,764,775	*3,786,691*
At cost less impairment (IPUC)	8,922	15,873
Total	**3,773,697**	**3,802,564**

Fair value hierarchy disclosures for investment properties have been provided in note 25.

Investment property in operation

The valuation adjustments can be broken down as follows:

(x € 1,000)

	2017	2016
Belgium	16,511	29,970
Finland	-8,896	-59,059
France	-45,457	26,266
Netherlands	-23,942	-24,582
Total	**-61,783**	**-27,405**

In 2017 (as well in 2016) no investment property is secured by mortgage.

99.8% of the investment property were valued externally at December 31, 2017. Independent external property valuators in 2017 are: Jones Lang LaSalle, Cushman & Wakefield, DTZ, CBRE and Troostwijk-Roux Expertises.

At December 31, 2017 the carrying amount is as follows:

(x € 1,000)

	December 31, 2017	December 31, 2016
Total value according to external valuation reports	3,651,336	3,701,331
Deduct: carrying amount of rent free periods and other leasing expenses to be amortised	-8,014	-5,110
Carrying amount	**3,643,322**	**3,696,221**

Assets held for sale

Investments held for sale relates to office building Madou that will be transferred to the buyer by the end of January 2018 and the ongoing disposal of some smaller assets in The Netherlands.

Key assumptions relating to valuations:

2017	Belgium	Finland	France	Netherlands
Total market rent per sqm (€)	218	325	244	230
EPRA Net Initial Yield	5.4%	4.7%	4.6%	5.3%
Net Initial Yield	5.6%	4.9%	4.7%	5.4%
EPRA vacancy rate	5.8%	3.3%	6.8%	3.5%
Average vacancy period (in months)	6-12	18	8	8
Bandwith vacancy (in months)	0-21	12-24	6-9	6-12

2016	Belgium	Finland	France	Netherlands
Total market rent per sqm (€)*	207	324	254	228
EPRA Net Initial Yield	5.7%	4.8%	4.7%	5.2%
Net Initial Yield	5.7%	4.9%	5.1%	5.5%
EPRA vacancy rate	5.2%	4.3%	5.6%	4.2%
Average vacancy period (in months)	6-9	12	11	9
Bandwith vacancy (in months)	0-18	5-12	11-13	8-10

EPRA Net Initial Yield
Annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = ((Annualised rent passing + other income + turnover rent -/- property expenses) / Gross Property Value)). The total average EPRA Net Initial Yield amounts to 5.1% (2016: 5.1%).

Net Initial Yield
Calculated as the annualised contracted rent and other incomes for the next 12 months, net of property expenses, divided by the asset value (net of estimated transfer taxes and transaction costs). The total average Net Initial Yield amounts to 5.2% (2016: 5.4%).

A change in yield with 0.25% results in a change of approximately € 138m in equity and result (€ 3.43 per share). A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholders' equity and result of approximately € 176m (€ 4.37 per share).

Investment property in operation - lease data

(x € 1,000)	Average lease length*		Annual rent of lease expiring in*		
2017	Until first break	Until lease end date	< 1 year	1-5 year	> 5 year
Belgium	2.6	5.5	4,775	22,455	20,921
Finland	4.1	4.5	5,606	11,226	10,207
France	2.0	4.0	8,975	18,368	16,842
Netherlands	3.8	4.8	8,278	43,509	30,194
Total portfolio	**3.2**	**4.7**	**27,634**	**95,558**	**78,164**

*) Excluding indefinite contracts

(x € 1,000)	Average lease length*		Annual rent of lease expiring in		
2016	Until first break	Until lease end date	< 1 year	1-5 year	> 5 year
Belgium	2.6	6.2	2,977	21,520	24,748
Finland	4.2	4.6	5,936	12,932	9,987
France	1.7	4.5	3,301	23,619	17,801
Netherlands	3.4	4.4	6,813	49,528	26,554
Total portfolio	**2.9**	**4.9**	**19,027**	**107,599**	**79,090**

*) Excluding indefinite contracts

Investment property under construction

The valuation adjustments can be broken down as follows:

(x € 1,000)	2017	2016
Belgium	-	-4,388
Netherlands	-735	-1,562
Total	**-735**	**-5,950**

6. PROPERTY AND EQUIPMENT

(x € 1,000)

	Office equipment	Cars	Total
Balance at January 1, 2017	*2,089*	*414*	*2,503*
Investments/purchases	358	-	358
Disposals	-	-214	-214
Amortisation	-416	-113	-529
Balance at December 31, 2017	*2,031*	*87*	*2,118*

	Office equipment	Cars	Total
Balance at January 1, 2016	*2,514*	*386*	*2,900*
Investments/purchases	260	238	498
Disposals	-240	-57	-297
Amortisation	-445	-153	-598
Balance at December 31, 2016	**2,089**	**414**	**2,503**

December, 31 2017	Office equipment	Cars	Total
Total acquisition at cost	5,705	444	6,149
Total amortisation	-3,674	-357	-4,031
Net book value	**2,031**	**87**	**2,118**

December, 31 2016	Office equipment	Cars	Total
Total acquisition at cost	5,485	934	6,419
Total amortisation	-3,396	-520	-3,916
Net book value	**2,089**	**414**	**2,503**

7. INTANGIBLE ASSETS

The intangible assets consist of computer software: acquired computer software licenses and costs relating to internally developed software.

Computer software

(x € 1,000)

	December 31, 2017	December 31, 2016
Balance at January 1	*1,473*	*1,453*
Investments	94	380
Amortisation	-405	-360
Total	**1,162**	**1,473**

(x € 1,000)

	December 31, 2017	December 31, 2016
Total acquisition at cost	2,540	2,447
Total amortisation	-1,378	-974
Total	**1,162**	**1,473**

8. DEFERRED TAX ASSETS

(x € 1,000)

	December 31, 2017	December 31, 2016
Balance at January 1	-	-
Additions	2,235	-
Total	**2,235**	**-**

Deferred tax assets relate to fiscal losses in Finland that can be offset against future taxable profits within 6-7 years. The losses have been capitalised as expected future taxable profit has increased. All deferred tax assets are expected to be compensated after more than one year.

9. FINANCIAL ASSETS

(x € 1,000)

	IFRS Category	December 31, 2017	December 31, 2016
Loans	Loans and receivables	49	138
Deposits paid	Loans and receivables	231	113
Derivative financial instruments	Fair value through P&L	24,186	51,665
Total		**24,466**	**51,916**

Loans and deposits paid

The fair value of loans and deposits paid has been determined using an internal discounted cash flow model. The discount rate is equal to observable interest market rates.

Derivative financial instruments

Further reference is made to note 23.

10. TRADE AND OTHER RECEIVABLES

(x € 1,000)

	December 31, 2017	December 31, 2016
Tenant receivables	17,023	17,988
Service charge receivable	2,492	4,784
Prepayments	7,785	4,387
Interest to be received	10,306	11,072
Amounts to be invoiced	12,729	2,436
Other	4,761	1,421
Total	**55,096**	**42,088**

The fair value of the trade and other receivables coincides with their carrying amount. Wereldhave holds tenant deposits, credit letters from bank and Group credit letters as collateral. Other receivables do not include amounts with a maturity of more than twelve months.

Interest to be received refers to interest receivable under interest rate swaps.

Maturity of tenant receivables

(x € 1,000)

	December 31, 2017	December 31, 2016
- up to 1 month	10,673	10,940
- between 1 and 3 months	4,495	1,690
- between 3 and 12 months	9,637	4,677
- more than 1 year	2,501	9,288
	27,306	*26,595*
Deduct: provision	-10,283	-8,607
Total	**17,023**	**17,988**

The tenant receivables category 'up to 1 month' includes debtors which are not immediately due for an amount of € 0.5m (2016: € 2.1m). In 2017 an amount of € 2.2m (2016: € 2.5m) was added to the provision doubtful debtors and an amount of € 0.5m (2016: € 1.4m) was withdrawn.

11. TAX RECEIVABLES

(x € 1,000)

	December 31, 2017	December 31, 2016
Withholding tax	1,093	3,179
Value added tax	5,970	3,550
Dividend tax	6,587	-
Company tax	-	147
Total	**13,650**	**6,876**

12. CASH AND CASH EQUIVALENTS

(x € 1,000)

	December 31, 2017	December 31, 2016
Bank balances	13,585	40,666
Total	**13,585**	**40,666**

13. INVESTMENTS HELD FOR SALE

Investments held for sale relates to office building Madou that will be transferred to the buyer by the end of January 2018), 89 residential units in Capelle aan de IJssel for € 12.9m (an agreement was reached in December 2017, the transaction will be completed at the end of the first quarter of 2018) and the expected disposal of some assets in The Netherlands.

14. SHARE CAPITAL

Ordinary shares

(number of shares)

	Authorised share capital	Number of issued shares	Shares for remuneration	Outstanding number of shares
Balance at January 1, 2016	*75,000,000*	*40,270,921*	*-6,782*	*40,264,139*
Movements in 2016	-	-	-9,643	-9,643
Balance at December 31, 2016	*75,000,000*	*40,270,921*	*-16,425*	*40,254,496*
Movements in 2017	-	-	-9,605	-9,605
Balance at December 31, 2017	**75,000,000**	**40,270,921**	**-26,030**	**40,244,891**

The authorised ordinary shares have a par value of € 1 each. All issued ordinary share have been fully paid. The shares for remuneration were awarded to the Board of Management in the Annual General Meeting of April 20, 2018.

Preference shares

The authorised preference share capital amounts to a number of preference shares equal to the number of ordinary shares up to € 75m. The preference shares have a par value of € 1 each. No preference shares have been issued.

Capital management

The objective of Wereldhave, when managing capital (as presented in the annual accounts), is to safeguard the Group's continuity, to provide returns for its shareholders, benefits for other stakeholders and to maintain a capital structure as to optimise the cost of capital. Furthermore, Wereldhave manages its fiscal capital to ensure that it meets the requirements from fiscal laws and regulations. Wereldhave has the possibility to adjust the amount of dividends, return capital to shareholders, issue new shares or sell assets in order to maintain or adjust the capital structure.

15. SHARE PREMIUM

Share premium is paid up share capital in excess of nominal value. There were no changes in share premium in 2017. The amount of share premium that is recognised for tax purposes is € 1,716m (2016: € 1,716m).

16. GENERAL RESERVE

In 2017, an interim dividend of € 0.77 and a final dividend of € 0.77 relating to 2016 were paid (€ 1.54 interim dividend relating to 2016 was paid in 2016) per qualifying ordinary share. An interim dividend relating to 2017 of € 0.77 was paid in July 2017 and € 0.77 was paid in October 2017.

An amount of € 359m (2016: € 325m) has been designated as legal reserves, mainly relating to the unrealised valuation adjustments of investment properties, and cannot be distributed.

17. HEDGE RESERVE

The hedge reserve comprises the effective portion of the cumulative net change in fair value of hedging instruments designated as cash flow hedges where the hedged transaction has not yet occurred.

18. INTEREST BEARING LIABILITIES

Composition

(x € 1,000)

	December 31, 2017	December 31, 2016
Long term		
Bank loans	474,040	502,333
Private placement	773,937	776,948
Convertible bonds	245,028	241,506
EMTN	9,453	-
	1,502,458	*1,520,787*
Short term		
Bank loans	25,960	45,200
Private placement	29,240	-
	55,200	*45,200*
Total interest bearing liabilities	**1,557,658**	**1,565,987**

Movements in interest bearing liabilities

Including short-term portion of debt.

(x € 1,000)

	2017	2016
Balance at January 1	***1,565,987***	***1,509,885***
New funding	111,410	344,106
Repayments	-74,500	-254,705
Use of effective interest method	2,036	1,522
Effect of fair value hedges	-1,354	138
Exchange rate differences	-45,921	-34,959
Balance at December 31	**1,557,658**	**1,565,987**

Convertible bonds

At year-end Wereldhave had one convertible bond outstanding.

Year	Maturity	Principal value	Interest rate	Conversion rate	Maximum number of shares
2014	5 years	250,000,000	1.0%	61.545	4,062,068

(x € 1,000)

	2017	2016
Balance at January 1	***241,506***	***237,984***
Amortisation option premium	2,820	2,820
Use of effective interest method	702	702
Balance at December 31	**245,028**	**241,506**

The convertible bonds are treated as a compound financial instrument.

In 2017 no convertible bonds have been converted or repaid.

2014-2019 Convertible bond

On 15 May 2014 Wereldhave issued a 1% convertible bond due 22 May 2019 for an amount of € 250m. The conversion price at year-end 2017 was € 61.545. Effective 23 January 2018, the conversion price has been reduced from € 61.545 to € 60.521. The Company will have the right to redeem all outstanding 2014-2019 convertible bonds at par plus accrued interest:

i. on or after the third anniversary of the Settlement Date (as defined below) plus 21 days if the aggregate value of the shares per the 2014-2019 convertible bond for a specified period of time equals or exceeds 130% of the principal amount of the 2014-2019 convertible bond
ii. if 20 per cent or less of the principal amount of the 2014-2019 convertible bond issued remains outstanding.

The fair value of the conversion option has been separated from the loan contract and has been accounted for as derivative. The conversion option is calculated by subtracting the value of the debt component from the fair value of the whole instrument. The change in value of the conversion option is accounted for in the income statement.

Private Placements

In December 2017 Wereldhave issued US Private Placement Notes for a total amount of € 76m. The 2.09% notes are denominated in Euros and have a tenor of 10 years. An embedded derivative has been identified in the loan agreement and has been recorded separately in the financial statements.

Secured interest bearing liabilities

The company has no secured debt.

Unsecured interest bearing liabilities

Unsecured interest bearing liabilities have financial covenants that include various clauses. As at December 31, 2017 Wereldhave complied with these clauses.

Ratios

Loan-to-value

The Loan-to-value ratio is calculated by dividing the debt by the investment properties. This ratio must not exceed 60%.

Interest cover ratio

The interest cover ratio is calculated by dividing the net rental income by the net interest payable. This ratio must not be less than 2.

Solvency

Shareholders' equity (less intangible assets) and deferred tax liabilities should amount to at least 40% of total assets (less intangible assets).

	Covenants	December 31, 2017	December 31, 2016
Loan-to-Value	60.0%	40.7%	39.0%
Solvency	40.0%	55.9%	56.9%
Interest coverage ratio	2.0	6.6	6.6

Wereldhave uses a net LTV 40.7% in its communication with investors. The LTV definition in the covenants is a gross LTV i.e. cash is not deducted from the debt. In accordance with this definition the LTV is 41.0%. In the covenants is defined that LTV may not exceed 60%.

Average effective interest rate

The effective interest is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net book value of the financial asset or financial liability. Differences to the nominal interest rate may occur because of the amortisation of interest charges and equity option components of convertible bonds over the remaining duration of the instrument.

The average nominal interest based on nominal interest rates, without the effects of the effective interest rate method amounts to:

	2017	2016
Euro	1.7%	1.6%
US dollar	2.2%	2.3%
Pound sterling	3.5%	3.5%
Canadian Dollar	2.3%	2.3%
Total	**2.0%**	**1.9%**

The average interest rate (as a %) based on the effective interest method is as follows:

	2017				
	EUR	GBP	USD	CAD	Total
Short term interest bearing debt					
Bank loans and private placement	0.8%	-	4.9%	-	3.0%
Interest rate swaps	-3.2%	-	-	-	-3.2%
Long term interest bearing debt					
Convertible bonds	1.0%	-	-	-	1.0%
Bank loans, private placement and EMTN	1.6%	4.3%	4.8%	4.0%	2.6%
Interest rate swaps	-0.9%	-	-	-	-0.9%
Average	**1.7%**	**4.3%**	**4.8%**	**4.0%**	**2.0%**

	2016				
	EUR	GBP	USD	CAD	Total
Short term interest bearing debt					
Bank loans and private placement	0.9%	-	-	-	0.9%
Interest rate swaps					
Long term interest bearing debt					
Convertible bonds	1.0%	-	-	-	1.0%
Bank loans and private placement	1.5%	4.3%	4.8%	4.0%	2.7%
Interest rate swaps	-1.5%	-	-	-	-1.5%
Average	**1.6%**	**4.3%**	**4.8%**	**4.0%**	**1.9%**

Fair value of debt

The carrying amount and the fair value of interest bearing debts may differ as a result of accounting adjustments, such as amortised costs, the equity option component of the convertible bond and the result of differences in coupon interest versus market interest.

The fair value of long-term interest bearing debts is based on prices of these instruments available in the active open market (debentures and convertible bonds). In the absence of such market prices, the fair value (bank debt and other loans) is calculated as the present value of cash flows discounted with the relevant market interest percentages, including a company specific surcharge. The fair value of short-term interest bearing debts is equal to the book value.

The carrying amount and fair value of long-term interest bearing debt is as follows:

(x € 1,000)	December 31, 2017		December 31, 2016	
	carrying amount	fair value	carrying amount	fair value
Bank loans, private placement and EMTN	1,257,429	1,299,629	1,279,281	1,333,394
Convertible bond	245,029	253,075	241,506	251,895
Total	**1,502,458**	**1,552,704**	**1,520,787**	**1,585,289**

Currencies

The carrying amount of interest bearing debt of the Group (short- and long-term) are denominated in the following currencies:

	December 31, 2017		December 31, 2016	
	currency	EUR	currency	EUR
Euro	1,110,436	1,110,436	1,067,317	1,067,317
US dollar	342,500	287,616	342,500	332,791
Pound sterling	130,000	146,351	130,000	151,782
Canadian dollar	20,000	13,255	20,000	14,096
Total		**1,557,658**		**1,565,987**

Interest bearing debt in U.S. Dollars, British Pound and Canadian dollar were for an amount of USD 342.5m, GBP 130m and CAD 20m converted to EURO via multiple cross currency interest rate swaps.

Credit facilities and bank loans

During 2017, Wereldhave has refinanced its 2014 € 300m syndicated revolving credit facility with a new € 300m syndicated revolving credit facility pushing the maturity out to February 2022. The 2014 facility was due to expire in March 2019. The new facility features two one-year extension options and includes a € 100m accordion feature. In February 2018, the first extension, by one year until February 2023, was executed.

As at December 31, 2017, Wereldhave had a total of € 540m (2016: € 540m) of revolving credit facilities, € 30m (2016: € 30m) will expire within 1 year, € 480m (2016: 510m) in 1 to 5 years and € 30m (2016: € nil) expire after 5 years. As at December 31, 2017, Wereldhave had undrawn credit facilities to the amount of € 240m (2016: € 182m). The average maturity of the committed revolving credit facilities at 31 December 2017 was 3.6 years (2016: 2.6 years).

19. DEFERRED TAX LIABILITIES

Deferred tax liabilities relate to the difference between the fair value of investment properties and their carrying amount for tax purposes. This item is to be considered as being of a long-term nature. Movements are shown as follows:

(x € 1,000)

	2017	2016
Balance at January 1	*77,051*	*77,272*
Movements taken to the result due to positive revaluation	10	7,242
Movements taken to the result due to negative revaluation	-2,608	-8,285
Acquisitions	-	837
Other	2,674	-15
Balance at December 31	**77,127**	**77,051**

20. OTHER LONG-TERM LIABILITIES

(x € 1,000)

	December 31, 2017	December 31, 2016
Pension plans	1,060	1,168
Tenants deposits	12,353	11,892
Payment Madou received in advance	-	16,447
Other	998	1,019
Total	**14,411**	**30,526**

Tenant deposits consists of amounts received from tenants as a guarantee for future rental payment obligations.

Pension plans

The net liability from the defined benefit plan in Belgium is composed as follows:

(x € 1,000)

	2017	2016
Fair value of plan assets	2,454	2,208
Benefit obligations	3,514	3,376
Net liability	**1,060**	**1,168**

Reconciliation of net liability	2017	2016
January 1	*1,168*	*1,232*
Charge recognised in P&L	249	339
Remeasurement recognised in OCI (Income)/Loss	-95	-113
Employer contributions	-262	-290
December 31	**1,060**	**1,168**

The movement of the defined benefit obligation in Belgium is as follows:

(x € 1,000)

	2017	2016
Balance at January 1	***3,376***	***4,132***
Net service cost	237	327
Interest cost	38	47
Employee contributions	10	11
Benefits paid	-57	-989
Experience (gains) / losses	-11	-60
Expenses	-79	-92
Balance at December 31	**3,514**	**3,376**

The movement of the fair value of plan asset in Belgium is as follows:

(x € 1,000)

	2017	2016
Balance at January 1	***2,208***	***2,900***
Interest income on plan assets	26	35
Return om scheme assets	83	53
Actual expenses	-80	-91
Employer contributions	263	290
Employee contributions	10	11
Benefits paid	-56	-990
Balance at December 31	**2,454**	**2,208**

The assumptions used:		
- discount rate obligations	1.15%	1.15%
- rate of annual salary increases	2.00%	2.00%

Pension costs

The total cost for defined benefit plan in Belgium is as follows:

(x € 1,000)

	2017	2016
Current service cost	247	339
Net interest on Net Defined Benefit Liability (Asset)	-8	-12
Employee contributions	10	12
Total	**249**	**339**

The following amounts have been recognised in other comprehensive income (OCI):

	2017	2016
Actuarial (gain)/loss due to liability expenses	-95	-113
Remeasurement effect recognised in OCI	**-95**	**-113**

In total the following movements have been recognised in the income statement and OCI:

(x € 1,000)

	2017	2016
Balance at January 1	***3,376***	***4,132***
Net service cost	237	327
Interest cost	38	47
Employee contributions	10	11
Benefits paid	-57	-989
Experience (gains) / losses	-11	-60
Expenses	-79	-92
Balance at December 31	**3,514**	**3,376**

The fair value of the Belgian pension assets consists, as in 2016, for 100% of insurance contracts.

Mortality rates

The mortality rates used for Belgium are the MR/FR series with an age correction of -5 years.

In 2017 and 2016 the plan asset in Belgium does not include shares issued by the Company. For the above mentioned pension plan the expected employer's contribution is € 0.3m for 2018.

21. TAX PAYABLE

	December 31, 2017	December 31, 2016
Value added tax	5,076	7,336
Social security tax	690	492
Dividend tax	6,000	-
Transfer tax	-	750
Company tax	1,068	176
Other tax	896	1,039
Total	**13,730**	**9,793**

22. OTHER SHORT-TERM LIABILITIES

	December 31, 2017	December 31, 2016
Deferred rents	12,214	13,219
Property expenses	21,000	14,002
Interest	18,864	19,390
General costs	9,560	5,605
Capital commitments payable	15,028	6,068
Payment Madou received in advance	16,447	-
Other short term liabilities	3,779	10,412
Total	**96,892**	**68,696**

The duration of short-term liabilities is less than 1 year.

23. FINANCIAL INSTRUMENTS

Derivatives are used to hedge foreign currency and interest risks.

Hedging instruments

Interest and cross currency swaps can be classified as hedging instruments against foreign currency risk on loans in USD, GBP and CAD and interest rate risk. The fair value of these instruments break down as follows:

(x € 1,000)

2017		Principal	Interest range	Fair value assets	Fair value liabilities
Cashflow hedge					
USD currency swap	USD	342,500	2.2% - 3.2%	5,922	-12,839
GBP currency swap	GBP	130,000	2.7% - 4.3%	-	-18,296
CAD currency swap	CAD	20,000	2.3%	-	-1,987
EUR interest rate swap	EUR	125,000	0.4% - 1.1%	-	-1,333
Fair value hedge					
USD currency swap	USD	150,000	n.a.	18,264	-
No hedge accounting					
EUR Interest rate swap	EUR	110,108	2.3% - 3.1%	-	-3,858
Total				**24,186**	**-38,312**

2016		Principal	Interest range	Fair value assets	Fair value liabilities*
Cashflow hedge					
USD currency swap	USD	342,500	2.2% - 3.2%	14,875	-5,423
GBP currency swap	GBP	130,000	2.7% - 4.3%	-	-13,229
CAD currency swap	CAD	20,000	2.3%	-	-829
EUR Interest rate swap	EUR	125,000	0.4% - 1.1%	-	-2,127
Fair value hedge					
USD currency swap	USD	150,000	n.a.	36,790	-
No hedge accounting					
EUR Interest rate swap	EUR	110,108	2.3% - 3.1%	-	-5,614
Total				**51,665**	**-27,222**

*) Excluding € 1,423 for the conversion right of the convertible bond, which is recorded as a derivative

The fair value of a hedging derivative is classified as long-term if the remaining maturity of the hedged item is longer than 1 year and as a current asset or liability if the remaining maturity is less than 1 year.

The remaining term of the derivatives for interest and currency conversion on a principal basis is as follows:

(x € 1,000)	December 31, 2017			
	EUR	USD	GBP	CAD
- up to 1 year	25,692	35,000	-	-
- between 1 and 5 years	209,416	115,000	50,000	-
- more than 5 years	-	192,500	80,000	20,000
Total	**235,108**	**342,500**	**130,000**	**20,000**

(x € 1,000)	December 31, 2016			
	EUR	USD	GBP	CAD
- up to 1 year				
- between 1 and 5 years	235,108	150,000	50,000	-
- more than 5 years	-	192,500	80,000	20,000
Total	**235,108**	**342,500**	**130,000**	**20,000**

The following amounts have been recognised in equity in relation to hedge accounting:

(x € 1,000)	December 31, 2017				
	EUR	USD	GBP	CAD	Total in EUR
Effective part fair value changes in cashflow hedging	702	-1,682	7,759	-330	6,449
Net effect in equity	**702**	**-1,682**	**7,759**	**-330**	**6,449**

(x € 1,000)	December 31, 2016				
	EUR	USD	GBP	CAD	Total in EUR
Effective part fair value changes in cashflow hedging	-887	-8,639	-3,388	-502	-13,416
Net effect in equity	**-887**	**-8,639**	**-3,388**	**-502**	**-13,416**

In 2017, a net profit of € 3.2m (2016: € -1.4m) was recognised in the income statement as a result of ineffectiveness of fair value hedges.

Regarding fair value hedge derivatives, a profit of € 4.3m has been included in net interest, and a profit for the same amount has been recorded on the same line in the income statement for the hedged item. The cumulative fair value adjustment on the hedged item is € 24.3m negative.

Derivatives

Derivatives include (cross currency) interest rate swaps whose fair value has been determined by a calculation model based on contractual and market interest rates (level 2). These calculations are checked with calculations obtained from banks. In the models the counter party risk has been taken into account via the non-current exposure method.

Changes in the fair value of derivative financial instruments for interest conversion are accounted for as financial assets at fair value through profit and loss. During 2017 a positive amount of € 1.8m was charged to the other financial income and expense (2016: € 0.2m negative) relating to these financial assets. In addition, net interest decreased by € 6.2m (2016: € 7.7m) as a result of derivative financial instruments for interest conversion.

Credit risk

During 2017 the market value of the interest swaps changed as a result of movement in underlying interest rates. The full value of the derivative financial instruments is exposed to credit risk and is not mitigated by other instruments. The credit risk of counter parties is monitored on a continuous basis.

24. FINANCIAL ASSETS AND LIABILITIES

Financial risks

Wereldhave's financial risks management focuses on the unpredictable nature of the financial markets and aims to minimise adverse effects on the Group's financial position and performance. Wereldhave is exposed to the following financial risks:

Market and Interest risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in foreign currencies and interest-bearing liabilities, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be accepted, which are monitored on a monthly basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

The Group's interest rate risk is monitored by the Group's management on a monthly basis. The interest rate risk policy has been approved by the Board of Management. Management analyses the Group's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions. The simulation is done on a monthly basis to verify that the maximum potential loss is within the limits set by management. Trade receivables and payables (other than tenant deposits) are interest-free and have settlement dates within one year.

The Group manages its exposure to changes in interest rates and its overall cost of financing by using interest rate swap agreements. These interest rate swap agreements are used to transform the interest rate exposure on the underlying liability from a floating interest rate into a fixed interest rate. It is the Wereldhave's policy to keep at least 60% of its borrowings at fixed rates of interest. In the current low interest rate environment Wereldhave has fixed the interest rate for 82% (2016: 79%) of its debt.

Sensitivity

A change in interest rate by 1% will impact the result and equity by € 2.8m (2016: € 3.2m) and earnings per share and asset value per share by € 0.07 (2016: € 0.08).

Currency risk

Wereldhave operates in euro countries only. The currency risks relates to USD, GBP and CAD denominated US Private Placement Notes and have been fully hedged to euro through cross currency swaps.

(x € 1,000)	December 31, 2017		December 31, 2016	
	Currency	EUR	Currency	EUR
Euro	1,110,436	1,110,436	1,067,317	1,067,317
US dollar	342,500	287,616	342,500	332,791
Pound sterling	130,000	146,351	130,000	151,782
Canadian dollar	20,000	13,255	20,000	14,096
Total		**1,557,658**		**1,565,987**

Liquidity risk

Wereldhave manages its liquidity risk on a consolidated basis with cash provided from rental income being a primary source of liquidity. The Group manages short-term liquidity based on a rolling forecast for projected cash flows for a twelve-month period.

Besides the cash from operations, fluctuations in the liquidity requirement are accommodated by means of several committed revolving credit facilities of in total € 540m.

A facility amounting to € 30m is available until the first half of 2018, facilities amounting to € 50m are available until the first half of 2019, facilities amounting to € 130m are available until the first half of 2021 and a facility of € 30m that matured in 2017 was refinanced until the first half of 2024.

In February 2017 Wereldhave has refinanced its 2014 € 300m syndicated revolving credit facility with a new € 300m syndicated revolving credit facility maturing February 2022. In February 2018, the term of this facility was extended by one year until February 2023.

As at year-end 2017, borrowing under the committed facilities stood at € 300m (2016: € 359m). The interest and repayment obligations for 2018 are covered by means of cashflow and available facilities.

Liquidity risk is furthermore managed by maintaining strong capital ratios, keeping strong relationships with various international banks and financial markets, and maintaining sufficient credit facilities (committed and uncommitted), see note 18.

Wereldhave must at all times meet its obligations under the loans it has taken out, including the interest cover ratio. The interest cover ratio is calculated by dividing the net rental income by the net interest payable. This ratio must not be less than 2. The 2017 interest cover ratio was 6.6 (2016: 6.6). Wereldhave must also meet solvency requirements: shareholders’ equity (less intangible assets) and deferred tax liabilities should amount to at least 40% of total assets (less intangible assets). At year-end 2017, the solvency was 56% (2016: 57%). During the period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

Apart from these obligations and commitments, Wereldhave’s tax status imposes financing limits.

Wereldhave is funded with a diversity of financing instruments in money markets and capital markets. Debt maturities are chosen in line with the long-term character of Wereldhave’s assets. Consequently, Wereldhave has a well-spread maturity profile.

Financial transactions are only concluded with the prior approval of the Board of Management and the Supervisory Board for bonds and other tradable debt instruments.

Credit risk

Wereldhave’s maximum exposure to credit risk in the event that a counterparty fails to fulfil its obligations in relation to each class of recognised financial asset, including derivatives, is the carrying amount of those assets in the consolidated statement of financial position. Reference relating to the credit risk in the derivatives is made in note 9 and 23.

Standard lease terms include that rent has to be paid upfront and every tenant's creditworthiness is verified before entering a new lease. The credit risk related to lease contracts is mitigated by bank guarantees and deposits received from tenants. The maximum credit risk is the carrying amount less bank warranties and deposits received from tenants. Wereldhave monitors this creditworthiness per tenant and determines via management reports the adequacy of the provision for doubtful debtors.

Sensitivity of credit risk on lease income

In case 1% of the annual rent is not paid, the effect on the gross rental income amounts to € 2.1m (2016: € -2.2m) and € 0.06 (2016: € -0.06) on the result per share. If 10% of debtors would default on payment, this would impact results by a maximum of € 2.0m (2016: € 2.3m). As a result of such default, result per share would change by € -0.05 (2016 € -0.06).

Wereldhave's maximum exposure to credit risk in the event that a counterparty fails to fulfil its obligations in relation to each class of recognised financial asset, including derivatives, is the carrying amount of those assets in the consolidated statement of financial position.

To limit credit or counterparty risk, only financial institutions with an investment grade credit rating are eligible as counterparties for financial transactions.

Concentration of credit risk

Concentration of risk occurs when a single financial risk is borne by one party or when several financial risks are concentrated within one or a few parties. Wereldhave mitigates the concentration risk with regard to interest, currency and liquidity risk by concluding interest and currency derivatives and loans with several financial parties. The credit risk further reduced by the size and diversification of the tenant portfolio as a result of which there is no concentration of risk.

Maturity of and interest payable on debt

The maturity and interest payable of debt (up to 12 months including trade payables and derivative financial liabilities) and future contractual interest payments is as follows:

(x € 1,000)	December 31, 2017		
	Principal	Interest	Total
- up to 1 year	64,009	30,300	94,309
- between 1 and 2 years	356,301	49,612	405,913
- between 2 and 5 years	592,794	35,181	627,974
- more than 5 years	557,661	64,022	621,683
Total	**1,570,764**	**179,114**	**1,749,879**

(x € 1,000)	December 31, 2016		
	Principal	Interest	Total
- up to 1 year	51,374	29,526	74,726
- between 1 and 2 years	25,692	52,148	77,840
- between 2 and 5 years	922,673	37,104	959,777
- more than 5 years	535,534	65,716	601,250
Total	**1,535,272**	**184,495**	**1,713,593**

The difference between the sum of the nominal principal values and the carrying amount of € 3.6m (2016: € 3.6m) consists of the negative option component of the convertible bond recorded as a derivative € 4.0m (2016: € 6.8m), amortised costs of € 4.5m (2016: € 5.2m) and the positive fair value adjustment on hedged items € -12.1m (2016: € -8.4m).

With regard to the interest on debt with variable interest rates, the rates prevailing at the balance sheet date have been used to determine the future outgoing cash flow. In addition to the financial liabilities mentioned above Wereldhave has a tenant deposit liability for an amount of € 12.4m (2016: € 11.9m). Tenants are obliged to deposit cash or give a guarantee when entering a lease contract.

Financial assets and liabilities

The table below gives an overview of financial assets and liabilities discussed in previous notes. The first column shows the IFRS categories and subsequent columns the IFRS classes of financial instruments are shown.

(x € 1,000)

December 31, 2017	Note	Loans and receivables	Financial assets at fair value through profit and loss	Total
Assets				
Financial assets	9	280	24,186	24,466
Trade and other receivables	10	55,096	-	55,096
Cash and cash equivalents	12	13,585	-	13,585
Total		**68,961**	**24,186**	**93,147**

December 31, 2017	Note	Financial liabilities measured at amortised costs	Financial liabilities at fair value through profit and loss	Total
Liabilities				
Interest bearing debts	18	1,557,658	-	1,557,658
Tenants deposits	20	12,353	-	12,353
Derivative financial instruments	23	-	38,312	38,312
Trade payables		8,893	-	8,893
Total		**1,578,904**	**38,312**	**1,617,216**

December 31, 2016	Note	Loans and receivables	Financial assets at fair value through profit and loss	Total
Assets				
Financial assets	9	251	51,665	51,916
Trade and other receivables	10	42,088	-	42,088
Cash and cash equivalents	12	40,666	-	40,666
Total		**83,005**	**51,665**	**134,670**

December 31, 2016	Note	Financial liabilities measured at amortised costs	Financial liabilities at fair value through profit and loss	Total
Liabilities				
Interest bearing debts	18	1,565,987	-	1,565,987
Tenants deposits	20	11,892	-	11,892
Derivative financial instruments	23	-	28,645	28,645
Trade payables		6,174	-	6,174
Total		**1,584,053**	**28,645**	**1,612,698**

Fair values of financial assets and liabilities are equal to the carrying amounts, unless mentioned otherwise in the separate notes. There are no financial assets and liabilities held for trading at fair value that are accounted for through profit and loss.

Where applicable, specific risks and further characteristics per financial assets and liabilities are discussed in the related notes. Reference is made to note 9 for the measurement methods with regard to the financial assets.

Off balance sheet assets and liabilities

The Group has contracted capital commitments for an amount of € 59m (2016: € 29m) with regard to investment properties under construction. The Group has leasehold liabilities for an amount of € 79m (2016: € 79m) and office rent & lease car liabilities for an amount of € 7m (2016: 8m). The Group has undrawn committed credit facilities for an amount of € 240m (2016: € 182m). The Group has issued guarantees to third parties for an amount of € 34m (2016: € 34m). In December 2017 agreement was reached for the disposal of 89 residential units in Capelle aan de IJssel for € 12.9m. The transaction will be completed at the end of the first quarter of 2018.

The maturity of the Group capital commitments, operational leases and leasehold liabilities are as follows:

(x € 1,000)

	2017	2016
- up to 1 year	60,772	28,178
- between 1 and 5 years	9,015	12,569
- > year 5	75,771	74,925
Total	**145,558**	**115,672**

25. FAIR VALUE MEASUREMENT

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

(x € 1,000)

	Fair value measurement using			
2017	**Total**	**Quoted prices Level 1**	**Observable input Level 2**	**Unobserv-able input Level 3**
Assets measured at fair value				
Investment property in operation	3,651,336	-	-	3,651,336
Investment property under construction	113,439	-	-	113,439
Investments held for sale	38,047	-	-	38,047
Financial assets				
Derivative financial instruments	24,186	-	24,186	-
Liabilities for which the fair value has been disclosed				
Interest bearing debt	1,607,964	253,075	1,354,889	-
Derivative financial instruments	38,312	-	38,312	-

2016	Total	Fair value measurement using Quoted prices Level 1	Observable input Level 2	Unobserv-able input Level 3
Assets measured at fair value				
Investment property in operation	3,701,331	-	-	3,701,331
Investment property under construction	85,360	-	-	85,360
Financial assets				
Derivative financial instruments	51,665	-	51,665	-
Liabilities for which the fair value has been disclosed				
Interest bearing debt	1,630,489	251,895	1,378,594	-
Derivative financial instruments	28,645	-	28,645	-

There were no transfers between levels during the year under review.

26. GROSS RENTAL INCOME

Lease contracts specify the rent, the other rights and obligations of the lessor and the lessee, including notice and renewal options as well as service and operating cost charges. Lease contracts have various expiry terms and break clauses. Rent indexation is agreed in countries where indexation is usual or legally permitted.

Service cost paid and received are not included in gross rental income. Rental losses as a result of vacancy, expressed as a percentage of theoretical rent, amounted to 7.1% in 2017 (2016: 6.6%).

Rental income based on turnover of the tenant amounts to 1.5% (2016: 0.6%) of gross rental income. Lease incentives provided to tenants amounts to 1.0% (2016: 1.1%) of gross rental income.

A change in the average occupancy rate by 0.5% results in a change of gross rental income by € 1.1m (excluding impact service costs).

The aggregate contractual rent from lease contracts as at December 31, 2017 is shown in the following table (Lease contracts with turnover related clauses are accounted for assuming the base rent only):

(x € 1,000)

	2017	2016
- up to 1 year	182,819	196,119
- between 1 and 5 years	481,082	521,173
- more than 5 years	70,546	73,406

27. PROPERTY EXPENSES

(x € 1,000)

	2017	2016
Property maintenance	1,124	1,367
Property taxes	5,763	5,506
Insurance premiums	625	777
Property management	6,898	7,386
Leasing expenses	557	735
Other operating costs	6,822	7,212
Total	**21,789**	**22,983**

Other operating costs comprise of e.g. promotion costs, marketing costs and doubtful debt.

28. VALUATION RESULTS

(x € 1,000)

	2017	2016
Investment properties in operation and investments held for sale		
Valuation gains	14,566	56,195
Valuation losses	-78,818	-83,600
Total	***-64,252***	***-27,405***
Investment properties under construction		
Valuation losses	-735	-5,950
	-735	*-5,950*
Total	**-64,987**	**-33,355**

29. RESULTS ON DISPOSALS

(x € 1,000)

Properties	2017	2016
Gross proceeds from sales	82,415	24,275
Selling costs	-1,260	-172
Net proceeds from sales	***81,155***	***24,103***
Book value investment properties	-80,862	-25,025
Book value lease incentives	-73	-
	-80,935	*-25,025*
Total	**220**	**-922**

The result on disposals relates to the sale of shopping centre Stadshagen in Zwolle, Oosterheem in Zoetermeer and a strip of shops adjacent to the Cityplaza shopping centre in Nieuwegein. Reference is made to note 5.

30. GENERAL COSTS

(x € 1,000)

	2017	2016
Salaries and social security contributions	20,719	22,227
Pension costs	942	1,081
Other employee costs	3,788	4,469
Audit and advisory fees	4,300	3,789
Office costs	5,495	4,857
Other general costs	3,591	3,276
	38,835	*39,699*
Allocated and recharged	-22,545	-22,074
Total	**16,290**	**17,625**

The allocation and recharges relates to expenses charged to third parties and allocation of costs to property expenses and developments projects.

Employees

During the year 2017 an average of 189 persons (2016: 218) based on full-time basis were employed by the Group, of which 73 (2016: 88) in the Netherlands and 116 (2016: 130) abroad.

Remuneration of the members of the Supervisory Board and the Board of Management

The Supervisory Board members and the members of the Board of Management are considered to be key management personnel.
The remuneration levels were last set at the Extraordinary General Meeting of Shareholders on July 23, 2015 and are indexed annually with the consumer price index.

Supervisory Board:

	2017	2016
A. Nuhn (from April 22, 2017)	37	0
L. Geirnaerdt (from April 22, 2016)	44	27
G. van de Weerdhof (from April 22, 2016)	40	27
H. Brand (from April 22, 2017)	22	-
H.J. van Everdingen	37	37
J.A.P. van Oosten (till April 22, 2017)	16	53
J.A. Bomhoff (till April 22, 2017)	12	40
H.L.L. Groenewegen (till September 1, 2016)	-	26
F.C. Weijtens (till April 22, 2016)	-	12
Total	**208**	**222**

As at December 31, 2017, Mr Van Everdingen held 10,000 ordinary shares in the Company as a private investment. The other members of the Supervisory Board do not hold shares or options in Wereldhave N.V. The Company has not issued loans, advances or financial guarantees to members of the Supervisory Board. Shares or options on shares have not been and will not be awarded to members of the Supervisory Board.

Board of Management:

(x € 1,000)

2017	Fixed income	STI	LTI	Pension and pension compen-sation	Social charges	Total
D.J. Anbeek	515	129	-	92	10	746
R.J. Bolier	384	96	-	76	10	566
Total	**899**	**225**	**-**	**168**	**20**	**1,312**

2016	Fixed income	STI	LTI	Pension and pension compen-sation	Social charges	Total
D.J. Anbeek	513	148	308	90	10	1,069
R.J. Bolier	382	110	229	71	10	802
Total	**895**	**258**	**537**	**161**	**20**	**1,871**

STI 2017

The STI incentive is calculated as follows:

- LFL RG at or above inflation scores 15% of fixed income
- LFL RG at or above budget scores 15% of fixed income
- Remain rated GRESB Green Star scores 10% of fixed income

Like-for-like rental growth for the year 2017 amounted to -1.1% in Belgium (index 1.8%), 5.5% in Finland (index 0.3%), -7.0% in France (index 1.0%) and 0.8% in the Netherlands (index 0.8%). This results in a score of 7.5% (Finland above inflation, Netherlands at inflation).

Actual like-for-like rental growth for the year 2017 was above budget in Belgium and the Netherlands and below budget in France and Finland. This results in a score of 7.5%.

The Company remained rated GRESB Green Star, which scores 10%.

The total STI score therefore amounts to 25% (7.5%+7.5%+10%).

This implies that in respect of the year 2017, a short-term incentive of 25% of fixed salary is payable in cash. For Mr Anbeek this amounts to an STI of € 128.778 and for Mr Bolier € 95,952.

LTI 2017

The LTI incentive is calculated as follows:

- EPS growth at inflation 20% bonus
- at 100 bps over inflation 40% bonus and
- at 200 bps over inflation the maximum of 60% bonus
- EPS growth scores between 0 and 200 bps over inflation will be calculated at a sliding scale

If the Loan-to-Value at year-end exceeds 40%, no conditional long-term incentive will be granted in respect of that year.

At December 31, 2017, the Loan-to-Value stood at 40.7%. This implies that in respect of the year 2017 no long-term incentive is granted.

Mr Anbeek holds a total of 26,371 shares at December 31, 2017, of which 14,918 are conditional and 11,453 are unconditional or private investment. The current fair value of the shares owned by Mr Anbeek based on the stock exchange price amounts to € 40.00 per share (as per December 31, 2017) in total € 1,054,840.

Mr Bolier holds a total of 17,297 shares at December 31, 2017, of which 11,112 are conditional and 6,185 are unconditional or private investment. The current fair value of the shares owned by Mr Bolier based on the stock exchange price amounts to € 40.00 per share (as per December 31, 2017) in total € 691,880.

LTI overview

(x € 1,000)

Financial year granted	Vesting period u/i Dec 31	Long-term incentive	Accounted in financial statements 2017	Accounted in earlier financial statements	Total accounted for
2017 - D.J. Anbeek	n.a.	-	-	-	-
2016 - D.J. Anbeek	2019	308	77	77	154
2015 - D.J. Anbeek	2018	306	-96	154	58
2017 - R.J. Bolier	n.a.	-	-	-	-
2016 - R.J. Bolier	2019	229	57	57	114
2015 - R.J. Bolier	2018	228	-71	114	43

The Company has not granted loans, advances or financial guarantees to members of the Board of Management.

The model to calculate the fair value of the share awards incorporates the ranking of the total shareholder returns of the Company against the defined peer companies.

31. OTHER INCOME AND EXPENSES

Other income and expenses € -2.3m (2016: € -2.8m) relates to investment and divestment activities, project related and other costs that cannot be directly linked to the operational activities.

32. NET INTEREST

(x € 1,000)

	2017	2016
Interest paid	-30,750	-31,436
Capitalised interest	1,784	1,342
Amortised costs loans	-1,334	-1,522
Total interest charges	***-30,300***	***-31,616***
Interest received	***69***	***49***
Total	**-30,231**	**-31,567**

Capitalised interest in connection with developments is based on the Group's weighted average cost of debt. During 2017, the range of weighted average interest rates used was 1.9 – 2.0% (2016: 2.0 - 2.2%). The average nominal interest rate at year end 2017 was 2.0% (2016: 1.9%).
The line item 'interest paid' includes costs related to fees paid for undrawn parts of committed financing facilities amounting to € 1m (2016: € 0.9m).

33. OTHER FINANCIAL INCOME AND EXPENSES

(x € 1,000)

	2017	2016
Exchange rate differences	-14	-58
Adjustments financial instruments	2,883	6,295
Total	**2,869**	**6,237**

34. INCOME TAX

(x € 1,000)

	2017	2016
Result before tax	***84,453***	***121,453***
Tax charges according to applicable tax rates	-23,699	-42,925
Tax-exempt income based on fiscal status	22,353	44,565
Other	1,224	-2,319
Income tax	***-122***	***-679***
Weighted average tax rate	0.1%	0.6%

For 2017 the current tax charge is € 1.1m (2016: € -1.4m) and the deferred tax charge was € -1.2m (2016: € 0.7m). The applicable tax rates for Group companies vary from 0% for tax-exempt entities, based on their fiscal status, up to 34%.

The weighted average tax rate varies yearly, mainly because the valuation results are taxed differently for the tax-exempt and tax based countries.

There are no tax effects relating to other comprehensive income or amounts directly credited to equity (2016: idem).

35. SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES

Principal Subsidiaries

Name	Country of incorpora-tion	Proportion of ordinary shares Held by parent (%)	Proportion of ordinary shares Held by the group (%)	Proportion of ordinary shares Held by non-con-trolling interests (%)
West World Holding N.V.	Netherlands	100.00		
N.V. Wereldhave International	Netherlands	100.00		
Wereldhave Nederland B.V.	Netherlands		100.00	
Wereldhave Development B.V.	Netherlands	100.00		
Relovast V B.V.	Netherlands		100.00	
Relovast VI B.V.	Netherlands		100.00	
Royalton Real Estate B.V.	Netherlands		100.00	
Royalton Square B.V.	Netherlands		100.00	
Royalton Hill B.V.	Netherlands		100.00	
WH Tilburg Zuid (Heuvelstraat) B.V.	Netherlands		100.00	
Wereldhave Management Holding B.V.	Netherlands	100.00		
Wereldhave Management Nederland B.V.	Netherlands		100.00	
Ilôt Kleber SAS	France	100.00		
Espace Saint Denis SAS	France	100.00		
NODA SAS	France	100.00		
Wereldhave Retail France SAS	France	100.00		
Urba Green SAS	France		100.00	
SCI Bordeaux Bonnac	France	0.01	99.99	
SCI du CC Bordeax Prefecture	France	0.01	99.99	
SNC Les Docks de Rouen	France	0.01	99.99	
SNS Les Passages de l'Etoile	France	0.01	99.99	
SNC Marceau Côté Seine	France	0.01	99.99	
SNC Elysees Vauban	France	0.01	99.99	
SCI due CC Rouen Saint Sever	France	0.01	99.99	
SNC Cegep et Compagnie	France	0.01	99.99	
SCI des Bureaux Rouen Bretagne	France	0.01	99.99	
SCI Rouen Verrerie	France	0.01	99.99	
SCI Fonciere Marceau Saint Sever	France	0.01	99.99	
Wereldhave Management France SAS	France		100.00	
Itäkeskus Holding Oy	Finland	100.00		
Kauppakeskus Itäkeskus Oy	Finland		100.00	
Wereldhave Finland Oy	Finland	100.00		
Wereldhave Belgium	Belgium	36.38	33.19	30.43
NV J-II SA	Belgium		100.00	
NV Wereldhave Belgium SA	Belgium		100.00	
Immo Guwy NV	Belgium		100.00	
Waterloo Shopping BVBA	Belgium		100.00	
WBPM N.V.	Belgium		100.00	
NV Wereldhave Management Belgium SA	Belgium		100.00	
NV Wereldhave Belgium Services SA	Belgium		100.00	
Espamad SLU	Spain	100.00		

All subsidiaries are included in the consolidation. The proportion of voting rights held by the parent or by the Group companies in the subsidiaries do not differ from the proportion of ordinary shares held. The parent does not have any shareholding in preference shares of subsidiaries in the Group. The total amount of non-controlling interest at year-end 2017 amounts to € 188.4m.

Summarised financial information for Wereldhave Belgium

(x € 1,000)

Summarised balance sheet	2017	2016
Current assets	30,215	19,201
Current liabilities	-52,893	-57,355
Total current net assets	*-22,678*	*-38,154*
Non-current assets	854,144	820,459
Non-current liabilities	-212,182	-182,719
Total non-current net assets	*641,962*	*637,740*
Net assets	**619,284**	**599,586**

Summarised income statement	2017	2016
Revenue	49,494	49,175
Profit before income tax	54,911	66,459
Income tax expense/income	-229	-218
Post tax profit from continuing operations	*54,682*	*66,241*
Other Comprehensive Income	400	38
Total Comprehensive Income	*55,082*	*66,279*
Total Comprehensive Income allocated to non-controlling interest	*16,762*	*20,165*
Dividend paid to non-controlling interest	10,767	10,347

Summarised cash flows

Cash flows from operating activities	2017	2016
Cash generated from operations	41,484	42,866
Interest paid	-2,149	-2,871
Net cash generated from operating activities	*39,335*	*39,995*
Net cash used in investment activities	-35,093	-3,924
Net cash used in financing activities	-8,628	-35,801
Net increase in cash and cash equivalents and bank overdrafts	-4,386	270
Cash, cash equivalents and bank overdrafts at beginning of the year	6,501	6,231
Cash and cash equivalents and bank overdrafts at end of the year	**2,115**	**6,501**

36. TRANSACTIONS WITH SHAREHOLDERS

In 2017 there were no transactions with shareholders that affected profit and loss.

37. RESULT AND DILUTED RESULT PER SHARE UPON FULL CONVERSION

Result per share

The results per share are calculated based on the total result after tax, attributable to holders of ordinary shares and the average number of ordinary shares in issue during the year.

Diluted result per share

The diluted result per share is calculated, based on the total result after tax, adjusted for costs relating to the convertible bonds that are charged to the result and the average number of ordinary shares during the year, including the maximum number of shares that could be converted during the year.

	2017	2016
Result attributable to shareholders of the company	67,690	100,620
Adjustment for effect convertible bonds	4,600	-5,073
Result after effect convertible bonds	***72,290***	***95,547***
Number of shares as at January 1	***40,270,921***	***40,264,139***
Adjustment for purchase of own shares for remuneration	-22,756	-9,643
Weighted average number of shares for fiscal year	***40,248,165***	***40,254,496***
Adjustment for convertible bonds	4,062,068	3,928,656
Diluted average number of shares after adjustment for the effects of all dilutive potential shares for the fiscal year	**44,310,233**	**44,183,152**

As the conversion of the convertible bonds has a negative effect on the result per share, this is taken into account in the diluted result per share.

See note 39 for the proposed dividend for 2017.

38. NET ASSET VALUE PER SHARE

Net asset value per share

The net asset value per share is calculated based on equity as presented in the balance sheet as at December 31 and the number of shares issued as at that date.

	2017	2016
Equity available for shareholders (x € 1,000)	1,928,635	1,978,811
Number of ordinary shares per 31 December	40,270,921	40,270,921
Purchased shares for remuneration	-26,030	-16,425
Number of ordinary shares per 31 December for calculation net asset value	***40,244,891***	***40,254,496***
Net asset value per share (x € 1)	**47.92**	**49.16**

39. DIVIDEND

It is proposed to distribute to holders of ordinary shares a dividend of € 3.08 per share (interim dividend of € 0.77 was paid in July 2017, € 0.77 was paid in October 2017 and € 0.77 was paid in January 2018) in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax.

40. RELATED PARTIES

The Board of Management, the Supervisory Board and subsidiaries of Wereldhave N.V. are considered to be related parties. The members of the Supervisory Board and of the Board of Management had no personal interest in any of the Company's investments during the year. For information about the directors´ remuneration reference is made to note 30.

Related party transactions were made on terms equivalent to those that prevail in arm’s length transactions if such terms can be substantiated.

41. EVENTS AFTER BALANCE SHEET DATE

On January 16, 2018, the company received notice from the Dutch Ministry of Finance that agreement has been reached with the US Competent Authority regarding a Mutual Agreement Procedure under the US-NL Income Tax Treaty. As a result of that a 15% withholding tax is applicable for capital gain dividend from the United States. In the past 35% has been withheld by the US tax authorities. Based on this notice the Company can re-issue its tax declarations and can potentially claim $1.1m.

The closing of the legal transfer of the office building ‘Madou’ occurred at the end of 2016 when the sales price has been paid (€ 16.4m). Wereldhave Belgium kept the right to perceive the rental income up to the expiry of the current lease (i.e. January 31, 2018) and continued to bear the operational risks up to that date. At balance sheet date, the building is classified as ‘assets held for sale’. The sales agreement provides that the buyer becomes full owner (legal and economic) at the end of the lease, which occurred at January 31, 2018.

COMPANY BALANCE SHEET
at December 31, 2017

(x € 1,000)

	Note	December 31, 2017	December 31, 2016
Assets			
Non-current assets			
Investments in subsidiaries	2	1,403,053	1,458,347
Other financial investments	3	1,780,476	1,791,864
Derivative financial instruments		20,619	51,665
Total non-current assets		***3,204,148***	***3,301,876***
Current assets	*4*		
Tax receivables		6,668	46
Cash and cash equivalents		3,079	2,036
Accruals		10,715	11,469
Group companies receivable		343,297	192,059
Short term derivatives		3,567	-
Other receivables		2,814	362
Total current assets		***370,140***	***205,972***
Total assets		**3,574,288**	**3,507,848**
Equity and liabilities			
Equity	*5*		
Share capital		40,271	40,271
Share premium		1,711,033	1,711,033
General reserve		-249,030	-197,858
Revaluation reserve		366,642	339,165
Hedge reserve		-7,971	-14,420
Result current year		67,690	100,620
Total equity		***1,928,635***	***1,978,811***
Non-current liabilities			
Interest bearing liabilities	6	1,316,458	1,380,787
Derivative financial instruments		37,748	27,837
Total non-current liabilities		***1,354,206***	***1,408,624***
Current liabilities			
Group companies payable		90,080	59,503
Short term liabilities	7	201,367	60,910
Total current liabilities		***291,447***	***120,413***
Total equity and liabilities		**3,574,288**	**3,507,848**

COMPANY INCOME STATEMENT

for the year ended December 31, 2017

(x € 1,000)

	Note	2017	2016
General costs	9	-4,965	-7,477
Other income and expense	10	1,993	-6,397
Operating result		***-2,972***	***-13,874***
Interest charges		-30,798	-18,112
Interest income		49,839	44,986
Net interest	***11***	***19,041***	***26,874***
Other financial income and expenses	12	-5,462	12,611
Result before tax		***10,607***	***25,611***
Income tax		-130	-133
Result company after tax		***10,477***	***25,478***
Result from subsidiaries after tax	2	57,213	75,142
Result incl subsidiaries		**67,690**	**100,620**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. GENERAL

1.1 Principles for the presentation of the Company accounts

The Company accounts have been made up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code. The option provided by article 2:362 paragraph 8 of the Civil Code to apply the same principles for determining profit and loss and balance sheet items (including the principles of accounting for financial instruments under shareholders' equity or interest bearing liabilities) is applied in the consolidated accounts.

The Company financial statements of Wereldhave N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. Reference is made to the notes to the consolidated annual accounts.

The annual accounts have been prepared before distribution of result with the exception where distribution is determined by law.

1.2 Investments in subsidiaries

Investments in subsidiaries and other entities in which the Group either exercises voting control or effective management responsibility are valued at net asset value. The initial processing in the accounts and valuations at balance sheet dates is made at the net asset value. The value is adjusted with the share of the Company in the results of the subsidiary, based on the principles for determining results as applied in the consolidated accounts and with the share in the other movements in equity of the subsidiary as from the date of acquisition, which are attributable to the Company. The net asset value is determined by valuing assets, provisions and liabilities and by determining results according to the principles which have been used in the consolidated accounts.

2. INVESTMENTS IN SUBSIDIARIES

Movements are as follows:

(x € 1,000)

	2017	2016
Balance at January 1	***1,458,347***	***1,769,130***
Movements in pension schemes	66	79
Investments / divestments	-1,379	-294,796
Result from subsidiaries after tax	57,213	75,142
Dividends	-109,875	-90,274
Other	-1,319	-934
Balance at December 31	**1,403,053**	**1,458,347**

List of subsidiaries

At December 31, 2017, the Company had direct shareholdings in the following companies:

Country of incorporation		Indirect shareholding (%)		Direct shareholding (%)
Netherlands	West World Holding N.V.			100.00
Netherlands	N.V. Wereldhave International			100.00
Belgium		33.19	Wereldhave Belgium	36.38
Netherlands	Wereldhave Development B.V.			100.00
Netherlands	Wereldhave Management Holding B.V.			100.00
France	Ilôt Kleber S.A.S.			100.00
France	Espace Saint Denis S.A.S.			100.00
France	NODA S.A.S.			100.00
France	Wereldhave Retail France S.A.S.			100.00
France		100	SCI Bordeaux Bonnac	0.01
France		100	SCI du CC Bordeaux Prefecture	0.01
France		100	SNC les Docks de Rouen	0.01
France		99.99	SNS Les Passages de l'Etoile	0.01
France		99.99	SNC Marceau Coté Seine	0.01
France		99.99	SNC Elysees Vauban	0.01
France		99.99	SCI due CC Rouen Saint Sever	0.01
France		99.99	SNC Cegep et Compagnie	0.01
France		99.99	SCI des Bureaux Rouen Bretagne	0.01
France		99.99	SCI Rouen Verrerie	0.01
France		99.99	SCI Fonciere Marceau Saint Sever	0.01
Finland	Itäkeskus Holding Oy			100.00
Finland	Wereldhave Finland Oy			100.00
Spain	Espamad SLU			100.00

3. OTHER FINANCIAL INVESTMENTS

(x € 1,000)

	Receivables from subsidiaries
Balance at January 1, 2016	***1,147,745***
Exchange rate differences	-681
Investments / withdrawal	678,566
Divestments / redemptions	-33,766
Balance at January 1, 2017	***1,791,864***
Investments / withdrawal	700
Divestments / redemptions	-12,088
Balance at December 31, 2017	**1,780,476**

The receivables from subsidiaries which are mentioned in this note have a maturity of more than one year.

4. CURRENT ASSETS

The receivables not accounted for under Financial Investments are due in less than one year. The fair value of the receivables coincides with the balance sheet valuation.

5. EQUITY

Share capital

The authorised share capital of the Company at December 31, 2017 amounts to € 150m divided over € 75m ordinary shares of € 1 and € 75m preference shares of € 1. The issued and paid up share capital amounts to € 40m, formed by 40,270,921 ordinary shares.

In the year 2017 12,756 shares were purchased for the long-term bonus of the Board of Management. In the year 2016 11,711 shares were purchased for the long-term bonus plan of the Board of Management. These shares were conditionally granted to Mr Anbeek and Mr Bolier.

The movements in equity during 2017 and 2016 were as follows:

(x € 1,000)

	Share capital	Share premium reserve	General reserve	Revaluation reserve *)	Hedge reserve *)	Result current year	Total
Balance at January 1, 2016	*40,271*	*1,711,033*	*-139,685*	*315,809*	*-1,004*	*88,645*	*2,015,069*
Result 2015 distribution	-	-	65,289	23,356	-	-88,645	-
Effective portion of change in fair value of cash flow hedges	-	-	-	-	-13,416	-	-13,416
Shares for remuneration	-	-	-397	-	-	-	-397
Remeasurement of past employment obligations	-	-	79	-	-	-	79
Share based payments	-	-	268	-	-	-	268
Dividend over 2015	-	-	-60,808	-	-	-	-60,808
Interim dividend 2016	-	-	-62,016	-	-	-	-62,016
Profit for the year **)	-	-	-	-	-	100,620	100,620
Other	-	-	-588	-	-	-	-588
Balance at December 31, 2016	*40,271*	*1,711,033*	*-197,858*	*339,165*	*-14,420*	*100,620*	*1,978,811*
Result 2016 distribution	-	-	73,143	27,477	-	-100,620	-
Effective portion of change in fair value of cash flow hedges	-	-	-	-	6,449	-	6,449
Shares for remuneration	-	-	-300	-	-	-	-300
Remeasurement of past employment obligations	-	-	66	-	-	-	66
Share based payments	-	-	-32	-	-	-	-32
Dividend over 2016	-	-	-62,015	-	-	-	-62,015
Interim dividend 2017	-	-	-62,016	-	-	-	-62,016
Profit for the year **)	-	-	-	-	-	67,690	67,690
Other	-	-	-18	-	-	-	-18
Balance at December 31, 2017	**40,271**	**1,711,033**	**-249,030**	**366,642**	**-7,971**	**67,690**	**1,928,635**

*) Legal reserves

**) The annual accounts have been prepared before distribution of result. With regard to the proposed result distribution reference is made to the other information paragraph

Share premium

Share premium is paid up share capital in excess of nominal value. There were no changes in the share premium in 2017. The amount of share premium that is recognised for tax purposes is € 1,716m (2016: € 1,716m).

General reserve

Allocation of result over 2016.

The General Meeting of Shareholders on April 21, 2017 determined the following allocation of the profit over 2016:

(x € 1,000)	
Distributed to holders of ordinary shares	***124,031***
Revaluation reserve subsidiaries	27,477
General reserve	-50,888
Result after tax	**100,620**

Dividend 2017

The 2017 dividend proposal is explained in the 'Other Information '.

Revaluation reserve

In this reserve cumulative positive valuation results on property investments in subsidiaries are kept.

6. INTEREST BEARING LIABILITIES

The maturity of interest bearing liabilities (non-current and current) shows as follows:

(x € 1,000)	December 31, 2017					
	Maturity < 1 year	Maturity 1 - 5 year	Maturity >5 year	Total long term	Total	December 31, 2016
Convertible bonds	-	245,029	-	245,029	245,029	241,506
Debt to financial institutions	29,240	546,072	525,357	1,071,429	1,100,669	1,139,281
Total	**29,240**	**791,101**	**525,357**	**1,316,458**	**1,345,698**	**1,380,787**

Capital repayments due within 12 months from the end of the financial year are included under short-term interest bearing liabilities. With regard to the conversion terms of the convertible bonds reference is made to the notes of the consolidated accounts. Other long-term liabilities relate to cross currency swaps.

Average effective interest

	2017				
	EUR	GBP	USD	CAD	Total
Short term interest bearing debt					
Bank loans and private placement	-	-	4.9%	-	4.9%
Interest rate swaps	-3.8%	-	-	-	-3.8%
Long term interest bearing debt					
Convertible bonds	1.0%	-	-	-	1.0%
Bank loans, private placement and EMTN	1.6%	4.3%	4.8%	4.0%	2.6%
Cross currency interest rate swaps	-0.9%	-	-	-	-0.9%
Average	**1.8%**	**4.3%**	**4.8%**	**4.0%**	**2.1%**

	2016				
	EUR	GBP	USD	CAD	Total
Long term interest bearing debt					
Convertible bonds	1.0%	-	-	-	1.0%
Bank loans and private placement	1.6%	4.3%	4.8%	4.0%	2.9%
Cross currency interest rate swaps	-2.5%	-	-	-	-2.5%
Average	**1.7%**	**4.3%**	**4.8%**	**4.0%**	**2.0%**

Fair value

The carrying amount and the fair value of long-term interest bearing debts are as follows:

(x € 1,000)	December 31, 2017		December 31, 2016	
	carrying amount	fair value	carrying amount	fair value
Convertible bonds	245,029	253,075	241,506	251,895
Bank loans, private placement and EMTN	1,071,429	1,113,629	1,139,281	1,193,394
Total	**1,316,458**	**1,366,704**	**1,380,787**	**1,445,289**

Currencies

There are loans closed in euro, pound sterling, US dollars and Canadian dollars.

7. SHORT-TERM LIABILITIES

(x € 1,000)

	December 31, 2017	December 31, 2016
Short term portion of long term debt	29,240	-
Creditors	95	160
Taxes on profit	148	74
Other debts	171,884	60,676
Total	**201,367**	**60,910**

8. OFF BALANCE SHEET ASSETS AND LIABILITIES

The Company has issued guarantees to third parties for an amount of € 34m.

9. GENERAL COSTS

(x € 1,000)

	2017	2016
Salaries and social security contributions	2,091	3,169
Pension costs	45	41
Other employee costs	176	587
Audit and advisory fees	951	678
Office costs	470	371
Other general costs	5,403	7,847
	9,135	*12,693*
Allocated and recharged	-4,170	-5,216
	-4,170	*-5,216*
Total	**4,965**	**7,477**

The allocation and recharges relates to expenses charged to third parties and allocation of costs to property expenses and development projects.

Employees

During 2017 the legal entity employed an average of 2 persons (2016: 2). The employees worked in the Netherlands.

Remuneration of the members of the Supervisory Board and the Board of Management

The Supervisory Board members and the members of the Board of Management are considered to be key management personnel.
The remuneration levels were last set at the Extraordinary General Meeting of Shareholders on July 23, 2015.

10. OTHER INCOME AND EXPENSE

Other income and expenses € 2.0m (2016: € -6.4m) relates to investment and divestment activities, project related and other costs that cannot be directly linked to the operational activities. These costs are partly compensated by other subsidiaries.

11. NET INTEREST

(x € 1,000)

	2017	2016
Interest paid	-29,464	-16,590
Amortised costs loans	-1,334	-1,522
Total interest charges	*-30,798*	*-18,112*
Interest received	*49,839*	*44,986*
Total	**19,041**	**26,874**

During 2017, the range of weighted average interest rates used was 1.9 – 2.1% (2016: 2.0 - 2.2%). The average nominal interest rate at year end 2017 was 2.1% (2016: 1.90%).
The line item 'interest paid' includes costs related to fees paid for undrawn parts of committed financing facilities amounting to € 0.5m (2016: € 0.9m). Interest received relates to loans provided to subsidiaries.

12. OTHER FINANCIAL INCOME AND EXPENSES

(x € 1,000)

	2017	2016
Exchange rate differences	-9,043	6,319
Adjustments financial instruments	3,582	6,292
Total	**-5,462**	**12,611**

13. AUDIT FEES

In 2017 Wereldhave N.V. and its subsidiaries have accounted for the following costs from the Group auditor KPMG:

(x € 1,000)

	2017	2016
Audit of the Annual Accounts	437	463
Other assurance services	104	19
Tax advisory services	-	11
Total	**541**	**493**

The other assurance services are in compliance with Dutch Auditor Regulations.

Of the total amount of audit fees € 317k (2016: € 238k) relates to the Netherlands. This consist of an amount of € 213k (2016: € 227k) for the audit of the Annual Accounts and € 104k (2016: € 11k) for other audit activities.

All fees are in compliance with the Dutch Auditor Regulations.

14. MANAGEMENT AND MEMBERS OF THE SUPERVISORY BOARD

For the remuneration of the members of the Board of Management and Supervisory Board reference is made to note 30 in the consolidated annual accounts.

15. RELATED PARTIES

All Group entities are treated as related parties. Reference is made to note 40 in the consolidated annual accounts.

16. CONTINGENCIES

General guarantees as defined in Art. 403, Book 2 of the Dutch civil code has been given by the Company for a number of subsidiaries in the Netherlands.

The Company has given guarantees to third parties for Group companies totalling € 34m (2016: € 34m). Capital investment commitments amount to € nil as per December 31, 2017 (2016: € nil).

The Company is the head of the corporate income tax and VAT units for which Dutch subsidiaries are also included. The Company is also jointly and severally liable for the tax units as a whole.

17. PROPOSED DISTRIBUTION OF RESULTS

Rules for the distribution of results are set out in Article 25 of the Company's Articles of Association. The preference shareholders have a first call on results in the form of a dividend distribution on the paid-up nominal share value at a percentage rate equal to the twelve-month money market rate (European Interbank Offered Rates), valid for the first exchange day of the financial year concerned plus a surcharge of 1.5%, or if this amount is not available, as much is available from the distributable result. Distribution of the remaining balance available for distribution is determined by the Annual General Meeting of Shareholders.

Proposed distribution of results

It is proposed to distribute to holders of ordinary shares a dividend of € 3.08 per share in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax. An interim dividend relating to 2017 of € 0.77 was paid in July 2017, € 0.77 was paid in October 2017 and € 0.77 was paid in January 2018.

(x € 1m)

	2017	2016
Profit	67.7	100.6
Payment to holders of ordinary shares	123.9	123.9
Revaluation reserve subsidiaries	1.0	27.4
General reserve	-57.2	-50.7
	67.7	**100.6**

18. EVENTS AFTER BALANCE SHEET DATE

There were no events after balance sheet date.

Schiphol, March 5, 2018

Supervisory Board	**Board of Management**
A. Nühn	D.J. Anbeek
L. Geirnaerdt	R.J. Bolier
G. van de Weerdhof	
H. Brand	
H.J. van Everdingen	

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Wereldhave N.V.

Report on the audit of the financial statements 2017 included in the integrated annual report

Our opinion

In our opinion:

— the accompanying consolidated financial statements give a true and fair view of the financial position of Wereldhave N.V. as at 31 December 2017 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

— the accompanying company financial statements give a true and fair view of the financial position of Wereldhave N.V. as at 31 December 2017 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2017 of Wereldhave N.V. based in Schiphol. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2017;
2. the following consolidated statements for 2017: the income statement, the statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at 31 December 2017;
2. the company profit and loss account for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the ‘Our responsibilities for the audit of the financial statements’ section of our report.

We are independent of Wereldhave N.V. in accordance with the EU Regulation on specific requirements regarding statutory audits of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit approach

Summary

MATERIALITY
- Materiality of EUR 10.8 million
- 0.5% of total equity

GROUP AUDIT
Full scope audit in all significant countries performed by KPMG auditors and covering 100% of investment property and rental revenue

KEY AUDIT MATTERS
- Valuation of investment property;
- Tax exempt status;
- Valuation of derivatives

UNQUALIFIED OPINION

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 10.8 million (2016: EUR 10.1 million). The materiality is determined with reference to total equity (0.5%). We consider total equity as the most appropriate benchmark because this benchmark best fits the nature of Wereldhave's operations and is deemed most relevant for users of the financial statements. For accounts in the income statement related to the direct result (which excludes valuation results) and there to related balance sheet accounts we determined materiality at EUR 5.4 million (2016: EUR 5.3 million). This direct result is an important additional measure for the performance of the company's current portfolio, excluding the impact of changes in market value of investment property and derivatives.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 480 thousand for the financial statements as a whole and EUR 240 thousand for accounts related to net result excluding valuation results, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Our group audit mainly focused on significant components. Wereldhave N.V. is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of Wereldhave N.V.

The group manages its investment property portfolio through its subsidiaries in France, Belgium, Netherlands and Finland. Each of these subsidiaries are individually significant in the context of the group's financial statements and therefore we have used KPMG audit teams in each country to perform an audit of the complete financial information of the subsidiaries in these countries (full scope audit). Given our responsibility for the overall audit opinion, we are responsible for directing, supervising and performing the group audit. As group auditor we were involved in the full-scope audits performed by the auditors of the subsidiaries.

Our involvement included the following:

- issuing detailed audit instructions to subsidiary auditors describing the scope of the audit procedures to be performed, our risk assessment, materiality to be applied and reporting requirements;
- Participation in planning discussions with subsidiary auditors;

- Attending conference calls during the audit with respect to relevant audit matters;
- Attending closing meetings at the subsidiaries to discuss relevant audit finding with the subsidiary auditor and local management;
- Follow up on reported audit findings;
- Discussions on the local reporting with country management; and
- Review of the audit files of all significant subsidiary auditors to verify the audit work has been carried out in accordance with our instructions.

The consolidation of the group, the disclosures in the financial statements and certain accounting topics that are performed at group level are audited by the group audit team.

The accounting matters on which audit procedures are also performed by the group audit team include, but are not limited to, assessment of the use of the going concern assumption, equity, group financing, derivatives and hedge accounting, assessment of the tax exempt status, employee benefits and claims and litigations.

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.We have audited together with the component auditors of Netherlands, Belgium, France and Finland 100% of the investment property and rental revenue. Other components are not marked as significant as they are clearly financially immaterial.

Audit procedures in relation to fraud risks

We performed audit procedures for the purpose of identifying, assessing and acting on risks of a material misstatements due to fraud. Our normal audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

In our process of identifying fraud risks we evaluated fraud risk factors. Fraud risk factors are events or conditions that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

The international audit standard 240 assumes that a general fraud risk arises from the possibility of management override of internal controls. In addition, we evaluated a fraud risk regarding the existence of rental revenue recognition and a fraud risk to the price component of real estate acquisitions and disposals as a result of possible 'ABC-transactions'.

We have evaluated the internal control measures that mitigate fraud risks. In addition, we checked new lease agreements and related cash receipts. Furthermore we inspected purchase and sale agreements related to real estate acquired and disposed during 2017 and established ownership of real estate based on amongst others the land register, parties involved and related service fees in relation to possible ABC-transactions.

The results of our procedures were satisfactory. We discussed and reported (fraud) risks in connection with the audit of the financial statements with the Management Board and the Supervisory Board.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment property
Description The valuation of investment property is complex and requires judgement, both from management and the external appraisal firms hired by management. The valuation is dependent on valuation techniques using a number of assumptions to determine expected future cash flows and risks. Assumptions include for example developments of market rent levels, vacancy rates, interest rates, maintenance expenses and transfer tax. Due to the significance of investment property (representing 96.2% of total assets) and the estimation uncertainties, we consider this a key audit matter. Refer for the accounting policies to Note 3.7 on the financial statements and the disclosures about the valuation and valuation parameters of investment property in Note 5.
Our response Our audit included an assessment of the valuation process with respect to the investment property as at year-end 2017, including testing related internal controls and tests of details at each subsidiary. We have tested the accuracy and completeness of the rent roll data and other property related data used as input for the valuations performed by the external appraisal firms. We have assessed the objectivity, independence and expertise of the external appraisal firms. We tested the valuation techniques applied and specifically challenged the appropriateness of key assumptions in the valuation process, which consist of market rent levels and 'bruto-aanvangs-rendement'. Our challenge was based on our assessment of the historical accuracy of the assumptions in previous periods, our understanding of the market and market developments and a comparison of assumptions and movements therein with publicly available data. We analysed the results of the valuation process and discussed our findings and observations with management and with the appraisal firms. KPMG property valuation experts formed an integral part of our team supporting us with our audit procedures.

We have assessed whether the disclosures relating to investment properties appropriately reflect the exposure to valuation risk, including the valuation methodologies applied and the key assumptions used.

Our observation

Overall we assess that the assumption and related estimates resulted in a balanced valuation of the investment property and we determined that the related disclosures are in accordance with the applicable financial reporting standards.

Tax exempt status

Description

Wereldhave N.V. has a tax exempt status as per article 28 of the Corporate Income Tax law, 1969 in the Netherlands and a similar tax status in Belgium and France. When the conditions are met Wereldhave N.V. is exempt from corporate income tax for the operations. Specific activities such as (re)developments or specific operational activities could have an impact on the tax exempt status. From a financial statements perspective and for the users of these financial statements, compliance to the strict rules is essential to maintain the tax exempt status. The tax exempt status is important to our audit as non-compliance with applicable tax laws and regulations could have a material negative impact on the financial position of the group therefore we consider this a key audit matter.

Management assessment of the tax exempt status is included in Note 2 of the financial statements.

Our response

We have analysed the requirements for the tax exempt status in the Netherlands, Belgium and France and we evaluated management's assessment whether Wereldhave N.V meets these requirements. We obtained a letter from the company's external fiscal advisor relating to the confirmation of the tax exempt status in each of the respective countries. We discussed the requirements with the Management Board and the tax manager of Wereldhave N.V. We took into consideration the financing structure, dividend policy and operational activities of Wereldhave N.V. We used the expertise of our tax specialists. In addition, we inspected correspondence with the tax authorities, to assess whether Wereldhave N.V, meets the requirements for the tax exempt status.

Our observation

The results of our procedures were satisfactory and we consider management's assessment on the tax exempt status as disclosed in Note 2 as sufficient.

Valuation of Derivatives

Description

Wereldhave N.V. uses derivatives (cross currency and interest rate swaps) to fix the exchange rate and interest rate risk on part of its floating aspects of its finance activities. The borrowings are used to finance investment property activities.

As at 31 December 2017, Wereldhave N.V. has recognized derivative financial instruments at fair value, with a debit amount of € 24 million and a credit amount of € 38 million.

Wereldhave N.V. has opted for cash flow hedge accounting principles regarding the currency derivatives. This means that changes in the fair value of a derivative hedging instrument are recognized in the statement of comprehensive income and recognized directly in equity in the hedge reserve to the extent the hedge is effective. To the extent the hedge is ineffective; changes in fair value are recognized in the income statement.

Wereldhave N.V. has opted for fair value hedge accounting (which also includes cash flow hedge) regarding the cross currency interest rate swaps. Therefore part of the movements in the fair value of derivatives that are allocated to the fair value hedge are recognized in the statement of profit or loss and will be offset for accounting purposes.

As explained in note 23 to the financial statements, the fair value of derivatives is based on fair value quotes from counterparties which are compared to the results of the internal valuation model using market data obtained from an independent recognized market data agency. As these calculations are complex we consider the valuation of derivatives to be a key audit matter.

Our response

We used KPMG valuation specialists to independently calculate the fair value of the derivatives and compared the outcome to the values calculated by Wereldhave N.V. We also evaluated Wereldhave N.V.'s assessment of the adjustment to the fair value for counterparty non-performance risk (or credit valuation adjustment / debit valuation adjustment – CVA/DVA).

Our observation

Overall we assess that the assumptions used and related estimates resulted in a balanced valuation without significant variances when compared with our own valuations.

Report on the other information included in the integrated annual report

In addition to the financial statements and our auditor's report thereon, the integrated annual report contains other information that consists of:

- the Management report including the message of the CEO of Wereldhave N.V. (page 5 to 13, page 79 to 80, page 83 to 91), the strategy (page 14 to 20), the operations (page 21 to 58), sustainability (page 59 to 78), the supervisory board's report (page 92 to 102) and governance & risk which includes information with regards to remunerations (page 103 to 108) and corporate governance including risk management (page 109 to 127);
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code;

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting of Shareholders as auditor of Wereldhave N.V. on 22 April 2016, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the Company’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company’s ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

In case of a group audit we are, given our ultimate responsibility for the opinion, also responsible for directing, supervising and performing the group audit. In this respect we determine the nature and extent of the audit procedures to be carried out for group entities. Decisive are the size and/or the risk profile of the group entities or operations. On this basis, we select group entities for which an audit or review has to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor’s report.
We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

This description forms part of our independent auditor's report.

Amstelveen, 5 March 2018

KPMG Accountants N.V.

H.D. Grönloh RA

APPENDIX
About this report

QUALIFYING NOTES WERELDHAVE 2017 ANNUAL REPORT

Wereldhave reports its 2017 performance in accordance with the Global Reporting Initiative (SRS) guidelines (Comprehensive), includes relevant GRI Construction and Real Estate Sector Supplement (CRESS) performance indicators, and is compliant with the European Public Real Estate Association (EPRA) Best Practice Recommendations on Sustainability Reporting.

Scope environmental reporting
Wereldhave has made considerable steps in monitoring and improving its environmental performance. We have automatic metering systems in place for the majority of our assets, enabling us to accurately monitor and manage the energy consumption of our real estate portfolio. Wereldhave reports the environmental performance of assets that are under its operational management, where data on energy efficiency and resources use can be measured and directly managed. In 2017, the portfolio coverage of our environmental reporting is 96% in gross market value. For 2017 the absolute data disclosed for all energy and greenhouse gas emissions performance indicators, for which the landlord has control, is for 37 out of 38 properties.

The data disclosed for water consumption refers to 36 out of 36 properties and waste figures refers to 36 out of 36 properties. For the like-for-like figures, 33 out of 33 properties are included for the energy, greenhouse gas data and water and 32 out of 32 properties included for waste like-for-like figures. The reported data contains the total landlord obtained energy and water consumed by the properties owned and managed by Wereldhave. Where tenant consumption is sub-metered this is reported separately. All assets which have been acquired divested or under significant (re)development during the reporting period are excluded for like-for-like data.

Like-for-like data show the change of an indicator over a two year period with a constant portfolio. It provides the most accurate picture of the environmental performance of our real estate portfolio for the last 24 months. Absolute data provides an overview of the environmental impact over 2017.

Methodology performance data
Intensity figures are calculated using 'shared services' as numerator and lettable floor area as denominator. These shared services refer to landlord-obtained consumption for common areas and services provided to tenants that do not have sub-meters. Wereldhave acknowledges that the intensity indicator may be affected due to a mismatch between numerator and denominator, as recommended in the EPRA sustainability best practice recommendations.

For the environmental performance indicators we use a different reporting period for our external reporting compared to our financial reporting. Environmental performance indicators are consolidated on a 12 month rolling period rather than on the financial year, as it was the case in our earlier annual reports. Since 2015, the reporting period covers a 12 month period, including the fourth quarter of 2014 and the first three quarters for 2015. The same methodology is applicable for 2017. This enables us to report our environmental footprint in a timely manner.

To measure the environmental performance of our real estate portfolio, we benchmark and report the same performance over a 12 month period, with a 12 month period the year before. Like-for-like data are therefore compared to two consistent periods. Like-for-like energy consumption for the shopping centres portfolio for the common areas, increased with 1.5% over the reporting period. This results in an increase of our energy (for the shopping centres portfolio) intensity of 0.3% per visitor (like-for-like) between 2013-2017. The GHG intensity decreased with 0.7% per visitor (like-for-like) in the period 2016-2017.

Additional notes on environmental impact areas: Energy consumption includes both direct and indirect energy consumption. The direct energy refers to primary source energy which is purchased and consumed on site by Wereldhave (e.g. gas and fuel oil). Indirect energy refers to the energy produced by and purchased from a third party in the converted form of electricity or fluid (e.g. electricity, heating and cooling networks).

Emission factors are based upon the information provided by final energy suppliers for electricity, district heating and gas consumption and national emission factors. When 2017 conversion factors were not available yet, we have continued to use 2016 data. The carbon emissions relate to the energy consumptions (kWh) reported in the same table. Scope 3 GHG emissions refer to landlord-obtained consumption that is sub-metered to tenants and tenant-obtained energy.

Changes to reporting environmental indicators

Specific changes in reporting concern mainly absolute and like-for-like figures that are not fully comparable with our 2016 Annual Report due to new automatic measurement systems implemented that provides more accurate energy and greenhouse gas data. Wereldhave has introduced since 2016 a new group wide monitoring system developed by a third party to monitor its environmental performance. The majority of assets have smart meters in place to monitor energy and water consumptions. Due to this system, data can be monitored on a higher frequency resulting in data with higher quality.

2016 figures are therefore adjusted following the new system. For the reporting period 2016, the consumption data is re-stated in the tables. Following the introduction of this system, some water figures had to be estimated based on previous periods, due to the fact that data was not yet monitored for the full 12 months.

The Netherlands has changed its waste handling company in 2016, which has led to an improved quality on data reported on waste management and higher recycling rates. Changing to this new company, provided challenges to the team to prepare complete and accurate information for the two reporting periods. Where data was incomplete and/or unknown, we have estimated figures based on the previous period. Any significant changes in the actual waste hauled on site in 2016, will be reported in our next external sustainability communications.

Social-economic performance indicators

As recommended in the third version of the EPRA Sustainability Best Practices Recommendations, Wereldhave is communicating additional social performance indicators. These are linked to the health & safety assessments in place and the community engagement programmes that are in place during 2017 for our retail portfolio and cover 100% of our total portfolio (based on GAV). Health & safety assessments have been undertaken for 75% of the retail portfolio and includes health and wellbeing, energy management, building and technical installations, certificates, advisory reports and actions plans.

Community engagement programmes have been implemented for our retail portfolio and include social inclusion events, providing in kind space for social initiatives, employee involvement and investments in social inclusion facilities. See more information the sustainability chapter in this annual report.

STAKEHOLDER DIALOGUE

	Stakeholder group	Communication	Concerns	Follow-up	Material aspects
1	Customers (visitors)	Helpdesk	Complaints and tips	Customer journey improvements	Customer satisfaction
	- All visitors	Surveys	Facilities and services	Optimise branchmix and shop offer	Health & safety in shopping centres
	- Potential visitors	SC websites	Attractive shopping centre	Investments in facilities	Tenant mix
		Social media	Experience	Operational excellence	Social function of shopping centres
		Events			
		Frequency: daily			
2	Retailers (and tenants	On-site management	Footfall & customer spending	Knowledge sharing	Operational performance
	- All tenants	(key) account management	Attractive shopping centre	Customer journey improvements	Cost efficient design & development
	- Potential tenants	Retailer seminars	Value for money services	Investments in facilities	Energy consumption
	- Tenant associations	Tenant satisfaction surveys	Complaints and tips	Marketing	Tenant mix
		Sustainability committees		Operational excellence	Health & safety of shopping centres
		Regular meetings			Green leases tenants
					Waste management
		Frequency: daily			Water consumption
3	Employees & board	News letters	Commitment and engagement	Market conform remuneration	Financial performance
	- All employees	Result presentations	Personal development	Fun & teambuilding	Operational performance
	- Supervisory Board	Onboarding	Recognition	Talent development programme	Attract & retain talents
	- Works Council	Career development			Integrity
		Works council meetings			
		Internal communications			
		Frequency: daily			

	Stakeholder group	Communication	Concerns	Follow-up	Material aspects
4	Investors, banks and analysts - Equity & debt providers - Advisor - Assurance firms	AGM Annual report Interim statements and trading updates One-to-one meetings EPRA Real estate seminars Frequency: weekly	Strategy Share price Earnings per share Risk exposure Image and communication	Follow up required outcome of meetings	Financial performance Operational performance Cost efficient design & development Integrity Risk management Building certification
5	Communities - Inhabitantants, local organisations and associations in the catchment areas of our shopping centres	Network meetings Online and offline communication Presentations of redevelopments Contact frequency: weekly	Attractive sustainable environment Long term relationship Collaboration in local initiatives	Follow up required outcome of meetings	Community investment Social function of shopping centres Job creation
6	Governments - National governments - Regional governments - Local governments	Meetings Presentations Dialogues Contact frequency: weekly	Information provision regarding local impact, redevelopment projects Collaboration in local initiatives	Follow up required outcome of meetings	Job creation Community investment Social function of shopping centres Health & safety in shopping centres
7	Suppliers and contractors - All suppliers - All contractors	Supplier dialogue Partnership meetings Regular supplier and contractors meetings Contact frequency: daily	Reliability Transparency Quality-cost control	Follow up required outcome of meetings	Sustainable purchasing Sustainable materials
8	NGO's	Network meetings, dialogue Contact frequency weekly	Information provision	Follow up required outcome of meetings	Community investment Sustainable purchasing Sustainable materials Water consumption Waste management Energy consumption

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goal	Sustainability focus area	Allignment
7. Renewable energy	Bricks	2,000 MWh solar energy
8. Good jobs and economic growth	Partners	20.000 jobs in our shopping centres
		Target WH: Invest to create 1.000 extra jobs
11. Sustainable cities and communities	Bricks & Society	Health & Safety Assessments
		Reduction environmental impact
		Increase social impact
13. Climate action	Bricks	Renewable energy
		Sustainable sourcing
		Energy reduction
		Climate change policy & assessment (BREEAM)
17. Partnership for the goals	All pillars	Partnering with suppliers, tenants & society

SOCIAL INDICATORS 2017

Workforce

Workforce - employment (GRI 102-7; 102-8)

(in FTE)

		Total	Belgium	Finland	France	Netherlands	Holding
2017	Number of employees year end	184.0	43.3	14.0	55.0	49.9	21.7
2016	Number of employees year end	209.6	54.0	17.8	53.0	59.5	25.3
2017	Part-time employees	15.1%	29.2%	0%	0%	19.2%	22.7%
2016	Part-time employees	0.9%	0%	0%	0%	2.0%	3.1%
2017	Full time employees	84.9%	70.8%	100%	100%	80.8%	77.3%
2016	Full time employees	99.1%	100%	100%	100%	98.0%	96.9%
2017	Employees with fixed contract	11.5%	2.1%	0.0%	7.1%	26.9%	13.6%
2016	Employees with fixed contract	10.9%	3.7%	11.2%	9.4%	17.3%	14.2%
2017	Employees with permanent contract	88.5%	97.9%	100%	92.9%	73.1%	86.4%
2016	Employees with permanent contract	89.1%	96.3%	88.8%	90.6%	82.7%	85.8%

Workforce - employment (GRI 405-1, EPRA Diversity-Emp)

(number)	2017			2016		
	%	Male	Female	%	Male	Female
Age group < 30	12%	4	18	12%	5	21
Age group 30-40	39%	33	42	41%	30	59
Age group 40-50	30%	25	33	27%	33	24
Age group > 50	19%	18	19	12%	22	21
Total numbers of employees	192	80	112	215	90	125
Employees in senior management		65%	35%		70%	30%
Annual increase in base salary excluding individual STI	5.7%	6.4%	4.9%	3.9%	3.0%	4.5%

Employee TurnOver

Total number and rates of new employee hires and employee turnover by age group, gender and region (GRI 401-1, EPRA Emp-Turnover)

(number)	2017		2016	
	New hires	Departures	New hires	Departures
Male	19	31	22	26
Female	23	43	29	31
Age group < 30	11	13	11	5
Age group 30-40	18	30	16	11
Age group 40-50	11	20	21	24
Age group > 50	2	11	3	17
Total	**42**	**74**	**51**	**57**

Reasons for departure

(number)

	2017	2016	2015
Resignations	19	15	5
Dismissals	5	9	0
Mutual agreements	31	16	16
Retirements	1	4	1
Departure during probation period	2	3	0
Expiry contacts	16	9	3
Outsourcing	0	0	0
Deaths	0	0	0
Totals	**74**	**57**	**25**
Employee turnover	***40.2%***	***26.5%***	***10.5%***

New employee hires (GRI 401-1)

New employees hired in 2017 by gender	%
Male employees	45.2%
Female employees	54.8%

New employees hired in 2017 by age group	%
Age group < 30	26.2%
Age group 30-40	42.9%
Age group 40-50	26.2%
Age group > 50	4.8%

SOCIAL INDICATORS 2017

Sickness ratio

Sickness ratio and total number of work-related fatalities

(GRI 403-2, EPRA H&S-Emp)

	Units	Total	Belgium	Finland	France	Netherlands	Holding
2017 Sickness ratio (%)	%	2.9	2.2	3.3	2.6	3.5	3.6
2016 Sickness ratio (%)		2.0	3.3	1.2	3.5	1.2	1.0
2017 Work-related fatalities	Number	0	0	0	0	0	0
2016 Work-related fatalities		0	0	0	0	0	0

Training & Development

Average hours of training per employee, by gender

(GRI 404-1, EPRA Emp-Training)

	Units	Total	Belgium	Finland	France	Netherlands	Holding
2017 training hours total	Number	3.064	310	420	1568	470	297
2017 training hours per employee		17	7	30	29	9	14
2017 training costs total	in Euro	235.782	21.203	10.089	55.552	129.000	19.938
2017 training costs per employee		1.281	490	721	1.010	2.585	919
2016 training hours total	Number	3357	166	70	1543	969	610
2016 training hours per employee		16	3	4	29	16	24
2016 training costs total	in Euro	164.149	18.444	1.412	45.007	61.237	38.049
2016 training costs per employee		783	342	79	849	1.030	1.503

SOCIAL INDICATORS 2017

Training hours split by category, by gender (GRI 404-2, EPRA Emp-training)

		2017		2016	
	Units	Male	Female	Male	Female
Educational training	%	40.6%	59.4%	44.9%	55.1%
Skills & development training		47.4%	52.6%	30.4%	69.6%
Wereldhave training		39.3%	60.7%	41.9%	58.1%
Training workscouncil		0.0%	100.0%	60.0%	40.0%
Training hours per employee	Number of hours	18.7	13.7	14.8	16.2

Number of training hours split per category (GRI 404-2)

(Number of hours)

	2017	2016
Educational training	630	1.967
Skills & development training	2.052	1.162
Wereldhave training	235	148
Training workscouncil	147	80

Employee category

Breakdown of employees by employee category (GRI 102-8)

(Number)

	2017
Board	2
Management	18
Operations (Leasing, Development, Shopping Centre Management)	87
Staff	85
Total	**192**

Breakdown of employees by gender

Senior management split by gender (GRI 102-8)

	2017	2016	2015
Male employees	65.0%	70.0%	73.7%
Female employees	35.0%	30.0%	26.3%

Remuneration

Ratio of Base Salary and remuneration of women to men by employee category (GRI 405-2, EPRA Diversity-pay)

	2017	
	Male	Female
Board	100%	0%
Management	58%	42%
Operations (Leasing, Development, Shopping Centre Management)	53%	47%
Staff	62%	38%

SOCIAL INDICATORS 2017

Employee satisfaction

Employee satisfaction by aspect measured (GRI 102-43)

(Number)

	2016	2014
Commitment	7.7	7.9
Engagement	7.5	7.7
Role clarity	6.9	6.8
Vitality	7.6	6.8
Work atmosphere	7.7	7.7
Loyalty	n/a	7.8
Response rate	89.5%	87.8%

Incidents of discrimination

Total numbers of incidents of discrimination and corrective actions (GRI 406-1)

(Number)

	2017	2016	2015
Number of incidents of discrimination reported	0	0	0

Employee performance appraisals (GRI 404-3, EPRA Emp-Dev)

	2017	2016
Percentage of employees with an appraisal	97%	71%

Employee health and safety (GRI 403-2, EPRA H&S-Emp)

	2017	2016
Injury rate	0%	0%
Absentee rate	2.9%	2.0%
Number of work related fatalities	0	0

Community engagement (GRI 413-1)

Social performance indicators retail portfolio	2017	2016
Local engagement programme in place (% of assets)	100%	100%
Local community investments - absolute (€)	1,813,211	2,116,707
Local community investments - relative to NRI (% of NRI)	1.1%	0.9%

ENVIRONMENTAL INDICATORS

Environmental performance indicators – Retail

EPRA Sustainability performance measures (GRI 302-1, 302-2, 303-1, 305-1, 305-2, 305-3, 306-2)	Absolute		Like for like comparison									
			Belgium		France		Finland		Netherlands		Total	
Impact areas	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**
MWh												
Energy consumption electricity common areas	39,779	39,632	7,156	7,056	11,948	12,209	10,913	10,654	7,614	7,787	37,633	37,705
Electricity sub-metered to tenants	26,563	26,211	26	23	3,254	3,044	14,730	14,381	8,554	8,763	26,563	26,211
Total landlord obtained electricity	66,342	65,843	7,182	7,079	15,202	15,253	25,644	25,035	16,168	16,550	64,196	63,916
Total energy consumption district heating and cooling	15,291	15,788	-	-	70	91	14,548	14,982	451	451	15,069	15,524
Energy consumption from fuels	8,028	8,644	3,289	4,483	265	395	-	-	2,817	2,205	6,372	7,083
Fuels exclusively sub-metered to tenants	6,334	7,395	303	263	-	-	-	-	5,582	6,824	5,885	7,087
Total energy consumption from all sources	95,996	97,669	10,775	11,825	15,538	15,738	40,192	40,017	25,018	26,030	91,522	93,610
Tonnes CO_2e												
Total direct GHG emissions Scope 1	1,359	1,583	605	825	49	73	-	-	518	406	1,173	1,303
Total indirect GHG emissions Scope 2	5,663	5,390	1,383	1,016	570	587	3,463	3,566	107	107	5,522	5,276
Total indirect GHG emissions Scope 3	1,322	1,505	61	52	151	141	-	-	1,027	1,256	1,239	1,449
Total direct and indirect GHG emissions	8,343	8,477	2,049	1,893	769	800	3,463	3,566	1,653	1,769	7,934	8,028
m^3												
Water consumption for common and private areas	218,523	232,763	31,392	51,079	82,408	73,333	42,072	44,946	55,817	57,366	211,689	226,724
Water consumption sub-metered to tenants	81,653	93,440	30,336	53,298	40,429	37,764	-	-	2,404	2,378	73,169	93,440
Metric tonnes												
Total weight of waste	7,571	7,821	1,230	1,353	2,371	2,297	1,953	2,018	1,530	1,738	7,084	7,405
Proportion by weight (%)												
Disposal route												
- Reused	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
- Recycled	32%	47%	36%	44%	26%	27%	41%	42%	27%	82%	32%	47%
- Landfill facility	4%	0%	0%	0%	0%	0%	0%	0%	17%	0%	4%	0%
- Incineration	57%	46%	64%	56%	71%	72%	38%	36%	56%	18%	57%	46%
- Composting/ anaerobic digestion facility	6%	6%	0%	0%	0%	0%	20%	22%	0%	0%	6%	6%

ENVIRONMENTAL INDICATORS

Environmental intensity indicators – Retail

EPRA Sustainability performance measures		Absolute		Like for like comparison									
				Belgium		France		Finland		Netherlands		Total	
Impact areas		**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**
Building energy intensity (CRESS CRE1)	kWh/m²/year	109.7	112.4	78.2	88.9	74.6	75.3	422.1	420.3	80.2	84.2	121.5	125.4
	kWh/visitor/year	0.63	0.64	0.78	0.82	0.38	0.38	2.35	2.28	0.43	0.45	0.70	0.72
Greenhouse gas intensity from building energy (CRESS CRE3)	kg CO_2e/m²/year	9.5	9.8	14.9	14.2	3.7	3.8	36.4	37.4	5.3	5.7	10.5	10.8
	kg CO_2e/visitor/year	0.05	0.06	0.15	0.13	0.02	0.02	0.20	0.20	0.03	0.03	0.06	0.06
Building water intensity (CRESS CRE2)	m3/m²/year	0.34	0.38	0.45	0.78	0.59	0.53	0.44	0.47	0.19	0.19	0.38	0.43
	liter/visitor/year	1.97	2.14	4.48	7.20	3.03	2.70	2.46	2.56	0.99	1.04	2.19	2.45

ENVIRONMENTAL INDICATORS

Environmental performance indicators - Office

EPRA Sustainability performance measures (GRI 302-1, 302-2, 303-1, 305-1, 305-2, 305-3, 306-2)		Absolute		Like for like comparison					
				Belgium		Finland		Total	
Impact areas		**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**
Landlord obtained electricity consumption for shared services	MWh	6,257	5,438	6,257	5,438			6,257	5,438
Electricity exclusively sub-metered to tenants		2,712	2,726	2,610	2,621	102	105	2,712	2,726
Total landlord obtained electricity		8,968	8,164	8,866	8,059	102	105	8,968	8,164
Total landlord-obtained district heating and cooling consumption for shared services		278	320			278	320	278	320
Landlord-obtained fuel consumption for shared services		4,442	3,919	4,442	3,919			4,442	3,919
Fuels exclusively sub-metered to tenants		-	-					-	-
Total energy consumption from all sources	Tonnes CO_2e	13,688	12,403	13,309	11,978	380	425	13,688	12,403
Total direct GHG emissions GHG Protocol Scope 1		29,811	27,211	817	721	-	-	817	721
Total indirect GHG emissions GHG Protocol Scope 2		1,399	1,234	1,333	1,158	66	76	1,399	1,234
Total indirect GHG emissions GHG Protocol Scope 3		1,613	1,365	1,613	1,365	-	-	1,613	1,365
Total direct and indirect GHG emissions		3,829	3,321	3,763	3,244	66	76	3,829	3,321
Water consumption for common and private areas	m^3	15,885	16,020	15,885	16,020	-	-	15,885	16,020
Water consumption exclusively sub-metered to tenants		1,839	1,907	-	-	1,839	1,907	1,839	1,907
Total weight of waste	Metric tonnes	192	180	192	195			192	195
Disposal route	*Proportion by weight (%)*								
- Reused									
- Recycled		0%	0%	0%	0%			0%	0%
- Landfill facility		49%	79%	49%	79%			49%	79%
- Incineration		0%	0%	0%	0%			0%	0%
- Composting/ anaerobic digestion facility		50%	16%	50%	16%			50%	16%
- Other disposal route		1%	5%	1%	5%			1%	5%

Environmental intensity indicators - Office

EPRA Sustainability intensity measures			Absolute		Like for like comparison				
					Belgium		Finland		Total
Impact areas			**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Building energy intensity	CRESS CRE1	kWh/m²/year	162.7	147.4	175.7	158.2	45.2	50.6	162.7
Greenhouse gas intensity from building energy	CRESS CRE3	$kgCO_2e/m^2/year$	45.5	39.5	49.7	42.8	7.9	9.1	45.5
Building water intensity	CRESS CRE2	m3/m²/year	0.21	0.21	0.21	0.21	0.22	0.23	0.21

ENVIRONMENTAL INDICATORS

Health and safety assessments

	2017
Health & Safety - assessment undertaken (in %)	75%
Health & Safety - incidents occured	Not available

BREEAM certificates

		2017
BREEAM certifications in place	% of retail GLA	75%
Very Good or higher		73%
BREEAM certifications in place	% of retail NAV	78%
Very Good or higher		76%
Total number of BREEAM certifications		**21**

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