

Third quarter results 2009 Wereldhave N.V.

Key items

- Direct result per share +4.9%
- Property revaluation -8.3%
- Net asset value EUR 73.20 per share
- Solvency unchanged at 69%
- Successful lettings achieved in Paris and Washington DC

Prospects 2009

- Direct result per share between EUR 4.85 and EUR 4.90
- Well positioned to take advantage of opportunities

Hans Pars (CEO Wereldhave N.V.) comments:

"The direct result per share for the first three quarters of 2009 rose by nearly 5%. The higher direct result per share can be attributed primarily to the fact that we are to a large extent financed at variable interest rates. Our interest charges continued to drop during the third quarter. The occupancy rate is lower in 2009, due to office vacancies that arose at the end of 2008 in Paris and Washington DC. The good news is that we have agreed three lettings for approx. 15,000 m² in these properties in difficult markets. That underlines the quality of our investment portfolio.

During the third quarter we have issued a EUR 230 mln convertible bond. This will cause interest charges to rise during the last quarter, but with this convertible bond issue we have increased our immediately available funds to EUR 350 mln, sufficient to take advantage of attractive investment opportunities. In our strategy update of October 28, 2009, we have indicated that we will pursue solid positions in the countries where we are currently present, targeting a minimal size of EUR 400 mln per country and region. We seek to expand the share of shopping centres in our investment portfolio to 50-60% of the balance sheet total (currently 46%).

The indirect result reflects the sizeable negative revaluation of the investment portfolio. In consultation with external experts, for the internal revaluation of September 30, 2009, we have adjusted the valuation of a number of shopping centres in Europe and offices in the United States, resulting in an increase of 35 basis points in the weighted average net initial yield to 6.6%. Although there are still very few market transactions as evidence, we are confident that this revaluation is in accordance with current markets. Due to our solid financial ratios, we can easily absorb this negative property revaluation, since our solvency ratio still stands at 69%."

Profit / loss

The result for the first nine months of 2009 amounts to EUR -106.5 mln or EUR -5.20 per share (until Q3 2008: EUR 65.3 mln or EUR 2.84 per share). The decrease in the result is due to the negative property revaluation in all countries. The total revaluation amounted to – 222.4 mln (until Q3 2008: EUR -15.2 mln). Exchange rate differences had a positive effect of EUR 3.0 mln on the result.

Direct result

The direct result for the first nine months of 2009 amounts to EUR 85.8 mln, which is EUR 4.9 mln higher compared to 2008. The direct result per share increased by 4.9% to EUR 3.82 (Until Q3 2008: EUR 3.64). The operational result dropped by EUR 1.7 mln compared to 2008. The considerably higher vacancy, especially in Paris and in Washington, was to a major extent compensated by additional rental income from the acquisition of the DiamondView office building in San Diego (in September 2008). The increase in the direct result can almost be fully attributed to EUR 6.2 mln lower interest costs.

Due to the large share of loans at variable interest rates, interest rate cuts by central banks have had a positive effect on interest expenses, even with an enlarged loans portfolio due to the acquisition of the San Diego office in September 2008. During the third quarter, interest expenses dropped further, but as

at September 30, 2009 the average interest rate increased to 3.3% (Q2 2009: 2.2%). The increase is caused by the issue of a 5-year convertible bond of EUR 230 mln at 4.375%. This convertible bond increased immediately available funds to well above EUR 350 mln and lowered the percentage of loans at variable interest rates from 73% to 42%.

Indirect result

In view of the turmoil on the financial and real estate markets and given the very limited number of market evidence transactions, Wereldhave has adjusted the internal valuation as at September 30, 2009 of a number of shopping centres in Europe and offices in the United States, in close consultation with external experts. This caused a rise in the weighted average net initial yield of the investment portfolio by 35 basis points to 6.6% (June 30, 2009: 6.3%). As at September 30, 2009, the value of the portfolio decreased by EUR 140.8 mln, bringing the total decrease during 2009 to EUR -221.8 mln. The revaluation of financial instruments amounted to EUR -0.6 mln. The lower property values resulted in a decrease of deferred taxes, which had a EUR 28.8 mln positive effect on the indirect result.

On balance, the indirect result for the first nine months of 2009 amounted to EUR -192.3 mln (until Q3 2008: EUR -15.6 mln). The 8.3% negative revaluation is spread over all countries and sectors.

Equity

Shareholders' equity at September 30, 2009 stood at EUR 1,672.3 mln (December 31, 2008: EUR 1,860.2 mln before distribution of profits). The solvency ratio (equity/ equity + interest bearing debts) remained unchanged compared to the second quarter at 69% (2008 year-end: 71%). The Loan to Value ratio amounts to 29.4% (2008: 28.4%). During the third quarter, there has been no change in the number of 21,276,988 ordinary shares in issue. No convertible bonds opted for conversion. The net asset value per share before profit appropriation as at September 30, 2009 was EUR 73.20 (2008 year end: 83.74).

Property portfolio

The occupancy rate remained practically unchanged during the third quarter at 89.7%. Broken down per sector, occupancy rates for the first three quarters of 2009 were: offices 81.4%, shopping centres 97.8%, industrial 98.8% and residential 89.6%.

The increase in vacancy compared to 2008 is caused by vacancies that arose at the end of 2008 in 2 office buildings (Paris and Washington DC). In Paris, a letting agreement has been signed with a large, first class tenant for ca. 10,400 m² of the Ilot Kléber office building in Levallois-Perret as from mid February 2010, approximately half of the building. In Washington DC Wereldhave has succeeded in letting ca 4,700 m² of a the office building in two separate transactions, approximately 55% of the space that became vacant at year end 2008. The outstanding quality and the first class locations of these properties have largely contributed to the success in letting, in spite of difficult market conditions. The new rents of the three transactions exceed the old rent levels.

Wereldhave did not purchase any property during the first three quarters of 2009. In line with the strategy, three smaller properties were sold in the United Kingdom for EUR 2.8 mln, generating a surplus on disposals of EUR 0.9 mln. Wereldhave has decided to dispose of properties with a value below EUR 20 mln in due course. Logistic properties will also be sold. Wereldhave wishes to expand the share of shopping centres in the portfolio to 50-60% of the balance sheet total (currently 46%). The total value of the properties to be sold amounts to ca EUR 350 mln, or 15% of the investment portfolio. In number, these properties represent approximately half the investment portfolio.

In a strategy update on October 28, 2009, Wereldhave announced that its priority is an expansion of its investment portfolio in each of the countries and regions where it is active to a minimum of EUR 400 mln. Wereldhave is currently active in six countries in Europe and three regions in the United States. Per country or region, Wereldhave will select a sector on which it wishes to focus.

This enables Wereldhave to focus management attention, allows for the recruitment and retention of local knowledge and experience and makes Wereldhave an important player in all these markets.

Development portfolio

The first two office buildings of the development in San Antonio which total 20,000 m² will be brought into exploitation at the end of the first quarter of 2010, when the infrastructure will also be completed. Because Wereldhave took more time to complete the negotiations with construction companies, the start of the construction of the remaining parts of the first phase of the project has been postponed to the fourth quarter of 2009. This resulted in a better procurement and a more attractive timing for completion, which is now due for 2011.

The city of Nivelles, Belgium, has granted the building licence and the social economical licence for the expansion of the shopping centre with 12,000 m² and the development of a retail park of 11.500 m². Construction is expected to commence during the first quarter of 2010.

In Tournai, Belgium, plans have been made for the expansion of the shopping centre by 4,500 m² and a retail park of 10,000 m². The city of Tournai has advised positively on the Urban Zoning plan. It is expected that the application for a building permit for the retail park and the expansion of the shopping centre directly afterwards can be submitted late 2009.

Prospects

For the year 2009 Wereldhave forecasts a direct result per share between EUR 4.85 and EUR 4.90, given stable exchange rates. For the last quarter Wereldhave anticipates lower turnover rents in Finland, higher interest costs due to the issue of the convertible bond, maintenance expenses still to be incurred in 2009 and a lower exchange rate for the USD compared to the first three quarters. In addition, an incidental gain during the first half of 2009 will not be repeated in the second half.

Wereldhave is a financially strong company and is well-prepared to take advantage of opportunities in the market.

Conference call

In a conference call to be held today at 14.00 h CET (to be followed by audiocast at www.wereldhave.com) an explanation to the results will be given.