The year 2010 was largely marked by the execution of the strategy that was revised in 2009. With acquisitions in the Netherlands, Belgium and the United Kingdom, Wereldhave added a total of € 375.9 mln to the investment portfolio. In addition, the development portfolio grew by purchases in France and Belgium. Property was sold in the Netherlands and the United Kingdom for a total consideration of € 45.2 mln, generating a surplus on disposal of € 2.5 mln. In balance, the property portfolio grew by 20% to € 3.0 bln. The organisation has been changed in view of the new strategic focus per country and the changes in the portfolio.

Key figures (in €)	**2010**	**2009**
Results		
Result	95.1 mln	-/-102.3 mln
Direct result	115.9 mln	111.1 mln
Indirect result	-/- 20.8 mln	-/-213.4 mln
Result per share	4.15	-/- 5.07
Direct result per share	5.10	4.93
Equity	**31-12-2010**	**31-12-2009**
Investment portfolio	2,860.1 mln	2,418.2 mln
Shareholders' equity	1,728.1 mln	1,686.5 mln
Net asset value per share	75.12	73.77

Proposed dividend: € 4.70 per share, of which € 3.10 in cash and € 1.60 optionally in cash or in shares. The dividend is payable as from May 13, 2011.

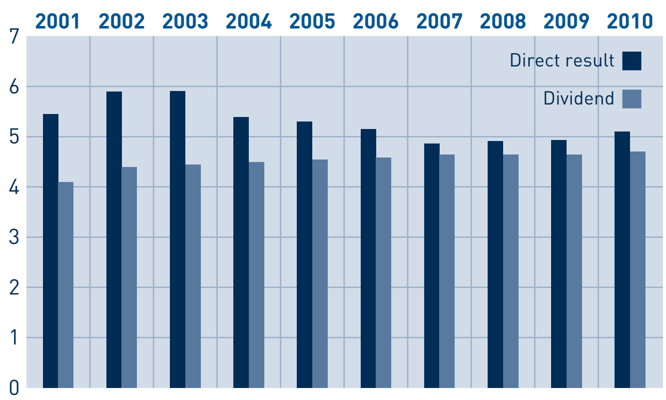
Property purchases and disposals in 2010 (amounts at year end rates x € 1 mln)

Purchases (Acquisition price)			**Disposals** (Gross proceeds)		
Netherlands	retail	218.8	Netherlands	office	3.1
Netherlands	retail	39.8	Netherlands	logistic	3.5
Netherlands	retail	6.4	UK	several	
UK	retail	99.8		properties	38.6
Belgium	retail	11.1			
Total		375.9			45.2

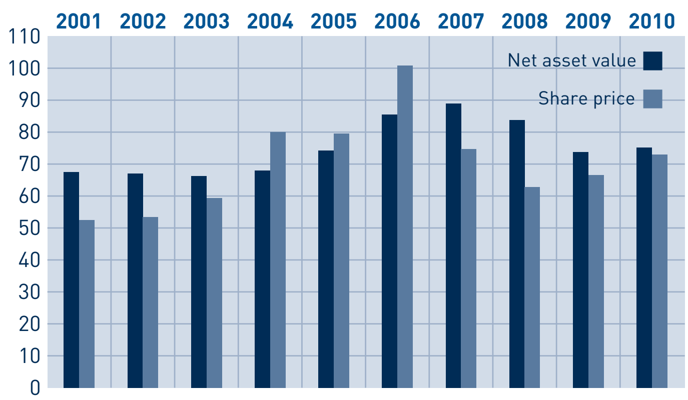
Key figures past 10 years[1]

	2001	2002	2003	2004	2005
Results					
(x € 1 mln)					
Net rental income [4]	124.9	147.8	146.6	147.5	151.8
Profit [8]	102.6	127.6	104.7	160.8	192.1
Direct result [2] [8]	97.1	116.3	116.5	110.9	110.1
Indirect result [6] [8]	17.8	./. 46.4	./. 42.4	49.9	82.0
Balance sheet					
(x € 1 mln)					
Investments	1,623.2	1,830.5	1,844.0	2,015.1	2,288.8
Development projects	249.3	124.9	88.1	50.3	34.0
Equity [3]	1,203.0	1,322.7	1,310.0	1,414.8	1,542.2
Interest bearing debt	552.1	629.8	575.2	500.0	630.1
Number of shares					
At December 31	17,756,735	19,691,735	19,691,735	20,781,735	20,781,735
Average during the year	17,756,735	19,691,735	19,691,735	20,573,265	20,781,735
Share data [5]					
(x € 1)					
Equity [9]	67.55	66.99	66.35	68.08	74.21
Direct result [2]	5.45	5.90	5.91	5.34	5.30
Indirect result [6]	1.01	./. 2.36	./. 2.15	2.40	3.94
Dividend	4.10	4.40	4.45	4.50	4.55
Pay-out	75.2%	74.6%	75.3%	84.3%	85.8%
Direct result per share [7]	5.45	5.90	5.91	5.39	5.30
Profit per share [7]	5.77	6.47	5.31	7.81	9.24

Direct result and dividend per share
(x € 1)



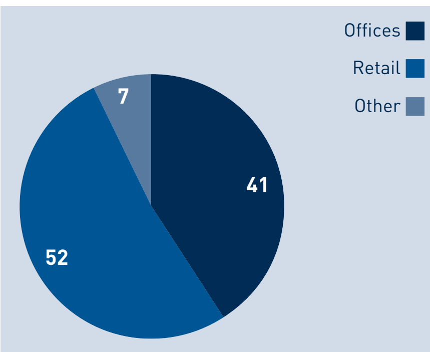
Net asset value and share price at December 31
(before distribution of profit, x € 1)



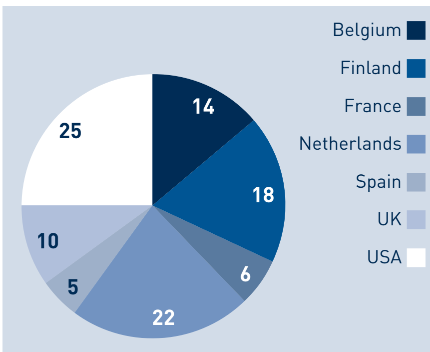
2006	2007	2008	2009	2010
151.2	147.5	149.0	143.1	**160.2**
343.5	216.5	0.5	-/- 107.1	**88.7**
106.9	101.3	102.3	104.0	**109.0**
236.6	115.2	-/- 101.8	-/- 211.1	**-/- 20.3**
2,521.5	2,668.0	2,646.0	2,418.2	**2,860.1**
33.9	40.4	52.1	81.6	**134.5**
1,776.0	1,850.8	1,740.3	1,569.6	**1,611.2**
541.0	592.6	739.6	712.8	**1,148.0**
20,781,735	20,781,735	20,781,735	21,276,988	**21,448,525**
20,781,735	20,781,735	20,781,735	21,123,663	**21,389,310**
85.46	89.06	83.74	73.77	**75.12**
5.14	4.88	4.92	4.93	**5.10**
11.39	5.54	-/- 4.90	-/- 10.00	**-/- 0.95**
4.60	4.65	4.65	4.65	**4.70**
89.5%	95.4%	94.5%	94.3%	**92.2%**
5.14	4.88	4.92	4.93	**5.10**
16.53	10.42	0.02	-/- 5.07	**4.15**

1) the figures before 2004 are based on Dutch GAAP. As from 2004 the figures are based on IFRS; the figures up to 2004 have been recalculated in view of the changes in accounting policies in 2004
2) costs relating to asset management are from 2001 onwards no longer charged to the indirect result
3) excluding minority interest, before distribution of profit
4) as from 2004 including minority interest; as from 2008 other rent related income are accounted for in the gross rental income in stead of the other income and expense
5) per ordinary share ranking for dividend and adjusted for bonus issue
6) up to and including 2003 other movements in equity are included and as from 2001 excluding costs of asset management
7) based on the average number of ordinary shares in issue
8) excluding minority interest
9) before distribution of profit

Distribution of investment properties by sector at year-end 2010



Geographical distribution of investment properties at year-end 2010

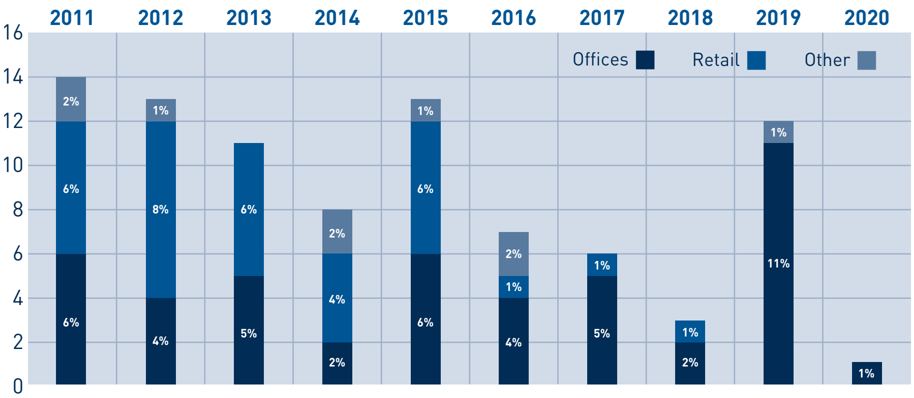


Share price 2006-2010 (x € 1)

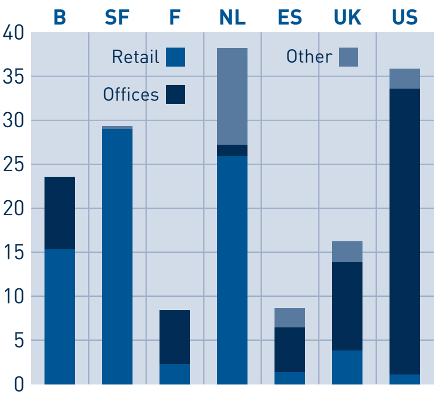
Key information

	2006	2007	2008	2009	2010
Share price at 31/12	100.90	74.72	63.00	66.70	73.06
Price/DR at 31/12	19.6	15.3	12.8	13.5	14.3
Avg. Transactionvolume/day	75.000	171.000	172.000	131.000	144.000
Marketcapitalisation at 31/12	2,1 bln	1,6 bln	1,3 bln	1,4 bln	1,6 bln
NAV/share	85.46	89.06	83.74	73.77	75.12
Premium/discount	18.1%	-16.1%	-25.3%	-9.6%	-2.7%
Dividend	4.60	4.65	4.65	4.65	4.70
Dividendyield at 31/12	4.6%	6.2%	7.4%	7.0%	6.4%
Pay-out	90%	95%	95%	94%	92%
Free float	100%	100%	100%	100%	100%

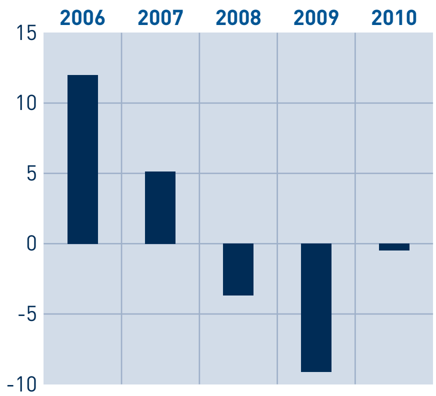
Lease expiries
(as a % of contracted rent at December 31, 2010)



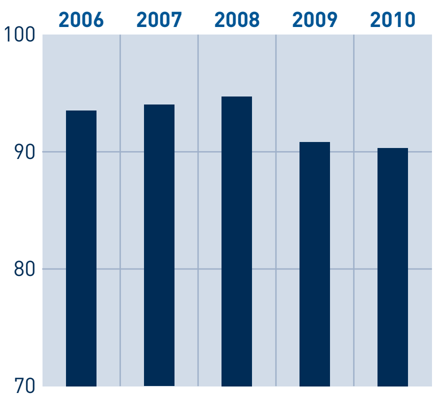
Net rental income per country (x € 1 mln)



Property revaluation
(at year-end, as a % of the previous year)



Occupancy (in %)



Financial calendar

21 March 2011	Record date Annual General Meeting of Shareholders
18 April 2011	Annual General Meeting of Shareholders
20 April 2011	Listing ex-dividend
26 April 2011	Dividend record date and start opting period
12 May 2011	First quarter results 2011
13 May 2011	Dividend payment date
4 August 2011	Interim statement 2011
3 November 2011	Third quarter results 2011
March 2012	Annual Report 2011

Wereldhave is listed at NYSE Euronext Amsterdam (AEX) and a component of the following indices: MSCI, EPRA, GPR and Stoxx.

Tickercode: WHA
ISIN NL 0000289213

Board of Management
J. Pars
D.J. Anbeek

Supervisory Board
J. Krant
F.Th.J. Arp
P.H.J. Essers
J.A.P. van Oosten

Introduction

Profile

Wereldhave, established in 1930, is a property investment company with an internationally diversified investment portfolio of approximately € 3.0 bln. Wereldhave's activities are currently spread over four property sectors and across six European countries – the Netherlands, Belgium, Finland, France, Spain and the United Kingdom – and three regions in the United States. It creates value by actively managing shopping centres, through sound timing in the purchase and sale of offices and residential property, and by developing its own property at cost.

Real estate is a local business. Local expertise is decisive for the success of a property investment company. With its local personnel, Wereldhave maintains direct contact with its tenants. This enables Wereldhave to stay on top of the issues concerning its tenants and up-to-date on market developments. Knowledge of rapidly-changing user requirements is also deployed in the development of projects for Wereldhave's own portfolio.

Structure

Wereldhave is a closed-end investment company with variable capital. Shares are issued and repurchased on the basis of resolutions of the Board of Management. Shares in Wereldhave are listed on the NYSE Euronext Amsterdam (AEX) stock exchange. The Company has the fiscal status of an investment institution, so it pays no corporation tax in the Netherlands (other than for development activities in the Netherlands). Wereldhave is licensed pursuant to the Dutch Act on Financial Supervision. Its Belgian investments consist of a 69.3% interest in C.V.A. Wereldhave Belgium S.C.A., an 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; in the United States the investments are held in a REIT (Real Estate Investment Trust).

Property valuation

Wereldhave values its properties at market value, less transaction costs. The entire portfolio is valued each quarter. The entire portfolio is valued externally by independent valuers as at 30 June and 31 December, in principle in every country by two different valuers. Internal valuations are carried out as at 31 March and 30 September.

Financial position

Wereldhave has a sound financial position. With a Loan-to-Value of 39% and 60% solvency, Wereldhave is one of the most solidly funded property funds listed in Europe.

The Wereldhave share is one of the top 10 most-traded continental European property stocks with an average daily transaction volume of some € 9.6 mln.

Other

Wereldhave is a member of the Dutch association of institutional property investors IVBN, the Dutch Fund Association DUFAS, the European Public Real Estate Association EPRA and the Dutch Green Building Council. The Wereldhave share is included in the MSCI, EPRA, GPR and Stoxx indices.

Strategy outline

Mission

Wereldhave's mission is to be a professional property investor and landlord that generates an attractive long-term investment result in combination with a low-risk profile on its entire property portfolio.

Strategy

Value creation
Wereldhave aims for stable growth of both the direct result and the dividend. To achieve this, the key focal areas of Wereldhave's strategy are value creation and risk diversification. Value is created for shareholders by:

1. achieving rent growth through active management of shopping centres,
2. sound timing in the purchase and sale of offices and residential projects, and
3. developing property for Wereldhave's own portfolio.

Wereldhave spreads the risks of its investments over countries and sectors. In the Netherlands, Belgium, Finland and the UK Wereldhave focuses on shopping centres, in France (Paris) and Spain (Madrid) on offices and in the United States on offices and residential projects (Washington DC, Texas and San Diego). Wereldhave pursues a minimum portfolio in each country and region of € 400 mln.

Active management
Wereldhave invests in shopping centres that are dominant in their catchment areas. With active management by its own specialists, Wereldhave continues to reinforce the market position of its centres, focusing on increasing visitor numbers, retail sales and rental income. It also invests in the appeal, quality and sustainability of its shopping centres. With their high occupancy levels, shopping centres contribute to the consistency of Wereldhave's results. It is for this reason that Wereldhave has resolved to ultimately increase its shopping centre exposure to 50-60% of the total portfolio.

Sound timing
The office and residential markets are dominated by tenants who regard property as a disposable good. Rental growth in these markets depends on fluctuations in supply and demand that cannot be controlled by owners. In general, office markets are more volatile than residential markets. The critical success factor in both markets is the timing of purchases and sales. Compelling returns on investments can be generated by utilising the economic cycles in the sale and purchase of offices and residential real estate. In-house market analyses and a local presence underpin this policy.

In-house development
The third method of value creation is to develop high-quality property at cost for the Company's own portfolio. In-house development of projects makes it possible to optimally gear the quality to user demands and the timing of the investment to market conditions. Wereldhave keeps the risks of project development manageable by balancing the sizes of the development portfolio and the existing property portfolio.

Distribution of risks

Wereldhave spreads risks by dividing the portfolio over continental Europe, the United Kingdom and the United States, while investing in multiple real estate sectors, each with their own pace of development. It focuses on large, liquid, transparent and professional markets. The country and sector spread also creates a diversification of tenants and lessees, further spreading risks. At the same time, this spread offers opportunities because there is always a market with attractive investment opportunities.

Wereldhave invests in high-quality, sustainable buildings at locations that are readily accessible: in the longer term, the sustainability of buildings will be primarily determined by their location. Areas with proper public transportation in the vicinity of adequate facilities will continue to attract tenants in the longer term. High-quality real estate attracts tenants who are willing and able to pay a premium for sustainable quality. Wereldhave limits risks by investing in high-quality, sustainable real estate.

Local expertise and presence

In order to maintain direct contact with tenants and the market, Wereldhave has its own management organisations in the six European countries and three regions of the United States in which it is active. That local expertise and experience is used to generate rental growth, time the purchases and sales, and acquire projects at cost by means of in-house development.

Objectives

Wereldhave aims to achieve stable growth in the direct result per share and dividend, with a payout ratio of 85-95%.

In each country or region, Wereldhave has identified the dominant sector for its activities. It is Wereldhave's ambition to grow its portfolio, initially to a scale of € 400 mln per country/region. This size and choice of sector will ensure that Wereldhave's local operational scale is large enough to attract and retain expertise and experience.

Wereldhave aims to ultimately increase its shopping centre exposure to 50-60% of the total portfolio. In addition, Wereldhave is looking to invest in a number of selected office markets. In view of management intensity, buildings worth less than € 20 mln will be sold gradually. In time Wereldhave will also sell the logistics buildings in its portfolio.

With a solvency of 60%, Wereldhave has solid capital ratios. In view of the portfolio quality, the Board of Management considers it acceptable to fund growth by applying a solvency margin of 55-65%. This will enable Wereldhave to utilise any attractive acquisition opportunities as they come up in the period ahead.

Report from the Supervisory Board

Recommendation to shareholders

We hereby present the 2010 Annual Accounts and the report of the Board of Management. PricewaterhouseCoopers Accountants N.V. have audited and approved the Annual Accounts. We recommend that you approve these Annual Accounts. We support the proposal of the Board of Management to pay a dividend of € 3.10 in cash and € 1.60 in cash or in shares at the option of the shareholder.

Composition of the Supervisory Board

The Supervisory Board comprises four members, who are independent in respect of each other, the Board of Management of Wereldhave and whatever possible subsidiary interest. No business transactions have taken place between the Supervisory Board members and the Company in 2010. In accordance with the articles of association, each year one of the members of the board retires by rotation. The maximum term of office is in principle eight years, divided over two or three terms, according to the schedule for rotation, published at the Company's website. At the Annual Meeting of Shareholders to be held on April 18, 2011, Mr J. Krant will step down; he is not available for re-election. The Supervisory Board and Board of Directors wish to express their gratitude towards Mr Krant for his valuable contribution to the tasks of the Board and the way he has presided the Board during the last two years. Mr Van Oosten will succeed Mr Krant as Chairman of the Supervisory Board. Mr Arp also retires by rotation. He is available for re-election.

It is proposed to the Annual Meeting of Shareholders to re-appoint Mr Arp for a 3-years term, thus reaching a total term in office of nine years. This results in a balanced spread of changes to the composition of the Board in the next few years. This explains why Wereldhave deviates from the principle of a maximum term of eight years. It is further proposed to appoint Mr H.J. van Everdingen for a period of four years. Both nominations closely match the Board's member profile. The nomination of Mr Van Everdingen is based on his knowledge of international investment- and financial markets and international financing. The nomination of Mr Arp is based on his knowledge and experience on finance and economics, reporting of listed companies, managing international companies and risk management.

Meetings in 2010

The Supervisory Board convened seven times in 2010. The attendancy level stood at 90%, with none of the members being absent frequently. Regular items on the agenda were the operational developments of the portfolio, the development of results and capital, investments and disposals, the funding policy, the currency and dividend policy, fiscal matters and the business plan for the next 5 years. The Supervisory Board is again satisfied with the transparency of the information provided by the Board of Management.

In 2010 the Board of Management energetically worked to implement the strategy that was set in 2009. The year 2010 is marked by major changes in the composition of the portfolio and by adjustments to the organisation. The Supervisory Board has discussed investment proposals for the acquisitions in the Netherlands, Belgium, France and the United Kingdom with the Board of Management and has approved these proposals. The Board also granted its approval to the Board of Management for the issue of a convertible bond in October 2010 to the amount of € 230 mln. This bond has a maturity of five years with a coupon of 2.875%. The conversion price of € 81.10 is well above the net asset value.

In May 2010, the Supervisory Board visited Spain to see the offices Plaza de la Lealtad, Fernando el Santo and Arroyo de la Vega and the Planetocio shopping centre near Madrid.

The state of affairs of the Belgian tax claim was also a recurring item of discussions. In November 2010, the court ruled that the penal case was not admissable, a reasonable period for trial being exceeded. The public prosecutor has registered appeal in December 2010. A date for the court hearing has not yet been set.

In November 2010, the Supervisory Board convened without the presence of the Board of Management. In this meeting, the composition and the functioning of the Supervisory Board and the functioning and the remuneration of the Board of Management were discussed. The functioning of the Supervisory Board was assessed by questionnaires that have been submitted by it's members.

The Supervisory Board has decided also for the year 2011 not to appoint an internal auditor for Wereldhave. The system of country reviews by the Group Control department, to be submitted to the Board of Management and the Audit Committee, is satisfactory. The Supervisory Board will reconsider its position regarding an internal auditor in 2011. Finally, the Audit Committee and the Supervisory Board have discussed a request to publish the main items of the management letter with the Board of Management. Supervisory Board and Board of Management are of the opinion that these items should not be published.

Committees
The Audit Committee's members are Mr F.Th.J. Arp (chairman) and Mr P.H.J. Essers. The committee convened in February and November 2010. During the November meeting items on the agenda of the Audit Committee were the relation with the external auditor, the independence of the auditor, the use of ICT systems and the internal risk management and control systems. In addition, the committee held a meeting with the auditors without the Board of Management. The Audit Committee also paid attention to compliance at Wereldhave. The minutes of the meetings of the Audit Committee have been discussed and approved by the Supervisory Board.

In accordance with the Dutch Corporate Governance Code, the remuneration policy is determined by the full Supervisory Board, but prepared by the Chairman and Vice Chairman of the Board.

Remuneration
In accordance with the decision of the Annual General Meeting of Shareholders, held in 2010, the fixed remuneration of the Board of Management as of January 1, 2010 is set to € 375.000 per annum for Mr Pars and € 330.000 for Mr Anbeek.
The variable remuneration is mainly based of the (moving average of) the increase in direct result per share and consists of a short term incentive in cash or in shares and a long term remuneration only in shares, with a period of conditionality of at least three years. The scheme includes a claw back provision, to correct remunerations that have been based on incorrect data. The at target bonus amounts to 50% of the fixed annual salary, while the maximum has been set at 85% of the fixed salary.

Except for the indexation of the fixed remuneration, no changes will be made in the remuneration of the Board of Management and the Supervisory Board. The early re-appointment of Mr Pars is proposed for a period of four years, thus creating a balanced spread of expiring employment contracts for members of the Board. For a complete overview of the employment conditions of the Board of Management, reference is made to the remuneration report that was prepared by the Supervisory Board, which can be found on www.wereldhave.com.

Finally
Wereldhave is working hard to implement the strategy that was partially revised in 2009. The Supervisory Board wishes to express its gratitude towards the Board of Management and the employees for their efforts and achievements in 2010.

The Hague, March 2, 2011
Supervisory Board Wereldhave N.V.

Supervisory Board

J. Krant
(m, 62)
Member of the Supervisory Board since 2003.
Reappointed in 2007.
Retires by rotation in 2011.

Former Chairman of the Board of Directors of Kempen & Co
Director Catalyst Advisors B.V.

Positions in Supervisory Boards:
Chairman Supervisory Board Kardan N.V.
Member Supervisory Board Cyrte
Member Supervisory Board AFC Ajax N.V.
Member Supervisory Board Stadion Amsterdam N.V.

Other Board positions:
Chairman Jewish Historical Museum
Foundation "Hollandsche Schouwburg"
AFC Ajax

F.Th.J. Arp
(m, 57)
Member of the Supervisory Board since 2005.
Reappointed in 2008.
Retires by rotation in 2011.

Member of the Board of Management of Telegraaf Media Groep N.V., CFO

Positions in Supervisory Boards:
Several positions on behalf of the Telegraaf Media Groep N.V.

Other Board positions:
Foundation Africa Interactive Media

P.H.J. Essers
(m, 53)
Member of the Supervisory Board since 2005.
Reappointed in 2010.
Retires by rotation in 2013.

Professor in tax law, Chairman department tax law University of Tilburg

Positions in Supervisory Boards:
none

Other Board positions:
Chairman committee of Finance of the Dutch Senate
Guest professor at the University of Bologna
Editor of the Weekly Magazine for Fiscal Law
Board member of the Center for Company Law
Board member European Tax College

J.A.P. van Oosten
(m, 62)
Member of the Supervisory Board since 2009.
Retires by rotation in 2012.

Former Chairman Executive Board Koninklijke BAM Groep NV

Positions in Supervisory Boards:
Member Supervisory Board Valstar Simonis

Other Board positions:
Chairman Supervisory Board Westholland Foreign Investment Agency
Treasurer Stichting Gegevensautoriteit Natuur
Treasurer Stichting Den Haag 2018

General

All members of the Supervisory Board are Dutch nationals.

General

J. Pars
(m, 48)

Zadelvast Beheer, Commercial Manager 1987-1989
Stichting Pensioenfonds Hoogovens, Portfolio Manager 1989-1993
Rodamco Europe, several management positions 1993-2003
VastNed Groep, Director and CIO 2003-2008
Wereldhave, appointed to Director from January 1, 2009,
Managing Director as of April 2, 2009, CEO as of July 1, 2009

D.J. Anbeek
(m, 47)

DSM, several financial positions 1988-1994
Pricewaterhouse, Senior Consultant 1994-1995
Ahold, several international management positions 1996-2005
Albert Heijn, Director Franchise & Real Estate 2006-2009
Wereldhave, Managing Director as of June 1, 2009

Other positions: member Supervisory Board at Deen Supermarkten B.V.

Report by the Board of Management

A brief look at 2010

Shopping centres

Wereldhave aims to realise rental growth by active shopping centre management and has set as objective in 2009 to increase the share of shopping centres to 50-60% of the entire portfolio. Wereldhave focuses on mid-sized shopping centres that are dominant in their catchment area and has a preference for centres that can be extended.

In the Netherlands, Wereldhave purchased five shopping centres in 2010 for a total of € 265 mln. At the end of 2010, the Dolphin shopping centre in Poole, United Kingdom, was added for € 100 mln. In Belgium, as per December 31, 2010, Wereldhave acquired five projects from the Belgian development portfolio of ING Real Estate Development. The initial investment of € 19.6 mln mainly relates to the acquisition of a shopping centre in Waterloo and several land positions taken over. As a result of these acquisitions, the interest in shopping centres increased to 52% of the entire portfolio.

Offices and residential property

The critical success factor for office- and residential investments is the timing of purchases and sales. Compelling returns on investments can be generated by utilising the economic cycles in the sale and purchase. Wereldhave pursues a share of 30-45% of the entire portfolio invested in offices and residential property.

In France, on December 1, 2010, Wereldhave purchased an office development of 17,670 m^2 in Joinville-le-Pont, in the East of Paris. The project will be delivered turn-key and Wereldhave will take the letting risk. The investment volume amounts to approx. € 67 mln. Construction start is scheduled for the third quarter of 2011 with completion in the second quarter of 2013.

Property development

By developing property for its own portfolio at cost, Wereldhave aims to create value for its shareholders. Wereldhave pursues a healthy balance between the size of the development portfolio and the entire portfolio and applies a targeted size for the development portfolio of 5-10% of the entire portfolio.

As a result of the acquisitions in Belgium and France, the number of development projects rose by six. In 2010, Wereldhave started the drafting of plans for the refurbishment and extension of its shopping centres in Arnhem, Capelle a/d IJssel and Maassluis in the Netherlands. At year-end 2010 the value of the development portfolio amounted to € 134.5 mln, or 4.5% of the entire portfolio. A review of developments can be found at page 48.

Restructuring of the portfolio

In the Netherlands, Belgium, Finland and the United Kingdom, Wereldhave focuses on shopping centres, in France and Spain on office buildings (Paris and Madrid) and in the United States on office buildings and residential property (Washington DC, Texas and San Diego). Wereldhave pursues a minimum portfolio of € 400 mln per country and region. Properties with a value below € 20 mln and logistic property will be sold gradually.

All the purchases and sales in 2010 fit within this strategic focus. During 2010, Wereldhave sold eight smaller properties and a plot of land in the United Kingdom. Wereldhave now does no longer hold logistic property in the UK. In the Netherlands, an office building and a logistic property were sold. Property to a total value of € 45.2 mln was sold during 2010, generating a surplus on disposal of € 2.5 mln.

Changes in the organisation

Rental growth by active shopping centre management and refurbishment and extension of shopping centres are the key tasks for the countries with a focus on shopping centres. In The Netherlands and Finland the organisation has been strengthened in view of these new tasks and in Belgium the experienced development team of ING RED Belgium joined Wereldhave. Also in Spain and the United Kingdom, changes were made to the management of the local organisations and in the United States, the management team was expanded with a Vice President of Operations.

Results

Profit/loss

The profit for 2010 amounted to € 95.1 mln, or adjusted for the minority interest, to € 4.15 per share (2009: € –102.3 mln or € –5.07 per share). The improved result is primarily caused by improved valuation results. The revaluation totalled € –15.1 mln, mainly caused by acquisition costs that were deducted for the valuation (2009: € –245.8 mln). Exchange rate differences had a negative effect on profit of € 2.5 mln (2009: € 6.0 mln). The profit consists of the direct result (rental income after deducting costs) and the indirect result (realised and unrealised changes in the value of the portfolio). A brief explanation is provided below. A detailed summary with comparative figures can be found starting on page 52. For a summary of the revaluations, see page 60. The notes to the Annual Accounts on pages 66 to 122 can be found at www.wereldhave.com. Upon request, a printed version of the notes will be sent free of charge.

Direct result

The direct result over 2010 amounted to € 115.9 mln, which was € 4.8 mln higher than the figure for 2009. Due to the purchases and the letting of two offices in Washington DC and Paris, net rental income rose by € 17.0 mln. As these acquisitions were financed with debt, interest charges rose by € 8.6 mln. The average interest rate as per December 31, 2010 remained stable at 2.6%.

General costs rose by € 2.2 mln, about half of which due to one-off expenses in relation to changes in the organisation. Taxes on result increased by € 1.1 mln, because of a one-off tax benefit of € 1.6 mln in 2009. Exchange rate differences ultimately had a positive effect on the direct result of € 1.9 mln.

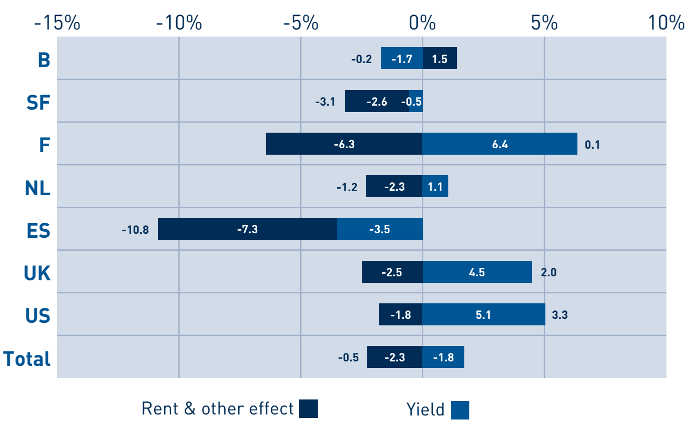
The average occupancy rate for 2010 amounts to 90.9% (2009: 89.7%). As at December 31, 2010, EPRA occupancy stood at 91.4%. In accordance with the EPRA best practices, as from today, Wereldhave will report the occupancy rate at balance sheet date. EPRA occupancy levels per sector over 2010 were 95.2% for retail, 87.0% for offices and 95.5% for other properties.

Indirect result

The indirect result for 2010 totalled € –20.8 mln (2009: € –213.4 mln).

Primarily due to the acquisition costs of € 18.7 mln in the Netherlands and the UK that were immediately deducted for the valuation, there was a negative property revaluation of € 15.1 mln as at 31 December 2010. The breakdown of the effects of changes in yield and market rents can be found in the table below. The average yield on the portfolio applied in the valuation increased by circa 20 basis points in 2010, bringing the weighted net cap rate on the portfolio to approximately 6.5% (2009: 6.7%). The revaluation on financial instruments amounted to € 1.0 mln (2009: € –1.2 mln).

Revaluation as at December 31, 2010 (Yield effect – Rent & Oth. effect)



Key figures (x € 1 mln)

Results	**2010**	**2009**
Result	95.1	-/-102.3
Direct result	115.9	111.1
Indirect result	-/- 20.8	-/-213.4
Profit per share *(x € 1)*	4.15	-/- 5.07
Direct result per share *(x € 1)*	5.10	4.93
Equity		
Investment portfolio	2,860.1	2,418.2
Equity	1,728.1	1,686.5
Net asset value per share *(x € 1)*	75.12	73.77

A surplus on property disposals of € 2.5 mln was achieved in 2010 (2009: € 0.8 mln). Deferred taxes on the indirect result increased by € 37.4 mln, mainly in the UK, Finland and the United States, caused by higher property valuations. The interest charges in the indirect result rose by € 1.4 mln to € 3.4 mln, primarily due to the issue of a € 230 mln convertible bond in 2010. The other financial income and expense decreased by € 2.7 mln, which was largely caused by exchange rate differences.

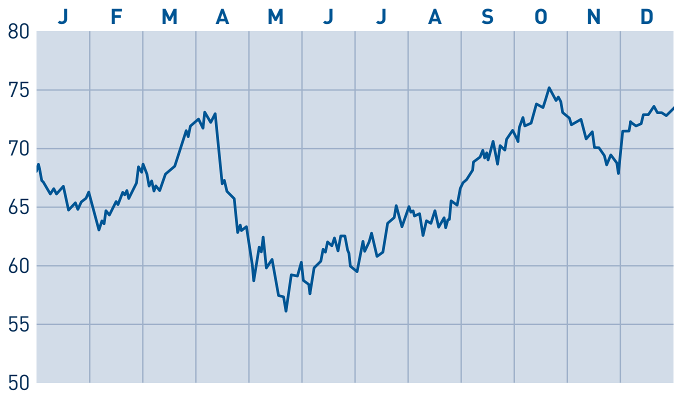
Dividend

An optional dividend of € 4.70 will be proposed to the General Meeting of Shareholders for 2010, of which € 3.10 in cash in order to comply with the fiscal distribution obligation, after deducting withholding tax, and € 1.60 in cash or in shares, at the option of the shareholder. The latter distribution will be charged to the reinvestment reserve and therefore no dividend tax will be due. The dividend is payable from 13 May 2011. Shareholders can communicate their choice between cash and shares from April 26, 2011 until May 9, 2011, 17.00 hr CET. With a dividend of € 4.70, the payout ratio amounts to 92.2%. If a shareholder does not communicate his choice, the dividend will be paid in shares. The optional dividend component in shares (as a percentage) will be set by dividing the optional dividend in cash by the average of share prices at closure of trading of the period May 2 up to May 9, 2011. A 5% margin will be applied for rounding off logically in favour of a shares choice. The maximum number of ordinary shares to be issued is this percentage, multiplied by the number of shares in issue. The exact number of shares issued will be communicated by press release on May 10, 2011, before trading hours. The newly issued ordinary shares bear equal rights as those already in issue and are entitled to dividend as from the financial year 2011 and further.

Stock market performance

In 2010, Wereldhave shareholders realised a total return of 16.5% (2009: –13.3%). This return equals the EPRA (European Public Real Estate Association) Return Index (EUR). The Wereldhave share is listed in Amsterdam and is included in the Amsterdam AEX Index (yield 2010: 9.2%). As at year-end 2010, the price/direct result ratio was 14.3. The daily trading volume averaged 144,000 shares. Options on the shares are traded on Euronext.Liffe.

Share price development (€)



	Price/DR	Price (x € 1)	
	2010	2010	2009
highest	14.7	75.01	70.29
lowest	11.0	56.00	45.39
year-end	14.3	73.06	66.70

Equity

Equity

As at year-end 2010 equity, including minority interests and before appropriation of the proposed dividend, amounted to € 1,728.1 mln. This represents a 60% solvency (2009: 70%). Wereldhave's guideline for the longer term is a solvency ratio ranging between 55% and 65%. Strong capital ratios reduce the sensitivity to interest rate movements and increase the ability to make new investments. A total of 171,537 new shares were issued in 2010 in connection with the distribution of an optional dividend. The total number of ordinary shares in issue at year-end 2010 amounted to 21,448,525.

Share ownership is spread among institutional and private investors, both in the Netherlands and abroad. As at 31 December 2010, Wereldhave had no shareholders with an interest of more than 5%. The free float of the ordinary shares is 100%. The net asset value per share before profit appropriation as at December 31, 2010 was € 75.12 (2009: € 73.77).

Debt

Interest bearing debt as at year-end amounted to € 1,148.0 mln, 43% of which at variable interest rates. The average nominal interest rate at year-end stood at 2.6%.

During the last quarter of 2010, Wereldhave issued a convertible bond of € 230 mln with a maturity of 5 years (2010-2015) at a coupon of 2.875%. The conversion price is € 81.10, well above the net asset value. The conversion price will not be adjusted for dividends, unless and to the extent that the annual dividend payment exceeds € 4.75 per share (as from 2011 raised by € 0.05 per annum). The € 200 mln convertible bond 2006-2011 at a nominal interest rate of 2.5% that will expire in March 2011 has a conversion price of € 97.00. The € 230 mln convertible bond 2009-2014 at a nominal interestpercentage of 4.375% has a conversion price of € 72.18. No bonds had been converted into Wereldhave shares as at 31 December 2010.

Despite the increase in debt, Wereldhave's equity ratios continued to be sound. In February 2011, Wereldhave reached agreement for the issue of a USD 300 mln private placement (senior unsecured notes), at an average initial interest rate of 3.5%. The loan, half of which will be swapped to Euro, will be made available as from the end of March 2011 in tranches with maturity of 5, 7 and 10 years. With a Loan-to-Value ratio of 39%, Wereldhave still ranks amongst the most solidly funded property funds listed in Europe. Wereldhave's interest-rate sensitivity is limited by its high solvency ratio.

Movement net asset value per ordinary share ranking for dividend (x € 1)

Net asset value before distribution	2010	2009
of profit as at 01-01	73.77	83.74
less: dividend previous year	4.65	4.65
	69.12	79.09
Direct result	5.10	4.93
Indirect result	-/- 0.95	-/- 10.00
Movements in equity	1.85	-/- 0.25
Net asset value before distribution of profit as at 31-12	75.12	73.77
less: proposed dividend	4.70	4.65
Net asset value after distribution of profit as at 31-12	70.42	69.12

Additional information can be found on page 23. Wereldhave aims for a loan portfolio with a term to maturity that is evenly spread across the medium term. In principle, the funding of the Company is provided by various banks on the basis of balance sheet financing without collateral. The notes to the consolidated Annual Accounts contain further information on the loan portfolio.

Currency

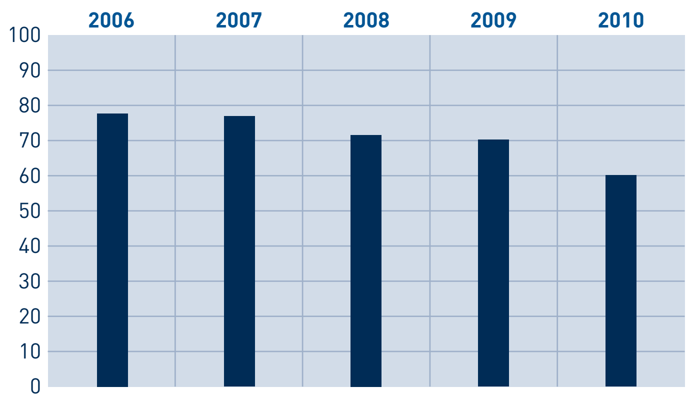
As at year-end 2010 the USD exposure was hedged for 45% (2009: 62%) and the GBP exposure was hedged for 70% (2009: 61%). Forward exchange options and debt in local currency were applied in 2010 to hedge the USD and GBP positions. The net positive effect of exchange rate differences on equity amounted to € 28.3 mln (2009: € 1.2 mln).

These hedge ratios represent the economic currency risk on the value of the property portfolio in the respective currencies. The guideline for hedging exposure in the property portfolio to USD and GBP is a hedge ratio of 50%. Deviations from this targeted level are permitted within a hedging margin of 40%-70%. Results in USD and GBP, other than through interest expenses in these currencies, are not hedged separately.

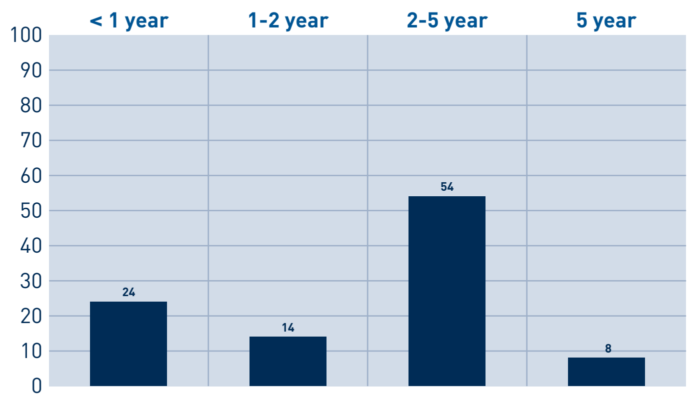
Derivatives

Wereldhave employs currency swaps and currency options, and also uses financial instruments as necessary to control its interest expenses. These financial instruments are combined to manage the exchange rate sensitivity of the net asset value per share and the interest rate sensitivity of the earnings per share. The use of financial instruments like interest rate and currency swaps accordingly serves the interest rate and currency policies referred to above.

Solvency rate (as a %)



Maturity spread interest bearing debt *(as a %)*



Composition of the portfolio

In 2010 Wereldhave purchased five shopping centres in The Netherlands, one in the UK and one in Belgium, for a total of € 374.9 mln, bringing the share of shopping centres in the total portfolio to 52%. At the end of December 2010, Wereldhave Belgium took over the Belgian development portfolio of ING Real Estate Development. This purchase offers perspective to a growth of the Belgian retailportfolio with € 150 mln over the next few years. In France, Wereldhave bought an office development in Joinville-le-Pont. Sales of smaller and logistic property were recorded in The Netherlands and the UK. Ten properties and a plot of land were sold for a total consideration of € 45 mln. Wereldhave now does no longer have any logistic properties in the UK.

The average occupancy rate for 2010 amounts to 90.9% (2009: 89.7%). As at December 31, 2010, EPRA occupancy stood at 91.4%. In accordance with the EPRA best practices, as from today, Wereldhave will report the occupancy rate as per balance sheet date.

The investment portfolio underwent a negative revaluation of 0.5%, primarily caused by transacton costs that were deducted for the valuation. At year-end 2010, the value of the development portfolio amounted to € 134.5 mln; the value of the investment portfolio stood at € 2,860.1 mln. The table of revaluations can be found at page 60. Information on the development portfolio can be found on page 48.

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Net sales proceeds of investment properties (x € 1 mln)
(against exchange rates prevailing at year end)

	2006	2007	2008	2009	2010
Belgium	–	22.2	–	–	–
Finland	–	–	–	–	–
France	105.9	0.1	–	–	–
Netherlands	6.1	52.3	–	–	6.6
Spain	–	–	–	–	–
UK	59.0	12.6	6.2	2.7	38.4
USA	–	60.6	–	–	–
Total	171.0	147.8	6.2	2.7	45.0

Net sales proceeds of investment properties (x € 1 mln)
(against exchange rates prevailing at year end)

	2006	2007	2008	2009	2010
Belgium	2.1	–	–	5.6	11.1
Finland	–	–	–	–	–
France	–	–	–	–	–
Netherlands	1.7	–	–	–	265.0
Spain	–	53.9	–	–	–
UK	–	–	–	–	98.8
USA	101.5	150.0	117.7	–	–
Total	105.3	203.9	117.7	5.6	374.9

Investment portfolio distribution (as a %)

	06	07	08	09	10
Retail	44	46	46	46	52
Offices	45	45	45	45	41
Other	11	9	9	9	7

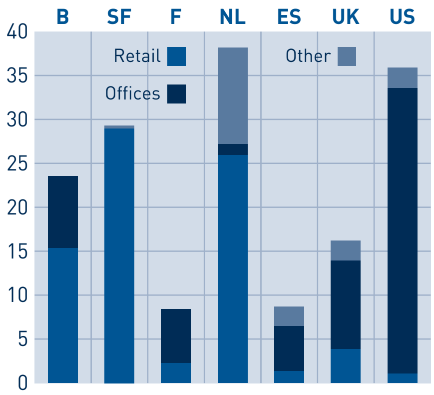
Investment portfolio geographical distribution (as a %)

	06	07	08	09	10
Belgium	14	14	14	16	14
Finland	21	22	22	21	18
France	7	7	7	7	6
Netherlands	16	15	15	16	22
Spain	5	7	7	6	5
UK	17	14	8	9	10
USA	20	21	27	25	25

Net rental income per country (as a %)

	06	07	08	09	10
Belgium	14.5	15.2	15.4	16.8	14.7
Finland	18.5	19.6	19.9	20.1	18.4
France	9.0	7.7	7.6	2.1	5.2
Netherlands	17.5	17.9	16.3	18.0	23.8
Spain	5.5	6.4	7.0	6.8	5.4
UK	17.7	15.5	13.3	11.7	10.1
USA	17.3	17.7	20.5	24.5	22.4
Total	100	100	100	100	100

Net rental income per country and sector
(x € 1 mln)



Staff and organisation

The strategic focus per country and the connected restructuring of the portfolio, went hand in hand with an adjustment and strengthening of the organisation.

In connection with the expansion of the portfolio, the Dutch management organisation was strengthened. In 2010, Hans Vermeeren (40) was appointed Managing Director Wereldhave Netherlands. He will be supported by a management team, consisting of a Development Director and a Director Leasing, both newly recruited, a Head of Shopping Centre Management and a Controller.

The country director for Wereldhave in Belgium, Paul Rasschaert, passed away after a short illness. He was only 50 years of age. Wereldhave has not only lost an excellent director, but also a well respected colleague. Luc Plasman, the former General Manager of ING RED Belgium, has been appointed General Manager of Wereldhave Belgium as of January 1, 2011. A total of 15 persons of ING RED joined Wereldhave Belgium.

In the United Kingdom, Jonathan Speakman Brown stepped down as country director in 2010. He was succeeded by Andrew Turton, who was recruited in 2009 to acquire a shopping centre investment portfolio in the United Kingdom.

In Spain, the employment of country director Luis Marquez was terminated by mutual consent. Michel Janet, the country manager for France, temporarily also acts as director Wereldhave Spain.

In the United States, a Vice President of Operations has been recruited in view of the increased management attention for the San Antonio development project.

In Finland the organisation was strengthened by the replacement of several commercial, financial and technical staff members.

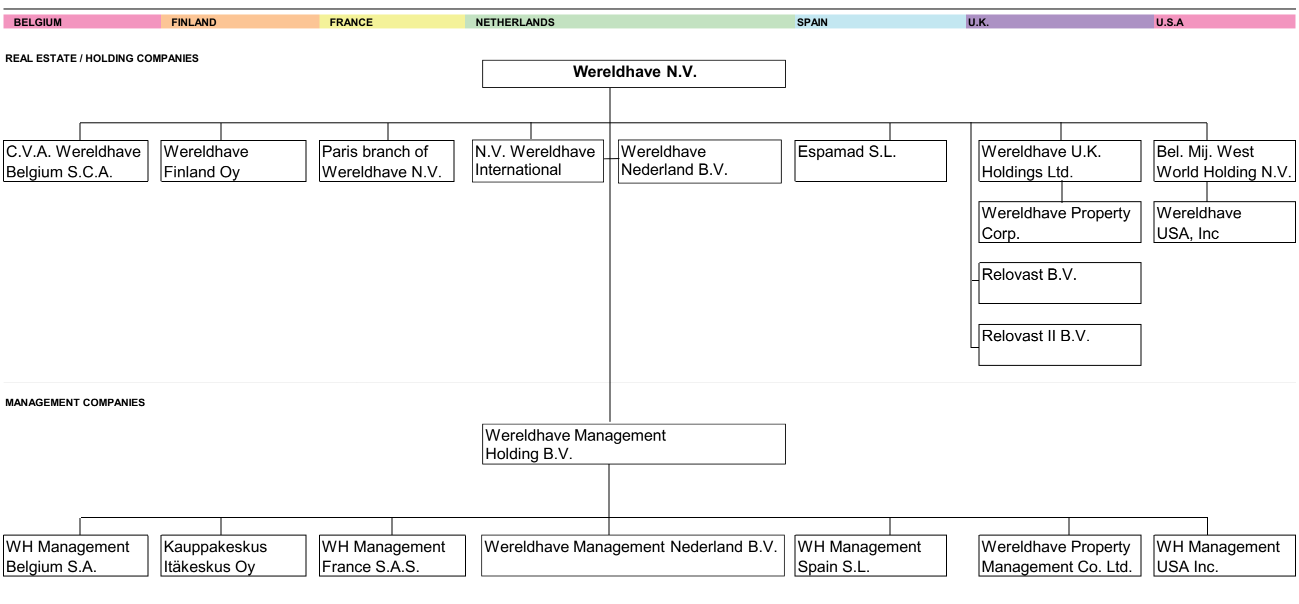
Wereldhave drafted a Tax Control Framework in 2010, which will be implemented in the local organisations in 2011. During the year 2010, much attention was paid to the completion of the Aremis information system and a new management reporting. The ICT organisation was adjusted from a project organisation to a standing organisation, focusing on operational tasks such as application management. Regular maintenance and programming has been outsourced, thus improving the continuity in knowledge of the programming software that was applied.

During the year, an average of 130 staff worked for Wereldhave, of whom 80 in foreign local country organisations. Of the total, 48% were female and 52% male. The average age of employees is 45. The average duration of employment amounts to 9 years, whilst the average absence due to sickness amounted to 3.5% (2009: 1.9%).

We thank all our employees for their effort and involvement, especially in view of the expansion of our portfolio and the changes to the organisation.

WERELDHAVE

Abbreviated organization chart



Major real estate and management companies

Corporate Social Responsibility

Introduction

It is important to take responsibility today if we want to create value for tomorrow. The useful life of real estate spans several decades, so the decisions about real estate taken by Wereldhave today may impact society for decades. Taking sustainable decisions now automatically means taking account of the future. After all, sustainability means taking decisions that meet the needs of the present without compromising the ability of future generations to meet their own needs.

The importance of sustainability is increasingly being acknowledged throughout Western society. Governments keep tightening sustainability requirements, whilst manufacturers and contractors keep expanding their range of sustainable products and services. Growing numbers of tenants attach importance to sustainable buildings and various studies have demonstrated a relationship between a building's sustainability and the risk of voids. The sustainability needs and requirements of the various stakeholders merit careful consideration, which is why Wereldhave conducted a stakeholders analysis to define four specific areas of attention: its own organisation, new investments, construction and property development, and property management.

Organisation

Sustainable business operations are a cyclical process of initiating, increasing sustainability and evaluating. To make sure that sustainability stays top of mind, it is a fixed feature of the four-monthly Wereldhave Company newsletter. Every issue highlights different aspects of sustainability, from providing information about a specific topic to communicating decisions/targets adopted by the sustainability task force. Chaired by the CEO, this sustainability task force meets every month to initiate new sustainability programmes and evaluate current programmes.

This year, Wereldhave calculated the carbon footprint of its Dutch and Belgian organisations. It aims to extend and evaluate this calculation on an annual basis. One of the aspects considered in the selection of office furniture that needed to be replaced is the cradle-to-cradle concept. The Company car policy has also been tightened. As from 2010, only cars with an energy rating of "C" or higher may be ordered. In addition, employees are required to pay a higher contribution for private use of cars with a "B" or "C" rating. Wereldhave trusts that this will encourage employees to choose an energy-efficient car.

Wereldhave believes that sharing knowledge with various parties should be a vital element of its CSR policy. Practically every year, Wereldhave creates one or more internship opportunities for students and it regularly accepts interview requests from students. In addition, it contributes to the alignment of real estate education with actual practice. Wereldhave furthermore participates in the Dutch Green Building Council, making employees available to take part in this organisation's working groups. The prize money Wereldhave received with the Golden Brick award (property investor of 2010, Jones Lang LaSalle) was doubled by the Board of Management and made available to the Dutch Green Building Council for its research on increasing the sustainability of shopping centres. The results of this research will be disclosed to the entire property sector in due course.

New investments

Wereldhave made several acquisitions in the past year, always paying particular attention to the building's location. Wereldhave is convinced that, in the longer term, the sustainability of buildings will be primarily determined by their location. Areas with good public transport connections put less pressure on the environment, as transport is the third main cause of CO_2 emission.

In addition, an area's social sustainability is partly determined by the local facilities. If an area features good public transport connections as well as local facilities, it will retain its appeal to tenants in the long term as well. All newly acquired shopping centres have good public transport connections. The Koperwiek shopping centre in Capelle aan den IJssel (NL), for example, is located right next to the Line C tube connection to Rotterdam, and the Dolphin Shopping Centre in Poole (UK) actually has its own integrated bus station and is at walking distance from the train station.

In addition to good public transport, the locations have development potential, allowing Wereldhave to add new value to the area. It also provides an opportunity to increase the sustainability and appeal of existing parts as buildings are being expanded. In 2010, Wereldhave purchased an office block to be newly built in Joinville-le-Pont, in the eastern part of Paris. The project will meet the latest sustainability criteria, including those for the 'Excellent' BREEAM rating. On top of that, it is located next to the RER-A station connecting eastern and western Paris.

Construction and property development

Wereldhave's objective with regard to new developments is to achieve at least a 'Good' BREEAM rating. To this end, the standard 'schedules of requirements' Wereldhave uses with new developments have been amended to include the requisite BREEAM criteria. Since 1998, Wereldhave has been committed to sustainability in the areas of energy, water, materials, surroundings, flexibility and indoor climate, which it has embedded in its schedules of requirements. While the BREEAM chapters differ slightly in certain respects, the methods are easily reconcilable.

With regard to the expansion of the Nivelles shopping centre, Wereldhave aims to achieve a 'Very Good' BREEAM rating. Development projects that were introduced to the Wereldhave development pipeline as a result of the acquisition of the Belgian development division of ING will be reviewed to assess to what extent they already meet Wereldhave's sustainability ambitions and whether it would be possible to incorporate additional sustainability measures in the design.

Wereldhave has drawn up a checklist for sustainable building sites to be used during renovation projects. New developments are subject to a more extensive list, which is part of the BREEAM assessment. Contractors must complete this building site checklist regularly during construction to demonstrate that the building site is healthy and safe, and that nuisance to local residents is kept to an absolute minimum.

In recent years, the main focus in new developments has been on achieving high energy performance combined with a high level of user comfort, a trend that will be continued in the near future. In addition, Wereldhave will increasingly focus on the choice of building materials. The supply and extraction of raw materials will decrease over the next few years, while demand is still increasing. This will inevitably lead to shortages.
Only a major degree of product recycling and the application of concepts such as cradle-to-cradle may turn the tide. Wereldhave recognises this and will endeavour to use more of such products if and when possible.

Property management

Only about one percent of the global building stock is renewed every year. This means that if sustainability criteria are only applied to new developments, it will take as much as 100 years to create a more sustainable building stock. As this is an unacceptable prospect, increasing the sustainability of the existing building stock should be a priority. One of the new targets for the coming years is therefore to make our existing shopping centres more sustainable. This is not an easy task, however, as there are few examples to follow and there is no literature on making existing shopping centres sustainable. Last year, BRE (Building Research Establishment) launched BREEAM-in-use in the UK, an Environmental Assessment Method for existing buildings. The Dutch Green Building Council translated the method into Dutch standards, which resulted in the launch of a 'BREEAM Bestaande Bouw en Gebruik' (BREEAM BBG) beta version at the end of 2010. Wereldhave assisted in creating the pilot version, as this method will likely prove to be a valuable tool in enhancing building sustainability and become the new, voluntary standard for existing property in Europe.

Before the ambition to increase sustainability can be determined, buildings must be assessed on their performance based on a number of indicators. This is why Wereldhave has started monitoring energy and water consumption, which requires modification of part of the energy and water meters. Once these modifications have been completed, a continuous flow of building energy and water consumption data will enable Wereldhave to analyse the performance of its buildings and identify and improve any inadequate performance.

However, Wereldhave is also convinced that building owners and users should work together to improve their building's sustainability. Green lease clauses may be implemented to ensure their awareness of the importance of sustainability. Green lease clauses comprise an additional clause in the lease agreement that lay down provisions on the building's finishing and furnishing and on the exchange of information regarding energy and water consumption of the leased property. Wereldhave's target for the years ahead is to agree green lease clauses for new lease agreements in the context of shopping centre expansions and, eventually, also for lease renewals for existing shops and stores.

A new waste management system has been introduced at Wereldhave's Belgian office complexes in the form of an underground waste storage facility. Waste is still being segregated into four fractions, but the new system reduces the number of transport movements required to transport waste for disposal by 30%. Despite the fact that waste is not being collected as often as before, the office users are satisfied with the system and no complaints regarding foul smell or pollution have been received.

In addition, since a number of years Wereldhave has been purchasing green energy for its entire Dutch and Belgian portfolios. In other countries, it is not always possible for Wereldhave to choose its own energy supplier, but the organisation will continue to look for ways to switch to renewable energy as much as possible in these countries as well.


C&A
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RIJSD!

Corporate governance

Introduction

Wereldhave attaches great importance to achieving a balance between the interest of providers of risk-bearing capital and those of other stakeholders in the Company. Matters such as transparency, the adequate provision of forward-looking information and business ethics form a part of this philosophy. The Company's business ethics are embedded in the Business Principles and the Code of Conduct for employees which are published on our website www.wereldhave.com.

Comply or explain

Wereldhave is fully compliant to the Dutch Corporate Governance Code. Where deviated from the code, the principle 'comply or explain' is applied. The statutory possibility of binding nominations of members of the Board of Management by the Meeting of Holders of Priority Shares is the only deviation from the Code. A possible binding nomination is part of the anti-takeover measures (see page 28). The deviation has been approved by the General Meeting of Shareholders. The complete text of the Code can be consulted at www.commissiecorporategovernance.nl.

Company risks and risks management

Wereldhave makes a distinction between strategic, operational and financial risks. Strategic risks are related to Wereldhave's strategic choices; operational risks are directly related to the operating activities, and financial risks are related to developments on the financial and currency markets.

A description of the Company's main risks, the specific measures to manage those risks and their potential impact on Wereldhave's result and equity is provided hereafter.

Main risks

Operational

The rental risk involves the risk of the lettability and movements in market rents. Due to the economic crisis, it may take longer to rent vacated space, resulting in a loss of rental income due to vacancies. Market rents are not always in pace with contractual rent fees, as a result of which adjustments to the rental income can occur when extending or renewing leases. Wereldhave keeps a constant and close eye on market rent movements.

Well run shopping centres have a stable high occupancy and a waiting list of prospective tenants. By developing new, sustainable office buildings for it's own portfolio, whilst utilizing the property cycles, Wereldhave optimizes the attractiveness of its offices portfolio.

The local management organisations maintain direct contact with the tenants and regularly report to the Board of Management on all relevant market developments. Wereldhave also has a Market Analysis department that keeps a vigilant eye on developments in the various markets and reports to the Board of Management. The standard lease terms state that rent is to be paid in advance. Another fixed component in Wereldhave's lease agreements is formed by payment guarantees. A change of 0.5% in the occupancy levels has an effect on the direct result of € 1.1 mln (€ 0.05 per share).

The value development of the portfolio is affected by rental markets as well as financial markets. A lower value affects the capital ratios and the net asset value of the share.

Wereldhave's strategy safeguards a portfolio of attractive properties with excellent letting prospects. However, even the value of first-class property can decrease. The portfolio's value development is monitored closely. Wereldhave values its properties at market value, less transaction costs. The entire portfolio is appraised each quarter. External appraisals by independent appraisers are performed as at 30 June and 31 December, in principle by two different valuers per country. The portfolio is also internally appraised as at 31 March and 30 September. With its solid capital ratios, Wereldhave is well able to absorb any decreases in property values. A change in the average initial yield of 0.25% has an effect of € 92.9 mln on equity (€ 4.33 per share) and the indirect result.

Financial

Fluctuations in the exchange rates for the USD and the GBP can affect the result and the value of investments outside of the Euro zone. This affect is minimised through financing in the relevant currency and hedging with currency swaps and forward transactions.

The hedge policy is determined by the Board of Management. Exchange rate developments are monitored continuously. The currency risk to the value of the portfolio is partially hedged. The risks of lower exchange rates to the direct result are not hedged, except for financing in local currency. The guideline for hedging the property portfolio value exposure to the USD and GBP is a hedge ratio of 50%, with a range of 40% to 70%. As at year-end 2010, the USD exposure was hedged for 45% (2009: 62%) and the GBP exposure was hedged for 72% (2009: 61%). A 5% change in the year-end exchange rates has an effect of € 27.9 mln on equity and € 1.30 on the net asset value per share. A change of 5% in the average exchange rates has an effect of € 2.1 mln on the direct result (€ 0.10 per share).

Movements in interest rates may affect the result, the yield and the value of the property portfolio. The interest rate policy is determined by the Board of Management.

Of the interest-bearing debt of € 1,148.0 mln, 43% was borrowed at variable interest rates as at 31 December 2010. Inflation rates, in combination with both interest rates and exchange rates, are included in the management information and in the parameters set by the Board of Management for the projections and forecasts that are used in determining policy. Wereldhave has interest rate consolidation possibilities at its disposal in the form of interest rate swaps and drawings on committed facilities, and it maintains strong capital ratios. With a Loan-to-Value ratio of 39% as at year-end 2010, Wereldhave ranks amongst the most soundly funded property funds listed in Europe. A change of 0.5% in the money market interest rate has an effect of € 2.5 mln on the direct result and equity (€ 0.12 per share).

Other risks

Operational

The bad debtor risk is the risk of a contract party defaulting on payments to Wereldhave. If 1% of the debtors were to default, this would have an effect of € 0.1 mln on the direct result (€ nil per share). With an online application, Wereldhave monitors outstanding receivables and assesses the adequacy of its provision for bad debtors quarterly. Moreover, the standard lease conditions require rents to be paid in advance, and the creditworthiness of every new tenant is assessed before any new lease is signed. The risk is limited further by bank guarantees provided by tenants.

Development risk

The risk that the ultimate project costs deviate from the original budget is managed by means of transparent budgeting and highly-disciplined project management. Wereldhave also endeavours to determine itself whether and when the various project phases commence. Completion and purchase obligations are only concluded subject to an explicit decision of the Board of Management.

Financial

The refinancing risk is the risk that credit agreements cannot be renewed or that renewal is only possible on less favourable conditions. That risk is limited by maintaining strong capital ratios, maintaining relationships with various international banks, and maintaining sufficient credit facilities (committed and uncommitted). In addition, Wereldhave applies a diversity of financing instruments, accessing money markets and capital markets. Wereldhave's management assesses cash flow forecasts and the resulting funding requirements on a regular basis.

Financial transactions such as interest and currency swaps entail risks. The use of financial instruments is limited to hedging the underlying transactions or positions. Only financial institutions with an investment grade credit rating are eligible as counterparties. Financial transactions are only concluded with the prior approval of the Board of Management.

Strategic

In order to *maintain its fiscal status,* Wereldhave must satisfy certain legal requirements. The Board of Management devotes continuous attention to maintaining the status. The distribution obligation and funding limits are calculated periodically and on an ad hoc basis in connection with refinancing, investments and preparing the dividend proposal. Wereldhave satisfied the requirements for the fiscal status of investment institution during 2010.

Changes in the geographical distribution and the distribution of activities by entering into countries, markets or activities that are new to Wereldhave, or making adjustments to the existing mix, involves risks. Having our own local management company that can provide the necessary knowledge of local regulations and the local culture is a prerequisite for entering into new countries. Wereldhave's local management companies employ staff from the relevant country with ties to the local culture who are committed to Wereldhave's performance.

Risk management

The Board of Management is responsible for the organisation, implementation and functioning of the internal risk management and control systems that are geared to Wereldhave's business activities. 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.

The instruments for internal control and risk management consist of the tailored administrative organisation, the annual investment plan prepared by the Board of Management and approved by the Supervisory Board, and the Business Principles and Code of Conduct. Wereldhave has rules in place for reporting irregularities. All integrity-sensitive positions have been identified, and special procedures are in place for hiring employees for these positions.

Wereldhave has set up its own, tailor-made administrative organisation in which internal control is embedded. The business processes are documented in a database that is available on-line to all employees. This system not only safeguards the continuity of business processes, but also records and disseminates the knowledge present in the Company. The business processes are further defined in task descriptions per function. The Administrative Organisation/Internal Control system is based on a division of functions to the greatest possible extent. This system includes a computerised information system with access being based on the task descriptions. 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 ensures that no property transactions can be concluded locally unless they have been explicitly approved by the Board of Management of Wereldhave N.V.

Annually, Group Control performs country reviews in all local management organisations, assessing the Administrative Organisation and Internal Control critically. The assessment reports are submitted to the Audit Committee and any items of attention will be dealt with during the year.

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. Each week the backup files are deposited in an external safe. In 2010 a disaster recovery plan was made and a new fallback agreement has been established.

The Board of Management assessed the organisation and functioning of the internal risk management and control systems. The outcome of this assessment and any significant modifications were discussed with the Audit Committee and the Supervisory Board together with the strategy and risks. The assessment did not contain any observations warranting the conclusion that the description of the administrative organisation and internal control system does not satisfy the requirements set in the Dutch Financial Supervision Act and relevant regulations.

Statement by the Board of Management

The Board of Management of Wereldhave N.V. declares:

1. that based on the assessment performed and taking into account the relevant recommendations of the Monitoring Committee Corporate Governance, the internal risk management and control systems of Wereldhave N.V. are adequate and provide a reasonable degree of certainty that the financial reporting as included in this Annual Report is free of material misstatement. The Board of Management has no evidence that this risk management and control system would not have functioned in accordance with the description or that this system would not have functioned properly in the current year;
2. that the Annual Accounts present a true and fair view of the assets, liabilities, financial position and result of Wereldhave N.V. and the companies included in the consolidation; and
3. that the Annual Report provides a true and fair view of the situation on the balance sheet date, the course of business during the financial year of Wereldhave N.V. and the affiliated companies, the figures of which have been included in its Annual Accounts; and
4. that the main risks confronting Wereldhave and its affiliated companies have been described in this Annual Report.

Remuneration policy

The remuneration report of Wereldhave is submitted for approval to shareholders annually. The fixed income for the Board of Management for 2010 amounts to € 375,000 per annum for Mr Pars and € 330,000 for Mr Anbeek. The variable income is primarily based on the (moving average of the) increase in direct result per share and consists of a short term remuneration in cash or in shares and a long term remuneration in shares, with a period of conditionality of three years. The arrangement contains a claw back clause, enabling the correction of remunerations already paid, if these were based on incorrect data as well as a maximum severance payment of one-year's salary. The at target payment amounts to 50% of fixed income, whilst variable income is capped at 85% of fixed annual income.

With the exception of indexation, no changes will be made in the remuneration of the members of the Board of Management nor the Supervisory Board in 2011.

General Meeting of Shareholders

The General Meeting of Shareholders will be held on April 18, 2011. Wereldhave has ordinary shares, preference shares and priority shares A and B, each with a € 10 nominal value. As at December 31, 2010, 21,448.525 ordinary shares and 10 priority shares A were in issue. There were no priority shares B and preference shares in issue.

The record date for the Meeting is set at March 21, 2011, the convocation will be published on March 7, 2011. Bearer shares for which share certificates have been issued must be deposited on or before the record date and will be blocked until the record date. Additional information is provided in the agenda and the convocation for the meeting.

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 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.

The Articles of Association can be amended by the General Meeting of Shareholders by absolute majority, upon proposal of the Meeting of holders of priority shares (article 35 of the articles of association).

Board of Management

The Board of Management of Wereldhave consists of Mr J. Pars (Chairman) and Mr D.J. Anbeek. The members of the Board of Management are jointly responsible for the management and running of Wereldhave N.V. and its subsidiaries. These duties are performed with due observance of the investment plan, and its derived sub-plans, that each year is drawn up for the enterprise and adopted by the Supervisory Board.

Mr Pars focuses on the countries Belgium, United Kingdom and United States and the staff departments Investor Relations, Corporate Secretariat, Human Resources, Shopping Centre Development, Market Analysis and the Building staff department. Mr Anbeek focuses on the Netherlands, Finland, France and Spain and the staff departments Control & Administration, Treasury, Fiscal Affairs and ICT.

The Board of Management aims to achieve a consensus in decision making. If no agreement can be reached within the Board of Management about important decisions, the items concerned will be raised by the Board of Management at the meetings with the Supervisory Board. Additional regulation regarding decision making is set out in the Regulations of the Board of Wereldhave N.V. which can be consulted at www.wereldhave.com.

The Board of Management is appointed and dismissed by the Annual General Meeting of Shareholders, from a nomination to be drawn up by the Meeting of Holders of Priority Shares. The members of the Board of Management have been appointed for a period of four years. The agreements contain a break option with a maximum termination fee of one year's salary.

The Board of Management's remuneration is determined in line with the policy set out in the remuneration report.

In the year under review no business transactions took place in which conflicts of interest may have played a role. All business transactions between the Company and members of the Board will be published in the Annual Report.

Supervisory Board

The Supervisory Board of Wereldhave N.V. is formed by Messrs. J. Krant (Chairman), P.H.J. Essers, F.Th.J. Arp and J.A.P. van Oosten. The duty of the Supervisory Board is to supervise the policies of the Board of Management and the general affairs of the Company and its affiliated enterprise. The Supervisory Board has both a supervisory and advisory role and, in discharging this role, shall be guided by the interests of the Company, the enterprise and all its stakeholders. The Supervisory Board shall act as a body having joint responsibility, without a mandate and independent of any particular interests associated with the Company.

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 to the Board of Management, the composition and assessment of the Board of Management, including matters of remuneration. The performance of the Supervisory Board is assessed by way of question lists to be filled in. The revision relates to the diversification of Board members. The Supervisory Board is assisted by the Company Secretary.

The specific duties of the Chairman of the Supervisory Board comprises: communication with the Board of Management, chairing the General Meeting of Shareholders, consulting with any advisers engaged by the Supervisory Board, consultation of the members of the Board of Management of the Priority prior to the submission of a proposal for reappointment of members of the Supervisory Board and discussing with the members of the Board of Management the outcome of the Supervisory Board's annual evaluation of the Board of Management's performance. The Chairman shall also take the initiative in such matters as selection, appointment and reappointment as well as evaluation of the members of the Supervisory Board and the Board of Management, appointment of the Vice-Chairman of the Supervisory Board, remuneration issues, contacts and communication with external advisers, including specifically the external auditor, all such to facilitate preparation of discussion of these matters at the plenary meeting of the Supervisory Board or the Priority. In addition the Chairman shall see to it that the members of the Supervisory Board follow their induction and education or training programme, the members of the Supervisory Board receive in good time all information which is necessary for the proper performance of their duties and that there is sufficient time for consultation and decision-making.

Members of the Board are appointed and dismissed by the General Meeting of Shareholders, at the proposal of the meeting of holders of priority shares. The remuneration is set in 2010 by the General Meeting of Shareholders and amounts to € 28,733 for members and € 43,015 for the Chairman and is indexed annually. An additional fixed remuneration is paid to members of committees of the Board of € 4,000 for the chairman of a committee and € 3,000 for committee members.

The members of the Supervisory Board are independent of one another, the Board of Management or any particular interest. According to the articles of association, each year one member of the Supervisory Board retires by rotation. A proposal for (re)election to the General Meeting of Shareholders shall be properly explained. In the case of a (re)appointment, account will be taken of the candidate's performance and ability as a Supervisory Board member. The Regulations of the Supervisory Board stipulate that the total maximum term of office is 8 years, unless there are weighty interests (for which reasons must be expressly given) to justify a longer term. This maximum term is well below the maximum of 12 years in office, as required by the Dutch Corporate Governance Code.

The Audit Committee comprises of Messrs. F.Th.J. Arp (Chairman) and P.H.J. Essers. The Audit Committee convened in February and also held a meeting in November 2010 with the auditor to discuss the interim report 2010, the internal review and Wereldhave's compliance. The committee also convened with the auditors without the Board of Management.

In the year under review no business transactions took place in which conflicts of interest may have played a role. All business transactions between the Company and members of the Board will be published in the Annual Report. The profile, the Regulations of the Supervisory Board, the schedule for retirement by rotation and the Regulations of the Board of Management are published on Wereldhave's website and are available free of charge upon request.

Anti-takeover measures

The anti-takeover measures consist of the possibility to issue preference shares, priority shares A and priority shares B. These shares are all registered shares. The priority shares A must be fully paid up; the preference shares and priority shares B must be paid up for 25%. The authorized share capital provides for the issue of preference and priority shares up to 50% of the issued share capital.

The 10 priority shares A in issue are held by the Foundation for the holding of priority shares in the public limited liability Company Wereldhave N.V. [Stichting tot het houden van prioriteitsaandelen van de naamloze vennootschap: Wereldhave N.V.]. The board of the foundation is comprised of the members of the Board of Management and the members of the Supervisory Board. In addition to the profit rights, the determination of the number of members of the Board of Management and the Supervisory Board of the Company and the binding nomination for their appointment are the most important rights connected to the priority shares A and B. Other than with the consent of the holders of priority shares, the General Meeting of Shareholders can only take the decision to dismiss or suspend board members with two-third of the votes cast, representing more than half of the issued share capital. The objective of the Foundation for the holding of Preference and Priority shares B Wereldhave [Stichting tot het houden van Preferente en Prioriteitsaandelen B Wereldhave], 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 is comprised of Messrs. P. Bouw (Chairman), M.W. den Boogert and P.C. Neervoort. The foundation does not hold any shares in Wereldhave at present.

Complaints procedure

Complaints about the financial reporting, internal risk management, control systems and the audit must be submitted to the Company Secretary, who will inform the Supervisory Board of the complaints. The Company Secretary is responsible for ensuring complaints are registered. He will notify the complainant that his complaint has been received and give him an indication of when a decision is expected to be taken in respect of the claim. The Supervisory Board will notify its decision to the complainant within 12 weeks after receiving the complaint. No complaints were submitted in 2010.

Transactions with directly related parties

As in previous years, the members of the Supervisory Board and the Board of Management had no personal interest in any of the Company's investments during the year 2010. The Company has no knowledge of any property transactions taking place in the year under review between the Company and persons or institutions which can be considered to stand in a direct relationship to the Company.

Auditor

The auditor is appointed by the General Meeting of Shareholders from a nomination to be drawn up by the Supervisory Board. The Board of Management submits a budget annually for the remuneration of the auditor to the Supervisory Board for approval. The auditor will attend the meeting of the Supervisory Board and the Board of Management at which the annual figures are discussed and adopted. The press release announcing the quarterly, half year and annual figures will be sent in draft form to the auditor at least two days before their publication. The meeting of Shareholders may question the auditor about his report on the fairness of the Annual Accounts. The auditor may address the meeting in respect of this matter.

Investor relations

You may put your questions about Wereldhave stock using our website www.wereldhave.com. This website also contains the most recent PowerPoint slide shows of the presentations to be given to investors and analysts. On request the Annual Report and half year notice will be sent in print, free of charge, on request press notifications via e-mail. The Annual Report, the interim statement and press releases can be found on Wereldhave's website.

Retail markets

The countries in which Wereldhave invests in shopping centres are Belgium, Finland, the Netherlands and the UK. In 2010 the number of shopping centres held by Wereldhave in these markets grew from 7 to 13.

Wereldhave focuses on quality shopping centres in countries with a restricted retail planning. Shopping centres which are dominant in their catchment area pre-eminently offer possibilities for rental- and value growth with active management. It is also one of the most stable property segments. In quality shopping centres, occupancy is generally high, while rents fluctuate less than in other segments.

Wereldhave has a preference for shopping centres where value can be added by redevelopment and extension. Refurbishment strategies aim to create more prime retail space and optimise the tenant mix. Leading (inter)national retailers will be added to raise the attractiveness and competitiveness of the centres.

At the end of the year retail made up € 1,497.0 mln, or 52.3% of Wereldhave's properties in operation (2009: 45.7%). As Wereldhave aims to provide a stable and growing direct result, the objective is to grow the exposure to good quality retail in these countries to 50-60% of the total portfolio, in the medium term.

Trends

The retail market is driven by consumers. With relatively high unemployment and modest wage growth, consumers' purchasing power was under pressure in 2010. But with rising consumer sentiment, higher consumer prices and an improved economic outlook, retail turnovers still managed to grow throughout the year in most markets, after a tough 2009. In the United Kingdom retail sales growth was supported by relatively high inflation. In the Netherlands retail sales remained stable throughout first ten months of the year, before catching up in November and December.

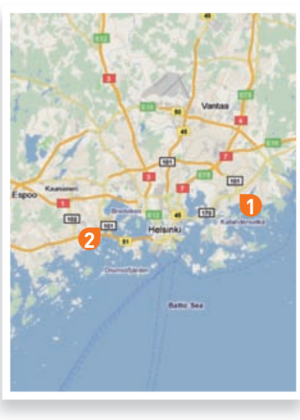
Discounters and internet stores are leading the retail sector's recovery. With double digit growth, internet stores are gaining market share over physical stores. High street retailers, including Hennes & Mauritz, Zara and Ralph Lauren, responded to this trend by opening their own web shops in 2010. An increasing number of offline retailers are considering to develop internet strategies, too. The consequences were mostly felt by secundary, not dominant locations. Following the downturn, consumers have been making more deliberate choices. Expenditures on food and beverages have grown, while the more cyclical non-food sales showed mixed results. Sales volumes of fashion, electronics and home decoration remained under pressure. Reasons vary from VAT increases to low activity in the housing market and to lower consumer confidence, which varies per country.

With an improved economic outlook, retailers stepped up their expansion plans in 2010 after a wait-and-see approach in the previous year. International chains are now actively seeking to expand their networks in existing countries and some even consider entering into new countries. To increase their proximity to consumers, retailers that were previously present in high streets only are now also expanding in prime locations in regionally dominant shopping centres. Within the retail market differences between the prime and secondary segments continue to grow. Prime locations and dominant centres are becoming ever more important because consumer expenditures and, consequently, retailer demand for floor space is increasingly concentrated in these locations. Retail sales have been growing faster in prime locations than in secondary locations and neighbourhood shopping centres.

Belgium

1 Shopping centre Belle-Ile, Liège
2 Shopping centre Nivelles, Nivelles
3 Shopping centre Les Bastions, Tournai
4 Shopping centre Waterloo, Waterloo
5 Shopping centre Genk, Genk

Finland



1 Shopping centre Itäkeskus, Helsinki
2 Tapiola, Espoo

Consequences

Shopping centres outperformed high streets in 2010. The retail mix in high streets is primarily focused on apparel and electronics, which were under pressure in 2010. Shopping centres, on the other hand, have a broader offer including convenience products which showed higher sales. This means that shopping centre sales grew stronger than the market total.

Even though shopping centres performed relatively well, the high economic uncertainty made investors and developers anxious. In 2009 many shopping centre development plans were reduced, put on hold or withdrawn altogether. Investors and banks favoured refurbishments and extensions instead of new developments. In 2010 this resulted in a declining development pipeline. And while some initiatives to develop new regional schemes were under way by the end of the year, new shopping centre supply will remain relatively low in the coming years.

Retailer demand for floor space is still very much focused on prime locations. These are generally very scarce, but due to the recession more prime space has changed hands. Strong retailers have been able to profit from the higher revolving rate in prime retail locations. In some markets, such as the Central London market, key money was still high. Interest for secondary retail locations is low and vacancy increased most in secondary locations. Rents for prime locations were stable or growing while rents for secondary retail properties declined. The gap between prime and secondary properties has therefore increased. This is expected to continue.

While the uncertainty about the future remained large, seller and buyer expectations concerning retail property values started to converge. This resulted in a higher investment volume. Yields for good quality retail properties tightened from the heights in 2009. Yields for secondary assets remained high as investor interest for second grade retail properties remained subdued.

Prospects

In Belgium Wereldhave expects to realise rental growth through active management. The intention to grow the Belgian retail portfolio in the medium term was realised through the acquisition of ING Real Estate Development. The acquired development projects will start contribute to the direct result after 2013.

In Finland, plans to revitalise shopping centre Itäkeskus were developed in 2010. The plans will be finalised and executed in the 2011-2013 period.

In the Netherlands, the retail portfolio was expanded by the acquisition of 5 shopping centres and the management organisation was strengthened in 2010. From 2011 onwards, active management should lead to rental growth. Plans are being made for the extension and refurbishment of several of the shopping centres.

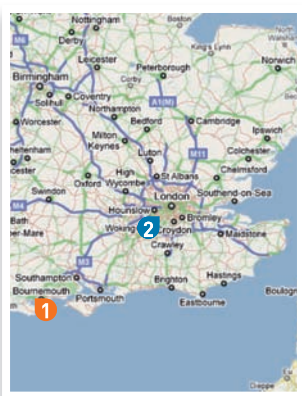
In the United Kingdom, the disposition of some of the smaller non-retail assets and the acquisition of the Dolphin Shopping Centre in Poole contributed to focussing the portfolio more on retail. In 2011, Wereldhave will integrate the property management of the Dolphin centre into its operations and plans to expand its retail portfolio further.

As the volume of retail investments is growing, Wereldhave strives to develop its shopping centre management and development skills further. Cross-border exchange of best practices and of knowledge about shopping centre management and development will be intensified.

The Netherlands

1 Shopping centre Kronenburg, Arnhem
2 Eggert Shopping centre, Purmerend
3 Shopping centre Winkelhof, Leiderdorp
4 Shopping centre Woensel, Eindhoven
5 Shopping centre Etten-Leur, Etten-Leur
6 Shopping centre De Roselaar, Roosendaal
7 Shopping centre De Koperwiek, Capelle aan den IJssel
8 Shopping centre Koningshoek, Maassluis

United Kingdom



1 The Dolphin Centre, Poole
2 Richmond upon Thames, London

Belgium

Wereldhave Belgium is a listed property Company, in which Wereldhave holds nearly 70% of the shares in issue. Wereldhave Belgium focuses on shopping centres for new investments. The retail portfolio of € 252.2 mln (or 64% of the total portfolio) consists of shopping centres in Liege, Nivelles and Tournai. In addition, the portfolio contains office buildings in Antwerp and Brussels. The development portfolio of € 27.8 mln contains shopping centre extensions in Nivelles, Tournai and Waterloo and the redevelopment of a shopping centre in Genk.

OECD Economic Outlook	2009	2010	2011	2012
Economic growth	-2.7	2.1	1.8	1.8
Average growth EU zone	-4.1	1.7	1.7	2.0
Inflation	0.0	2.1	1.6	1.8
Growth private consumption	-0.2	1.5	1.7	1.8
Growth corporate investment	-7.5	-1.0	2.9	4.5
Growth in employment	-0.3	0.5	0.5	0.6
Unemployment rate	7.9	8.6	8.8	8.7

The recovery of the Belgian economy gained speed in the first half of 2010, after which it slowed down. The growing economy created some 50,000 jobs over the year. Consumer confidence increased and retail sales grew faster in Belgium than in any other European country.

The Belgian retail property market is characterised by a low number of shopping centres and restricted shopping centre development. Take-up of shopping centre space was low in 2010 due to limited availability. Retailers pay key money for prime units, which hardly ever come available. They have put their expansion into second and third tier markets on hold.

Prime rents have kept up in the largest cities and in the prime shopping centres. Rents for non-prime locations declined as demand slowed and the availability of this type of retail units increased. Investor interest in the retail segment is growing but the actual transaction volume was still very low throughout 2010. Good shopping centres are hardly ever up for sale; prime shopping centre yields remained stable at 5.5%.

The office occupational market is still in the early stages of recovery. Take-up in Brussels was 492,000 m^2 which was 15% above the 2009 levels, as tenants took advantage of lower rents on lease renewals. Vacancy ranges from 6% in the centre of Brussels to 22% in the periphery. Headline prime rents largely remained flat in 2010. Incentives are high but may start to decline on central locations, where large floor plates in modern buildings are becoming more difficult to find. Effective rental growth is still far off in the periphery. The investment volume is low while yields for the best office buildings in good locations firmed to around 5.2% in the second half of the year.

The Orion Building in the centre of Brussels, which became vacant in April 2010 after an 18-year lease, may need to be refurbished before it can be re-let.
On 28 May, the building permit for the expansion of Shopping Centre Nivelles became irrevocable. Construction on the underground car park has started in June and at the end of the year the car park was already partially operational.

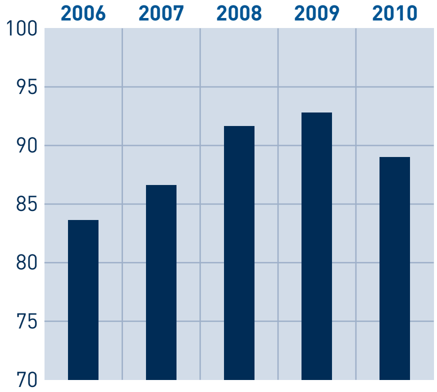
In September a new Zoning Plan for the shopping centre in Tournai was approved by the Waloon government. Applications for a building permit and a socio-economic license will be made by mid 2011.

In December, Wereldhave Belgium acquired five development projects from ING Real Estate Development. The projects consist of an inner-city shopping centre in Waterloo that can be redeveloped to a total size of 10,000 m^2 retail, and four development projects of which the development of a 37,000 m^2 shopping centre in Genk is the most important one.
The initial investment was € 19.6 mln, which should grow to approximately € 150 mln once the projects are completed. The first development project will not be completed before the end of 2013. Wereldhave took over ING's experienced development team, which will also contribute to the development projects in Nivelles and Tournai.

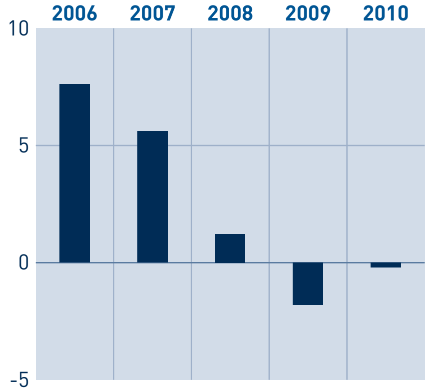
On 31 December 2010 Wereldhave Belgium's portfolio was valued at € 395.7 mln (2009: € 381.9 mln). The upward revaluation of 3.6% was the result of additional investments (3.8%), higher rents (1.5%) and higher yields (–1.7%).

Prospects
In 2011 Wereldhave will give shape to the active management of its shopping centres, aimed at realising rental growth and it will continue the development projects in Nivelles, Tournai, Genk and Waterloo. The permits for the development in Tournai will probably be granted in 2011. Due to the difficult market conditions in Brussels and Antwerp and, considering that the Orion building will need to be refurbished, Wereldhave anticipates that the occupancy rate of the Belgian office properties will decline in 2011. Therefore, Wereldhave will target potential office tenants more actively in 2011.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. Ergo Services
2. C&A
3. Carrefour
4. Ricoh
5. Hennes & Mauritz

(as at December 31, 2010 based on the contracted annual rent in 2011)

Finland

In Finland Wereldhave focuses on shopping centres. The portfolio of € 508.1 mln primarily consists of the Itäkeskus shopping centre of 85,000 m² in Helsinki. The portfolio does not include any development projects. To strengthen the market position of Itäkeskus, the centre will be refurbished and floorspace will be added internally. The project will be executed during the period 2011-2013.

OECD Economic Outlook	2009	2010	2011	2012
Economic growth	-8.1	2.7	3.0	3.0
Average growth EU zone	-4.1	1.7	1.7	2.0
Inflation	1.6	1.4	1.8	2.0
Growth private consumption	-1.9	2.2	2.5	2.7
Growth corporate investment	-19.1	-12.7	3.9	7.6
Growth in employment	-2.9	-0.3	0.7	0.6
Unemployment rate	8.3	8.6	8.2	8.0

In 2010, the Finnish economy has started to recover from the deep recession. The overall economy grew 2.7% over the year through higher private consumption, increased government expenditures and positive import and export developments. Because the Finnish financial position remains one of the strongest in the Euro area, less austerity measures were needed then elsewhere in the single currency zone. Corporate investments started growing again in the second half of the year. On balance the economy regained nearly half of the territory lost during the recession, creating some 50,000 jobs throughout the year. Unemployment declined to 7,4% of the labour force. Due to ongoing urbanisation the larger cities are growing, while the countryside is losing inhabitants. The Greater Helsinki Area is the fastest growing region of the country; its population is expected to grow 20% by 2030.

Consumer confidence has been growing since early 2009 and returned to pre-recession levels in the summer. On the wake of improving consumer sentiment, retail sales picked up in 2010 and recovered almost entirely throughout the year. However, the recovery of sales is partly explained by higher sales prices. The sales volume still falls short of levels seen in 2007 before the crisis. Retail prospects are good, as increasing employment will induce private consumption to rise further. Consumption is expected to grow over 2% per year in 2011 and 2012. Retail sales growth is likely to be even higher in Helsinki due to the influx of people and higher employment rates.

The retail property market in the Helsinki area has strengthened in the second half of the year. In view of the prospects, demand for retail space remained strong. Vacancy is concentrated mainly in retail parks and is nearly non-existent in shopping centres. Retail rents have bottomed out and are about to start growing again in the best locations. New shopping centre construction is currently virtually absent in the Helsinki area, but various plans are on the drawing board for redevelopments and for new regional shopping malls. Investor appetite for retail in the Nordic countries has increased. The absence of retail properties available for sale has resulted in a downward yield shift in the second half of 2010. Yields for the best shopping centres were around 5.5%-5.75% at the end of the year.

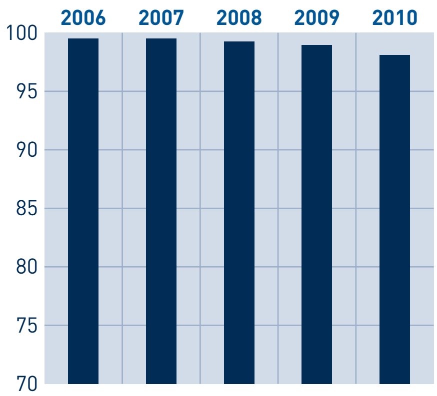
In 2010, the Finnish portfolio remained unchanged. The occupancy of the Finnish portfolio decreased to 98.1% (2009: 99.0%). In 2010 leases with some anchor tenants in Itäkeskus were extended, including the Stockmann and Anttila department stores. During the year, plans were made to revitalise Wereldhave's largest asset, shopping centre Itäkeskus. The plans aim to strengthen the market position of the centre, which was confronted by increased competition and has lacked major investments in the last few years. The revitalisation plans include a refreshment and refurbishment of the existing retail space, adding new retail space to the centre and optimising the tenant mix. The revitalisation aims to raise Itäkeskus' attractiveness, increase footfall and sales, and eventually raise the rental income. The plans are a good example of Wereldhave's new approach of active shopping centre management and will be executed in the period 2011-2013. The costs for the revitalisation will range between € 25 – € 30 mln.

On 31 December 2010 Wereldhave's Finnish portfolio was valued at € 508.1 mln (2009: € 519.6 mln). The downward revaluation of –2.2% was the result of higher maintenance costs (–2.6%), higher yields (–0.5%) and additional investments (+0.9%).

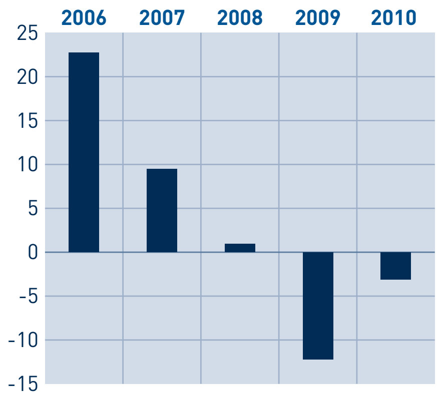
Prospects

In 2011 Wereldhave will start with the revitalisation of shopping centre Itäkeskus. This will have a temporary depressing effect on rental income from the centre. Rental income is expected to rise again after the revitalisation is completed in 2013.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1.	Stockmann
2.	Hennes & Mauritz
3.	Kesko
4.	Bestseller
5.	Nordea

(as at December 31, 2010 based on the contracted annual rent in 2011)

The Netherlands

In the Netherlands Wereldhave focuses on shopping centres. The retail portfolio amounts to € 501.8 mln, or 80% of the total portfolio, with shopping centres in Arnhem, Capelle a/d IJssel, Eindhoven, Etten-Leur, Leiderdorp, Maassluis, Purmerend and Roosendaal. The development portfolio consists of the extension of the Leiderdorp shopping centre. Extension plans for the shopping centres in Arnhem, Capelle a/d IJssel and Maassluis are under consideration.

OECD Economic Outlook	2009	2010	2011	2012
Economic growth	-3.9	1.7	1.7	1.8
Average growth EU zone	-4.1	1.7	1.7	2.0
Inflation	1.0	0.8	1.4	1.4
Growth private consumption	-2.5	0.2	1.0	1.4
Growth corporate investment	-18.2	-2.4	3.4	6.7
Growth in employment	-1.1	-0.7	-0.1	0.4
Unemployment rate	3.4	4.1	4.4	4.3

In 2010 the Dutch economy grew 1.7%, continuing the recovery that started in the third quarter of 2009. Growth was stimulated by a strong export market and government demand, while private consumption initially remained subdued. The economy experienced a temporary standstill in the third quarter as exports declined sharply. This illustrates the Dutch economy's strong dependence on world trade. In the final quarter of the year, growth resumed. The unemployment rate, which is the lowest in the euro zone, declined and ended the year at 4.5%.

Despite higher employment and improved consumer confidence, retail turnovers grew only from inflation. Retail sales volumes were rather stable. The already fierce competition between supermarket chains intensified and the take-over of Super de Boer by Jumbo was the start of a consolidation in the food sector. Supermarket operators competed aggressively for the most attractive locations. Several mergers and acquisitions took place in the retail sector; De Bijenkorf was sold to the Selfridges Group and the V&D department stores and La Place restaurants were acquired by Sun European partners, whereby they have announced to open more, smaller V&D outlets.

The retail property market was the most stable of the commercial property markets. Although retail take-up was low during 2010, prime high street locations were in strong demand. Domestic and foreign retail chains tried to take advantage of the few prime retail units that became available. This relative shortage of supply supported prime rents. Good shopping centres kept up their high occupancy rates. Demand was less vigorous for secondary retail locations. This means that the gap between prime and secondary retail property widened. Vacancy grew mainly in areas where the population is declining. Investor demand for shopping centres was high, as retail is considered to be one of the safer asset classes. Some notable deals took place throughout the year including the sale of part of Unibail-Rodamco's retail portfolio, the Beurs Gallery in Rotterdam and Entre Deux in Maastricht. Yields for prime shopping centres dropped during the year and range between 5.2% and 6% at December 31, 2010.

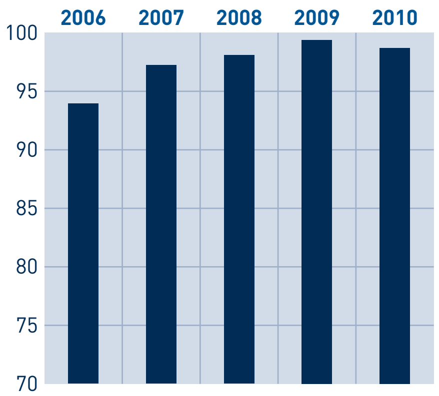
In March 2010, Wereldhave acquired four shopping centres from Unibail-Rodamco at a yield of 6.2% and in July 2010, a fifth center was acquired at a yield of 6.4%, bringing the total to € 260 mln. In August a C&A unit was purchased for € 5 mln, through which Wereldhave became the sole owner of the Eggert Centre in Purmerend, which was purchased earlier in the year. The acquired centres are all dominant within their respective catchment areas. The acquisition is in line with Wereldhave's strategy to increase it's stake in Dutch shopping centres.

In 2010 Wereldhave also strengthened its Dutch organisation, also by the appointment of a new managing country director. Active management of shopping centres, among others lead to the opening of an H&M store in Shopping Centre Etten-Leur. This had a positive impact on the footfall of this shopping centre.

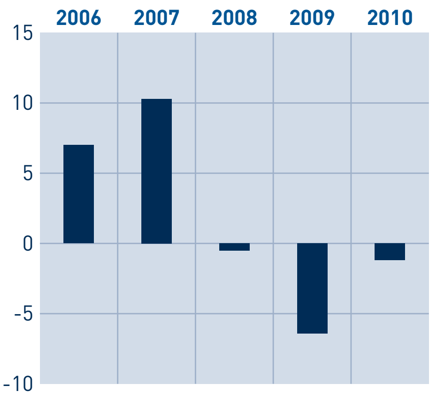
In 2010, Wereldhave sold an office building in Wageningen and a logistics building in Utrecht for a total consideration of € 7 mln, which was € 0.5 mln below book value. During the year, the occupancy rate of the Dutch portfolio decreased to 98.7% (2009: 99.4%). On 31 December 2010 the Dutch portfolio was valued at € 630.2 mln (2009: € 375.0 mln). The upward revaluation of 68.1% was caused by acquisitions (+71.2%), lower yields (+1.1%), sales (–1.9%) and lower rents (–2.3%).

Prospects
With the recruitment of a Director Development and a Director Leasing early in 2011, the Dutch management organisation is fully equipped to give shape to active shopping centre management, in order to improve rental growth and operational results, as well as to work on refurbishment and expansion plans of it's shopping centres. Wereldhave will continue to dispose of the smaller and logistic properties in the Netherlands.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. DHL Express
2. Ahold Vastgoed
3. Metro Cash & Carry
4. Blokker
5. Maxeda

(as at December 31, 2010 based on the contracted annual rent in 2011)

United Kingdom

In the United Kingdom Wereldhave focuses on shopping centres, with a pursued minimal portfolio size of € 400 mln. The retail portfolio currently amount to € 167.7 mln, or 54% of the total portfolio, of which the largest property is a shopping centre in Poole that was acquired in December 2010. The development portfolio amounts to € 6.3 mln and primarily consists of the redevelopment of a mixed retail/office project in Richmond. This investment amounts to € 23 mln.

OECD Economic Outlook	2009	2010	2011	2012
Economic growth	-5.0	1.8	1.7	2.0
Average growth EU zone	-4.1	1.7	1.7	2.0
Inflation	2.2	3.1	2.6	1.6
Growth private consumption	-3.3	1.2	1.7	1.8
Growth corporate investment	-18.8	2.3	6.1	7.0
Growth in employment	-1.6	0.0	0.3	0.5
Unemployment rate	7.6	7.9	7.8	7.6

The UK economy registered a 1.8% growth in 2010, and peaked in the second quarter of the year. Private consumption fluctuated, but retail sales continued to show growth. Sales values were boosted by stronger demand and by a relatively high price inflation. Consumer prices went up more than 3% during the year. This had a weakening effect on the British Pound and was beneficial to the export market. The new coalition government announced sharp cuts of the public budget to make the country's economy competitive in the long run. These cuts are expected to affect consumption and economic growth in the short term.

In 2010 the UK retail environment was challenging. The phasing out of a temporary VAT-reduction spurred consumer prices. Higher prices resulted in a sharp drop of retail sales in January, after which sales resumed their growth. Christmas sales were affected by bad weather, which drove footfall down in the important month of December. Retailer interest is concentrated on the more affluent areas with strong private employment. Although shopping centre rents grew in some specific areas, the general trend was one of declining rental values. Shopping centre construction is low and shopping centre investment activity was limited. Although more shopping centres were sold than in 2009, the investment volume is still below the long term average. The shortage of retail assets available for sale and investors' focus on quality product has driven yields down to around 5.5% for prime shopping centres.

The London office market showed good take-up figures. Take-up was more or less in line with long-term average levels and was strong in both the City and West End. Pre-letting showed a remarkable increase. Because current day construction activity is very low, the vacancy rate declined. Outside London rents remained weak. Investor demand for Central London offices was strong, which lead to around € 12 bln of office investments in 2010, exceeding the 2009 investment volume by some 50%. Prime office yields contracted to 4% in the West End and to 5.5% in the City. Towards the end of the year a tougher economic outlook caused yields to move out slightly.

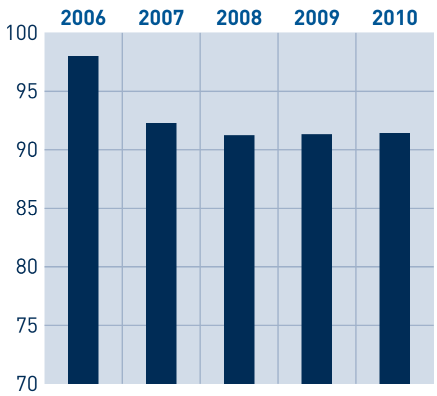
In 2010 Wereldhave made considerable progress with the execution of the strategy to transform the UK portfolio from office-focused to retail-focused. Throughout the year several office and logistics properties were sold, resulting in a surplus on disposal of € 3.1 mln. Wereldhave made plans to redevelop a mixed retail and office property in Richmond-upon-Thames. The retail element of the property has been pre-let to Whole Foods, a successful organic grocery chain from the USA. Whole Foods will open its sixth UK store comprising 1,870 m^2 in 2012. In December 2010 Wereldhave completed the purchase of the mid-sized Dolphin Shopping Centre in Poole for € 100 mln. Poole is an affluent tourist destination on England's South Coast. The centre dominates the town's retail provision with over 100 shops and restaurants and attracts 11.5 mln visitors on an annual basis.

During the year, the occupancy of the UK portfolio increased/decreased to 91.4% (2009: 91.3%). On 31 December 2010 the portfolio was valued at € 308.0 mln (2009: € 211.1 mln) and no longer contained any logistic properties. The upward revaluation of 45.9% was the result of the acquisition (+57.9%), higher property values from lower yields (+4.5%), higher exchange rates (+2.5%), lower rents (–2.5%) and disposals (–16.5%).

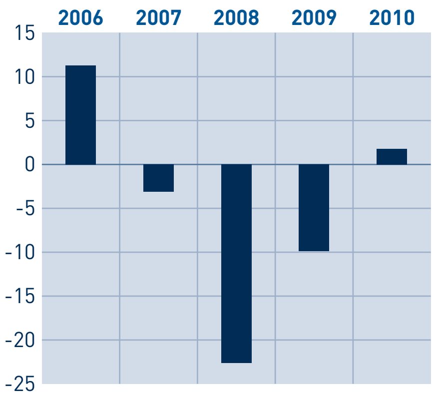
Prospects

In 2011, Wereldhave will integrate the property management of the Dolphin Shopping Centre into its operations. In addition the focus will be on further expansion of the retail portfolio, while at the same time continuing the divestment strategy of smaller and non-retail assets.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. Intelligent Processing Solutions
2. 2 Entertain
3. British Airways
4. Cisco Systems
5. CIB Properties

(as at December 31, 2010 based on the contracted annual rent in 2011)

Office markets

The countries and regions in which Wereldhave focuses on office buildings are France (Paris), Spain (Madrid) and the United States (Washington DC, Texas and San Diego). Wereldhave concentrates its office investments on high quality buildings in major metropolitan areas where buildable land is scarce and where service sector activity is expected to grow. Investments are focused on market segments where supply is limited. In addition, Wereldhave focuses on sustainable office buildings which meet the latest user's requirements. Continuous portfolio renewal is a key element of the strategy. This supports attractive occupancy evels in the long run and enhances the liquidity of the projects.

Office markets are cyclical by nature. The key success factor for value creation is the timing of purchases and sales. By using the cycles, compelling investment returns can be generated with property purchases and sales.

At the end of 2010 office investments made up € 1,153.6 mln, or 40.3% of Wereldhave's properties in operation (2009: 45.0%).

Trends

Three general trends shape the dynamics in the office market. The first trend is that most office markets have become replacement markets where the majority of demand comes from tenants which want to move into newer, more efficient, modern or sustainable buildings located close to public transportation. This increases the vacancy of less desirable properties.

The second trend is that, due to globalization and economies of scale, many organisations are consolidating activities in large buildings in major cities. This has lead to a growing demand for large blocks of office space in cities such as London, Paris, Madrid and Washington DC. Demand from the public sector for large blocks of space is also strong in these cities while the supply of such large spaces is generally limited.

The third important trend is that the supply of smaller blocks of space is abundant in most markets. As landlords fiercely compete over tenants, effective rental growth has remained stagnant in this segment. There are exceptions, though, as there are market niches where demand for small blocks of space exceeds supply. Examples of such markets include London's West End and Paris' Golden Triangle.

Consequences

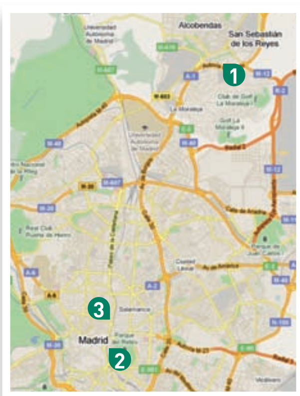
In 2010 global office leasing activity increased but lease rental terms deteriorated. Office leasing was largely defined by relocations, which were stimulated by sizable incentives. These incentives have pushed effective rents down and induced tenants to secure better quality office space at lower costs. At the same time, existing tenants were downsizing. This has lead to a situation where, especially in the first half of the year, large volumes of expensive office space were returned to the

France

Paris

1 45-49 Rue Kléber, Levallois-Perret
2 Avenue Jules Rimet, Saint-Denis
3 Rue des pyramides, Joinville-le-Pont

Spain



Madrid

1 15 Avenida de la Vega, Alcobendas
2 2 Plaza de la Lealtad
3 15 Calle Fernando el Santo

market and smaller amounts of inexpensive space were absorbed. Consequently, office vacancy rates continued to rise and effective rents remained subject to downward pressure. As tenants sentiment improved throughout the year, a few markets saw net absorption return into positive levels as the year progressed. Central London, Paris and Washington DC were among the first markets where office occupancy increased, helped by demand from public services. Smaller office markets and locations in the peripheral areas continued to suffer. The positive development of office occupancy in central locations caused headline, or asking rents, to bottom out in 2010 for the best office buildings in the most active markets. Average effective rents, however, continued to decline in these markets as well, as landlords increased incentives to lift occupancy rates.

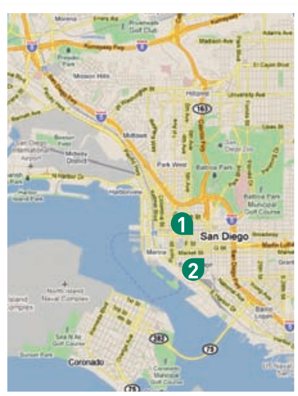
In Madrid the office market lags behind this trend due to the deterioration of the Spanish macro-economic environment. Office absorption remained low, vacancy rates continued to increase and rents continued to decline in Madrid throughout the year.
In addition to the economic climate, the demand for space by the public service sector helps to explain some of the differences between markets. Washington DC, Paris and Brussels have strong (semi) public service sectors which support demand for office space, regardless of the economic environment. These markets are consequently considered to be more stable office markets. They are often the last in and the first out of recession. The largest lease transactions in 2010 in these markets were from the public sector. In Washington DC, the Securities and Exchange Commission expanded and took up 80,000 m^2; in Brussels the federal police signed a lease for 65,000 m^2. Headline prime rents recovered in these markets, although the number of transactions was still low.

While some investors are taking more risk and are diversifying to secondary assets, most of the demand is still focused on trophy properties in prime locations with strong tenants which have long leases. Hence, yields for prime properties have come down while yields for secondary assets remain relatively high. Combined with rising prime rents and slipping rents for secondary assets, this means that capital values in the prime segment are recovering, while values of secondary assets are still declining.

Prospects
With the large increase of available office space in many markets, leasing conditions are still unfavourable for landlords. In the submarkets where oversupply has a structural nature, the prospects remain weak. This has increased the urgency to concentrate office investments in modern buildings on locations that are appealing in the long term and have good rental growth prospects.

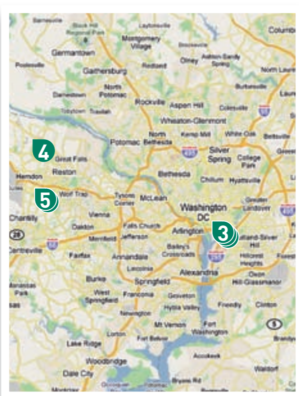
Wereldhave is actively seeking opportunities to further expand its French office portfolio through the acquisition of existing investments or development projects. For its Spanish office investments, Wereldhave is more circumspect than ever, as the economic environment in Spain is very challenging. In the USA, activities are focused on improving occupancy levels of the existing portfolio and on the successful completion of the development project in San Antonio.

United States

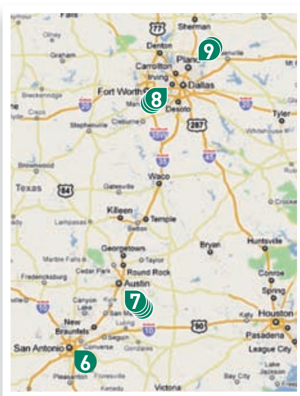


San Diego
1 655 Broadway
2 10th & J Streets

Washington D.C.
3 1401 New York Avenue, 701 8th Street and 801 9th Street
4 21660 Ridgetop Circle, Sterling
5 13600 and 13650 Dulles Technology Drive, Herndon



Texas
6 17101 La Cantera Parkway, San Antonio
7 8300 Mopac Expressway, 6801 Capital of Texas HWY North, 4801 and 5001 Plaza on the Lake, Austin
8 161 Corporate Center, 4600 and 4650 Regent Boulevard, Irving
9 4490 and 4500 Eldorado Parkway, McKinney



France

In France, Wereldhave focuses on offices in the Paris region with a pursued minimal portfolio size of € 400 mln. The portfolio currently amounts to € 176.3 mln, 90% of which consists of two office buildings in Saint Denis and Levallois-Perret, Paris. The development portfolio amounts to € 3.3 mln and contains an office development of 17,670 m² in the east of Paris, a total investment of € 67 mln. Construction is scheduled to commence in the third quarter of 2011 with completion in 2013.

OECD Economic Outlook	2009	2010	2011	2012
Economic growth	-2.5	1.6	1.6	2.0
Average growth EU zone	-4.1	1.7	1.7	2.0
Inflation	0.1	1.6	1.1	1.1
Growth private consumption	0.6	1.5	1.6	2.2
Growth corporate investment	-8.5	-1.8	4.1	6.3
Growth in employment	-0.9	0.3	0.7	0.7
Unemployment rate	9.1	9.3	9.1	8.8

In 2010 the French economy continued to recover gradually. Economic growth peaked in the second quarter and slowed down afterwards, but employment remained flat. Consumption started to profit from modest wage growth in the second half of the year.

With some 53 mln m² of office space, Paris remains the largest office market in Europe. Office stock growth is slowing down as there is currently only 0.5 mln m² under construction, only half the volume that was under construction in the peak year 2008. Demand from tenants looking for additional office space has not yet fully recovered. Even though office take-up was in line with the long term average, the office vacancy rate remained high. This indicates that activity came mostly from relocations in stead of expansions. Nearly half of the 2.2 mln m² take-up was concentrated in the inner-city of Paris where large corporate tenants secured reduced effective rents. Government agencies, on the other hand, are not prepared to pay over € 400 per square metre and are increasingly considering relocating away from the inner-city towards locations in the surrounding areas. Here large floor spaces are available at lower rents than in the city centre. These developments illustrate the trend that office occupiers have a preference for more efficient and sustainable buildings in close proximity to public transport. The office investment market is recovering. Due to investor focus on high quality assets with strong tenants on long leases, prime yields dropped below 5% again.

In the Paris Central Business District real effective rents for prime offices that fell by 25% during the crisis, largely recovered and reached a level of € 750/m² during the second half of the year. Take-up grew 85% compared to 2009, ending the year at 330,000 m². The vacancy rate declined modestly to 5.5%. In the wealthy Neuilly/Levallois-Perret area, take-up grew 35%, while the vacancy rate dropped from 7.5% in 2009 to around 6.6% at the end of 2010. Office take-up also recovered strongly in the Inner Rim. Take-up could have grown even more but was held down due to a lack of availability of good large office spaces.

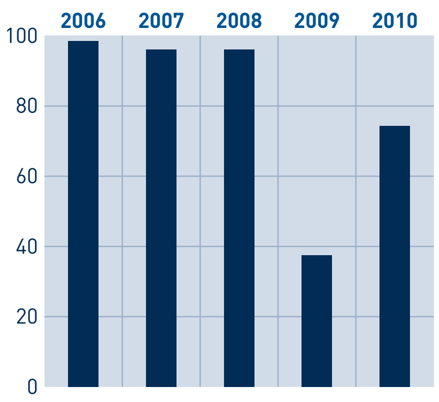
In 2010, the occupancy level of Wereldhave's French portfolio grew considerably as EDF was contracted on a 9-year lease for the office building 'Le Carré Vert' in Levallois-Perret. This building is now fully let. In November, Wereldhave reached agreement on the acquisition of a € 67 mln turn-key office development project near the A-86 ring road. The project is located in Joinville-le-Pont, a wealthy suburb in the Eastern Inner Rim of Paris. This sustainable development project concerns a state-of-the-art office building of 17,670 m² lettable area, that will feature excellent public transport accessibility and will have a BREEAM 'Excellent' label. During the year 2010, the occupancy of the French portfolio increased to 74.7% (2009: 37.5%). As at year end, the portfolio was nearly fully let. On 31 December 2010 the French portfolio was valued at € 176.3 mln (2009: € 172.3 mln). The upward revaluation of 2.3% was caused by lower yields (+6.4%), investments (+2.2%) and lower rents (–6.3%).

Prospects

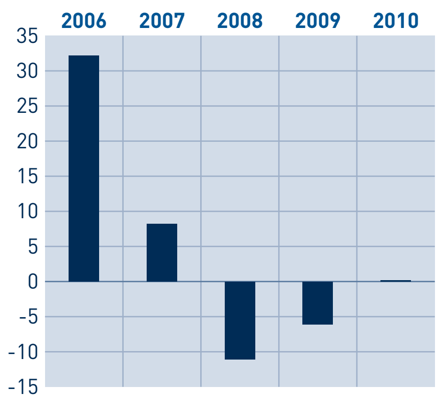
The focus of the French management organisation will be on maintaining the high occupancy rate of the office properties, the successful development of the office in Joinville-le-Pont and further expansion of the office portfolio. Wereldhave will continue to focus its expansion of the French portfolio on high quality offices on good locations in the greater Paris area with excellent accessibility by public transport.

Artist's impression of office development at Joinville-le-Pont, Paris

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. Electricité de France
2. Groupe Canal+
3. Kohler
4. AMC Europe
5. Go Sport France

(as at December 31, 2010 based on the contracted annual rent in 2011)

Spain

In Spain Wereldhave focuses on offices in the Madrid region with a pursued minimal portfolio size of € 400 mln. The portfolio amounts to € 137.4 mln, of which 58% relates to three office buildings in Madrid. The portfolio does not include any development projects.

OECD Economic Outlook	2009	2010	2011	2012
Economic growth	-3.7	-0.2	0.9	1.8
Average growth EU zone	-4.1	1.7	1.7	2.0
Inflation	-0.2	1.5	0.9	0.3
Growth private consumption	-4.2	1.5	1.7	2.3
Growth corporate investment	-16.0	-6.8	-1.8	2.0
Growth in employment	-6.8	-2.3	0.2	1.3
Unemployment rate	18.0	19.8	19.1	17.4

The Spanish economy continued to decline in the first half of 2010. In the second half of the year, growing exports and public support measures were able to stabilise the economy, even though private consumption remained low and corporate investments declined. Retail sales suffered from a VAT-increase, which materialised in the second half of the year. Consumer sentiment levelled out as more budget cuts were announced, including terminating long-term unemployment benefits. Spanish unemployment reached 21% in 2010 and is the highest in the Western world.

In 2010, the office market in Madrid continued to suffer from low business sentiment. However, take-up of office space increased to 418,000 m^2 (against 312,000 per m^2 for 2009). Movement in the rental market was largely determined by downsizing and tenants trying to secure rent reductions. This lead to higher office availability and a continuation of the decline of rent levels. Incentives remained stable at one month rent free per contractual year. The headline prime rent for CBD office space was one third below the peak levels of 2008 at € 27/m^2/month. As tenants returned more space to the market than they took up, the direct availability of office space increased and rent levels continued to decline in all submarkets. At the end of the year, 10% of the office stock was vacant, ranging from 6% in the Central Business District (CBD) to 16% in locations in the outer periphery.

Even though the rental market is still in the doldrums, investor sentiment improved over the year. Economic prospects may not be so good for the short term, but investors do believe in an economic recovery in the long run. With rental decline slowing and possibly bottoming out in 2011, investor appetite for good office buildings in Madrid also increased. This translated into a tighter prime yield, which declined from 6.25% to 5.75% in the CBD at the end of 2010. The majority of investments was done by private investors buying middle sized office properties. Notable deals took place on the Castellana – Nuevo Ministerios axis, where tenants were able to secure top-notch locations that had become more affordable.

Yet the periphery was the most active market. Even though this market has only one third of the city's office stock, it accounted for half of the annual take-up of office space. This indicates that tenants were relocating into the periphery where rents are lower and buildings are more modern and more efficient than in the city.

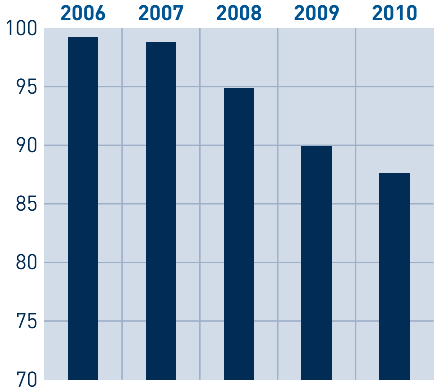
In 2010 the composition of the Spanish portfolio remained unchanged. The average occupancy rate of Wereldhave's Spanish properties during the year remainde stable at 87.6% (2009: 89.9%). In December, a plan was completed for the redevelopment of the retail and leisure centre Planetocio in Collado Villalba, some 30 km to the Northwest of Madrid. This centre experienced negative consequences from a badly functioning anchor tenant and from the closing down of the ice rink, which formerly was a major attraction. The redevelopment plans are based on a mix of active and passive leisure and will be executed in 2011-2012.

On 31 December 2010 the Spanish portfolio was valued at € 137.4 mln (2009: € 153.6 mln). The downward revaluation of –10.5% was caused by lower rents (–7.3%), higher yields (–3.5%), and investments (+0.3%).

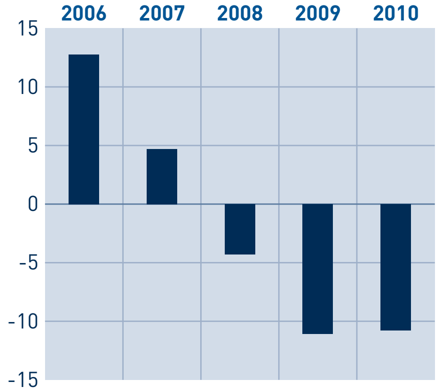
Prospects

In 2011, Wereldhave will start the execution of the revitalisation of it's retail and leisure centre Planetocio in Collado Villalba. The works will start in the first half of 2011 and are scheduled for completion in 2012. In view of the economic situation, Wereldhave will judge any future investment possibility even more critically than before. For the expansion of the Spanish portfolio, Wereldhave focuses on high quality office buildings on good locations in Madrid with excellent accessibility by public transport.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. Cisco Systems
2. Telia Sonera
3. Grandes Almacenes
4. Stock Uno Grupo de Servicios
5. Hay Group

(as at December 31, 2010 based on the contracted annual rent in 2011)

United States

In the United States Wereldhave focuses on office buildings and residential property in Washington DC, Texas and San Diego. 90% of the total portfolio of € 704.3 mln relates to office buildings. The largest project of the € 96.1 mln development portfolio is the mixed use project Eilan in San Antonio. The total investment amounts to € 115 mln. The office buildings of the first phase were completed in 2010, the first residential apartments will be completed starting from the end of the year 2011.

OECD Economic Outlook	2009	2010	2011	2012
Economic growth	-2.6	2.7	2.2	3.1
Average growth EU zone	-4.1	1.7	1.7	2.0
Inflation	-0.3	1.6	1.1	1.1
Growth private consumption	-1.2	1.7	2.4	2.7
Growth corporate investment	-17.1	5.9	10.1	9.0
Growth in employment	-3.8	-0.5	1.2	1.6
Unemployment rate	9.3	9.7	9.5	8.7

In 2010, the US economy continued to slowly recover. Consumer spending, which makes up approximately two thirds of the American economy, started to grow over the course of the year and business investments increased. Growing business activity led to increased private sector employment. However, rising imports increasingly countered these positive developments and the speed of economic growth declined as the year came to a close.
Office markets benefited from the economic recovery but there were notable differences between regions. The office market in Washington DC benefited from increased Federal employment. With several large transactions concluded by the Federal administration, total net absorption in "The District" exceeded the long term average and ended the year around 350,000 m^2. Absorption in the suburban market also increased, but remained below the long-term average. With positive net absorption and low construction activity, the vacancy rate declined starting in the second quarter through the balance of the year. Asking rents in Class A properties started rising slowly in the second half of the year, however, effective rents were still under pressure as landlords increased incentives to secure credit-worthy tenants. Yields for well-occupied Class A downtown buildings trended downward.

In Texas, the office markets showed further growth as favourable tax conditions continued to lure businesses and individuals to the state. While local office markets experienced negative net absorption in the first quarter, it started to improve in the second and third quarters of 2010. Vacancy was reduced from its peak levels but remains very high. Tenants were encouraged to move to higher quality buildings as these became more affordable with significant leasing incentives. As the supply of new buildings declined, demand enabled the asking rents for prime buildings to slowly rise.

California was hit hard by the recession and San Diego was no exception. Leasing activity continued to slow down in Downtown San Diego in 2010, with the last quarter of the year showing increased leasing activity as evidenced by completed and pending lease transactions at Wereldhave's DiamondView building at the close of the year.

Residential markets in Dallas and San Antonio profited from continuing population growth. The 2010 census showed that the Texas population grew 21% in 10 years' time. Demand for multi-family housing is still strong, but residents became more price sensitive resulting in increased incentives by landlords. Tenants took advantage of the circumstances and moved to higher quality apartments. Consequently, vacancy is more concentrated in Class B and Class C assets. Restricted multi-family development activity is expected to push the supply of available residential space down in 2011. This should result in the increase of asking rents and the phasing out incentives.

In September, 2010, Wereldhave completed two office buildings in the mixed-use development Eilan in San Antonio. Construction work on the retail, the hotel and the first residential apartments are scheduled for completion in partial phases as from the final quarter of 2011.

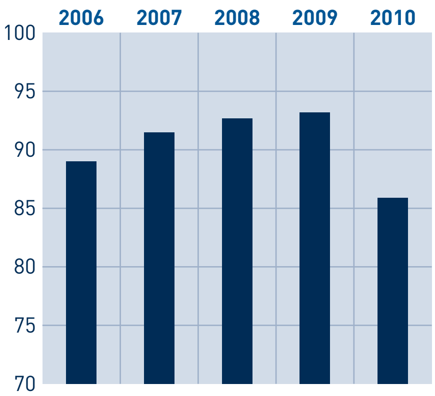
In 2010, the American office portfolio experienced a relatively high number of lease expirations and tenant defaults. Coupled with the completion of the two office buildings in San Antonio and reduced leasing activity in the office markets, the occupancy level of the portfolio decreased.

On 31 December 2010 the American portfolio was valued at € 704.3 mln (2009: € 604.8 mln). The upward revaluation of +16.5% was caused by a combination of higher exchange rates (+7.8%), and investments (+5.3%) as well as lower yield +5.1%) and lower rents –1.8%).

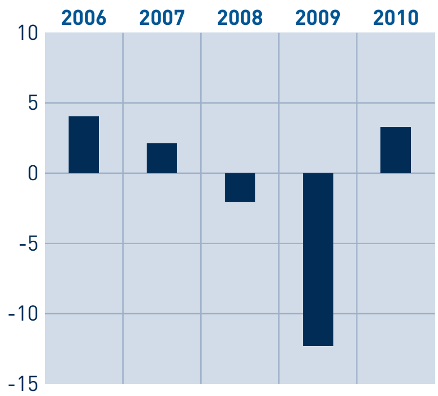
Prospects
Leasing activity is growing in most markets and Wereldhave expects that the portfolio occupancy will increase throughout the year, despite difficult economic circumstances. In San Antonio, where two office buildings were completed, a first lease for a part of one of the buildings has been signed. The main challenge for Wereldhave in 2011 is the successful completion of the first phase of the development project in San Antonio and improving portfolio occupancy levels.

Offices of Eilan development project, San Antonio

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. United States Mint
2. Robbins Geller Rudman & Dowd
3. Cisco Systems
4. Advanced Equities Financial Corp.
5. Farm Credit Bank of Texas

(as at December 31, 2010 based on the contracted annual rent in 2011)

Development projects

By developing property for its own portfolio, Wereldhave can acquire new, high quality property at cost and thus create value for shareholders. Wereldhave can adjust the timing of its developments to market conditions. To control the risks that are associated with property development, Wereldhave aims for a healthy balance between the size of the development portfolio and the entire property portfolio, with a development portfolio in size between 5-10% of the entire portfolio.

(amounts x 1 mln)	Number of m²	Expense made	Budget total cost	Estimate date of completion	Expected net yield
Belgium					
Nivelles I	12,000	€ 22	€ 44	2012	7.5-8.0%
Tournai I	10,000	€ 0	€ 23	2012	6.75-7.25%
Tournai II	4,500	€ 0	€ 15	2013	6.75-7.25%
Waterloo *	10,000	€ 15.3	€ 60	2014	6.5-7.0%
Genk Shopping I (50%)	37,000	€ 2	€ 45	2013	6.5-7.0%
France					
Joinville-le-Pont	17,670	€ 3	€ 67	2013	7.5-8.0%
Netherlands					
Leiderdorp	7,000	€ 1	€ 35	2013-2015	6.0-6.5%
United Kingdom					
Richmond *	3,000	£ 5 (€ 6)	£ 23 (€ 27)	2012	6.25-6.75%
United States					
San Antonio, Eilan (Phase I) **	58,000	$ 109 (€ 81)	$ 153 (€ 115)	Q4 2011-Q1 2012	7.0-7.5%
Total		€ 130	€ 431		

* Including value of current investment property

** Based on the original division between phases I and II

Development projects

Belgium

Nivelles

sector: Retail

type: Extension

size: 12,000 m²

status: In 2008 the existing shopping centre was completely renovated. Mid 2010, construction of the extension started. The project serves as a pilot project for sustainability of shopping centres. Completion is scheduled for 2012 and the first pre-lettings will probably be signed in 2011. The permit for an adjacent retail park (Nivelles II) has not yet been obtained.

Tournai I & II

sector: Retail and apartments
type: Extension
size: 14,500 m^2
status: Tournai I consists of a retail park of 10,000 m^2 with 500 parking spaces and ca. 26 apartments on a plot of land opposite of the Les Bastions shopping centre. Tournai II relates to the extension of the existing centre with 4,500 m^2 on the current parking lot. Both projects are still in the planning phase and a number of permits still has to be obtained, probably in 2011. Several sustainability items have been included in the design.

Waterloo

sector: Retail
type: Redevelopment
size: 10,000 m^2
status: This project is the redevelopment of an existing shopping centre in Waterloo, a wealthy city just below Brussels with spending power well above the national average. The development plan consists of a non covered shopping centre of 10,000 m^2 with a parking garage, an attractive square and a pedestrian area.

Genk Shopping I

sector: Retail
type: Redevelopment
size: 37,000 m^2
status: The project consists of the renovation and extension of Genk Shopping I, in the city centre of Genk. The centre is largely owned by Redevco. Important tenants are Carrefour, Sportsdirect, M&S, WE, Vero Moda, Etam, America Today and Hunkemöller. After completion the total floor space will amount to ca. 37,000 m^2. The shopping centre will be developed in a joint venture with Redevco and Wereldhave Belgium will take a 50% stake in the existing Redevco share of the centre and it's extension.

France

Joinville-le-Pont

sector: Offices
type: New development
size: 17,670 m^2
status: This new office building of 17,670 m^2 net lettable floorspace provides 7 large office floorplates and 208 parking spaces divided over two floors. The building will meet the BREEAM "Excellent" requirements. Construction is expected to commence in the third quarter of 2011 with completion in 2013. Joinville-le-Pont is one of the most prosperous eastern suburbs of Paris. The development is located directly at the Bois de Vincennes and is easily accessible by public transport and car, as it is situated directly next to the RER A station and the A86 highway, the second ringroad of Paris. The RER A is the most important public transport facility of Paris, connecting East- and West-Paris and annually carrying 290 mln passengers.

The Netherlands

Leiderdorp

sector: Retail
type: Extension
size: 7,000 m^2
status: The Winkelhof shopping centre in Leiderdorp was acquired in 1993 and provides 17,857 m^2 lettable floorspace. The centre can be extended with 7,000 m^2, thus improving its profile and raising its dominance in the catchment area. The project that is still in the licensing phase, contains several sustainability investments. Construction is expected to start in 2013.

United Kingdom

Richmond

sector: Retail and offices
type: Redevelopment
size: 3,000 m^2
status: An existing building with shops and offices in Richmond upon Thames will be demolished to make room for a development of 1.870 m^2 retail floorspace and 2.615 m^2 offices above. The retail space has been fully pre-let to the American Whole Foods group. Demolition and construction activity will start in 2011 with completion in 2012.

United States

San Antonio

sector: Retail, offices, apartments and a hotel
type: New development
size: Phase I: 500 apartments, 6,500 m^2 retail and a hotel with 165 rooms and two office buildings.
status: The two office buildings from the first phase of the Eilan project were completed during the third quarter of 2010. A first lease has been signed. The remainder of the first phase is proceeding according to plan. Completion is scheduled as from the last quarter of 2011. After the first phase, the project can be expanded with more apartments and commercial facilities (phase II). The entire project is designed as an attractive urban work/live environment with lots of sustainable items.

Prospects

The economic recovery in Europe and the United states is still very fragile. The debt burden has moved from banks to governments, but the nature of the problem did not really change. This will continue to influence the economic climate in 2011. A strong and structural economic recovery in Europe and the United States still seems to lie far ahead.

The property market has not yet recovered. The number of properties that will be offered for sale is expected to increase further in 2011. Prime property at good locations will however always be in demand and property values in this segment will be more stable than those of less prime property. Smaller properties have proven to be easily disposable, especially to private investors. Lower property values seem to lie ahead for lower quality property and the occupancy rate and the maturity of the leases will highly determine it's value and marketability.

Wereldhave is meanwhile changing rapidly. In 2010 important first steps were made to implement the amended strategy. 2011 will again be an active year, with the continued restructuring of the portfolio. Wereldhave is well positioned for these tasks with its sound balance sheet, the USD 300 mln private placement that was agreed in february 2011, it's good quality portfolio and improved management organisations.

Wereldhave will continue to focus on prime property at good locations. Wereldhave's sound financial firepower and prompt action will enable Wereldhave to use opportunities that arise, as in 2010. Especially in the United Kingdom, France and Spain, Wereldhave seeks to expand it's portfolio to a minimum size of € 400 mln. The prospects for acquisitions seem to be most favourable in the United Kingdom and France. In addition, Wereldhave will continue the sale of logistic property and of property with a value below € 20 mln.

In 2011 shape and meaning will be given to active management of the new shopping centres, aimed at rental- and value growth. The country organisations have been strenghtened in 2010 and the beginning of 2011 and are well equipped for this task. For the offices portfolio, attention will be focused on occupancy. In view of the economic climate, the conditions on most office markets will be challenging and there will be fierce competition with pressure on rents.

Wereldhave's development portfolio was expanded significantly in 2010 and therefore deserves special attention. 2011 will be an important year for the mixed use project in San Antonio, Texas, as completion of the first phase is scheduled as from the last quarter of the year. Given the quality and location of the project, Wereldhave is confident in a successful letting of the project. In Belgium the extension of the Nivelles shopping centre is nearing completion, to open doors early in 2012. Some other (re)development and/or refurbishment projects that are under preparation in Belgium and the Netherlands will require our attention.

2011 promises to be an interesting and active year, in which Wereldhave will continue to realise it's strategy as set in 2009.

The Hague, March 2, 2011

Board of Management Wereldhave N.V. J. Pars
D.J. Anbeek

J. Pars (right) and D.J. Anbeek

Results breakdown of direct and indirect result

(amounts x € 1,000)

	Notes	2010	2010	2009	2009
Gross rental income	26	205,673		188,355	
Service costs charged		26,527		23,235	
Total revenues			232,200		211,590
Service costs paid		-/- 29,903		-/- 26,797	
Property expenses	27	-/- 42,124		-/- 41,657	
			-/- 72,027		-/- 68,454
Net rental income			160,173		143,136
Valuation results	28		-/- 14,096		-/- 247,010
Results on disposals	29		2,468		767
General costs	30		-/- 14,979		-/- 12,824
Other income and expense	31		258		820
Operational result			133,824		-/- 115,111
Interest charges	32	-/- 30,250		-/- 20,286	
Interest income	32	338		686	
Net interest			-/- 29,912		-/- 19,600
Other financial income and expense	33		-/- 2,596		119
Result before tax			101,316		-/- 134,592
Taxes on result	34		-/- 6,181		32,321
Result			95,135		-/- 102,271
Profit attributable to:					
Shareholders			88,673		-/- 107,096
Minority interest			6,462		4,825
Result			95,135		-/- 102,271
Earnings per share *(x € 1)*	35		4.15		-/- 5.07
Diluted earnings per share *(x € 1)*	35		3.95		-/- 5.07

Results breakdown of direct and indirect result

Wereldhave presents results as direct and indirect results, enabling a better understanding of results. The direct result consists of net rental income, general costs, other gains and losses (other than exchange rate differences), financial income and expense (other than the interest addition to leasehold obligations, 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. The indirect result consists of valuation results, exchange rate differences that are accounted for under other financial income and expense, the interest addition to leasehold obligations, the real value of the conversion rights on convertible bonds, the movement in deferred tax liabilities and actuarial gains and losses on employee benefit plans.
The direct result per share is identical to the EPRA result per share.

	2010		2009	
	direct result	indirect result	direct result	indirect result
Gross rental income	205,673		188,355	
Service costs charged	26,527		23,234	
Total revenues	232,200		211,589	
Service costs paid	-/- 29,903		-/- 26,796	
Property expenses	-/- 42,124		-/- 41,657	
	-/- 72,027		-/- 68,453	
Net rental income	160,173		143,136	
Valuation results		-/- 14,096		-/- 247,010
Results on disposals		2,468		767
General costs	-/- 14,979		-/- 12,824	
Other income and expense	869	-/- 611	840	-/- 20
Operational result	146,063	-/- 12,239	131,152	-/- 246,263
Interest charges	-/- 26,882	-/- 3,368	-/- 18,298	-/- 1,988
Interest income	338		686	
Net interest	-/- 26,544	-/- 3,368	-/- 17,612	-/- 1,988
Other financial income and expense		-/- 2,596		119
Result before tax	119,519	-/- 18,203	113,540	-/- 248,132
Taxes on result	-/- 3,615	-/- 2,566	-/- 2,465	34,786
Result	115,904	-/- 20,769	111,075	-/- 213,346
Profit attributable to:				
Shareholders	109,001	-/- 20,328	104,034	-/- 211,130
Minority interest	6,903	-/- 441	7,041	-/- 2,216
Result	115,904	-/- 20,769	111,075	-/- 213,346
Earnings per share *(x € 1)*	5.10	-/- 0.95	4.93	-/- 10.00
Diluted earnings per share *(x € 1)*	4.58	-/- 0.63	4.93	-/- 10.00

Investment property - rental data

(x € 1,000)

	Gross rental income	Net rental income	Lettable space (m²)	Annual contract rent	Estimated rental value	EPRA vacancy rate
	for the period	for the period	period end	period end	period end	period end
Belgium	25,466	23,525	151,915	24,787	27,815	12.6%
Finland	30,603	29,419	110,107	28,741	32,229	2.0%
France	9,599	8,357	48,492	12,670	12,882	2.1%
Spain	11,024	8,677	86,856	10,401	12,249	14.3%
The Netherlands	42,513	38,210	321,954	46,452	47,075	1.8%
United Kingdom	18,280	16,119	124,951	23,050	24,115	8.9%
United States	68,188	35,866	260,430	66,339	75,675	14.1%
Total portfolio	205,673	160,173	1,104,705	212,440	232,040	8.6%

Investment property - valuation data

(x € 1,000)

	Market value of property (€m)	Valuation movement in the year (€m)	Change in %
Belgium	393.1	-/- 1.3	-/- 0.3%
Finland	503.8	-/- 13.9	-/- 2.7%
France	181.3	4.7	2.7%
Spain	137.9	-/- 16.6	-/- 10.7%
The Netherlands	624.5	-/- 6.4	-/- 1.0%
United Kingdom	288.8	7.5	2.7%
United States	722.4	27.1	3.9%
Total portfolio	2,851.8	1.1	0.0%
IFRS adjustments	8.3	-/- 14.5	
	2,860.1	-/- 13.4	-/- 0.5%

Investment property - lease data

(x € 1,000)

	Average lease length		Annual rent of leases expiring in *:		
	to break	to expiry	year 1	year 2	year 3-5
Belgium	4.2	5.2	4,170	6,656	5,646
Finland	2.6	2.7	5,365	4,068	10,188
France	6.9	7.6	374	177	1,888
Spain	1.9	4.0	5,354	1,523	2,656
The Netherlands	3.9	4.0	3,201	5,646	18,633
United Kingdom	5.5	9.0	2,205	2,319	7,047
United States	6.0	6.0	3,957	4,362	15,349
Total portfolio	3.7	5.3	24,626	24,751	61,407

* Excluding leases without end date

Investment property - like-for-like net rental income

(x € 1,000)

	Net rental income 2010					
	Properties owned throughout the 2 years	Acquisitions	Disposals	Development properties	Exchange translation difference	Total net rental income
Belgium	23,265	261				23,526
Finland	29,419					29,419
France	8,357					8,357
Spain	8,677					8,677
The Netherlands	25,850	11,848	511			38,209
United Kingdom	13,221		2,242		655	16,118
United States	34,302			-/- 100	1,665	35,867
Total portfolio	143,091	12,109	2,753	-/- 100	2,320	160,173
Net - like-for-like - rental growth	**2.5%**					

	Net rental income 2009					
	Properties owned throughout the 2 years	Acquisitions	Disposals	Development properties	Exchange translation difference	Total net rental income
Belgium	24,008					24,008
Finland	28,724					28,724
France	3,052					3,052
Spain	9,769					9,769
The Netherlands	25,116		625			25,741
United Kingdom	13,801		2,973			16,774
United States	35,068					35,068
Total portfolio	139,538	–	3,598	–		143,136

Calculation EPRA 'triple NAV' per share	**December 31, 2009**	**December 31, 2010**
Shareholders' equity per share	73.77	75.12
Effect of conversion	1.11	0.79
Adjustments for fair value of derivatives	-/- 0.04	-/- 0.12
Adjustments for deferred taxes	4.44	4.38
Adjustment goodwill	–	-/- 0.06
EPRA net asset value per share	79.28	80.29
Fair value of derivatives	0.04	0.12
Fair value of interest bearing debt	-/- 1.87	-/- 1.74
Fair value of deferred taxes	-/- 2.66	-/- 2.63
EPRA 'triple NAV' per share	74.79	76.04

Investment properties at December 31, 2010

(only properties with an open market value of more than € 5 mln are mentioned separately)

location	retail m² n.l.a.	office m² n.l.a.	other m² n.l.a.	parking spaces number	year of acquisition	year of construction or renovation	annual rent 2011 (x € 1 mln)
Belgium *)							
Retailportfolio							
Liege							
1 Quai des Vennes	30,252			2,200	1994	1994	9.7
Nivelles							
18 Chaussée de Mons	16,195			802	1984	1995	3.0
Tournai							
22 Boulevard Walter de Marvis	15,540			1,260	1988	1996	2.8
Waterloo							
193-195 Chaussée de Bruxelles (leasehold untill 2039)	3,122				2010	1967	0.8
	65,109						16.3
Other properties							
Brussels							
1-8 Boulevard Bischoffsheim		12,666		150	1988	2002	2.4
28 Medialaan, Vilvoorde		13,018		305	1998	2002	1.7
22-25 Boulevard Bischoffsheim		5,230		64	1990	1990	1.0
30 Medialaan, Vilvoorde		5,650		178	1999	2001	0.8
32 Medialaan, Vilvoorde		4,027		123	1999	2001	0.7
Antwerp							
3-4-5 Roderveldlaan, Berchem		17,011		316	1999	2001	2.3
76-78 Berchemstadionstraat, Berchem		11,400		217	1999	2002	1.8
1-2 Roderveldlaan, Berchem		11,560		238	1999	2001	1.6
properties < € 5 mln		6,244		114			0.8
	65,109	**86,806**					**29.4**
Finland							
Retailportfolio							
Helsinki and environs							
Itäkeskus	85,009	9,537		3,000	2002	2001	26.6
5 Lansituulentie, Espoo	12,117			234	2003	1998	3.2
	97,126						29.8
Other properties							
properties < € 5 mln			3,444	80	2007	2007	0.4
	97,126	**9,537**	**3,444**				**30.2**
France							
Office portfolio							
Paris and environs							
45-49 Rue Kléber, Levallois-Perret		19,660		350	1999	1999	6.8
Avenue Jules Rimet, Saint-Denis		10,993		121	1999	2001	2.7
		30,653					9.5
Other properties							
Dunkirk							
Quai des Fusiliers Marins	17,839			600	1999	1999	2.4
	17,839	**30,653**					**11.9**

location	retail m² n.l.a.	office m² n.l.a.	other m² n.l.a.	parking spaces number	year of acquisition	year of construction or renovation	annual rent 2011 (x € 1 mln)
Netherlands							
Retailportfolio							
Arnhem							
Shopping Centre Kronenburg (leasehold untill 2110)	31,752			1,000	1988	1985	7.8
Purmerend							
Shopping Centre Eggert	20,927			390	2010	1992	5.4
Leiderdorp							
Shopping Centre Winkelhof	17,857			830	1993	1999	4.1
Eindhoven							
Shopping Centre Woensel	10,342				2010	2006	3.9
Etten-Leur							
Shopping Centre Etten-Leur	22,146				1991	1995	3.8
Roosendaal							
Shopping Centre De Roselaar	12,574				2010	1996	3.5
Capelle a/d IJssel							
Shopping Centre De Koperwiek	9,099		61 app.		2010	1995	2.9
Maassluis							
Shopping Centre Koningshoek	16,500				2010	1973	2.9
Geldrop							
62-89A Heuvel and 1, 3, 5 and 15 Achter de Kerk	4,537		30 app.		1978	1996	1.1
	145,734						35.4
Other properties							
The Hague							
20-160 Laan van Ypenburg			47,179	155	1996	1993	3.2
Nuth							
15 Thermiekstraat			18,066	690	1977	1987	1.2
Moerdijk							
6 Middenweg			8,779	126	1997	1988	1.1
Best							
4 Brem			11,283	690	1977	1971	0.9
Alphen aan den Rijn							
21-37 R. Wallenbergplein		6,177		108	1999	2002	0.9
2 J. Keplerweg			14,698	50	1997	2005	0.8
Utrecht							
1 Rutherfordweg			12,876	100	1997	1994	0.7
Amsterdam							
64 Hornweg			12,457	117	1997	1991	0.7
Roosendaal							
23 Borchwerf			15,378	126	1997	1994	0.7
Amersfoort							
1-3 Basicweg			11,377	96	1997	1993	0.7
properties < € 5 mln		2,050	15,900	115			1.3
	145,734	**8,227**	**167,993**				**47.6**
			91 app.				

location	retail m² n.l.a.	office m² n.l.a.	other m² n.l.a.	parking spaces number	year of acquisition	year of construction or renovation	annual rent 2011 (x € 1 mln)
Spain							
Office portfolio							
Madrid							
15 Avenida de la Vega, Alcobendas		22,676		421	1999	2000	4.2
2 Plaza de la Lealtad		3,012			1989	1999	1.1
15 Calle Fernando el Santo		3,254		39	1991	1993	0.9
		28,942					6.2
Other properties							
46 Avenida Juan Carlos I, Collado Villalba	22,666			980	2007	2001	3.7
1-2 Calle Mariano Benlliure, Rivas-Vaciamadrid			35,248	351	2001	2002	2.4
	22,666	**28,942**	**35,248**				**12.3**
United Kingdom							
Retailportfolio							
Poole							
Kingland Crescent & 175 High Street (leasehold untill 2112)	50,600			35	2010	1985	8.0
London and environs							
56-70 Putney High Street, SW15	4,369			44	1988	1971	0.8
326-334 Chiswick High Road, W4	2,307				1988	1974	0.7
Sheffield							
Penistone Road	3,918			163	1988	1986	0.5
properties < € 5 mln	11,918			354			1.7
	73,112						11.7
Other properties							
Manchester							
Wilmslow Road		27,084		927	2005	2003	5.4
London and environs							
14-18 Eastcheap, EC3		3,630			1988	1991	1.5
31-36 Foley Street, W1		3,155		10	1988	1993	1.0
72-74 Dean Street, Royalty House, W1		2,648		12	1988	1999	1.0
126-134 Baker Street, W1	605	934			1988	1999	0.7
26-28 Great Portland Street, W1 (leasehold untill 2105)		1,290			1988	1990	0.6
73-75 North Street, Guildford	357	1,085			1988	1976	0.5
Northampton							
100 Pavillion Drive		11,051		510	1998	1991	1.3
	74,074	**50,877**					**23.7**

location	retail m² n.l.a.	office m² n.l.a.	other m² n.l.a.	parking spaces number	year of acquisition	year of construction or renovation	annual rent 2011 (x € 1 mln)
United States							
Office portfolio							
San Diego, California							
655 West Broadway							
(leasehold untill 2058)		36,600	12 app.	752	2007	2005	13.9
10th & J Streets		28,359	1 app.	928	2008	2007	10.9
Washington D.C. and environs							
801 9th Street		21,930		190	2006	1999	8.7
1401 New York Avenue		17,646		165	1988	1984	6.6
701 8th Street		12,465		101	2005	2005	6.1
21660 Ridgetop Circle, Sterling		11,681			1999	2002	2.1
13650 Dulles Technology Drive, Herndon		10,507		531	1999	2000	2.4
13600 Dulles Technology Drive, Herndon		10,507		531	1999	2000	1.8
San Antonio, Texas							
17101 La Cantera Parkway		19,068		821	2010	2010	4.4
Austin, Texas							
5001 Plaza on the Lake Drive		11,383		539	1999	1999	2.5
4801 Plaza on the Lake Drive		10,363		491	1999	1999	2.2
8300 Mopac Expressway		8,669		431	1998	2000	1.6
6801 Cap. of Texas Highway North		8,568		344	1999	1999	1.6
Dallas and environs, Texas							
805 Central Expressway, Allen		10,702		737	1999	1999	1.3
161 Corporate Center, Irving		9,737		465	1998	1998	1.3
4650 Regent Boulevard, Irving		7,432		479	1999	1999	1.2
4600 Regent Boulevard, Irving		7,432		479	1998	1998	1.2
4500 Eldorado Parkway, McKinney		5,490		188	2006	2006	1.0
		248,539					70.8
Other properties							
Dallas and environs, Texas							
4490 Eldorado Parkway, McKinney			525 app.	880	2000	2004	4.0
411 East Buckingham Road, Richardson			338 app.	648	1999	1999	2.6
Austin, Texas							
3801 Cap. of Texas Highway North	11,891			550	2004	2002	2.7
	11,891	**248,539**	**876 app.**				**80.1**
Total	**434,439**	**463,581**	**206,685 m²**				**235.2**
			967 app.				

N.l.a. means net rent table area. All properties are freehold unless mentioned otherwise. The annual rent is calculated on the assumption that the buildings are fully let and before deduction of operating costs.

*) Wereldhave has a 69.3% interest in the properties in Belgium.

Independent valuers

Catella Property Group,
Helsinki

CBRE,
Amsterdam

Cushman & Wakefield,
Brussel, Houston, San Diego,
Washington D.C.

Jones Lang La Salle,
Paris, Madrid, London

Troostwijk-Roux Expertises cvba,
Antwerp

Troostwijk Taxaties B.V., Amsterdam

Summary of investment properties

(amounts x € 1 mln)

The following is a summary of the open market value of the Group's investment properties at December 31, 2010. Foreign currencies have been converted at rates of exchange ruling at December 31, 2010. The annual rent is shown on the assumption that the buildings are fully let and before deduction of property expenses.

	retail		offices		other		total	
	market value	annual rent	market value	annual rent	market value	annual rent	market value	annual rent
Belgium	252.2	16.3	143.5	13.1			395.7	29.4
Finland	505.9	29.8			2.2	0.4	508.1	30.2
France	17.2	2.4	159.1	9.5			176.3	11.9
The Netherlands	501.8	35.4	13.6	1.1	114.9	11.1	630.3	47.6
Spain	27.5	3.7	79.8	6.2	30.1	2.4	137.4	12.3
United Kingdom	167.7	11.7	124.6	10.8	15.7	1.2	308.0	23.7
United States	24.7	2.7	633.0	70.8	46.6	6.6	704.3	80.1
Total	1,497.0	102.0	1,153.6	111.5	209.5	21.7	2,860.1	235.2

Summary of revaluations of the investment properties

(amounts x € 1 mln)

This summary shows the revaluation in 2010 of investment properties by country and sector. Foreign currencies have been converted at rates of exchange ruling at December 31, 2010.

	value at 31-12-2010	revaluation in 2010	as a % of the value before revaluation			
			retail	offices	other	total
Belgium	395.7	-/- 0.9	0.3	-/- 1.2		-/- 0.2
Finland	508.1	-/-16.4	-/- 2.9		-/-34.3	-/- 3.1
France	176.3	0.1	0.3	0.1		0.1
The Netherlands	630.3	-/- 7.4	1.0	-/- 2.1	-/- 9.6	-/- 1.2
Spain	137.4	-/-16.7	-/-35.9	-/- 1.2	-/- 1.1	-/-10.8
United Kingdom	308.0	5.5	1.6	2.0	2.9	1.8
United States	704.3	22.4	-/- 3.1	3.8	0.1	3.3
Total	2,860.1	-/-13.4	-/- 1.5	2.0	-/- 5.9	-/- 0.5

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Other information

Consolidated balance sheet as at December 31, 2010

(amounts x € 1,000)

	Notes	December 31, 2010		December 31, 2009	
Assets					
Non-current assets					
Investment properties in operation		2,860,083		2,418,248	
Investment properties under construction		134,517		81,629	
Investment properties	5		2,994,600		2,499,877
Property and equipment	6	6,499		6,308	
Intangible assets	7	6,321		2,823	
Financial assets	8	24,532		24,352	
Deferred tax assets	9	5,000		1,381	
Other non current assets	10	37,949		26,689	
			80,301		61,553
			3,074,901		2,561,430
Current assets					
Tenant and other receivables	11	14,699		15,374	
Tax receivables	12	145		20	
Cash and cash equivalents	13	32,096		20,156	
			46,940		35,550
			3,121,841		2,596,980
Equity and Liabilities					
Equity					
Share capital	14	214,485		212,770	
Share premium	15	777,728		766,432	
General reserve	16	656,640		655,961	
Revaluation reserve	17	1,456		1,762	
Reserve for exchange rate differences	18	-/- 39,077		-/- 67,371	
			1,611,232		1,569,554
Minority interest			116,832		116,921
			1,728,064		1,686,475
Long term liabilities					
Interest bearing liabilities	19	876,915		572,057	
Deferred tax liabilities	20	129,277		119,036	
Financial liabilities	24	4,558		5,868	
Other long term liabilities	21	49,508		21,335	
			1,060,258		718,296
Short term liabilities					
Trade payables		4,925		3,907	
Tax payable	22	1,933		2,055	
Interest bearing liabilities	19	271,101		140,757	
Other short term liabilities	23	55,560		45,490	
			333,519		192,209
			3,121,841		2,596,980
Net asset value per share *(x € 1)*	36		75.12		73.77

Consolidated income statement for 2010

(amounts x € 1,000)

	Notes	2010	2010	2009	2009
Gross rental income	26	205,673		188,355	
Service costs charged		26,527		23,234	
Total revenues			232,200		211,589
Service costs paid		-/- 29,903		-/- 26,796	
Property expenses	27	-/- 42,124		-/- 41,657	
			-/- 72,027		-/- 68,453
Net rental income			160,173		143,136
Valuation results	28		-/- 14,096		-/- 247,010
Results on disposals	29		2,468		767
General costs	30		-/- 14,979		-/- 12,824
Other income and expense	31		258		820
Operational result			133,824		-/- 115,111
Interest charges	32	-/- 30,250		-/- 20,286	
Interest income	32	338		686	
Net interest			-/- 29,912		-/- 19,600
Other financial income and expense	33		-/- 2,596		119
Result before tax			101,316		-/- 134,592
Taxes on result	34		-/- 6,181		32,321
Result			95,135		-/- 102,271
Profit attributable to:					
Shareholders			88,673		-/- 107,096
Minority interest			6,462		4,825
Result			95,135		-/- 102,271
Earnings per share *(x € 1)*	35		4.15		-/- 5.07
Diluted earnings per share *(x € 1)*	35		3.95		-/- 5.07

Consolidated statement of comprehensive income

(amounts x € 1,000)

	2010		2009	
Result		95,135		-/-102,271
Other comprehensive income:				
Exchange rate differences	28,294		1,182	
Revaluation of financial assets available for sale	-/- 442		1,966	
Total of other comprehensive income		27,852		3,148
Total comprehensive income		122,987		-/- 99,123
Shareholders		116,661		-/-104,551
Minority interest		6,326		5,428
		122,987		-/- 99,123

Consolidated statement of movements in equity for 2010

(amounts x € 1,000)

	Attributable to shareholders of the Company						Minority interest	Total
	Share capital	Share premium	General reserve	Revaluation reserve	Reserve for exchange rate differences	Total attributable to share-holders		
Balance at January 1, 2009	207,817	763,809	836,811	399	-/-68,553	1,740,283	119,889	1,860,172
Comprehensive income								
Result	–	–	-/-107,096	–	–	-/-107,096	4,825	-/-102,271
Exchange rate differences	–	–	–	–	1,182	1,182	–	1,182
Revaluation of financial assets available for sale	–	–	–	1,363	–	1,363	603	1,966
Total of comprehensive income	–	–	-/-107,096	1,363	1,182	-/-104,551	5,428	-/- 99,123
Transactions with shareholders								
Reduction of minority share (USA)	–	–	–	–	–	–	-/- 2,090	-/- 2,090
Equity component convertible bond	–	7,576	–	–	–	7,576	–	7,576
Stockdividend	4,953	-/- 4,953	–	–	–	–	–	–
Dividend 2008	–	–	-/- 73,754	–	–	-/- 73,754	-/- 6,306	-/- 80,060
Balance at December 31, 2009	212,770	766,432	655,961	1,762	-/-67,371	1,569,554	116,921	1,686,475
Comprehensive income								
Result	–	–	88,673	–	–	88,673	6,462	95,135
Exchange rate differences	–	–	–	–	28,294	28,294	–	28,294
Revaluation of financial assets available for sale	–	–	–	-/- 306	–	-/- 306	-/- 136	-/- 442
Total of comprehensive income	–	–	88,673	-/- 306	28,294	116,661	6,326	122,987
Transactions with shareholders								
Equity component convertible bond	–	13,011	–	–	–	13,011	–	13,011
Stockdividend	1,715	-/- 1,715	–	–	–	–	–	–
Dividend 2009	–	–	-/- 87,994	–	–	-/- 87,994	-/- 6,415	-/- 94,409
Balance at December 31, 2010	214,485	777,728	656,640	1,456	-/-39,077	1,611,232	116,832	1,728,064

Consolidated cash flow statement for 2010

(amounts x € 1,000)

	Notes	2010		2009	
Operating activities					
Result			95,135		-/-102,271
Adjustments:					
Valuation results	28	14,096		247,010	
Net interest charge	32	29,912		19,600	
Other financial income and expense	33	2,596		-/- 119	
Results on disposals	29	-/- 2,468		-/- 767	
Deferred taxes		2,566		-/- 34,360	
Other movements in reserves		1,943		777	
			48,645		232,141
			143,780		129,870
Movements in working capital			9,233		11,358
Cash flow from company activities			153,013		141,228
Interest paid		-/- 25,374		-/- 16,563	
Interest received		1,450		227	
Income tax		-/- 3,032		-/- 2,026	
			-/- 26,956		-/- 18,362
Cash flow from operating activities			126,057		122,866
Investment activities					
Proceeds from disposals		45,524		2,822	
Investments in investment property		-/-449,591		-/- 56,058	
Investments in equipment	6	-/- 801		-/- 579	
Investments in financial assets		686		584	
Investments in intangible assets	7	-/- 1,923		-/- 1,329	
Investments in other long term assets		-/- 4,185		-/- 5,668	
Investments in subsidiaries		-/- 12,296		–	
Cash settlement forward transactions		-/- 15,279		33,301	
Cash flow from investment activities			-/-437,865		-/- 26,927
Financing activities					
New loans interest bearing debts		948,107		326,757	
Repayment interest bearing debts	19	-/-528,246		-/-339,473	
Repayment other long term liabilities		-/- 889		-/- 912	
Investments in subsidiaries and associates		–		-/- 2,143	
Withdrawal of preference shares		–		-/- 3,405	
Dividend paid		-/- 87,994		-/- 73,754	
Dividend paid – minority interest		-/- 6,415		-/- 6,306	
Cash flow from financing activities			324,563		-/- 99,236
Increase / decrease cash and bank			12,755		-/- 3,297
Cash and bank balances at January 1	13		20,156		24,743
Foreign exchange differences			-/- 815		-/- 1,290
Cash and bank balances at December 31	13		32,096		20,156

1. General information

Wereldhave N.V. ('the Company') is a property investment company. The property portfolio of Wereldhave and its subsidiaries ('the group') are located in Europe and the United States. The group is principally involved in leasing out investment property under operating leases. The property management is performed by group property and asset management companies. The Company is a limited liability company incorporated and domiciled in the Netherlands. The address of the Company's registered office is Nassaulaan 23, The Hague. The shares of the Company are listed on the NYSE Euronext Stock Exchange of Amsterdam. The consolidated financial statements for the year ended December 31, 2010 have been authorised for issue by the Supervisory Board on March 2, 2011 and will be presented to the shareholders for approval on April 18, 2011.

2. Tax status

Wereldhave N.V. has the tax status of an investment company in accordance with section 28 of the Dutch 'Wet op de vennootschapsbelasting 1969'. This means that no corporation tax is due in the Netherlands, provided that certain conditions are met. The main conditions concern the requirement to distribute the taxable profit as dividend and the restrictions with respect to financing of investments with loans.
The subsidiaries in Belgium, France and the United States have a similar status. Subsidiaries in other countries have no specific tax status.

3. Accounting policies

3.1 Basis for preparation of 2010 financial statements

The Group's presentation currency is euro. The financial statements of Wereldhave have been presented in euro, rounded to the nearest thousand. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The consolidated financial statements and the Company financial statements have been prepared on historical cost basis, unless specified otherwise. The company has made use of the exemption referred to in article 402 Book 2.9. of the Dutch Civil Code.

The accounting policies mentioned in the Annual Accounts have been applied to the years presented, i.e. the reporting year and the preceding year, unless mentioned otherwise. Furthermore, IFRS 2 'Share-based Payment' became applicable for the first time.

In 2010 the below mentioned new IFRS standards or interpretations thereon became applicable. These new or adjusted standards and interpretations did not affect Wereldhave's reporting for the year 2010, with the exception of the adjustments of IAS 27 'Consolidated and Separate Financial Statements' and IFRS 3R 'Business Combinations'. It concerns the following standards and interpretations:

- IFRS 3R Business Combinations;
- IAS 27 Consolidated and Separate Financial Statements;
- IAS 28 Investments in Associates;
- IAS 31 Interests in Joint Ventures;
- IFRIC 17 Distributions of Non-cash Assets to Owners (new);
- IFRIC 18 Transfers of Assets from Customers;
- IFRIC 9 Reassessment of Embedded Derivatives;
- IAS 39 Financial Instruments: Measurement and recognition (amended);
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (new);
- IAS 1 Presentation of Financial Statements;
- IAS 36 Impairment of Assets;
- IFRS 2 Share-based Payment and
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

IFRS 3R Business Combinations
The revised IFRS 3 (IFRS 3R), shows how goodwill should be calculated and how non-controlling interests and contingent elements should be taken into account in the acquisition price. Under IFRS 3R all cost directly related to the acquisition should be charged to the income statement when they occur. Previously, these costs were part of the purchase price.

If there is a non-controlling interest under IFRS 3R there is the ability to measure this per acquisition at either fair value or the proportionate share of the non-controlling interest in the net assets of the acquiree. With respect to contingent payments at fair value which are classified as debt on the acquisition date, IFRS 3R provides that any subsequent changes are revalued through the income statement.

As a result of this change in 2010 an amount of € 0.4 mln is reported as acquisition costs in the income statement.

IAS 27 Consolidated and Separate Financial Statements
This amended standard requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an transaction with shareholders within equity. When the group loses control of a subsidiary a possible non-controlling interest in the former subsidiary will be measured at fair value with the gain or loss recognised in the income statement.

As a result of the IAS mutations investments in and disposals of non-controlling interests will be presented as financing activities in the cash flow statement as of financial year 2010. The presentation of comparative figures have been adjusted.

In 2011 the following (adjusted) standards, applicable for Wereldhave, become inforce:
- IFRS 9 Financial Instruments;
- IAS 24R Related Party Disclosures;
- IAS 32 Financial Instruments: Presentation;
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments and
- IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

It is expected that these adjustment do not have a major impact on the 2011 Annual Accounts of Wereldhave.

The Company has not early adopted standards which will become applicable in 2011.

Presentation of the rental income of the United States
As of fiscal year 2010, Wereldhave decided to adjust the presentation of the rental income from the United States in the consolidated financial statements. The comparative figures have been adjusted similarly. The adjustment has been made because U.S. leases do not have a separate service cost component but this forms an integrated part of the rent. Therefore, the presentation of the full rental income as gross rental income is a better approach to the economic substance of the contracts. As a result of this change in presentation, the gross rental income of 2009 increased by € 21 mln, while net service costs have decreased by the same amount. Because the proceeds are not divided in gross rental income and service cost income there is also a change in presentation of the service costs. These have been decreased by € 26 mln, while the operating costs have increased by the same amount. The adjustment in presentation does not have an effect on result or equity.

3.2 Consolidation
Subsidiaries
Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Costs directly related to the acquisition are included in the income statement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Per acquisition the non-controlling interest can be measured at fair value of the proportionate share of the non-controlling interest of the acquiree. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between subsidiaries are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions and non-controlling interests
Transactions with non-controlling interests where control is maintained, are accounted for as transactions within shareholders equity. If changes result in loss of control, any remaining non-controlling interest in the former subsidiary is recognised at fair value, any profit or loss is accounted for in the income statement.

Joint ventures
The group's interests in jointly controlled entities are accounted for by proportionate consolidation. The group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements. The group recognises the portion of gains or losses on the sale of assets by the group to the joint venture that is attributable to the other venturers. The group does not recognise its share of profits or losses from the joint venture that result from the group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognized immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

3.3 Foreign currencies

Functional and presentation currency
The consolidated financial statements are presented in euro, which is Wereldhave's functional and the group's 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').

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. 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 within other financial income and expense. When there is no qualifying hedge, the net translation of monetary assets and liabilities in foreign currencies at year-end rate recorded in the income statement as other financial income and expenses.

Subsidiaries
The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
– Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
– Income and expenses for each income statement are translated at average exchange rates and
– All resulting exchange differences are recognised as a separate component of equity.
None of the entities have the functional currency of a hyper-inflationary economy.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to comprehensive income. When a foreign operation is disposed, exchange rate differences are part of the result on sale of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The following exchange rates, for the countries in which Wereldhave has operations, were used whilst preparing these consolidated financial statements:

	average		year-end	
	2010	**2009**	**2010**	**2009**
GBP	1.16668	1.12287	1.16178	1.12600
USD	0.75322	0.71905	0.74839	0.69416

3.4 Comprehensive income
In the statement of comprehensive income no separate line for tax on unrealized gains as a result of the investment tax status of some subsidiaries is included. This is due to the tax status of some subsidiaries, where subsequently unrealized gains are untaxed.

3.5 Cash flow statement
The cash flow statement is prepared by the indirect method. Cash flows denominated in a foreign currency are reported at foreign exchange transaction rate or, where it is impossible to determine individual transaction rates, at weighted average exchange rate. Cash flows from derivatives are presented as investment activity. Investments to reduce non-controlling interests are presented as investment under financing activities.

3.6 Impairment of non-financial assets
Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds the higher of the recoverable amount, being the fair value less costs to sell, or the value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.7 Derivatives
Derivative financial instruments are stated at fair value. The gain or loss on remeasurement is recognised in the income statement as revaluation result. Purchases and sales are recognised and derecognised using trade date accounting.

3.8 Hedge accounting

Wereldhave uses derivatives and loans to hedge net investments in foreign operations. Generally Wereldhave seeks to apply hedge accounting in order to minimise the effects of foreign currency fluctuations in the income statement.

The used derivatives are mainly forward rate agreements. Transactions are entered into with a limited number of counterparties with strong credit ratings. Foreign currency hedging operations are governed by internal policies and rules approved and monitored by the Board of Management.

Derivatives are recognised initially at fair value. Derivatives for which hedge accounting is not applied are accounted for as instruments at fair value through profit or loss. When derivatives qualify for hedge accounting, subsequent measurement is at fair value, and changes therein are accounted for in the equity.

Wereldhave prepares hedge documentation at inception of every net investment hedge. The hedge documentation is updated on every period closing when the effectiveness of the hedge is determined.

3.9 Investment property

Investment properties in operation

Investment properties in operation are those properties which are held either to earn rental income, for capital appreciation or both. On acquisition, investment properties in operation are initially recognised at cost including transaction cost. Investment properties in operation are subsequently stated at fair value at the balance sheet date. The fair values are based on the estimated amount for which a property could be exchanged on the date of valuation in an at arm's length transaction.

Fair value is based on the capitalization of market rents. The net capitalisation factor and the present value of the differences between market rent and contracted rent, of vacancies and of maintenance expenditure to be taken into account are calculated for each property separately. Subsequent expenditures after acquisition are added to the asset's carrying amount when it is probable that future economic benefits will flow to the entity and the cost of the expenditure can be measured reliably. All other expenditures, such as repairs and maintenance, are charged to the income statement during the financial period in which they are incurred.

Investments for which the land has been acquired by means of an operational lease (ground rent agreement), are valued in accordance with the fair value method classifying operational leases as an investment property. The investment property valuation will include, as a deduction, the present value of the ground rent payments to be made. For accounting purposes ground rents are accounted for as financial leases, adding the fair value of these lease liabilities back to the investment property value. At the same time the lease liabilities are recorded at the lower of fair value of the liability or discounted minimal lease payments with subsequent measurement at amortised cost.

The fair value of the portfolio is valued twice a year by independent external valuers with the relevant qualification and experience in the location and category of the investment property being valued. All properties are internally valued at fair value at the end of every quarter. Valuation differences and results on disposals are recognised in the income statement. Investment properties under redevelopment continue to be classified as investment properties. Properties in own use are classified under property and equipment and its fair value at the date of reclassification is considered to be its cost for depreciation purposes of property in own use. When properties are sold the difference between the net proceeds and book value are accounted for in the income statement under results on disposals.

Investment properties under construction
Property that is being constructed or developed for future use as investment property in operation is classified as subcategory investment property under construction ('IPUC'). IPUC projects are initially valued at historical cost, and are subsequently valued at fair value. Fair value measurement on IPUC is only applied for if the fair value is considered to be reliable measurable.

Costs include the (estimated) works performed, the costs of staff directly related to technical supervision, project management on the basis of time spent and capitalised interest costs on the basis of amounts spent and the effective interest up to the date of completion.

Fair value changes and impairment losses are recognised in the income statement as valuation result. IPUC's are transferred to investment properties on the date of technical completion.

3.10 Property and equipment

Property and equipment include property in own use. Property and equipment are stated at costs less depreciation and impairments. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets:

– Property	:	33 years
– Office Furniture	:	10 years
– Equipment	:	3-5 years
– Cars	:	5 years

The useful lives and the residual values of property and equipment are reviewed at balance sheet date. Gains and losses on disposals are recognised in the income statement. Subsequent expenditures are recognised in the income statement unless it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the expenditure can be measured reliably. In that case costs are capitalised to the carrying amount of the asset. For properties in own use the fair value at the date of reclassification is considered to be its cost for depreciation purposes. At the time of sale, positive and negative results on disposals are accounted in the income statement.

3.11 Intangible assets

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

Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the cost of the acquisition over Wereldhave's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to individual or groups of cash-generating units for the purpose of impairment testing and is tested annually for impairment.

Negative goodwill is recognised directly in the income statement.

3.12 Financial assets

Financial assets will include items due after more than twelve months, unless mentioned otherwise. Capital gains on disposals are accounted for under results on disposals. Acquisitions and sales are accounted for based upon trade date.

Wereldhave classifies its financial assets in the following categories:

- At fair value through profit or loss;
- Loans and receivables; and
- Available for sale.

The classification depends on the purpose for which the financial assets were acquired. The classification is determined at initial recognition.

The fair value of financial instruments is, if available, determined by relevant quoted (bid)prices (first level). In case that the valuations are not available on markets, the fair value is based on information from banks, which is recalculated in a internal calculation model (second level). When information from banks is also not available only internal calculation models are used (third level).

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading or derivatives.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans issued and other receivables are taken into account, initially at fair value plus transaction costs directly attributable to the loan and subsequently at an amortised cost basis. Amortised cost is taken to the income statement under interest income and expense on the basis of the effective interest method.

When there is objective evidence that the group Company will not be able to collect all amounts due, an impairment of loans and receivables is established via the income statement to the amount collectible. Indicators for non collectability are amongst others significant financial difficulties of a debtor, non-compliance of payment conditions and bankruptcy.

Financial assets available for sale
Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within 12 months after the balance sheet date.

Financial assets available for sale are initially recognised at fair value plus acquisition costs and subsequently valued at fair value. Valuation results are directly taken to the comprehensive income. In case a decline of the fair values is significant or prolonged, impairments will be accounted for as impairment in the income statement under revaluation result. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in comprehensive income are included in the income statement as results on disposal.

Dividends on financial assets are recognised in the income statement as other income and expense when the right to receive payments is established.

An overview of the carrying amounts of the financial assets and liabilities is set out in note 25.

3.13 Other non-current assets

Rent free periods and other leasing expenses
These costs are initially recognised at cost and subsequently amortised over the remaining term of the lease on a straight-line basis.

Pension plans
The capitalised net receivable from defined benefit plans is accounted for as mentioned in note 3.20, capped to the amount which can be obtained by means of premium discounts or unconditional repayments and considered as long term. Movements in the present value of the receivable are taken to the income statement as other financial income and expense.

3.14 Non-current assets held for sale

Non-current assets (or a group to be disposed of) are held for sale in case its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition. Further 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 a group to be disposed of) classified as held for sale shall be measured at the lower of its carrying amount and fair value less costs to sell. No remeasurement takes place when the assets are already measured at fair value.
Non-current assets held for sale or the assets from a disposal group shall be presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale shall be presented separately from the other liabilities. Those assets and liabilities that are held for sale shall not be offset.

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

3.15 Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company 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 to payment conditions and bankruptcy. The amount of the provision is the difference between the asset's carrying amount and the discounted estimated future cash flows. The movement in the provision is recognised as property expenses in the income statement. When trade receivables are uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against property expenses in the income statement.

3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.17 Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction from the proceeds.

3.18 Provisions

A provision is recognised in the balance sheet when a legal or constructive obligation would exist, as a result of a past event, the obligation can be measured reliably and when 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. Increase in the provision due to passage of time is recognised as interest expense.

3.19 Long term debts

Interest bearing debts

On acquisition, interest bearing debts are recognised at fair value, minus transactions costs. Subsequently interest bearing debts are 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 short term portion of loans outstanding to be repaid within twelve months is shown under current liabilities.

Convertible bonds

Convertible bonds are a sub category of interest bearing debts. The fair value of the liability portion of a convertible bond which is included in long term interest bearing liabilities is determined by discounting an equivalent non-convertible bond at a market interest rate. This amount is recorded as a liability at initial value on an amortised cost basis until extinguished on conversion or at maturity of the bonds. The remainder is allocated to the equity portion of the bond. This is recognised under share premium in shareholders' equity, net of tax.

Other long term liabilities

Long term debts from leasehold liabilities and employee benefit plans are accounted for in accordance with paragraph 3.9 respectively 3.20.

3.20 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 pension scheme does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The movement in obligations for defined contribution pension plans are recognised as an expense in the income statement.

Defined benefit plans

Defined benefit plans are pension schemes where participants can derive statutory benefits at the pension date. The net receivable or liability in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of any plan assets is deducted.

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 to maturity approximating to the terms of the related pension liability. In markets where there is no deep market in such bonds, the market yields (at the balance sheet date) on government bonds are used.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are recognised under financial income and expenditures, over the average remaining service period of employees, if and as far as the balance of these gains and losses exceeds 10% of the higher of the actuarial obligations or the value of assets ('corridor method'). We refer to paragraph 3.13 for more information with regard to defined benefit plans with a net asset.

3.21 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.

3.22 Leases

Lessor accounting

Properties leased out under operating leases are included in investment property in the balance sheet. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a lease receivable under other long term assets.

Lessee accounting

Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases are charged to the income statement on a straight-line basis over the period of the 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.

3.23 Revenue

Rental income

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

Service and operational income

Service and operational income are shown on a gross basis when the property owner acts as a principal.

3.24 Expenses

Service and operational costs

Service and operational costs are shown on a gross basis when the property owner acts as a principal. In case the property owner acts as an agent only the non recoverable amount of the service and operational costs are shown. 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 the owner attributable to the accounting period, such as:

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

Letting expenses include the depreciation of expenditure in connection with a letting. The expenditure is depreciated over the term of the lease. Investment property depreciation charges are not recognised since investment properties are valued at market value (see paragraph 3.9). The market value calculation takes into account technical and economical obsolescence.

General costs
The amount comprises general costs attributable to the accounting period. 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 on the basis of time spent.

3.25 Interest
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. The unwinding of the debt using the effective interest rate per loan, due to the valuation of debt at amortized cost, is presented as interest expense.

Interest directly attributable to the acquisition or to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use, is capitalised as part of the cost of the respective assets, starting at the moment of undertaking activities that are necessary to prepare the asset for its intended use till completion unless no further development takes place. Capitalised interest is calculated the group's weighted average cost of borrowings or the borrowing cost of a specific project financing.

3.26 Employee benefits
Long term executive benefits
The variable remuneration of the Board of Management contains components that provide for share based payment. The relevant remuneration is wholly or partially settled in equity instruments. Part of the remuneration is conditionally granted over a period of three years with non-market based performance criteria determine vesting.

Share-based payment transactions are recognized in the income statement. Conditional granted shares to the board are valued at fair value at the grant date. The award is treated as expense, with a corresponding increase in equity, which is spread over the vesting period.

For the long-term executive benefit is, in addition to continued employment, the direct result per share a performance measurement. The direct result consists of the net rental income, general costs, other gains and losses (other than exchange rate differences), financial income and expenses (other than the interest addition to leasehold obligations, the interest addition to the fair value of the conversion rights of convertible bonds, premiums paid on repurchased interest bearing debt and actuarial gains and losses on employee benefits plans) and tax charges on direct result.

3.27 Tax charges
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 profit and non-deductable costs. Losses to be compensated with probable future profits 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 realized at the moment of sale. Tax charges are calculated using tax rates prevailing at the balance sheet date. Tax receivables are only taken into account if it is reasonably expected that losses will be compensated.

Deferred tax assets
Deferred tax assets are valued at the amount that is expected to be offset against future taxable profits or offset opportunities, as per balance sheet date, enacted or substantially enacted tax rates that are expected to apply to the period when the asset is realized. Recognition of deferred tax assets with respect to unrealized capital losses on existing property is made in the case of a foreseen sale or in case compensation can be achieved with operational results.

Deferred tax liabilities

The deferred tax liabilities are based on the temporary differences between the book value of assets and liabilities and their fiscal book value for tax purposes and are considered to be long term. Deferred tax liabilities are determined at, as per balance sheet date, enacted or substantially enacted tax rates that are expected to apply to the period when the liability is settled and are not discounted.

Applicable corporate tax rates are used to determine the deferred tax liabilities. Fiscal facilities and different tariffs applicable at the moment of sale are only taken into account for properties where sale is expected in due course. Deferred tax assets and liabilities are only netted in case a legal right for compensation exists and if there is an intention to settle on a net basis.

Deferred tax liabilities are not recognised to the extent that they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor tax profit or loss.

3.28 Segment reporting

A segment consists of assets and activities with specific risks and results, with differences per sector. The structure of the segment reporting is consistent with the way information is provided to the board of management of Wereldhave. Due to the fact that Wereldhave is structured geographically the segment reporting is structured geographically. Head office activities are part of the segment the Netherlands.

Revenues are generated by leasing on investment properties under operating leases.

3.29 Significant estimates in the accounts

Investment property

The assets of the Company and its subsidiaries mainly consist of the property portfolio. The market value of these assets can not be assessed using official quotations or listings.

A valuation based on fair value is a time- and place-based estimate. The estimate is based on a 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 with assurance at the moment of the actual sale of the property.

An external appraiser bases his fair value valuation on his own market knowledge and information. The valuation made by the appraiser is verified and approved by Wereldhave.

The fair value is based on a net yield calculation, where market rents are capitalised and normative property expenses (such as the costs of maintenance, insurance and expenses) are deducted. The yields used are specific for the country, the location, the type of property, the level of maintenance and the general lettability of every single property. The determination of applicable yields is based upon comparable transactions, added with market and building specific knowledge and remaining other assumptions.

Apart from assumptions with regard 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 the possibility of (re)letting, the start date of such (re)letting and the costs related hereto. Finally, 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, are deducted from the market value.

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

Taxes
The group is subject to taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. Estimates are made predominantly with respect to moments of expected sales, settlement of deferred taxes and final tax rates to be paid. Other assumptions have been disclosed in note 34.

Pensions
With regard to the measurement of defined benefits, assumptions have been made with regard to interest rates, expected return on assets, mortality rates and future salary increases. Deviations from these assumptions will have 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. Other assumptions have been disclosed in notes 10 and 21.

3.30 Acquisition

Acquisition activities ING Real Estate Development Belgium (ING RED Belgium)
On December 31, 2010 the subsidiary Wereldhave Belgium acquired the organisation (15 persons) and various development projects from ING RED Belgium. This transaction makes Wereldhave Belgium a major player on the Belgian shopping centre market.

The acquisition took place through the acquisition of two companies and several temporary trading companies. Wereldhave Belgium acquired full ownership, except for some minor yet to start development projects – which included the entire ING part in a joint venture structure (through trading companies).

The acquired ING development portfolio includes five projects, of which the renovation and expansion of a shopping centre in Genk and the redevelopment of a shopping centre in Waterloo are the largest. All projects are at an early stage of development. The initial investment for the acquisition of the projects is limited to the net amount of € 12.5 mln. This amounts relates to the existing shopping centre in Waterloo, the acquisition of land positions and project costs incurred to date. The total future investment volume is about € 150 mln. The first projects are expected to be taken into operation late 2013. The expected net initial yield after completion of the projects is on average around 7%.

This acquisition will be accounted for as business combination under IFRS 3R. The total transferred consideration for this acquisition amounted to € 12.5 mln and was paid in cash. With the measurement of the assets and liabilities of ING RED Belgium at fair value, goodwill arose for the amount of € 1.9 mln on the balance sheet of Wereldhave. This amount corresponds to the difference between the consideration transferred and the fair value of assets acquired and liabilities.

The breakdown of this is included in the table below (expressed in fair value x € 1,000).

Investment properties	21,311
Receivables	264
Cash and banks	252
Deferred tax liabilities	-/- 1,714
Leasehold liabilities	-/- 3,949
Short term interest bearing debts	-/- 5,280
Other short term liabilities	-/- 227
Net identifiable assets and liabilities	10,657
Consideration paid	12,548
Goodwill	1,891

Due to the recent date of the acquisition the fair value of the acquired assets and liabilities of the acquisition of ING RED Belgium is determined on a provisional basis and will be completed in 2011.

Within the acquisition, agreements have been made for additional payments. If certain projects perform better than now foreseen a maximum additional payment of € 1.8 mln have to be made. The fair value of such an additional payment was nil on the balance sheet date.

Investment properties
As part of the investment properties a shopping centre in Waterloo has been included for an amount of € 15 mln (including a capitalized leasehold contract of € 3.9 mln). An additional amount of € 6.2 mln is recorded in respect of development projects acquired from ING RED Belgium.

Receivables
The receivables amount to € 0.3 mln. With the acquisition a not collectible portion of € 0.1 mln is foreseen. The net position represents the current fair value.

Deferred tax liabilities
The deferred tax liabilities reflect the difference between the fair value of the assets and obligations and the tax base. The deferred tax liabilities are recorded at a tax rate of 16%.

Current liabilities
With the acquisition a loan by ING RED Belgium is acquired for an amount of € 5.3 mln. This loan has been classified as current liability because refinance has been agreed in the transaction. This has occurred in January 2011.

Goodwill
Goodwill arises mainly due to the fact that under IFRS deferred taxes are not discounted. Within the acquisition lower tax rates are reflected. The goodwill is not tax deductible.

Result
The acquisition of ING RED Belgium took place at the balance sheet date of Wereldhave, therefore no income and expenses were reported in the income statement. In the income statement the acquisition costs have been recorded for an amount of € 0.4 mln. If the acquisition of ING RED Belgium had occurred at January 1, 2010, the revenues of Wereldhave were € 0.9 mln and the result € 0.6 mln higher. This relates mainly to the regular operation of the current shopping centre in Waterloo.

4 Segment information *(amounts x € 1,000)*

Geographical segment information – 2010

	Belgium	Finland	France	The Netherlands	Spain	United Kingdom	United States	Total
Result								
Gross rental income	25,466	30,603	9,599	42,513	11,024	18,280	68,188	205,673
Service costs charged	5,998	6,920	3,367	6,025	2,582	1,635	–	26,527
Total revenues	31,464	37,523	12,966	48,538	13,606	19,915	68,188	232,200
Service costs paid	-/- 6,726	-/- 7,325	-/- 4,100	-/- 6,246	-/- 3,427	-/- 2,079	–	-/- 29,903
Property expenses	-/- 1,213	-/- 779	-/- 509	-/- 4,082	-/- 1,502	-/- 1,717	-/- 32,322	-/- 42,124
Net rental income	23,525	29,419	8,357	38,210	8,677	16,119	35,866	160,173
Valuation results	-/- 886	-/- 16,410	123	-/- 6,403	-/- 16,679	5,489	20,670	-/- 14,096
Results on disposals	–	–	–	-/- 525	–	2,993	–	2,468
General costs	-/- 1,381	-/- 402	-/- 685	-/- 7,026	-/- 865	-/- 2,688	-/- 1,932	-/- 14,979
Other income and expense	314	–	–	-/- 56	–	–	–	258
Interest charges	-/- 255	-/- 14,026	-/- 1,621	-/- 191	-/- 3,326	-/- 5,467	-/- 5,364	-/- 30,250
Interest income	26	24	99	148	14	2	25	338
Other financial income and expense	2	–	–	-/- 2,659	–	61	–	-/- 2,596
Taxes on results	-/- 160	-/- 202	-/- 34	-/- 7,746	3,658	-/- 1,520	-/- 177	-/- 6,181
Result	21,185	-/- 1,597	6,239	13,752	-/- 8,521	14,989	49,088	95,135
Total assets								
Investment properties in operation	395,696	508,075	176,342	630,248	137,412	307,964	704,346	2,860,083
Investment properties under construction	27,816	–	3,330	934	–	6,321	96,116	134,517
Other segment assets	18,526	2,443	7,412	706,258	10,982	44,921	31,924	822,466
minus: intercompany	–	–	–	-/-677,856	–	-/- 17,369	–	-/-695,225
	442,038	510,518	187,084	659,584	148,394	341,837	832,386	3,121,841
Investments in investment properties	29,007	4,858	6,268	262,686	223	90,853	55,431	449,326
Gross rental income by type of property								
Retail	15,700	30,263	2,485	29,625	2,625	4,004	1,588	86,290
Offices	9,766	–	7,114	1,317	5,954	11,697	60,858	96,706
Other	–	340	–	11,571	2,445	2,579	5,742	22,677
	25,466	30,603	9,599	42,513	11,024	18,280	68,188	205,673

In 2010 none of the tenants is responsible for more than 10% of the gross rental income. In the Netherlands the valuation results include € 1.0 mln of positive revaluations of financial instruments. Depreciation costs of € 0.9 mln are included in general costs. An amount of € 6.4 mln of interest charges relates to the use of the effective interest method.

Geographical segment information – 2009

	Belgium	Finland	France	The Netherlands	Spain	United Kingdom	United States	Total
Result								
Gross rental income	26,164	30,608	5,361	29,037	11,375	18,684	67,126	188,355
Service costs charged	6,082	6,730	1,972	4,210	2,858	1,382	–	23,234
Total revenues	32,246	37,338	7,333	33,247	14,233	20,066	67,126	211,589
Service costs paid	-/- 6,847	-/- 7,256	-/- 3,110	-/- 4,234	-/- 3,520	-/- 1,829	–	-/- 26,796
Property expenses	-/- 1,391	-/- 1,358	-/- 1,171	-/- 3,272	-/- 944	-/- 1,463	-/- 32,058	-/- 41,657
Net rental income	24,008	28,724	3,052	25,741	9,769	16,774	35,068	143,136
Valuation results	-/- 6,975	-/- 72,122	-/- 11,243	-/- 26,937	-/- 19,070	-/- 23,021	-/- 87,642	-/-247,010
Results on disposals	–	–	–	-/- 91	–	858	–	767
General costs	-/- 1,682	-/- 478	-/- 371	-/- 6,245	-/- 727	-/- 1,718	-/- 1,603	-/- 12,824
Other income and expense	820	–	–	–	–	–	–	820
Interest charges	-/- 277	-/- 13,570	-/- 1,997	9,728	-/- 2,828	-/- 5,646	-/- 5,696	-/- 20,286
Interest income	104	21	50	343	17	62	89	686
Other financial income and expense	-/- 29	–	–	92	–	56	–	119
Taxes on results	-/- 103	14,884	-/- 78	2,365	3,773	6,818	4,662	32,321
Result	15,866	-/- 42,541	-/- 10,587	4,996	-/- 9,066	-/- 5,817	-/- 55,122	-/-102,271
Total assets								
Investment properties in operation	381,873	519,627	172,272	374,983	153,572	211,126	604,795	2,418,248
Investment properties under construction	13,179	–	–	716	–	263	67,471	81,629
Other segment assets	20,174	1,946	4,590	598,019	6,786	35,722	23,335	690,572
minus: intercompany	–	–	–	-/-575,747	–	-/- 17,722	–	-/-593,469
	415,226	521,573	176,862	397,971	160,358	229,389	695,601	2,596,980
Investments in investment properties	11,374	1,800	7,515	4,691	301	-/- 1,205	30,875	55,351
Gross rental income by type of property								
Retail	15,038	30,307	2,568	16,084	2,834	4,264	1,816	72,911
Offices	11,126	–	2,793	1,438	6,123	11,418	59,718	92,616
Other	–	301	–	11,515	2,418	3,002	5,592	22,828
	26,164	30,608	5,361	29,037	11,375	18,684	67,126	188,355

In 2009 none of the tenants is responsible for more than 10% of the gross rental income. In the Netherlands the valuation results include € 1.2 mln of negative revaluations of financial instruments. Depreciation costs of € 0.8 mln are included in general costs. An amount of € 4.1 mln of interest charges relates to the use of the effective interest method.

5 Investment properties *(x € 1,000)*

	2010		
	Investment properties in operation	Investment properties under construction	Investment properties
Balance at January 1	2,418,248	81,629	2,499,877
Purchases	403,185	6,273	409,458
Investments	19,572	60,578	80,150
Transfer from IPUC	18,455	-/- 18,455	–
Disposals	-/- 42,284	-/- 65	-/- 42,349
Revaluations	-/- 13,198	-/- 1,923	-/- 15,121
Capitalised interest	–	2,067	2,067
Exchange rate differences	56,105	4,413	60,518
Balance at December 31	2,860,083	134,517	2,994,600

	2009		
	Investment properties in operation	Investment properties under construction	Investment properties
Balance at January 1	2,645,969	52,056	2,698,025
Purchases	5,631	1,036	6,667
Investments	16,976	32,380	49,356
Transfer from IPUC	2,755	-/- 2,755	–
Disposals	-/- 1,959	–	-/- 1,959
Revaluations	-/- 245,829	–	-/- 245,829
Capitalised interest	–	1,287	1,287
Exchange rate differences	-/- 5,295	-/- 2,375	-/- 7,670
Balance at December 31	2,418,248	81,629	2,499,877

Overview of measurement of total investment properties:	2010	2009
Fair value:		
– Investment properties in operation	2,860,083	2,418,248
– Investment properties under construction ('IPUC')	33,880	21,560
	2,893,963	2,439,808
At cost less impairment	100,637	60,069
	2,994,600	2,499,877

In total 97% of the total property portfolio has been measured at fair value. IPUC that has been measured at cost, mainly relates to land positions for which the development is still in the planning phase or IPUC for which it is not possible to determine a reliable fair value as there are still substantial project risks present.

Wereldhave bought five shopping centres in the Netherlands totaling € 265 mln. In the United Kingdom, the Company bought the shoping centre 'Dolphin' in Poole (Dorset) for approximately € 100 mln. At December 31, 2010 the Company puchased five development projects from the Belgian development portfolio of ING Real Estate Development. The initial investment mainly relates to the acquisition of a shopping centre in Waterloo and the acquisition of land holdings. In France, Paris the Company bought an office building which will be developed with an investment volume amounting to approximately € 67 mln. The expected delivery of this turnkey project is in the second quarter of 2013. At year-end, the investment for this project amounts to € 3.3 mln.

The purchased objects 'Dolphin' in the United Kingdom and 'Waterloo' in Belgium both have leasehold obligations, which have been recognised as purchases for an amount of € 27 mln.

In the financial year an office building and a logistic property in the Netherlands and nine smaller buildings and a parcel of land in the United Kingdom have been sold. The total amount of sold properties is € 45 mln, which resulted in results on disposal of € 2.5 mln.

Investment properties to an amount of € 139 mln (2009: € 125 mln) are subject to mortgage. Of this amount € 83 mln (2009: € 66 mln) has been given for English debentures. The Belgian tax authorities have established a legal mortgage on four properties for an amount of € 51 mln, as security in a fiscal disagreement (see note 41). The market value of these properties amounts to € 56 mln (2009: € 59 mln).

All properties in the investment property portfolio were valued externally at December 31, 2010. Independent external valuers involved in the valuation of properties in 2009 are Troostwijk Taxaties B.V., Jones Lang LaSalle, Cushman & Wakefield, Catella, CBRE and Troostwijk-Roux Expertises cvba.

At December 31, 2010 the valuation of investment properties is as follows:

	2010	**2009**
Total investment property values according to external valuation reports	2,851,805	2,424,316
Adjustments	8,278	-/- 6,068
Carrying amount	2,860,083	2,418,248

The adjustments relates to the present value of future leasehold obligations and the carrying amount of lease incentives and other incentives.

Property expenses and service costs of unlet properties amount to € nil (2009: € 1.8 mln).

The significant assumptions made relating to valuations are set out below:

2010	Belgium	Finland	France	The Netherlands	Spain	United Kindom	United States
Theoretical rent per sqm (€)	188	266	245	150	141	190	308
Net initial yield	6.3%	5.9%	6.0%	6.2%	7.3%	7.0%	6.8%

2009	Belgium	Finland	France	The Netherlands	Spain	United Kindom	United States
Theoretical rent per sqm (€)	192	290	276	112	147	192	298
Net initial yield	6.2%	5.9%	6.4%	6.5%	7.1%	8.2%	7.1%

The net inital yield is the calculation of the net market rent (gross market rent minus property expenses) divided by the gross market value including transfer costs. A change in the net initial yield with 0,25% results in a change of € 93 mln for equity (€ 4.33 per per share) and the result.

6 Property and equipment *(x € 1,000)*

	Property in own use	Office equipment	Cars	Total
Balance at January 1, 2009	4,296	1,489	574	6,359
Investments/purchases	–	263	383	646
Disposals	–	–	-/- 67	-/- 67
Depreciation	-/- 66	-/- 307	-/- 256	-/- 629
Exchange rate differences	–	-/- 5	4	-/- 1
Balance at December 31, 2009	4,230	1,440	638	6,308
Balance at January 1, 2010	4,230	1,440	638	6,308
Investments/purchases	12	368	527	907
Disposals	–	–	-/- 106	-/- 106
Depreciation	-/- 67	-/- 339	-/- 222	-/- 628
Exchange rate differences	–	14	4	18
Balance at December 31, 2010	4,175	1,483	841	6,499

	Property in own use	Office equipment	Cars	Total
December 31, 2010				
Total acquisition at cost	4,642	3,630	1,382	9,654
Total depreciation	-/- 467	-/-2,147	-/- 541	-/-3,155
Carrying amount	4,175	1,483	841	6,499

	Property in own use	Office equipment	Cars	Total
December 31, 2009				
Total acquisition at cost	4,630	3,147	1,208	8,985
Total depreciation	-/- 400	-/-1,707	-/- 570	-/-2,677
Carrying amount	4,230	1,440	638	6,308

7 Intangible assets *(x € 1,000)*

The intangible assets consist of capitalised cost internally developed software and goodwill from acquisitions.

	2010	2009
Capitalised cost of internally developed software	4,430	2,823
Goodwill	1,891	–
	6,321	2,823

Intangible assets refer to capitalised cost of internally developed software

	2010			2009		
	Internal cost	External cost	Total	Internal cost	External cost	Total
Balance at January 1	650	2,173	2,823	–	1,652	1,652
Investments	311	1,612	1,923	650	679	1,329
Depreciation	-/- 66	-/- 250	-/- 316	–	-/- 158	-/- 158
Balance at December 31	895	3,535	4,430	650	2,173	2,823

	2010	2009
Total acquisition at cost	4,903	2,981
Total depreciation	-/- 473	-/- 158
Net book value	4,430	2,823

The internal cost refer to internal hours spent.

Goodwill

	2010	2009
Balance at January 1	–	–
Acquisition	1,891	–
Balance at December 31	1,891	–

The goodwill of € 1.9 mln relates to the acquisition of ING Real Estate Development Belgium.

8 Financial assets *(x € 1,000)*	**IFRS Category**	**December 31, 2010**	**December 31, 2009**
Loans	*Loans and receivables*	3,312	3,948
Deposits paid	*Loans and receivables*	1,623	1,621
Financial assets available for sale	*Available for sale*	11,523	11,948
Derivative financial instruments	*Fair value through P&L*	8,074	6,835
Total		24,532	24,352

The fair value of financial assets coincides with their balance sheet valuation, except for the deposits paid.
The fair value of the deposits paid amounts to € 1.4 mln (2009: € 1.3 mln). Where applicable all financial assets are fully collectible and not passed due.

Loans and deposits paid
The fair value of loans and deposits paid has been determined using an internal discounted cashflow model (level 3).
The discount rate is equal to interest market rates.

Part of the issued loans is a subordinated loan to the pension fund of the Company for an amount of € 3.1 mln (face value € 3.3 mln) and has been issued in 2008. The original term of the loan is five years.

Financial assets available for sale
Financial assets available for sale are measured at fair value using stock market prices (level 1).

With respect to the financial assets available for sale, which consists of equity instruments, an amount of € –0.4 mln revaluation result has been accounted for directly in equity (2009: € 2.0 mln). No financial assets available for sale have been sold in 2010 and 2009.

Derivative financial instruments
Further reference is made to note 24.

9 Deferred tax assets *(x € 1,000)*

	2010	2009
Balance at January 1	1,381	799
Additions	4,392	1,809
Compensated	-/- 773	-/-1,227
Balance at December 31	5,000	1,381

Deferred tax assets relate to capital gain losses in Spain that can be offset against future profits within 15 years.
For an amount of € 3.3 mln (2009: € 4.9 mln) there are no deferred tax assets recognised in the United Kingdom as there are not enough (unrealised) capital gains available to off set the losses. The deferred tax asset can be realised indefinitely.

10 Other non current assets *(x € 1,000)*

	December 31, 2010	December 31, 2009
Pension plans	2,300	2,200
Lease incentives and other incentives	35,649	24,489
	37,949	26,689

Pension plans
The net asset from defined benefit plans of the Dutch and English group companies is composed as follows:

	The Netherlands		United Kingdom		Total	
	2010	2009	2010	2009	2010	2009
Fair value of plan assets	44,744	42,593	15,873	14,130	60,617	56,723
Benefit obligations	38,461	31,191	15,761	14,483	54,222	45,674
	6,283	11,402	112	-/- 353	6,395	11,049
Past service costs	-/- 129	-/- 150	–	–	-/- 129	-/- 150
Unrecognised gains (–)/losses	972	972	1,216	1,581	2,188	2,553
Asset cap	-/- 6,154	-/-11,252	–	–	-/- 6,154	-/-11,252
Net asset	972	972	1,328	1,228	2,300	2,200

The Dutch defined pension plan is based on average wage and the English pension plan is based on final wage. Both pension plans are carried out by Company pension funds. The asset of the Dutch pension plan has been capped as this amount cannot be recuperated by Wereldhave.

The movement in the net asset is as follows:

	The Netherlands		United Kingdom		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Net asset at January 1	972	972	1,228	725	2,200	1,697
Exchange rate differences	–	–	39	51	39	51
Employer contributions	952	768	127	554	1,079	1,322
Pension expense	-/- 952	-/- 768	-/- 66	-/- 102	-/-1,018	-/- 870
Net asset at December 31	972	972	1,328	1,228	2,300	2,200
The assumptions used:						
– discount rate obligations	5.00%	5.40%	5.40%	5.70%		
– long term rate of return on plan	5.45%	5.65%	6.28%	6.28%		
– rate of annual salary increases	2.00%	2.00%	3.60%	3.60%		

The fair value of the assets of the Dutch pension plan consists for 40% of shares (2009: 32%), 35% of bonds (2009: 55%) and 25% of deposits (2009: 13%). The fair value of the assets of the English pension plan consists for 42% of shares (2009: 41%), 57.9% of bonds (2009: 56%) and 0.1% of other products (2009: 3%). The assets of the pension plans do not include financial instruments of Wereldhave.

The mortality rates used for the Netherlands are obtained from the mortality tables. "Gehele bevolking mannen en vrouwen 2010-2060", published by the Dutch society of actuaries. For the UK the mortality rates are obtained from the 1992 series of the tables applicable to current experience. In 2010, as well in 2009, the plan assets do not include ordinary shares issued by the Company. For employee benefit plans with a net liability, reference is made to note 21.

It is expected that the contribution of the employers will amount to € 1.1 mln in 2011.

The movement in the defined benefit obligation is as follows:

	The Netherlands		United Kingdom		Total	
	2010	2009	2010	2009	2010	2009
Balance at January 1	31,191	27,976	14,483	11,592	45,674	39,568
Exchange rate differences	–	–	460	841	460	841
Plan adjustment	–	179	–	–	–	179
Net service cost	678	517	120	93	798	610
Interest cost	1,651	1,546	836	767	2,487	2,313
Employee contributions	9	–	31	38	40	38
Benefits paid	-/- 895	-/- 659	-/- 555	-/- 516	-/- 1,450	-/- 1,175
Actuarial gains (–)/losses	5,827	1,632	386	1,668	6,213	3,300
Balance at December 31	38,461	31,191	15,761	14,483	54,222	45,674

The movement in the fair value of plan assets is as follows:

	The Netherlands		United Kingdom		Total	
	2010	2009	2010	2009	2010	2009
Balance at January 1	42,593	34,321	14,130	11,416	56,723	45,737
Exchange rate differences	–	–	449	829	449	829
Employer contributions	952	768	127	553	1,079	1,321
Employee contributions	9	–	31	38	40	38
Benefits paid	-/- 895	-/- 659	-/- 555	-/- 516	-/- 1,450	-/- 1,175
Expected return on plan assets	2,396	2,180	904	758	3,300	2,938
Actuarial gains/losses (–) on plan assets	-/- 311	5,983	787	1,052	476	7,035
Balance at December 31	44,744	42,593	15,873	14,130	60,617	56,723

Historical data

	2010	2009	2008	2007	2006
Fair value of plan assets	60,617	56,723	45,737	58,547	41,488
Benefit obligations	54,222	45,674	39,568	45,359	30,036
	6,395	11,049	6,169	13,188	11,452
Experience adjustments arising on plan liabilities, losses / (gain)	1,160	-/- 14	-/- 825	-/- 954	-/- 405
Experience adjustments arising on plan assets, losses / (gain)	-/- 1,102	4,893	-/- 8,699	-/- 1,622	1,396
	58	4,880	-/- 9,524	-/- 2,576	991

11 Tenant and other receivables *(x € 1,000)*

	December 31, 2010	December 31, 2009
Tenant receivables	6,344	6,122
Prepayments	3,626	2,533
Interest to be received	28	1,140
Withholding tax	2,561	2,636
Value added tax	940	384
Other	1,200	2,559
Total	14,699	15,374

The fair value of the trade and other receivables coincides with their carrying amount. Wereldhave helds tenants deposits, credit letters from bank and group credit letters as colleteral. The tenant deposits amount to € 4.9 mln (2009: € 4.5 mln).

As in 2009, other receivables do not include amounts receivable and prepayments with a maturity of more than twelve months.

Maturity of tenant receivables	December 31, 2010	December 31, 2009
– up to 1 month	2,882	4,170
– between 1 and 3 months	1,003	1,174
– between 3 and 12 months	4,209	1,825
– more than 1 year	1,586	474
	9,680	7,643
Less: provision	-/- 3,336	-/- 1,521
	6,344	6,122

The tentant receivables category 'up to 1 month' includes debtors which are not immediately due for an amount of € 1.2 mln (2009: € 1.0 mln). In 2010 an amount of € 2.1 mln (2009: € 0.6 mln) was added to the provision doubtful debtors and an amount of € 0.3 mln (2009: € 0.5 mln) was withdrawn.

12 Tax receivables *(x € 1,000)*

	December 31, 2010	December 31, 2009
Company tax	145	20

13 Cash and cash equivalents *(x € 1,000)*

	December 31, 2010	December 31, 2009
Bank balances	30,222	17,162
Deposits	1,874	2,994
Total	32,096	20,156

14 Share capital *(number of shares)*

	Authorised share capital	Issued share capital
Ordinary shares		
Balance at January 1, 2009	40,000,000	20,781,735
Additions in 2009	–	495,253
Balance at December 31, 2009	40,000,000	21,276,988
Additions in 2010	–	171,537
Balance at December 31, 2010	40,000,000	21,448,525

The authorised ordinary shares have a par value of € 10 each. All issued ordinary shares have been fully paid.

Preference shares

The authorised preference share capital amounted to € 200.000.000. The preference shares have a par value of € 10 each. No preference shares have been issued.

	Authorised share capital	Issued share capital
Priority shares A		
Balance at January 1, 2009	10	10
Additions in 2009	–	–
Balance at December 31, 2009	10	10
Additions in 2010	–	–
Balance at December 31, 2010	10	10

The priority shares A have a par value of € 10 each. All issued priority shares have been fully paid. The principal rights attached to the A priority shares are, in addition to entitlement to profit, the determination of the number of Managing Directors and Supervisory Directors of the Company and the drawing up of a nomination for their appointment.

	Authorised share capital	Issued share capital
Priority shares B		
Balance at January 1, 2009	19,999,990	–
Additions in 2009	–	–
Balance at December 31, 2009	19,999,990	–
Additions in 2010	–	–
Balance at December 31, 2010	19,999,990	–

The authorised priority shares B have a par value of € 10 each. No priority shares B have been issued. The principal rights attached to the B priority shares are, in addition to entitlement to profit, the determination of the number of Managing Directors and Supervisory Directors of the Company and the drawing up of a nomination for their appointment.

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 optimize 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 *(x € 1,000)*

Share premium is paid up share capital in excess of nominal value. The share premium is exempted from tax to the amount of € 735 mln (2009: € 737 mln).

	2010	2009
Balance at January 1	766,432	763,809
Equity component convertible bond	13,011	7,576
Stock dividend	-/- 1,715	-/- 4,953
Balance at December 31	777,728	766,432

16 General reserve *(x € 1,000)*

	2010	2009
Balance at January 1	655,961	836,811
Result	88,673	-/-107,096
Dividend previous year	-/- 87,994	-/- 73,754
Balance at December 31	656,640	655,961

The dividend paid during the year, relating to previous year is € 4.65 (2009: € 4.65) per qualifying ordinary share.

An amount of € 459 mln (2009: € 576 mln) is designated as a legal reserve, relating to the unrealised revaluation of investment properties, and can not be distributed. An amount of € 0.1 mln cannot be freely distributed in relation to the long term variable executive remuneration.

17 Revaluation reserve

The revaluation reserve relates to the unrealised valuation results of financial assets available for sale.
As in 2009 there were no releases from the revaluation reserve into the profit and loss account in 2010.

18 Reserve for exchange rate differences *(x € 1,000)*

The exchange rate differences reserve comprises of:

- he exchange differences arising from the translation of the income statements of foreign subsidiaries denominated in USD and GBP;
- the translation of liabilities and transactions designated as hedges for the exchange rate differences from the net investment in the United States and United Kingdom based subsidiaries and
- the translation differences on results in foreign currencies (difference between year-end and average rates).

Due to the sale of the Turkish subsidiary an amount of € 0.1 mln has been transfered from equity to the profit and loss account.

	2010	2009
Balance at January 1	-/- 67,371	-/- 68,553
Exchange rate differences on net investments in foreign entities	42,286	-/- 1,020
Hedges of net investments in foreign entities	-/- 13,969	216
Exchange rate differences on results in foreign currencies (difference between year-end and average rates)	-/- 23	1,845
Sale of subsidiaries	–	141
Balance at December 31	-/- 39,077	-/- 67,371

19 Interest bearing liabilities *(x € 1,000)*

Composition	**December 31, 2010**	**December 31, 2009**
Long term		
Bank loans	399,980	116,176
Debentures	40,437	39,127
Convertible bonds	436,498	416,754
	876,915	572,057
Short term		
Interest bearing debt	271,101	140,757
Total interest bearing liabilities	1,148,016	712,814

Movements in interest bearing debt

Including short term portion of long term debt.

	2010	2009
Balance at January 1	712,814	739,586
New loans	953,387	326,757
Repayments	-/-528,246	-/-339,473
Equity component convertible bond	-/- 13,011	-/- 7,576
Use of effective interest method	5,429	3,050
Exchange rate differences	17,643	-/- 9,530
Balance at December 31	1,148,016	712,814

Convertible bonds

Wereldhave issued three convertible bonds.

Issue year	Maturity	Face value	Interest rate	Conversion rate	Maximum number of shares
2006	5 years	200,000,000	2.500%	97.000	2,061,856
2009	5 years	230,000,000	4.375%	72.184	3,186,302
2010	5 years	230,000,000	2.875%	81.100	2,836,005

The 2006 issued bond is presented as current liabilities, since repayment is due in 2011.

The convertible bonds are treated as a compound financial instrument. The value of the liability component and the equity conversion component were determined at issuance of the bond. The fair value of the liability component included in long-term borrowings was calculated using a market interest rate for equivalent non-convertible bonds. This amount is set at initial value minus transaction costs and added interest directly attributable to the loan. Transaction costs are amortised over the term of the loan, until the moment of conversion or redemption of the loan. The residual amount, representing the value of the equity conversion component, is included in the share premium.

	2010		2009	
Balance at January 1		416,754		195,002
Face value convertible bond	230,000		230,000	
Equity component	-/- 13,011		-/- 7,576	
Transaction costs	-/- 2,586		-/- 3,566	
Interest bearing debt at initial entry		214,403		218,858
Use of effective interest method		4,839		2,894
Balance at December 31		635,996		416,754

In 2010 no convertible bonds have been converted.

Significant terms and conditions

Secured interest bearing liabilities consist of two GBP mortgage debentures from 1985 and 1987 until 2015, secured by investment properties. Unsecured interest bearing liabilities have financial covenants that include various clauses.
As at December 31, 2010 Wereldhave complies with these clauses.

	December 31, 2010	December 31, 2009
Long term interest bearing debt as a percentage of total interest bearing debt:	76.4%	80.3%
Percentage of interest bearing debt at floating rates:	43.0%	40.0%

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 amortization of interest charges and equity components of convertible loans over the remaining duration of the instrument.

The average interest based on actual interest rates, without the effects of the effective interest rate method amounts to:

	2010	2009
Euro	3.0%	3.4%
US-dollar	1.7%	1.1%
Pound sterling	2.4%	2.7%
Total	**2.6%**	**2.6%**

The average interest rate (as a %) based on the effective interest method at the balance sheet date is as follows:

	2010				2009			
	EUR	USD	GBP	total	EUR	USD	GBP	total
Short term interest bearing debt	3.3%	3.2%	–	3.2%	1.3%	0.6%	0.9%	0.7%
Long term interest bearing debt								
– unsecured								
• convertible bonds	4.6%	–	–	4.6%	4.6%	–	–	4.6%
• bank debt and other loans	1.4%	1.5%	2.1%	1.8%	–	1.6%	–	1.6%
– secured								
• debentures	–	–	10.5%	10.5%	–	–	10.5%	10.5%
• interest rate swaps	–	–	-/- 5.4%	-/- 5.4%	–	–	-/- 5.5%	-/- 5.5%
Average	3.7%	1.7%	3.1%	3.2%	4.4%	1.1%	4.4%	3.3%

Fair value

The carrying amount and the fair value of interest bearing debt may differ as a result of accounting adjustments, such as amortised costs and the equity component of the convertible bond, or as a result of differences in coupon interest versus market interest. Such differences do not occur in the case of interest bearing debt at floating rates.

The fair value of long term interest bearing debt is based on prices of these instruments available in the active open market (debentures and convertibles). In absence of these available 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:

	December 31, 2010		December 31, 2009	
	carrying amount	fair value	carrying amount	fair value
Bank debt and other loans	399,980	401,526	116,176	116,271
Debentures	40,437	47,553	39,127	46,089
Convertible bonds	436,498	480,317	416,754	459,278
	876,915	929,396	572,057	621,638

Currencies

The carrying amount of interest bearing debt of the group (short and long term) are denominated in the following currencies:

	December 31, 2010		December 31, 2009	
	currency	EUR	currency	EUR
Euro	786,730	786,730	443,629	443,629
US-dollar	318,500	238,363	322,500	223,865
Pound sterling	105,806	122,923	40,248	45,320
		1,148,016		712,814

Hedges

Interest bearing debt instruments to the amount of € 82 mln (2009: € nil) have been qualified as instruments of hedging net investments in foreign operations. Reference is made to note 24.

Financing arrangements

As at December 31, 2010, Wereldhave has undrawn committed loan facilities to the amount of € 200 mln (2009: € 391 mln).

The maturity of undrawn committed loan facilities (including commitment fees) is as follows:

	December 31, 2010	December 31, 2009
– up to 1 year	870	157,333
– between 1 and 2 years	870	364
– between 2 and 5 years	198,042	233,753
– more than 5 years	1,962	–
Total	201,744	391,450

20 Deferred tax liabilities *(x € 1,000)*

Deferred tax liabilities relate to the difference between the fair value of investment properties and their tax carrying amount. This item is to be considered as being of a long term nature. Movements are shown as follows:

	2010	2009
Balance at January 1	119,036	151,800
Movements taken to the result	6,798	-/- 32,552
Acquisitions	1,714	–
Exchange rate differences	1,729	-/- 212
Balance at December 31	129,277	119,036

The movement in deferred tax liabilities is primarily the result of revaluations.

For an amount of € 1.6 mln deferred tax assets and deferred tax liabilities have been netted in 2010 (2009: € 4.0 mln). The amounts have been netted as there is an legal right to set off these amounts.

The deferred tax liabilites relates to unrecoverable withholding tax on dividends from foreign subsidiaries for an amount of € 32 mln (2009: € 22 mln).

21 Other long term liabilities *(x € 1,000)*

	December 31, 2010	December 31, 2009
Leasehold liabilities	44,202	16,575
Pension plans	254	21
Tenants deposits	4,872	4,500
Other	180	239
Total	49,508	21,335

Leasehold liabilities

The present value and face value of leasehold liabilities, by duration, amount to:

	December 31, 2010		December 31, 2009	
	face value	present value	face value	present value
– up to 1 year	2,720	2,637	1,084	1,084
– between 2 and 5 years	11,815	9,080	4,334	3,711
– more than 5 years	212,578	32,485	69,304	11,780
	227,113	44,202	74,722	16,575

The leasehold liabilities refer to ground leases that have been accounted for as financial lease.

Pension plans

The net liability from the defined benefit plan (final pay) in Belgium is composed as follows:

	December 31, 2010	December 31, 2009
Benefits obligations	2,476	752
Fair value of plan assets	2,047	643
	429	109
Unrecognised gains (–)/losses	-/- 175	-/- 88
Net obligation	254	21

The movement of the net liability is as follows:

	2010	2009
Net liability at January 1	21	71
Employer contributions	-/- 89	-/- 130
Net movement	322	80
Net liability at December 31	254	21

The movement of the defined benefit obligation is as follows:

	2010	2009
Balance at January 1	752	616
Net service cost	75	68
Interest cost	41	36
Acquisition	1,713	–
Benefits paid	-/- 90	-/- 15
Actuarial gains (–)/losses	-/- 15	47
Balance at December 31	2,476	752

The movement of the fair value of plan assets is as follows:

	2010	2009
Balance at January 1	643	510
Employer contributions	89	130
Benefits paid	-/- 90	-/- 16
Acquisition	1,477	–
Expected return on plan assets	32	27
Actuarial gains/losses (–) on plan	-/- 104	-/- 8
Balance at December 31	2,047	643

The fair value of the assets consists, as in 2009, for 100% of insurance contracts.

The assumptions used are:	2010	2009
– discount rate obligations	4.50%	5.00%
– long term rate of return on plan assets	4.50%	4.50%
– rate of annual salary increases	2.00%	2.00%

The mortality rates used for Belgium are the MR/FR series. For the above mentioned pension plan the expected employers contribution is € 0.3 mln for 2011. Reference is made to note 10 for employee benefits plans with a net asset.

Historical data	2010	2009	2008	2007	2006*
Benefit obligations	2,476	752	616	486	19,356
Fair value of plan assets	2,047	643	510	414	18,726
	429	109	106	72	630

* Including pensioen plan of the United Kingdom, as of 2007 presented as other non current assets.

The experience adjustments for the Belgian pension plan are currently not available.

22 Tax payable *(x € 1,000)*

	December 31, 2010	December 31, 2009
Company tax	1,933	2,055

23 Other short term liabilities *(x € 1,000)*

The duration of short term liabilities is less than 1 year.	December 31, 2010	December 31, 2009
Deferred rents	16,003	14,749
Property expenses	11,001	9,729
Interest	6,713	6,187
General costs	4,494	2,841
Investments	10,164	7,495
Social securities	669	570
Value added tax	3,524	2,918
Other short term liabilities	2,992	1,001
Total	55,560	45,490

24 Financial instruments *(x € 1,000)*

Derivatives are used for the purpose of net investment hedging of foreign currency denominated assets and to convert fixed interest rates to money market interest rates and vice versa.

Hedge of net investments in foreign subsidiaries

Forward currency transactions, currency option transactions and foreign currency loans are designated as hedging instruments against the currency risk resulting from USD-based and GBP-based foreign subsidiaries. The market value of these instruments is summarised in the following table:

	December 31, 2010		December 31, 2009	
	assets	liabilities	assets	liabilities
Forward foreign exchange contracts	–	4,558	–	5,868
Loans	–	82,486	–	–
Total hedging instruments for net investment hedging	–	87,044	–	5,868

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 1 year and, as a current asset or liability, if the maturity of the hedged item is less than 1 year.
At 2010 and 2009 year-end, all derivate financial instruments are non-current.

Gains and losses on forward foreign exchange contracts, used for net investment hedging, have been recognised in the reserve for exchange rate differences.

Net investment hedges

The net investment hedges versus underlying exposures in local currencies are summarised in the following table:

(amounts in local currency)	**December 31, 2010**			**December 31, 2009**		
	USD	GBP	Total in €	USD	GBP	Total in €
Net investment in foreign subsidiaries before hedging	758,663	219,157	822,388	646,550	143,885	610,820
Hedging:						
– derivatives (principal)	100,000	75,000	161,972	238,701	75,000	250,145
– interest bearing debt	–	71,000	82,486	–	–	–
Net investment hedge	100,000	146,000	244,458	238,701	75,000	250,145
Net investment	658,663	73,157	577,930	407,849	68,885	360,675

The following amounts have been recognised in equity in relation to hedge accounting:

(amounts in €)	**December 31, 2010**			**December 31, 2009**		
	USD	GBP	Total in €	USD	GBP	Total in €
FX differences recognised in equity due to retranslation of foreign operations	35,753	6,532	42,285	-/-13,752	12,873	-/- 879
Hedge result	-/-11,109	-/-2,860	-/-13,969	5,983	-/- 5,767	216
Net effect in equity	24,644	3,672	28,316	-/- 7,769	7,106	-/- 663

Derivative financial instruments for interest conversion (swaps)

Derivatives include interest rate swaps whose fair value are obtained from banks and are recalculated by means of internal calculation models based on contractual and market interest rates (level 2). Furthermore, the derivatives relates to forward foreign currency contracts whose fair value is determined on the basis of internal mathematical models based on agreed forward rates.

The fair value of interest rate swaps as at December 31, 2010, amount to € 8.1 mln (2009: € 6.8 mln). The principal amounts of the outstanding interest rate swaps at December 31, 2010 amounts to € 51 mln (2009: € 50 mln) and consists of GBP denominated interest rate swaps. This amount is considered to be of a long term nature.

The remaining term of the derivative financial instruments for interest conversion on a nominal basis are as follows:

	December 31, 2010	**December 31, 2009**
– up to one year	–	–
– between 1 and 5 years	–	–
– more than 5 years	51,118	49,544
Total	51,118	49,544

The derivative financial instruments for interest conversion are accounted for as financial assets at fair value through profit and loss. During 2010 a positive amount of € 1.0 mln has been added to the valuation results (2009: € 1.2 mln negative) relating to these financial assets. In addition, an amount of € 2.8 mln has been added to the interest cost (2009: € 1.9 mln).

Credit risk

During 2010 the market value of the interest swaps has 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 creditworthiness of the counter parties is based on Fitch ratings and is presented as follows:

	2010		2009	
Derivative financial instrument	**Counter party credit risk**	**Amount (€ x 1,000)**	**Counter party credit risk**	**Amount (€ x 1,000)**
Forward foreign exchange contracts	F1 / F1+	-/-4,558	F1 / F1+	-/-5,868
Derivative financial instruments for interest conversion (swaps)	A/AA–	8,074	A/AA–	6,835
		3,516		967

The Fitch ratings F1 and F1+ are comparable to the Standard & Poors ratings A1 and A1+.

25 Financial assets and liabilities *(x € 1,000)*

Financial risks

Wereldhave considers the market risk, liquidity risk and credit risk as financial risks. The market risk can be divided into interest risk and currency risk. These risks are being monitored on a continuous basis.

Interest risk

Changes in interest rates may affect the results, the yield and the value of the property. The interest rate policy is determined by the Board of Management. Wereldhave keeps solid capital ratios and has options for interest rate consolidation via interest rate swaps and drawings on commited fixed interest facilities, which can be used as soon as a clear upward trend in interest rates is visible. Part of the policy is that the maximum Loan-to-value ratio is 40%. Furthermore, there is a link between the ratio and the short and long term variable executive remuneration.

When the money market interest rates change by 0.5%, result and equity will change with € 2.5 mln (2009: € 1.4 mln). This would result in a change of result and net asset value per share of € 0.12 (2009: € 0.07). The Treasury department constantly monitors the debt covenants.

Currency risk

Wereldhave owns property investments in USD and GBP areas. Lower exchange rates of GBP and USD compared to the EUR could have a negative impact on the results and on the value of the property investments. That effect can be mitigated by financing in local currency and hedge positiblies in foreign currency swaps and forward transactions. The hedging policy is determined by the Board of Management. Exchange rate developments are continually monitored. The rate of inflation, which has an indirect effect on interest and currency rates, is one of the parameters established by the Board of Management and is used in determining its policy. Information on the actual inflation figures is included in the monthly management reports. The guideline for covering the USD and GBP risk for the portfolio is a covering percentage of 50%, allowing for deviations from 40% to 70%. The risks of lower exchange rates on results are not covered.

When the average exchange rates for USD or GBP change by 5% in respect of the EUR, the result and equity will change with € 3.2 mln (2009: € 2.7 mln). This would result in a change of the result per share of € 0,15 (2009: € 0.13). A 5% change of the year-end exchange rates would have a € 1.30 impact on the net asset value per share and € 28 mln on equity.

Liquidity risk

The liquidity risk (also referred as refinancing risk) comprises the risk that loan agreements cannot be renewed, or can only be renewed subject to less favourable conditions. The risk is mitigated by maintaining solid equity ratios, maintaining relations with various international banks and maintaining sufficient credit facilities (both committed and uncommitted). Management reviews the cash flow forecasts and the resulting funding requirements on a regular basis.

Financial transactions comprise the risk that is attached to financial transactions such as interest rate and foreign currency swaps. The use of financial instruments is restricted to hedging underlying transactions or positions. Only reputable major financial institutions with investment grade credit ratings are eligible as counter parties. Financial transactions are only concluded with the prior approval of the Board of Management.

In February 2011 Wereldhave agreed on the placement of a private loan of $ 300 mln, at an average initial interest rate of 3.5%. The loan, of which half will be swapped into euro, will be available as from the end of March 2011 in tranches with maturity of 5, 7 and 10 years.

Credit risk

Credit risk is the risk of default of a contracting party on payments to Wereldhave. If 1% of debtors would default on payment, this would impact results by € 0.1 mln (2009: € 0.1). As a result of such default, result per share would change by € nil (2009: € 0.01). Wereldhave monitors this creditworthiness per debtor and determines via management reports the adequacy of the provision for doubtfull debtors. Furthermore, 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 is furthermore mitigated by bank warranties from tenants. In case 1% of the tenants would be in default, the effect on the gross rental income amounts to € 2.1 mln (2009: € 1,9 mln).

Concentration of risk

Under concentration of risk is understood that a single financial risk is for the lager part born by one party or that more financial risks are concentrated with 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. Furthermore the credit risk is reduced by the size and diversification of the tenant portfolio as a result of which the concentration of risk does occur from one single tenant.

Interest rate sensitivity

The maturity of nominal amounts of the principal (up to 12 months including trade payables and derivative financial liabilities) and future contractual interest payments is as follows:

	December 31, 2010			December 31, 2009		
	Principal	Interest	Total	Principal	Interest	Total
– up to 1 year	281,086	26,175	307,261	150,562	18,695	169,257
– between 1 and 2 years	156,129	23,708	179,837	222,560	15,555	238,115
– between 2 and 5 years	648,078	45,586	693,664	323,711	34,780	358,491
– more than 5 years	98,039	216	98,255	39,466	2,580	42,046
Total debt	1,183,332	95,685	1,279,017	736,299	71,610	807,909

The difference between the sum of the nominal principal values and the carrying amount of € 26 mln (2009: € 14 mln) consists of the equity component of the convertible bond for an amount of € 19 mln (2009: € 9.1 mln) and for an amount of € 7.1 mln (2009: € 4.6 mln) due to amortised cost. With regard to the interest on debt with variable interest rates the rates prevailing at balance sheet date have been used to determine the future outgoing cash flow.
Next tot the financial liabilities mentioned above Wereldhave has tenant deposit liabilities for an amount of € 4.9 mln. The average term of these deposits is 4.8 years.

On balance financial assets and liabilities

The table below gives an overview of items previously mentioned in other notes. On the horizontal axes the IFRS categories are shown and on the vertical axes the IFRS classes of financial instruments are shown.

December 31, 2010	Loans and receivables	Fair value through P&L		Available for sale	Total	Note
		Non hedge derivates	Hedge derivates			
Assets						
Financial assets	4,935	8,074	–	11,523	24,532	8
Trade and other receivables	14,699	–	–	–	14,699	11
Cash and cash equivalents	32,096	–	–	–	32,096	13
	51,730	8,074	–	11,523	71,327	

	Hedge derivates	Other financial liabilities	Total	Note
Liabilities				
Interest bearing debts	–	1,148,016	1,148,016	19
Leasehold liabilities	–	44,202	44,202	21
Tenants deposits	–	4,872	4,872	21
Financial liabilities	4,558	–	4,558	24
Trade payables	–	4,925	4,925	
	4,558	1,202,015	1,206,573	

December 31, 2009	Loans and receivables	Fair value through P&L		Available for sale	Total	Note
		Non hedge derivates	Hedge derivates			
Assets						
Financial assets	5,569	6,835	–	11,948	24,352	8
Trade and other receivables	15,374	–	–	–	15,374	11
Cash and cash equivalents	20,156	–	–	–	20,156	13
	41,099	6,835	–	11,948	59,882	

	Hedging derivatives	Other financial liabilities	Total	Note
Liabilities				
Interest bearing debts	–	712,814	712,814	19
Leasehold liabilities	–	16,575	16,575	21
Tenants deposits	–	4,500	4,500	21
Financial liabilities	5,868	–	5,868	24
Trade payables	–	3,907	3,907	
	5,868	737,796	743,664	

Fair values of financial assets and liabilties are equal to the carrying amounts, unless mentioned otherwise in the separate notes. There are no financial assets and liabilities at fair value through profit and loss held for trading.

If applicable specific risks and further destinctions per financial assets and liabilities are commented in the related notes. Reference is made to note 8 for the measurement methods with regard to the financial assets.

Off balance assets and liabilities

The group has provided guarantees to minority shareholders for the amount of € 16 mln (2009: € 16 mln) with regard to the claim which is described in note 41. The group has capital commitments for the amount of € 176 mln (2009: € 20 mln) with regard to investment properties under construction. Furthermore, the group has undrawn committed credit facilities to the amount of € 200 mln (2009: € 391 mln).

26 Gross rental income *(x € 1,000)*

Leases have various expiry terms. Rent indexation is agreed in countries where indexation is usual or legally permitted. The leases 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 costs charges. Service and operating costs 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 9.7% in 2010 (2009: 9.2%).

A change in the occupancy rate by 1% resuls in a change of investment result of € 2.1 mln.

The future aggregate contractual rent for the next five years from leases as at December 31, 2010 is shown in the following table (turnover leases are accounted for at the minimum rent):

	2010	**2009**
– to 1 year	187,814	146,781
– between 1 and 5 years	433,124	337,292
– more than 5 years	101,656	76,669

27 Property expenses *(x € 1,000)*

	2010	2009
Property maintenance	6,849	8,327
Property taxes	11,876	12,960
Insurance premiums	1,895	1,721
Property management	4,822	3,994
Leasing expenses	4,191	4,315
Other operating costs	12,491	10,340
Total	42,124	41,657

Impairments of € 2.1 mln relate to debtors (2009: € 0.6 mln). These costs are accounted for in the other operating costs.

28 Valuation results *(x € 1,000)*

	2010		2009	
Investment properties				
Valuation gains	28,204		–	
Valuation losses	-/- 41,402		-/-245,829	
		-/- 13,198		-/-245,829
Investment properties under constructions				
Valuation gains	–		–	
Valuation losses	-/- 1,923		–	
		-/- 1,923		–
Financial assets and liabilities				
Valuation gains	1,025		–	
Valuation losses	–		-/- 1,181	
		1,025		-/- 1,181
Total		-/- 14,096		-/-247,010

The valuation gains and losses from financial assets and liabilities refer to financial instruments that are designated as at fair value through profit and loss upon initial recognition.

29 Results on disposals *(x € 1,000)*

	2010		2009	
Properties				
Gross proceeds from sales	45,239		2,886	
Selling costs	-/- 385		-/- 140	
Net proceeds from sales		44,854		2,746
Book value investment properties	-/-42,048		-/- 1,911	
Book value lease incentives	-/- 338		-/- 30	
		-/-42,386		-/- 1,941
Result on direct sales of properties		2,468		805
Result on indirect sales of properties/subsidiaries		–		-/- 38
Result from sales		2,468		767
Other				
Fair value of the acquired assets and liabilities	–		2,082	
Purchase price acquired assets and liabilties	–		-/- 2,082	
		–		–
Total		2,468		767

In 2009 Wereldhave sold its stake an (empty) Company in Turkey. The amount of disposal was just below the net asset value. The negative difference has been accounted for directly in result as result on indirect sales of properties.

In 2009 Wereldhave increased its stake in Broadway Tower LLC (USA) to 100%. The fair value and the cost price of the acquisition were equal.

30 General costs *(x € 1,000)*

	2010		2009	
Salaries and social security contributions	12,091		10,629	
Pension costs	1,917		1,502	
Audit and advisory fees	1,645		1,522	
Office costs	3,708		3,502	
Other general costs	4,702		3,727	
		24,063		20,882
Allocated to property expenses/service costs	-/- 4,726		-/- 3,844	
Allocated to investments/IPUC	-/- 1,059		-/- 807	
Allocated to intangible assets	-/- 311		-/- 650	
Charged to third parties	-/- 2,988		-/- 2,757	
		-/- 9,084		-/- 8,058
Total		14,979		12,824

Pension costs

The total cost for defined benefit plans are shown as follows:

2010	**The Netherlands**	**United Kingdom**	**Belgium**	**Total**
Current net service cost	678	120	76	874
Interest cost	1,651	840	41	2,532
Expected return on plan assets	-/-2,396	-/- 908	-/- 31	-/-3,335
Amortisation of unrecognised:				
– Past Service cost	-/- 21	–	–	-/- 21
– Net gains (–)/losses	–	–	–	–
Immediate recognition of (gains)/losses under paragraph 58A	6,138	14	–	6,152
Changes in irrecoverable surplus, effect of limit in paragraph 58(b)	-/-5,098	–	–	-/-5,098
	952	66	86	1,104

2009	**The Netherlands**	**United Kingdom**	**Belgium**	**Total**
Current net service cost	517	94	68	679
Interest cost	1,546	766	36	2,348
Expected return on plan assets	-/-2,180	-/- 756	-/- 26	-/-2,962
Amortisation of unrecognised:				
– Past Service cost	-/- 21	–	–	-/- 21
– Net gains (–)/losses	–	–	–	–
Immediate recognition of (gains)/losses under paragraph 58A	-/-4,351	–	–	-/-4,351
Changes in irrecoverable surplus, effect of limit in paragraph 58(b)	5,257	–	–	5,257
	768	104	78	950

The total result on pension plans can be shown as follows:

	2010	**2009**
Pension cost defined benefit plans	1,168	977
Pension cost defined contribution plans	749	525
Movement in pension liabilties in indirect result with respect tot defined benefit plans (note 33)	-/- 64	-/- 27
Total result on pension plans	1,853	1,475

The total cost of defined benefit plans amount to € 1.0 mln (2009: 1.0 mln).

Employees

During the year 2010 an average of 130 persons (2009: 127) were employed by the group, of which 50 (2009: 44) in the Netherlands and 80 (2009: 83) abroad.

Remuneration of the members of the Supervisory Board and the Board of Management

Supervisory Board	**2010**	**2009**
J. Krant	43	39
F.Th.J. Arp	33	28
P.H.J. Essers	32	28
J.A.P. van Oosten	29	21
C.J. de Swart	–	11
Total	137	127

The members of the Supervisory Board do not hold shares or options in Wereldhave N.V. The Company has not extended loans, advances or financial guarantees to members of the Board. Shares or options on shares are and will not be granted to members of the Board.

Board of Management

2010	Salary	Short term bonus	Long term bonus	Exceptional reward	Pension costs	Social charges	Total
J. Pars	375	124	53	–	113	22	687
D.J. Anbeek	330	109	46	–	99	20	604
Total	705	233	99	–	212	42	1,291

2009	Salary	Short term bonus	Long term bonus	Exceptional reward	Pension costs	Social charges	Total
J. Pars	340	49	22	–	102	21	534
D.J. Anbeek [1]	175	44	20	–	53	11	303
G.C.J. Verweij [2]	178	59	27	449	89	3	805
Total	693	152	69	449	244	35	1,642

1) Mr Anbeek was employed as per June 1, 2009.

2) Mr Verweij has stepped down as per June 30, 2009.

In the Annual Report, the remuneration policy of the Board is explained. The long-term variable remuneration amount for Mr Pars and Mr Anbeek respectively € 158,025 and € 139,062. The long-term variable remuneration is a share-based payment that is conditionally granted. The condition is that, in addition to continuance of employment, over a period of three years, the moving average must reflect an increase in the direct result as compared to the result over the year preceding the year over which payment is to made. For this reason, the long-term incentive for the year 2010 must be allocated equally over the vesting period. In the financial statements for the year 2010 therefore 33.33% of the 2010 long term incentive has been taken into account.

Since 2010, the bonus which can be received by the Board at a normal to good performance (the 'at target' level) is 50% of the annual salary. For excellent performance, the bonus granted increases to 1.7 times the at target bonus to 85% of the annual salary. The variable remuneration is partly dependent on the development of the direct earnings per share and partly dependent on the achievement of personal goals. The bonus related to the development of the direct result per share can be divided in an unconditional short term bonus (30%) and a 70% conditionally granted long-term bonus.

At the director's discretion, the short-term bonus can be paid in cash, in shares, or as a combination of the two. If the short-term bonus is to be paid in shares, the amount of the short-term bonus paid in shares will be increased by 10%, subject to the restriction that the shares may not be traded for at least four years. The blocked shares are owned by the Board and qualify for dividends. For 2010, both directors have chosen a full cash distribution for the short-term bonus. Therefore, increasing the short-term variable remuneration with 10% is not applicable.

The long-term bonus is payable in shares only. Each year when the conditional bonus is determined, 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 bonus is awarded. The shares qualify for dividend payments.
The conditional share balance will be increased by a number of conditional shares equal to the amount of the dividend divided by the share price at the moment dividend is paid. After the General Meeting of Shareholders on 18 April 2011, shares will be granted conditionally, for the first time. The shares will be purchased on the market. Following the accepted policy, the number of shares relating to fiscal year 2010 which might conditionally be awarded to the preparation of financial statements is not yet known.

When after the period of conditionality the vesting conditions are met, the number of granted shares are unconditionally delivered to the board. The income tax and social charges on the long-term variable remuneration will be for the account of the Board members.

The vesting period for the 2010 long-term variable bonus is January 1, 2010 to December 31, 2012.

The Company has not extended loans, advances or financial guarantees to members of the Board.

Beside the above mentioned arrangement members of the board of management do not hold shares or options in Wereldhave N.V.

Audit fees
In 2010 Wereldhave has accounted for the following costs from the group auditor PricewaterhouseCoopers:

	2010	**2009**
Audit of the Annual Accounts	410	477
Other audit services	47	59
Tax advisory services	40	43
Other non audit services	15	31
	512	610

Of the total amount of accounted cost € 223,000 (2009: € 301,000) is related to the Netherlands. This consists of an amount of € 186,000 (2009: € 224,000) cost for the audit of Annual Accounts, € 47,000 (2009: € 59,000) for other audit activities, for tax advisors fees € nil (2009: € 18,000) whilst the remaining part relates to other non audit services.

31 Other income and expense *(x € 1,000)*

	2010	2009
Dividend received	869	840
Acquisition costs of business combinations	-/- 366	–
Other	-/- 245	-/- 20
Total other income and expense	258	820

32 Interest charges and income *(x € 1,000)*

	2010	2009
Interest charges		
Interest paid	-/-25,874	-/-17,519
Capitalised interest	2,067	1,287
Amortised costs loans	-/- 1,991	-/- 992
Interest charges related to loans	-/-25,798	-/-17,224
Interest addition leasehold liabilities	-/- 1,084	-/- 1,074
Interest addition convertible bonds	-/- 3,438	-/- 2,058
Interest addition other loans and receivables	70	70
	-/- 4,452	-/- 3,062
Total interest charges	-/-30,250	-/-20,286
Interest income		
Interest received	338	686
Total interest charges and income	-/-29,912	-/-19,600

Capitalised interest in connection with developments is based on the group's weighted average cost of borrowings. During 2010, the range of average interest rates used was 1.6%-3.0% (2009: 1.3%-3.5%). The average interest rate in 2010 is 3.2%

The line item 'interest paid' includes costs related to fees paid for undrawn parts of committed financing facilities amounted to € 0.9 mln (2009: € 0.4 mln).

33 Other financial income and expense *(x € 1,000)*

	2010	2009
Exchange rate differences	-/- 2,660	92
Movement in pension liabilities	64	27
Total	-/- 2,596	119

34 Taxes on result *(x € 1,000)*

	2010	2009
Profit before tax	101,316	-/-134,592
Tax charges according to applicable tax rates	32,517	-/- 26,908
Tax-exempt income based on fiscal status	-/- 31,245	-/- 12,198
Deductible costs	7,849	5,214
Fiscal compensatable losses	67	–
Release of deferred tax	–	-/- 8,653
Return of withholding tax	34	-/- 2,365
Revaluation on properties with a cumulative negative capital gain	-/- 3,122	12,547
Other	81	42
Taxes on result	6,181	-/- 32,321
Weighted average tax rate	6,1%	24,0%

For 2010 the current tax charge is € 9,410 (2009: € 2,040) and the deferred tax charge is € –3,329 (2009: € –34,361).

The applicable tax rates vary from 0% for tax-exempt entities, based on their fiscal status, up to 35%.

The weighted average tax rate varies yearly, mainly because the revaluation results are taxed differently over the tax-exempt and tax based countries.

In case there is no sale plan for owned properties a deferred tax liability is accounted for the unrealised positive revaluation results, using the tax rates that are applicable for operational results.

There are no tax effects relating to other comprehensive income (2009: idem).

35 Result and diluted result per share upon full conversion *(amounts x € 1,000)*

Result per share

The results per share are calculated based on the total profit after tax, attributable to holders of ordinary shares and the average number of ordinary shares in issue during the year.

Result per share after conversion

The diluted result per share upon full conversion is calculated, based on the total profit after tax, adjusted for costs relating to the convertible bonds that are charged to the direct result, and the average number of ordinary shares during the year, including the maximum number of shares that could be converted during the year.

	2010	2009
Result attributable to shareholders of the Company	88,673	-/- 107,096
Adjustment for effect convertible bonds	17,889	–
Result after effect convertible bonds	106,562	-/- 107,096
Number of shares as at January 1	21,276,988	20,781,735
Adjustment for paid stock dividend	112,322	341,928
Weighted average number of shares for the financial year 2010	21,389,310	21,123,663
Adjustment for convertible bonds	5,582,263	–
Diluted average number of shares after adjustment for the effects of all dilutive potential shares for the financial year 2010	26,971,573	21,123,663

In 2009 there was no dilution because of a negative result.

See note 37 for the proposed dividend for 2010.

36 Net asset value per share

Net asset value per share

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 in issue as at that date.

	2010	2009
Equity attributable to shareholders *(x € 1,000)*	1,611,232	1,569,554
Number of ordinary share as at December 31	21,448,525	21,276,988
Net asset value per share	75.12	73.77

Net asset value upon full conversion

	2010		2009	
	in € 1,000	in € per share	in € 1,000	in € per share
Equity	1,611,232	75.12	1,569,554	73.77
Effect of full conversion	635,996	0.97	416,754	1.11
Equity upon full conversion	2,247,228	76.09	1,986,308	74.88

37 Dividend

In addition to the statutory cash dividend of 5% on the priority 'A' shares in issue, it is proposed to distribute to holders of ordinary shares a dividend of € 3.10 in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax. In addition, € 1.60 will be paid out in cash or in shares at the option of the shareholder. This distribution will be charged to the fiscal reinvestment reserve and therefore no dividend tax will be due.

38 Expense ratio

The expense ratio for the year 2010, based on the Financial Supervision Act, amounts to 1.78% (2009: 1.83%). The percentage is calculated as the quotient of property expenses, general costs and the average of shareholders' equity at the beginning and the end of the year and the end of each quarter in between.

39 Events after balance sheet date

In February 2011 Wereldhave agreed on the placement of a private loan of $ 300 mln, at an average initial interest rate of 3.5%. The loan, of which half will be swapped into euro, will be available as from the end of March 2011 in tranches with maturity of 5, 7 and 10 years.

40 Related parties

The Board of Management, the Supervisory Board, subsidiaries and the pension fund of Wereldhave 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. With regard to transactions with the pension fund reference is made to notes 10 and 21. The Company has no knowledge of any transactions having taken place in the year under review between the Company and persons or institutions which can be considered to stand in a direct relationship to the Company.

41 Claims

In November 1996 the Belgian subsidiary N.V. VastgoedMaatschappij België (VMB) received a tax assessment to the amount of BEF 1.4 bln (€ 36 mln). This assessment relates to the split-up of M.L.O. Ltd in N.V. M.L.O. and N.V. Seceurimmo invest, followed by the disposal of property by the new owned and the sale of the Company as a cash Company. The Belgian tax administration does not accept the split-up and claims that these transactions should be considered as a hidden distribution of dividends to the shareholders. In 1999, the Belgian tax administration filed a second assessment to the amount of BEF 0.6 bln (€ 15 mln).
This supplementary assessment, which is based on the first assessment, relates to withholding tax. This assessment is secured, for preservation purposes, by a legal mortgage imposed by the Belgian tax administration on four properties. The market value of these properties amounted to € 56 mln at December 31, 2010 (2009: € 59 mln). Wereldhave maintains that the tax claims are not justified and has filed objections against these claims. For this reason there has not been accounted for a provision for this claim.

In 1999, judicial proceedings were started against Wereldhave Belgium, relating to the sale of a cash-company in 1993.
The Chamber of the Court has referred the legal proceeding against Wereldhave Belgium for treatment in first instance. Wereldhave Belgium appealed against this decision. On 19 November 2009 the chamber of inquisition in Brussels has decided that the legal proceeding regarding Wereldhave Belgium were largely, mainly with regard to fiscal fraud and money laundering, declared inadmissable and referred Wereldhave Belgium to the Chamber of court only with regard to the existence of fiscal incorrectness and the use of incorrect fiscal documents. On November 18, 2010, the Penal Court decided to declare the case against, amongst others, Comm. VA Wereldhave Belgium SCA, as inadmissible due to an excess of the reasonable period for trial. The Public Ministry filed appealed against this decision. Wereldhave Belgium is convinced that they have met all relevant law and regulations and therefore there has not been accounted for a provision for this claim.

Wereldhave NV has issues guarantees to three (former) employees with regard to personal claims relating to the case mentioned above. In a worse case scenario this can have an impact of € 0.8 mln.

Company balance sheet at December 31, 2010

(amounts x € 1,000)

Assets	Notes	December 31, 2010		December 31, 2009	
Investments					
Property investments	2	369,891		375,109	
Investments in subsidiaries	3	1,393,401		1,142,464	
Other financial investments	4	718,506		485,036	
			2,481,798		2,002,609
Receivables	5				
Group companies		36,317		114,884	
Tax receivables		371		366	
Accruals		910		1,236	
Other receivables		17		526	
			37,615		117,012
Other assets					
Property & Equipment		4,175		4,230	
Cash and bank		32		35	
			4,207		4,265
			2,523,620		2,123,886
Equity and liabilities					
Equity	6				
Share capital		214,485		212,770	
Share premium		777,728		766,432	
General reserve		71,474		121,532	
Revaluation reserve		497,949		643,287	
Reserve for exchange rate differences		-/- 39,077		-/- 67,371	
Result current year		88,673		-/- 107,096	
			1,611,232		1,569,554
Long term liabilities					
Loans	7	642,738		452,810	
Other debt	8	7,085		7,097	
			649,823		459,907
Short term liabilities	9		262,565		94,425
			2,523,620		2,123,886

Company income statement for 2010

(amounts x € 1,000)

		2010	2009
Result from subsidiaries after tax	3	67,317	-/- 107,477
Other gains and losses after tax		21,356	381
Result		88,673	-/- 107,096

Notes to the Company balance sheet and income statement

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. Use has been made of 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) as are applied in the consolidated accounts. The consolidated Annual Accounts are prepared in accordance to International Financial Reporting Standards as endorsed in the European Union and also comply with the financial reporting requirements included in 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 profit with the exception of those parts for which the 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 Investment properties *(x € 1,000)*

	2010	2009
Balance at January 1	375,109	396,191
Purchases	–	2,881
Investments	4,299	1,792
Disposals	-/- 7,038	–
Revaluation	-/- 2,479	-/- 25,755
Balance at December 31	369,891	375,109

In 2010, the properties Rutherfordweg 51, Utrecht and Agro Business Park 2, Wageningen have been sold. The net proceeds arising from these sales amounted to € 6.5 million.

The investment properties are owned by the Company and held to earn rentals or capital appreciation. The properties are not used in the production or supply of goods and services or otherwise used for personal use. The fair value of the property is assessed four times per year. Twice a year the ratings are determined by external valuers. In determining the value the size, nature and use of the property are taken into account. The following amounts in respect of investment properties in the profit and loss account:

	2010	2009
Rental income	29,213	28,996
Property expenses relating to income generating investments	-/- 3,092	-/- 3,700
Property expenses relating to non-income generating investments	–	–

3 Investments in subsidiaries *(x € 1,000)*

Movements are as follows:

	2010	2009
Balance at January 1	1,142,464	1,285,922
Exchange rate differences	34,589	-/- 408
Investments/divestments	189,455	–
Revaluation of financial assets held for sale	-/- 306	1,363
Result subsidiaries	67,317	-/- 107,477
Dividends	-/- 40,118	-/- 36,936
Balance at December 31	1,393,401	1,142,464

List of subsidiaries

At December 31, 2010, the Company had direct shareholdings in the following companies:

	Shareholding (in %)
C.V.A. Belgium S.C.A. *)	39.1
Wereldhave Finland Oy	100
Ilot Kleber S.A.S.	100
Clichy Investissements S.A.S.	100
Espace Saint Denis S.A.S.	100
Marine de Dunkerque S.A.S.	100
N.V. Wereldhave International	100
Wereldhave Management Holding B.V.	100
Wereldhave Development B.V.	100
West World Holding N.V.	100
Relovast B.V.	100
Relovast II B.V.	100
Espamad S.L.	100
Wereldhave U.K. Holdings Ltd.	100

**) Including indirect holdings 69.31%.*

4 Other investments *(x € 1,000)*

	Receivables from subsidiaries	Other financial assets	Total
Balance at December 31, 2008	368,918	9,630	378,548
Exchange rate differences	-/- 3,269	–	-/- 3,269
Investments/withdrawal	244,021	–	244,021
Transfer to short term receivables	-/-108,300	–	-/-108,300
Divestments/redemption	-/- 25,229	-/- 735	-/- 25,964
Balance at December 31, 2009	476,141	8,895	485,036
Exchange rate differences	5,387	–	5,387
Investments/withdrawal	429,062	1,355	430,417
Transfer to short term receivables	-/- 16,000	–	-/- 16,000
Divestments/redemption	-/-185,867	-/- 467	-/-186,334
Balance at December 31, 2010	708,723	9,783	718,506

The receivables from subsidiaries which are mentioned in this note have a maturity of more than a year.

5 Receivables *(x € 1,000)*

The receivables are due in less than one year. The fair value of the receivables coincides with the balance sheet valuation. The amount includes a loan with a groupcompany for an amount of € 16 million expiring in the course of 2011.

6 Equity

Share capital

The share capital of the Company at December 31, 2010 amounted to € 800,000,000 divided over 40,000,000 ordinary shares of € 10, 20,000,000 preference shares of € 10 and 20,000,000 priority shares of € 10 each. The issued and paid up share capital amounts to € 214,485,350, formed by 21,448,525 ordinary shares and 10 priority shares of € 10 each.

During 2010 part of the dividend 2009 has been paid out as stockdividend and this increased the share capital with 171,537 shares of € 10 each.

The movements in equity during 2009 and 2010 were as follows (amounts x € 1,000) **):

	Share capital	Share premium reserve	General reserve	Property revaluation reserve *)	Revaluation reserve subsidiaries *)	Reserve for exchange rate differences *)	Result current year	Total
Balance at December 31, 2009	207,817	763,809	129,334	143,183	564,200	-/- 68,553	493	1,740,283
Result distribution 2008	–	–	65,952	346	-/- 65,805	–	-/- 493	–
Exchange rate differences of foreign participations	–	–	–	–	–	1,182	–	1,182
Movement in reserves	–	7,576	–	–	1,363	–	–	8,939
Revaluation realised	–	–	–	–	–	–	–	–
Stockdividend over 2008	4,953	-/- 4,953	–	–	–	–	–	–
Dividend payment over 2008	–	–	-/- 73,754	–	–	–	–	-/- 73,754
Profit for the year **)	–	–	–	–	–	–	-/-107,096	-/-107,096
Balance at December 31, 2009	212,770	766,432	121,532	143,529	499,758	-/- 67,371	-/-107,096	1,569,554
Result distribution 2009	–	–	33,830	-/- 22,782	-/-118,144	–	107,096	–
Exchange rate differences of foreign participations	–	–	–	–	–	28,294	–	28,294
Movement in reserves	–	13,011	–	–	-/- 306	–	–	12,705
Revaluation realised	–	–	4,106	-/- 1,384	-/- 2,722	–	–	–
Stockdividend over 2009	1,715	-/- 1,715	–	–	–	–	–	–
Dividend payment over 2009	–	–	-/- 87,994	–	–	–	–	-/- 87,994
Profit for the year **)	–	–	–	–	–	–	88,673	88,673
Balance at December 31, 2010	214,485	777,728	71,474	119,363	378,586	-/- 39,077	88,673	1,611,232

*) *Legal reserve.*

**) *The Annual Accounts have been prepared before distribution of profit.*
With regard to the proposed profit distribution reference is made to the other information paragraph.

Share premium
Share premium is paid up share capital in excess of nominal value. The share premium is exempted from tax to the amount of € 735 mln (2009: € 737 mln).

General reserve
Allocation of profit over 2009
The General Meeting of Shareholders on April 15, 2010 determined the following allocation of the profit over 2009 (amounts x € 1,000):

Distributed to holders of ordinary shares	87,994
Added/withdrawn:	
– Property revaluation reserve	-/- 22,782
– Revaluation reserve subsidiaries	-/-118,144
– General reserve	-/- 54,164
Result after tax	-/-107,096

Dividend 2010
The 2010 dividend proposal is explained in the 'Other Information'.

Property revaluation reserve

Revaluation reserves are maintained with respect to the following cumulative unrealised profits on revaluation:

- Revaluations of assets, changes in the value of which are accounted for in the profit and loss account;
- Revaluations of assets which are taken directly to shareholders' equity.

Revaluation reserve subsidiaries

In this reserve cumulative positive valuation results on property investments in subsidiaries are kept.

7 Loans *(x € 1,000)*

	December 31, 2010				December 31, 2009
	Maturity < 1 year	Maturity 1 – 5 year	Maturity > 5 year	Total	Total
Debts to group companies	17,369	20,300	–	37,669	36,056
Convertible bonds	199,498	436,498	–	635,996	416,754
Debt to financial institutions	–	185,940	–	185,940	–
Total	216,867	642,738	–	859,605	452,810

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.

Average effective interest

		2010			2009	
	EUR	GBP	total	EUR	GBP	total
Short term interest bearing debt	3.6%	0.7%	3.4%	–	0.6%	0.6%
Long term interest bearing debt						
– unsecured						
• Debts to subsidiaries	1.9%	–	1.9%	2.6%	–	2.6%
• Convertible bonds	4.6%	–	4.6%	4.6%	–	4.6%
• Bank debts and other loans	1.4%	2.1%	1.7%	–	–	–
– secured						
• Interest rate swaps	–	-/-5.4%	-/-5.4%	–	-/-5.5%	-/-5.5%
Average	3.8%	-/-0.6%	3.6%	4.4%	-/-3.9%	3.4%

The interest rate swaps have been arranged in Wereldhave NV and refer to a loan in one of the subsidiaries.

Fair value

The book value and the fair value of long term interest bearing debts is as follows:

	December 31, 2010		December 31, 2009	
	book value	fair value	book value	fair value
Debt to group companies	37,669	37,669	36,056	36,056
Bank debts and other loans	635,996	680,297	416,754	459,278
Convertible bonds	185,940	187,486	–	–
	859,605	905,452	452,810	495,334

Currencies

All interest bearing liabilities are denominated in euro.

8 Other debt *(x € 1,000)*

	December 31, 2010	December 31, 2009
Leasehold liabilities	6,800	6,814
Received deposits	285	283
	7,085	7,097

9 Short term debt *(x € 1,000)*

	December 31, 2010	December 31, 2009
Debt to financial institutions	31,741	57,217
Short term portion of long term debt	199,498	–
Creditors	364	574
Debt to group companies	17,403	19,054
Taxes on profit	1,182	1,498
Other debts	12,377	16,082
	262,565	94,425

10 Staff

During 2010 the legal entity employed an average of 2 persons (2009: 3), who all worked in the Netherlands.

11 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 account.

12 Related parties

All group entities are treated as related parties. Reference is made to note 40 to the consolidated accounts.

13 Contingencies

The Company has given guarantees to third parties for group companies totalling € 279 mln (2009: € 281 mln).
Capital commitments amount to € 1.2 mln as per December 31, 2010 (2009: € 0.4 mln).

The Hague, March 2, 2011

Supervisory Board
J. Krant
F.Th.J. Arp
P.H.J. Essers
J.A.P. van Oosten

Board of Management
J. Pars
D.J. Anbeek

Other information

Rules for the distribution of profits are set out in Article 25 of the Company's Articles of Association. The preference shareholders have a first call on profits 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 so much less as is available from the distributable profit. Holders of 'A' priority shares are entitled to a dividend distribution at a 5% rate on the paid-up nominal share value from the remainder. Distribution of the balance then outstanding is determined by the Annual General Meeting of Shareholders.

Proposed distribution of profits

In addition to the statutory cash dividend of 5% on the priority 'A' shares in issue, it is proposed to distribute to holders of ordinary shares a dividend of € 3.10 in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax. In addition, € 1.60 will be paid out in cash or in shares at the option of the shareholder. This distribution will be charged to the fiscal reinvestment reserve and therefore no dividend tax will be due.

(amounts x € 1 mln)	**2010**	**2009**
Profit	88.7	-/-107.1
Payment to holders of ordinary shares	100.8	98.9
Added/withdrawn:		
• Property revaluation reserve	-/- 2.4	-/- 22.8
• Revaluations reserve subsidiaries	9.4	-/-118.1
• General Reserve	-/- 19.1	-/- 65.1
	88.7	-/-107.1

Events after balance sheet date

In February 2011 Wereldhave agreed on the placement of a private loan of $ 300 mln, at an average initial interest rate of 3.5%. The loan, of which half will be swapped into euro, will be available as from the end of March 2011 in tranches with maturity f 5, 7 and 10 years.

Independent auditor's report

To: the General Meeting of Shareholders of Wereldhave N.V.

Report on the financial statements

We have audited the accompanying financial statements 2010 of Wereldhave N.V., The Hague as set out on pages 62 to 121. The financial statements include the consolidated financial statements and the Company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at December 31, 2010, the consolidated income statement, the consolidated statements of comprehensive income, the consolidated changes in equity and the consolidated cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The Company financial statements comprise the Company balance sheet as at December 31, 2010, the Company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management board's responsibility

The management board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, with Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act. Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Wereldhave N.V. as at December 31, 2010, 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, with Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act.

Opinion with respect to the Company financial statements

In our opinion, the Company financial statements give a true and fair view of the financial position of Wereldhave N.V. as at December 31, 2010, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, March 2, 2011
PricewaterhouseCoopers Accountants N.V.
R. Dekkers RA