

KINGSGATE



WD Limited  
Corporate Prospectus



Peter Everest  
Managing Director WD Limited

# WITH AN AVERAGE IRR IN EXCESS OF 25%\* WE MUST BE DOING SOMETHING RIGHT

A dedicated shopping centre asset management,  
development and investment company.

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A highly successful track record with shopping centres extending back over 25 years  
as developer, owner and principal.

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A demonstrable history of profitable completions with significant investor returns  
averaging 25% internal rate of return.

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Much of our success is directly attributable to our experience and expertise in construction,  
pre-development, enabling finance and exploring avenues that minimise taxation.

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Historically we have managed assets of between £150 and £200 million.

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All WD companies have been created as individual Single Purpose Vehicles.

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We have been appointed as asset managers for the LF Insurance Group of Sweden  
as well as for private Dutch and UK investors.

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The management of WD is headed by Peter Everest  
who actively co-invests in many projects.

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In 2008, an asset 'work out' operation was created as a result of bank requests  
for assistance with potential toxic assets.

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With the exception of Royal Quays, WD has not invested in any new projects since 2004,  
giving it a strong and clear position to work exclusively on new projects in the current market.

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WD was created in 1995 following the buyout of a portfolio of schemes  
and management projects, originally trading as WAXY.

\*On shareholder funds

## EXPERIENCE WHERE IT COUNTS

Over the past 25 years we have taken on a variety of retail projects and successfully turned around even those with significant operational problems, converting potentially toxic assets into positive investments.

Despite the downturn in the economy, we are still providing successful solutions for retail shopping centres across the country, turning potential failures into resounding successes.

Our experience as asset managers/owner managers is unrivalled in the regeneration and revitalisation of primary shopping facilities in UK towns and cities, extending across a range of activities within the shopping centre market and, where appropriate, negotiating joint venture and partnership agreements with the appropriate local authorities.

### **Glasgow – Pollok– Silverburn**

*“... a significant financial advantage”*

In the mid 1990s WD was appointed to asset manage the Pollok Centre, achieving full occupancy and record zone ‘A’ rents.

Simultaneously we recognised a unique opportunity created by the proposed M77 Motorway and the adjoining junction.

Detailed discussions with Glasgow City Council over a two year period culminated in the Council revising the Local Plan and in May 1997 we were granted planning permission for Phase 1 of a sub regional strategy, covering 168 acres.

This paved the way for the one million square foot Silverburn Centre.

The proposals were formed in conjunction with the Regeneration Alliance Industrial Strategy of Glasgow City Council.

At this stage the UK pension fund for whom WD were acting successfully sold the scheme gaining a significant financial advantage.



## **The Galleria Outlet Centre – Hatfield**

*“... purchased £10.5 million – sold £122.5 million”*

Rescued from receivership, The Galleria, which comprises some 500,000 square feet was acquired in 1993 and is our best known success story.

At the time it was generally considered to be a “failed” scheme with many and varied problems.

When we undertook this project we created a strategy that would take The Galleria from its receivership situation and transform it into one of the most significant outlet centres in the UK.

The Galleria is unique in being one of the first outlet centres in the UK and to date, the only successful conversion of an existing retail centre to an outlet format.

The format chosen specifically allowed for a small element of conventional retailing to complement the outlet strength, greatly enhancing the trading ability of the scheme and its attraction to the shopping public and retailers.

In 2005, the WD Limited role of investor in the scheme came to an end when it was sold on to Land Securities plc at a price of nearly 12 times the original purchase price, £10.5 to £122.5 million.

Recognising our expertise and experience, Land Securities retained WD Limited as Managing Agent and Asset Managers after purchase for a one year period.

The Galleria is today regarded as one of the top five UK outlet centres and has the third highest trading potential, whilst being the second most visited outlet centre in the UK and a recognised landmark and feature of North London and the Northern Home Counties.



## **Hartlepool – Middleton Grange Shopping Centre**

*“...the second highest rental growth in the UK”*

This sizeable 1960s open centre was acquired from the local authority and extensively refurbished and extended. The refurbishment was extremely comprehensive, providing a much needed revitalisation of the centre’s interior and incorporated glazed roofs, life safety systems, new flooring, escalators, lifts and new construction including the provision of new major anchor stores.

The entire centre comprises in excess of 500,000 square feet.

The development was universally praised in terms of its transformation of the image of the town and in the economic fortunes of the centre. During the period of ownership and control by WD, Middleton Grange had the second highest percentage increase in rental growth in the UK 1987 – 1997 (source Colliers CRE).

Upon completion of the works and subsequent asset management, the centre was sold in 1997 to the Pillarcaisse Partnership.

The sale was structured to maximise the financial benefits for the Swedish and Dutch investors generating an after tax IRR of 29%.

## **Greenock – Oak Mall**

*“...generated a very healthy 53% IRR after tax”*

The half mile long, 300,000 square foot Greenock Shopping Centre was acquired from Inverclyde District Council and was thoroughly refurbished and extended, including facilities that attracted a number of major new anchor stores.

The main feature of the refurbishment was to enclose the entire shopping area with a glass roofing system, providing an attractive fully glazed mall that offered year-round shopping comfort.

New flooring added a much needed touch of style and class.

Life safety systems were introduced including the installation of sprinkler and fire alarm systems into every unit throughout the scheme.

To enable every unit to maintain full trading throughout and without inconveniencing their customers, the majority of work was undertaken outside trading hours.

In addition, a voluntary service charge was introduced with a significant take-up to arrange for the ongoing management of the scheme. This contribution provided significant financial benefits towards the project’s end result and overall success.

The centre, now known as Oak Mall, was sold in 1994 to Prudential and continues to be a financial success.

In fact this particular project generated a very healthy 53% IRR after tax.



## **The Kingsgate Shopping Centre – Huddersfield**

*“...planning consent obtained for 110,000 sq ft extension”*

This is a new build scheme designed from conception by WD who won a Local Authority Tender to develop this 300,000 net square foot town centre shopping complex, along with associated car parking. The scheme's construction, funding, letting and opening were undertaken exclusively by WD.

Kingsgate opened in March 2002 and has become the prime retail location in Huddersfield, being anchored by well known retail outlets that include House of Fraser, Next and high street names such as River Island, Burton, Wallis, Waterstones and TK Maxx.

In 2008 WD obtained outline planning consent at appeal for a new, 110,000 square foot extension to the existing centre to be anchored by Marks & Spencer.

Details, plans and concepts for Phase Two are being worked up towards a detailed “follow on” application during 2010.

As a result of varying banking and financial structures WD, via its principal shareholders, directly owns over 85% of this project and it remains a key part of WD's activities.



## **Royal Quays Outlet Centre – Newcastle**

*“... a full and immediate 1% increase on initial yield”*

In 2006 the opportunity to purchase the existing 120,000 sq ft Royal Quays Outlet Centre arose. So, based on our knowledge and experience in this market and the clear latent potential of the project, we decided to take up the challenge.

The business plan entailed a comprehensive restructure of onsite management and practices, resulting in a significant decrease in service charge expenditure and an increase in net income.

This was possible due to the unique nature of the letting arrangements and resulted in a full and immediate 1% increase upon the initial yield.

Subsequent high profile lettings have raised the status of the scheme which is now recognised as the premier outlet centre for Newcastle.

The overall sales and income from the scheme continue to grow.

Targeted re-letting strategies saw an initial restructuring of anchors around Nike and an extension to Marks & Spencer. The second phase structuring brought the catering on offer to the required standard for the catchment profile shopper.

The last phase of re-profiling will include a number of upmarket stores targeting a more affluent consumer, culminating in 2009 by the final anchor store being taken by GAP.



# Banking/Asset Work out

*“... analyse and develop solutions and options”*

During 2008 we were asked to provide assistance to two banks regarding ‘problem’ properties with a view to resolving certain issues. Our task was to fully analyse available options and develop a viable solution.

To maintain an objective and unbiased relationship, WD is not financially involved as investors in these assets and the related remuneration package accommodates the needs of the property and lender on an equal basis.

## **Northampton - Peacock Place**

This is an 80,000 square foot multi-level, in-town shopping centre anchored by Next.

In this instance we were asked to advise the Finance Provider upon available letting and development strategies, while exploring practicalities and costs.

Subsequent to this, and after a number of high profile high street retailer receiverships, the advice was that the property be placed in administration, in part to avoid empty rates.

The service charge and operational costs have, as with all WD projects, been thoroughly analysed and significantly reduced.

## **Stevenage - Gateway 1000**

An office and industrial park that required extensive management input to restructure, set up core operational controls and complete final construction works to obtain sign off. This included all the necessary documentation as well as longer term letting and sales.

There were also vital title and ownership issues that needed to be resolved.

The management process commenced after the administration of the property to avoid future empty rating.



## Other Schemes

WD has been involved with several other shopping centres over the years  
and these projects include:

**Glasgow - Easterhouse**

**Liverpool - Belle Vale**

**Colchester - St Johns Walk**

