Annual Report 1999

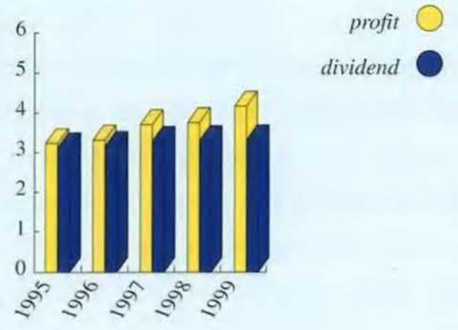
WERELDHAVE


ESTA CASA
VIO Y ESCRIBIO
DURANTE 1947
EL RENOMBRADO
ESCRITOR BULGARO
DIMITAR DIMOV
1909 - 1966
GRAN AMIGO DE ESPAÑA
MADRID LE RECUERDA
EN EL XXI ANIVERSARIO
DE SU MUERTE
25 DE JUNIO DE 1987

Summary of past 5 years

	1999	1998	1997	1996	1995
Results					
(x EUR 1 mln)					
Net rental income	93.9	84.9	85.3	84.3	83.9
Profit	71.6	64.7	61.7	55.1	51.4
Balance sheet					
(x EUR 1 mln)					
Investments	1,595.4	1,269.6	1,090.4	1,139.5	1,059.5
Shareholders' equity	909.0	800.9	762.7	688.6	598.2
Long-term debt	397.7	313.0	290.5	370.5	400.6
Indirect investment result	74.3	2.2	41.4	53.8	./. 55.5
Number of shares					
at December 31	17,329,725	16,956,748	16,495,377	16,041,440	15,204,984
average during the year	17,236,480	16,834,997	16,380,631	15,759,729	15,096,775
Statistics per share[1]					
(x EUR 1)					
Net assets value[2]	52.25	47.03	46.03	42.71	39.12
Profit	4.12	3.80	3.73	3.43	3.37
Indirect investment result[3]	4.50	0.49	2.87	3.43	./. 3.64
Dividend	3.40	3.29	3.29	3.29	3.29
	or ...... %	or 4.76%	or 5.56%	or 5.88%	or 8%
	and ....[4]	and 0.57			
Pay-out	82.5%	86.6%	88.2%	95.9%	97.6%
Profit per share[5]	4.14	3.83	3.76	3.49	3.39

Profit and dividend per share



Net asset value and share price at December 31

1) per ordinary share, ranking for dividend
2) assuming all shareholders opt for the full cash dividend rather than the combination of cash and bonus shares
3) including the effect of issues of new shares and stock dividend
4) to be announced on March 23, 2000
5) based on the average number of shares in issue

Board of Directors

G.C.J. Verweij

R.L.M. de Ruijter

Supervisory Board

J.F. Visser

F.H.J. Boons

W. Lemstra

H.M.N. Schonis

Financial calendar

March 23, 2000:
Announcement dividend 1999

March 30, 2000:
Annual General Meeting of Shareholders

April 10, 2000:
Dividend payment

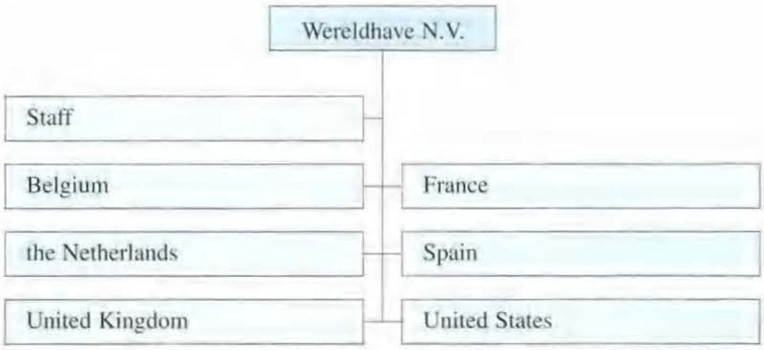
May 4, 2000:
Publication of first quarter results 2000

August 8, 2000:
Publication of interim statement 2000

November 3, 2000:
Publication of nine months results 2000

March 2001:
Annual Report 2000

Organisation



Wereldhave is an independent international property investment company, founded in 1930. Wereldhave shares are traded on the Amsterdam Stock Exchange. The Company is an investment company with variable capital. Only the Board of Management has authority to issue and acquire shares of the Company. The Company has neither an obligation to issue shares, nor to buy its shares. The Company has the status of an Investment Institution under Dutch law and so does not pay Corporation Tax in the Netherlands. Wereldhave is licensed to operate as an investment company under the Netherlands 'Wet toezicht beleggingsinstellingen' (Investment Institutions Supervision Act).

Investments

Wereldhave invests in office buildings, shopping centres, industrial property and apartments in Belgium, France, the Netherlands, Spain, the United Kingdom and the United States. Wereldhave has at its disposal an integrated organisation for the development, investment and management of its properties with local offices in each of these countries. Dynamic management involves regular adjustments in the mix of the portfolio and its geographical distribution. Wereldhave's properties are valued at open market value less selling costs. Appraisals take place annually with successive halves of the portfolio being valued on June 30 and December 31 by independent external sworn valuers. Parallel, internal valuations using identical methods are carried out at the same time for the entire portfolio. The investments in Belgium are by way of a 66.49% investment in C.V.A. Wereldhave Belgium S.C.A., listed on the Forward Market of the Brussels Stock Exchange.

Information

Information on Wereldhave is available from banks and stockbrokers or directly from the Company: tel: +31 70 346 93 25
E-mail: investor.relations@wereldhave.com
website: www.wereldhave.com

Strategy outline

Mission and corporate aim

Wereldhave's mission is to make available, when and where needed, commercial and residential property for rent. The object is to offer an attractive return on investment combined with a low risk profile on the property portfolio.

The right accommodation at the right time and the right place

Strategy

Globalisation, technological change (ICT) and corporate restructuring are resulting in shifts in market demand. New accommodation requirements mean accelerated obsolescence and a more dynamic property market. Wereldhave's strategic policy is to apply portfolio renewal for the optimal satisfaction of tenants' changing demands. In this way, Wereldhave expects to achieve continuing growth in profit per share. The prime importance accorded to portfolio renewal implies that Wereldhave has a preference for liquid markets.

Portfolio renewal

Wereldhave attempts to limit the risks of the cyclical property market. This is achieved both by geographical portfolio diversification between the markets of continental Europe, the United Kingdom and the United States and by investing in offices, shopping centres, industrial property and residential property. The presence in several countries through local management organisations allows a clear insight to be gained into market conditions. Diversification facilitates portfolio renewal.

Diversification by geographical area and type of property

Wereldhave has at its disposal its own local organisations which are responsible for letting and maintaining the competitive position of the portfolio. Through its in-house management Wereldhave can recognise changes in the preferences of tenants, property maintenance requirements and marketability at an early stage and adopt a pro-active stance. The local organisations form an essential link in purchasing, development, renovation and sale of properties.

In-house management with local know-how

In principle, Wereldhave adds no more then 10% of total assets to the portfolio in any year in the form of development projects. The fact that Wereldhave both commissions and manages these properties improves the match between total investment, running costs and quality. Wereldhave attaches great importance to durable innovative measures which lower total costs and raise tenant utility, whilst simultaneously relieving the pressure on the environment.

Innovation

Report of the Supervisory Board

To the Annual General Meeting of Shareholders

Dividend proposal

We have pleasure in submitting the Annual Report of the Board of Management and the Accounts, duly signed by the Supervisory Board. Pricewaterhouse-Coopers N.V. have audited and certified the Accounts. We propose the approval of the Accounts, and, in accordance with the proposal of the Board of Management, a cash dividend of EUR 3.40 per ordinary share or, at the choice of the shareholder, the combination of a cash dividend and a tax-free dividend in bonus shares to be charged to the tax-exempted share premium reserve; details of which combination will be announced on March 23, 2000.

Topics on the agenda

During the year under review the Supervisory Board met five times. Recurrent topics of discussion included the financial results and the development of shareholders' equity, developments in rental and investment markets for property, policy relating to the acquisition and disposal of property, corporate finance, currency, dividend policy and tax matters. Again this year the Supervisory Board devoted one of its sessions to the discussion of its own functioning, its relationship with the Board of Management, the composition and assessment of the Board of Management and matters pertaining to management succession and compensation. Rules have been drawn up governing the division of responsibilities within, and the working practices of the Supervisory Board together with a profile outlining the qualities required of its members. The most recent version of the profile, drafted in 1998, is available for inspection at the Companies offices.

Proposed re-appointment

At the Annual General Meeting of Shareholders to be held on March 30, 2000 Messrs F.H.J. Boons and H.M.N. Schonis will retire by rotation. They offer themselves for re-election for a period of two years. The Meeting of the holders of Priority shares has decided to nominate them for re-election in view of the close match of their knowledge and experience against the Board's membership profile.

On behalf of the Supervisory Board,

J.F. Visser, Chairman — The Hague, February 24, 2000

Report of the Board of management

1999: The main events

Nine development projects transferred to investment; total value EUR 192.4 mln

Nine development projects were transferred to the investment portfolio during 1999. In the United States, the properties involved were two office buildings in the suburbs of Dallas, an office building in Austin and a residential complex north of Dallas. In the Netherlands an office building in Delft and the extension to the Winkelhof Shopping Centre in Leiderdorp were taken in exploitation. The other projects in this category were an office building in Paris and a retail and leisure centre in Dunkirk and in Belgium an office building in Brussels. With the exception of the last all these properties have been fully let. The total value of these properties at December 1999, amounts to EUR 192.4 mln.

Purchases of three standing investments for EUR 52.5 mln

Two office properties were purchased in the United States, Austin and one in Belgium, Vilvoorde (near Brussels) for EUR 52.5 mln. These offices are fully let.

Purchases in preparation for nine developments projects; total sum to be invested EUR 208.2 mln

During the year under review Wereldhave acquired a total of nine sites for development projects in Belgium, France, the Netherlands, Spain and the United States. In Belgium two new offices, one of 16,500 m^2 in Antwerp (Berchem) and another of 10,000 m^2 in Vilvoorde (near Brussels) are under construction and a parcel of land was acquired in Meer for 10,000 m^2 of industrial property. In France, agreement was reached on the construction of an office building of 11,000 m^2 in Saint Denis, Paris and a development site was acquired in Clichy, Paris for four office buildings with a total floor space of 25,000 m^2; a shopping centre of 10,000 m^2 is being built at Dunkirk. In the Netherlands construction began of an office building of 6,000 m^2 in Alphen aan den Rijn. In Madrid, Wereldhave has commissioned the building of an office complex of approximately 22,000 m^2. In the United States Wereldhave acquired a plot of land near Washington for the construction of approx. 12,000 m^2 of office accommodation. The total sum to be invested in these nine projects amounts to EUR 208.2 mln. In addition, in the United States construction began in March 1999 on two offices on a site near Washington which Wereldhave purchased in 1998; in the Netherlands Wereldhave started the refurbishment of a 22,500 m^2 office building in Rijswijk. At December 31, 1999 the development portfolio had a value of EUR 278.7 mln.

Sixteen buildings sold in Belgium, the Netherlands and the United Kingdom, raising EUR 111.5 mln

In 1999, properties were sold in Belgium, the Netherlands and the United Kingdom. In Belgium three industrial buildings at Zaventem were sold. In the Netherlands, Wereldhave disposed of the Bellevue office building on the Koningin Julianaplein, The Hague and the Damsigt office building in the Nieuwe Havenstraat in Voorburg. Eleven buildings were sold in the United Kingdom. The proceeds of these sales amounted to EUR 111.5 mln and were in excess of the book value at the end of 1998.

Results and equity

Wereldhave's results developed favourably in 1999. Net profit grew by more than 10% to EUR 71.6 mln (1998: EUR 64.7 mln). Profit per share rose by 8% from EUR 3.83 to EUR 4.14. The EUR 6.9 mln increase in profits can be traced principally to higher net rental income (+ EUR 9.0 mln), arising mainly from recent additions to the portfolio (EUR 8.0 mln). Interest costs of the expanded portfolio at higher average exchange rates for Sterling and US-dollar rose by only EUR 1 mln. This figure includes incidental interest income from damage claims (EUR 0.8 mln). Taxes on the result increased to EUR 0.8 mln, mainly in France.

The indirect investment result for 1999 amounted to EUR 74.3 mln, consisting of EUR 48.2 mln from positive property revaluation, EUR 38.0 mln from currency movements, EUR –1.9 mln from movements in tax obligations, EUR –26.9 mln refinancing costs (see page 7, equity and debt financing) and EUR 16.9 mln from other movements. Net asset value per share after deduction of the proposed cash dividend rose by 11% to EUR 52.25 (1998: EUR 47.03).

Dividend

As in previous years there is an obligation under tax regulations to distribute a cash dividend. Therefore, an optional dividend will be proposed to the Annual General Meeting of Shareholders in the form of either a cash dividend of EUR 3.40 or, at the shareholders' discretion, the combination of a cash dividend plus a tax-free dividend in bonus shares to be charged to the tax-exempt share premium reserve. Details of this combination will be announced on March 23, 2000.

A dividend of EUR 3.40 against a profit per share ranking for dividend of EUR 4.12 indicates a pay-out ratio of 82.5% which now lies within our target range of 75%-85% of commercial profits. Obviously we shall observe the legal requirement to distribute the profit as calculated for tax purposes in cash. The background to this pay-out policy lies in the need to make regular investments in property. This pay-out will have a positive effect on the growth of profits per share.

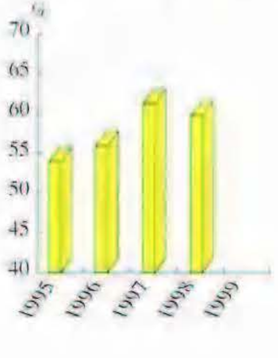
Movements in net assets value per ordinary share ranking for dividend (x EUR 1)	**1999**	1998
Net assets value at Jan. 1, before distribution of profits	**50.32**	49.32
less: dividend previous year	**3.29**	3.29
	47.03	46.03
Direct investment result:		
– profit	**4.12**	3.80
Indirect investment result:		
– revaluation	**2.78**	1.09
– exchange rate differences/other movements	**1.50**	./. 0.96
– effect of stock-dividend	**0.22**	0.36
Net assets value at Dec. 31, before distribution of profits	**55.65**	50.32
less: (proposed) cash dividend	**3.40**	3.29
Net assets value at Dec. 31, net of (proposed) cash dividend	**52.25**	47.03

Finance and currencies

Equity and debt financing

Wereldhave aims to maintain sound balance sheet ratios to enable it to respond adequately to future investment financing needs and to limit its sensitivity to possible rises in interest rates. Holders of over 46% of the outstanding share capital opted for bonus shares rather than cash in respect of the 1998 dividend. This led to an increase of 372,977 in the number of shares in issue, bringing the total to 17,329,725. Positive currency movements and revaluation of properties added EUR 86.2 mln to shareholders' equity. Currency movements, in particular the steep appreciation of the US-dollar (16%) and the pound Sterling (14%) contributed EUR 38.0 mln to the growth in shareholders' equity. Shareholders' equity, net of the proposed cash dividend, amounted to EUR 909.0 mln at the end of 1999 and represented 54.5% (1998: 59.9%) of total assets. Long-term debt amounted to EUR 393 mln (1998: EUR 310 mln). Of this sum 50% were at variable interest rates as of December 31, 1999 (1998: 46%). Development projects are usually financed at variable rates whilst under construction. Should interest rate movements render it advisable the Company can avail itself to rate-fixing facilities in loan covenants and other mechanisms for consolidating interest payments. The average interest rate on all borrowings amounted to 5.5% at the end of 1999 (1998: 6.9%). During 1999 two high rate Sterling loans have been converted to current GBP market rates (6.5%) through interest rate swaps. The EUR 26.9 mln costs involved were charged to shareholders' equity. This transaction lowers future interest-rate payments. The notes to the consolidated balance sheet provide more information on the outstanding borrowings. Wereldhave aims for a balanced spread of maturity with due regard for the flexibility required for investments and sales.

Equity in % of total assets



Maturity spread loans in %

Share price

Currencies

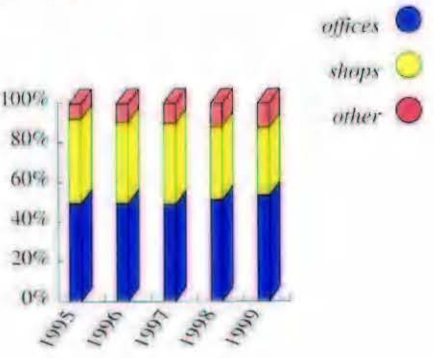
The guideline to cover the currency risks on the British and American portfolios is a hedging ratio of 50%. Depending on market circumstances and considerations of flexibility the percentage hedged can be raised or lowered by up to 20% to yield a hedging range of 30%-70%. At the end of 1999, 61% of the pound Sterling risk and 42% of the US-dollar risk were hedged. Currency hedging takes place through borrowing in local currency and the use of other financial instruments.

Stock market performance

Shareholders in Wereldhave earned a total return on their investment (calculated assuming reinvestment of the dividend) of –1.6%, 7.5% below the return on the Kempen Property Reinvestment Index (AKX). At the end of 1999 the price/earnings ratio on Wereldhave shares was 10.8. Average daily turnover amounted to 35,000 shares.

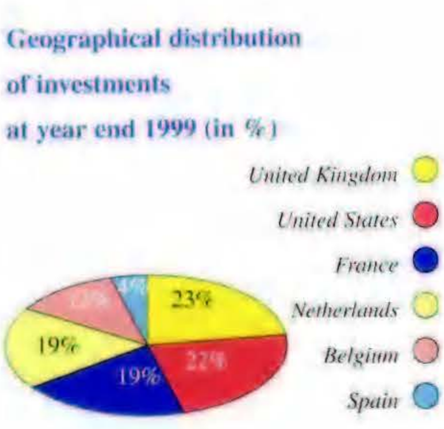
Price (x 1 EUR)			P/E
1997	**1998**	**1999**	**1999**
58.31	58.54	**52.70**	**12.7 highest**
48.55	45.15	**43.00**	**10.4 lowest**
57.81	48.33	**44.65**	**10.8 closing**

Distribution of investment properties



	'95	'96	'97	'98	'99
Offices	49	49	46	50	**53**
Shops	44	42	41	36	**32**
Other	7	9	13	14	**15**

Geographical distribution of investments at year end 1999 (in %)



	'95	'96	'97	'98	'99
Belgium	19	18	19	13	**12**
Germany	4	3	3	-	**-**
France	12	12	13	17	**19**
Hungary	<1	<1	<1	<1	**<1**
The Netherlands	24	21	26	23	**19**
Spain	3	2	2	1	**4**
UK	25	31	25	27	**23**
US	12	12	11	18	**22**

Development of the portfolio

Office property in the portfolio rose to 53% in 1999. The share of retail property fell to 32% and the share of other commercial property and flats increased to 15%. As far as the geographical distribution of the portfolio is concerned the United States and France have become more important. During the year under review nine development projects were transferred to the investment portfolio. In addition twelve properties were purchased during the course of 1999 in Belgium, France, the Netherlands and the United States for the sum of EUR 225.1 mln, of which EUR 166.7 mln was in respect of future developments. Properties were sold in Belgium, the Netherlands and the United Kingdom for the amount of EUR 111.5 mln. During the year EUR 69.4 mln was invested in the portfolio. The portfolio underwent an upward revaluation of 3.1%, measured in local currency terms. All the portfolios were re-valued upwards, with the exception of Hungary. At the end of 1999 the investment portfolio had a total value of EUR 1,595.4 mln, measured in local currencies. The average occupancy rate in 1999 was 93.6%. Over the last ten years properties to the value of EUR 913.8 mln have been sold, an average of approximately 8% per annum.

Net proceeds *(x EUR 1 mln)*

	The Netherlands	Belgium	France	Germany	Spain	U.K.	U.S.	Total
1990	29.0	–	–	–	–	33.2	–	62.2
1991	7.3	–	–	–	–	49.0	–	56.3
1992	22.9	–	53.3	–	–	11.4	–	87.6
1993	30.6	36.1	–	66.7	–	20.1	–	153.5
1994	4.7	–	–	–	–	13.8	–	18.5
1995	0.8	–	13.3	–	–	2.3	–	16.4
1996	37.8	16.3	–	–	–	4.8	–	58.9
1997	0.7	8.6	–	–	4.1	156.6	50.4	220.4
1998	0.8	72.2	20.4	25.8	9.3	–	–	128.5
1999	30.9	7.9	–	–	–	72.7	–	111.5
total	165.5	141.1	87.0	92.5	13.4	363.9	50.4	913.8

Net proceeds *(as a % of book value)*

	The Netherlands	Belgium	France	Germany	Spain	U.K.	U.S.	Total
1990	105	–	–	–	–	118	–	111
1991	116	–	–	–	–	98	–	100
1992	112	–	102	–	–	102	–	104
1993	113	96	–	104	–	102	–	103
1994	103	–	–	–	–	102	–	102
1995	113	–	97	–	–	103	–	98
1996	100	106	–	–	–	107	–	102
1997	124	100	–	–	101	101	105	102
1998	116	124	101	91	96	–	–	110
1999	102	117	–	–	–	121	–	115
average	106	112	101	100	97	106	105	105

Organisation and staff

Staff matters

Wereldhave employed an average of 96 staff in 1999 (1998: 100), 58 (1998: 61) of whom worked in our local management offices. The documentation of job positions carried out in 1998 was applied to introduce a new job performance assessment system throughout the organisation. Wereldhave decided in 1999 to lend its active support to making the pension scheme more flexible. This year, the directors of Stichting Pensioenfonds Wereldhave (Wereldhave Pension Foundation) will present proposals for amendments to the pension scheme to the participants. Flexibility in contracts of employment and employees' benefits will allow Wereldhave to adapt to changes in the employment market. The Managing Board would like to thank all employees for their loyal support.

Millennium

Wereldhave experienced no unfavourable consequences from the transition into the new millennium in respect of either central system software or installations in the buildings in the portfolio. The costs involved for the new millennium were allowed for in the normal budgets of the Information Systems and Building departments. The impact on these budgets was minimal and there was no negative effect on profits.

Euro

On January 1, 1999 Wereldhave successfully adapted to accounting in Euro's, in which currency both the internal as the external reports are expressed. Tenants in countries within the currency union can elect to continue to be billed in old local currency. Currency hedging policy has been adapted to take account of the disappearance of currency risks within the European Monetary Union.

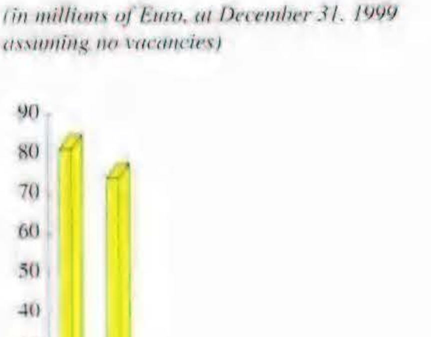
National market reviews

The key economic figures in this section have been drawn from the December 1999 edition of the OECD publication 'Economic Outlook'. Revaluation figures have been calculated in local currencies. The occupancy rate is defined as: gross rental income (assuming zero vacancies), minus rental losses due to voids, expressed as a percentage of gross rental income.

	1999	1998
Economic growth	1.8	2.9
Inflation	1.1	0.9
Growth in private consumption	2.2	3.4
Growth in employement	1.2	1.4
Unemployment rate	10.8	11.6

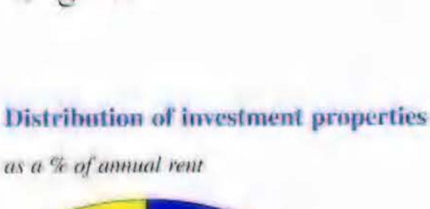
Annual rent and market value

(in millions of Euro, at December 31, 1999 assuming no vacancies)



Distribution of investment properties

as a % of annual rent



as % of market value

Belgium

The creation of property bevaks has made available a flood of funds for investment on the Belgian market, thus encouraging new construction activity. Despite the pick-up in economic growth in the second half of the year, the vacancy rate in the Brussels office market rose slightly to over 8%. The availability of attractive new premises stimulates relocation. During 1999, 600,000 m² was let in Brussels, which is a high figure for gross absorption given the still modest pace of economic growth. Office rents in the better locations in the Quartier Léopold have stabilised at a level of EUR 210 per m². Corporate tenants are increasingly focusing on the areas around the periphery where traffic congestion is less serious, parking is more plentiful, rents are lower and the airport is close at hand. Rents in the better of such peripheral locations rose by 5% to EUR 175 per m². Competition between properties on the Brussels office market has increased, so that increases in market rents have occurred only in new buildings in superior locations. Older properties on less sought-after sites are facing falling market rents. In Antwerp the gross take-up of office space amounted to around 100,000 m². The vacancy rate, which reached 16% in 1996, has fallen to 4%, as demand has picked up and new construction activity has been almost non-existent. Market rents as low as EUR 125 per m² more or less precluded new investment. As vacancies have fallen market rents have risen to EUR 135 per m². Further increases can be expected when low vacancy rates persist.

The retail markets fared well in 1999. Rents in the main shopping streets of Brussels and Antwerp have stabilised or increased slightly. There was an increase of around 5% in the number of visitors to Wereldhave's shopping centres. This has had a favourable effect on turnover and, consequently, on our rents.

On April 30, 1999 Wereldhave purchased an office building on the Jan Olieslagerlaan in Vilvoorde, near Brussels, for EUR 4.0 mln. The building, with a total floor space of 3,000 m², is fully let. Elsewhere in Vilvoorde, on the Medialaan, the development of two office buildings totalling 10,000 m² will be completed in early 2000. Letting has already begun. On May 14, 1999 a development was acquired in Berchem (Antwerp) for 16,500 m² of office accommodation. The site is in the immediate vicinity of the external ring road around the city. The proximity to the railway station makes this an attractive location for a wide range of potential tenants.

Quai des Vennes 1, Liège

On August 31, 1999 Wereldhave sold three industrial properties on the Excelsiorlaan in Zaventem. The proceeds were above the book value as at December 31, 1998. Work began in January 2000 on 10,000 m² of industrial property in Meer which is expected to be available for occupation in the third quarter of this year.

In the course of 1999 Wereldhave Belgium negotiated with the European Union on the letting of the Joseph II office building in Brussels without, however, an agreement being reached. Wereldhave Belgium is now offering the building for multiple letting. Discussions are being conducted with a number of potential tenants.

The occupancy rate of Wereldhave Belgium's portfolio amounted to 98.3%. As at December 31, 1999 Wereldhave's 66.49% interest in the investment portfolio was valued at EUR 155.7 mln and the interest in the development portfolio at EUR 39.6 mln. The Belgian portfolio was revalued upwards by 0.6%.

Average occupancy rate in %

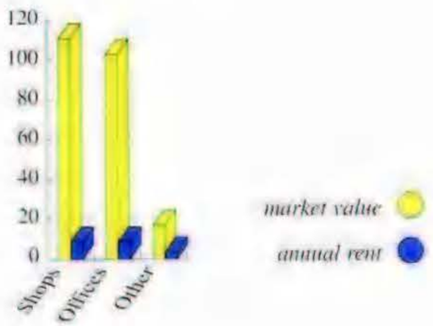
General lease conditions

1. Term: 3, 6 and 9 years with a mutual option at the end of a term to extend or renegotiate.
2. Rent increases: annual increases based on increases in the health index.
3. Outgoings: structural maintenance only is for the landlords' account.

	1999	1998
Economic growth	2.4	3.4
Inflation	0.6	0.9
Growth private consumption	2.3	3.6
Growth in employment	1.5	1.4
Unemployment rate	11.1	11.8

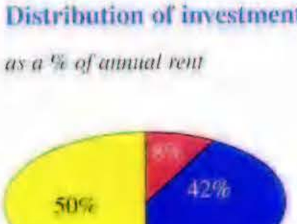
Annual rent and market value

(in millions of Euro, at December 31, 1999 assuming no vacancies)



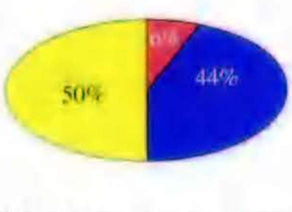
Distribution of investment properties

as a % of annual rent



shops
offices
other

as a % of market value



France

The Paris office market has been enjoying a clear recovery for the past two years. During the year under review economic growth and employment growth regained its pace. This has resulted in an increase in gross take-up to reach around 2.2 mln m² in 1999. With the persistent growth in the amount of space being let, the vacancy rate has dropped sharply, especially in the city centre of Paris and the western suburbs. The vacancy rate in Boulogne, Neuilly and Levallois is currently around 2% and in La Défense it has even fallen under 1%. These low vacancy rates are the result of the demand for large modern office buildings with large floor spaces. Such accommodation is scarce in the historical city centre and in the prestigious western districts. This explains the migration of companies from the city centre to the periphery, as they seek large office buildings reasonably close to the centre and readily accessible both by car and by public transport. As a consequence market rents in the western periphery have risen sharply. Market rents in the CBD (Central Business District) of Paris increased by around 7% in 1999 to EUR 525 per m². There was even an increase of about 15% in Neuilly, Boulogne and La Défense, bringing market rents to approx. EUR 350 per m². It is to be expected that the developments observed here will be repeated in future in other peripheral areas with good communications.

As the economy expanded there has been a growth of approx. 2.5% in shop turnover. The large regional shopping centres have seen some growth in turnover but are facing increasing competition from discounters. Thanks to changes in the retail-mix, turnover in the Parinor shopping centre developed favourably. Single shops and smaller shopping centres are having difficulty attracting enough clients. The main shopping streets in Paris are doing well and have experienced strong growth in market rents in recent years.

The retail and leisure centre in Dunkirk came into operation in November 1999. The building measures 17,700 m² and holds a cinema of twenty auditoria and 9,850 m² shops. Attendance has been good since the opening. An office building of 20,000 m² at Levallois-Perret (north-west Paris) was completed in December 1999. The whole building has been let to a single tenant. The total value of the two projects amounts to around EUR 94.8 mln.

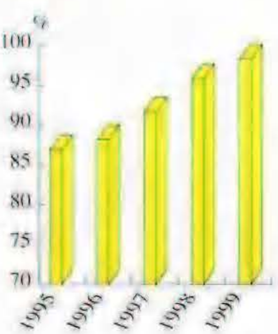
Wereldhave has commissioned the construction of a shopping centre of 10,000 m² in the immediate vicinity of the retail and leisure centre in Dunkirk. The shopping centre, which will be completed in the fourth quarter of 2000, is already more than 80% pre-let. The investment value amounts to EUR 16 mln. In the fourth quarter of 1999 Wereldhave reached agreement on the acquisition

Quai des Fusiliers Marins, Dunkirk

of two plots of land in Paris. On one site, next to the Grand Stade in Saint Denis, an 11,000 m² office building will be constructed. Completion is projected for the second quarter of 2001. On the other site, on the banks of the Seine in Clichy, four office buildings, totalling around 25,000 m², are to be built. Construction is expected to commence in the second quarter of 2000 with completion in the third quarter of 2001. A total of EUR 75 mln will be invested in these two projects. In view of the strong demand for office buildings with floor spaces of more than 10,000 m² Wereldhave anticipates good letting prospects.

No properties were sold during the year under review. The occupancy rate in the French portfolio was 98.4%. The value of the investment portfolio as at December 31, 1999 amounted to EUR 235.3 mln and the value of the development portfolio at the same date was EUR 71.3 mln. The valuation of the French portfolio was raised by 4.4%.

Average occupancy rate in %



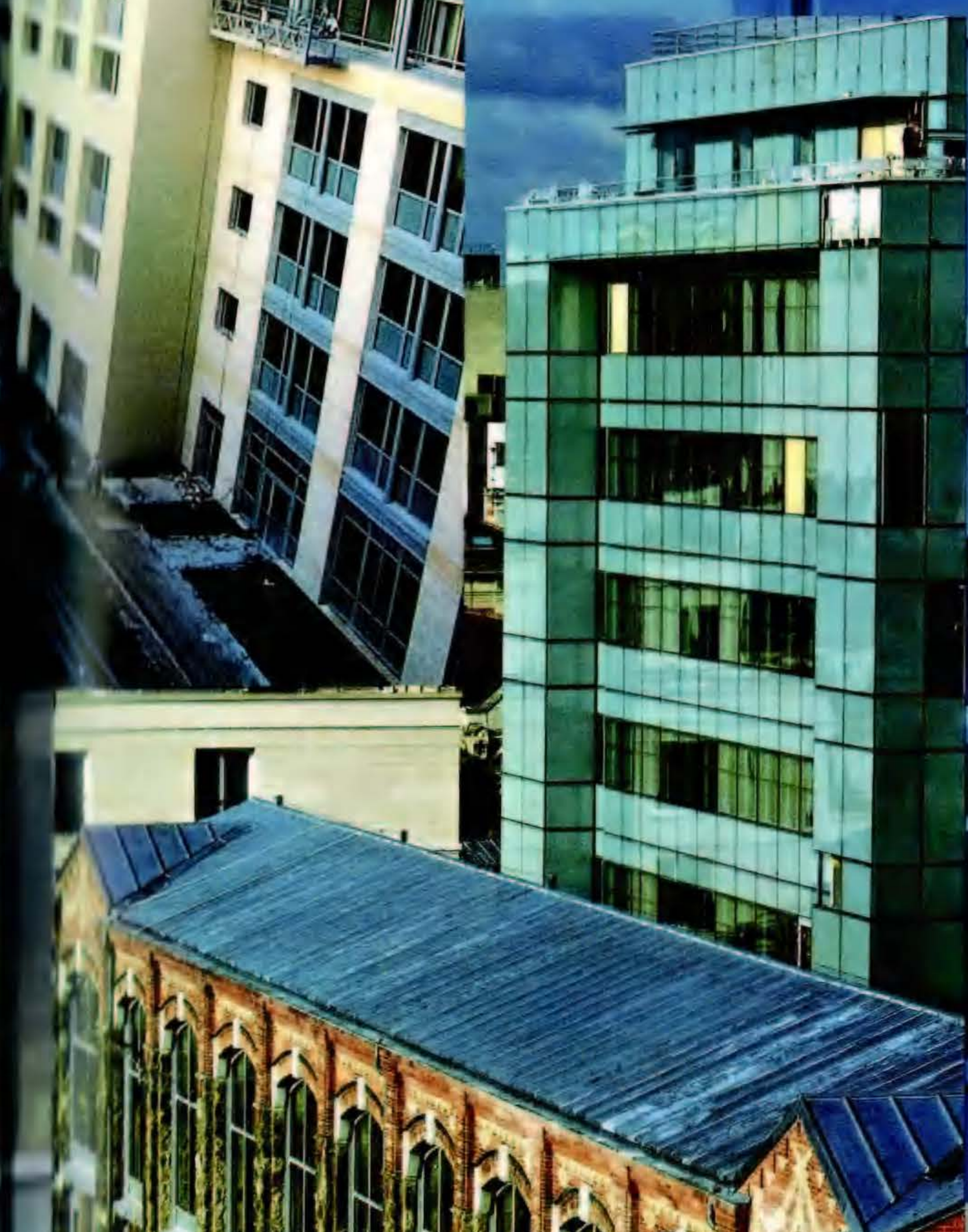
General lease conditions

1. Term: 3, 6 and 9 years with the tenant having the option each three years to extend the lease.
2. Rent increases: annual increases based on building cost increases (INSEE-index) unless agreed otherwise.
3. Outgoings: structural maintenance only is for the landlords' account.

Ilot Kléber, Paris

In 1998 it was still possible to create relatively low-density office accommodation in Levallois-Perret. This exceptional situation was the result of the fact that Levallois-Perret sought uses for some large disused industrial complexes, under the condition that height and general appearance of the redeveloped premises were appropriate to the surroundings. High-rise buildings were forbidden. Levallois-Perret is a pleasant district in the north-western part of Paris along the Seine between Neuilly and Clichy and reaching back to the 17th arrondissement. The Arc de Triomphe is only two kilometres away. The vacancy rate in Levallois is low and market rents have risen sharply (15% in 1999), even more rapidly than in La Défense. Thanks to the low-density building, a relatively large proportion of green open spaces and the proximity to the centre of the city, Levallois is a particularly sought-after location. Much of the office space taken up is accounted for by buildings still in the development stage.

Wereldhave has developed the Ilot Kléber office complex on a site of approximately 14,000 m². Accessibility both by car (along the Boulevard Périphérique and the Quai de Seine) and by public transport is excellent. The Anatole France underground station is approximately 100 metres away and the building can also be reached by several bus routes. Few new buildings have been constructed in advance of letting in Paris in recent years.



Construction usually does not begin until a lease has been signed. The rapid growth in demand has created a dearth of new buildings providing floor spaces of more than 10,000 m². Development of such projects has become almost impossible in Paris intra-muros where suitable office space is only sporadically available.

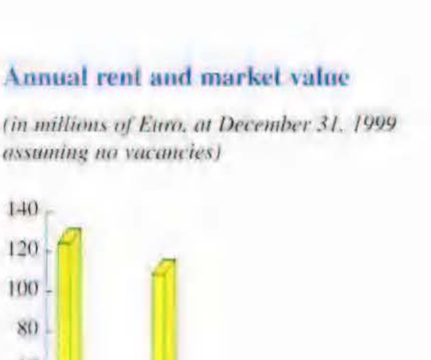
This is the reason for the relocation of companies from the city centre to La Défense, Neuilly, Clichy and Levallois. The unique character of the project was the decisive factor behind Wereldhave's investment. Construction began in July 1998 and was completed in December 1999.

The complex provides a total of 20,450 m² of office accommodation divided between two unconnected buildings. One, a completely renovated nine-storey office building, is the main building. The other, which consists of three segments, is new but makes use of an existing historic façade along one side. The form of the complex is such that a large enclosed garden (70 x 26 metre) has been created. The complex has parking facilities for 350 cars, 300 of which can be parked in a two-storey garage under the enclosed garden and new building. With its division into four parts, the relatively large floor spaces available (800-1,000 m²) and the public spaces the complex is attractive to both a single large user or for multiple letting. The buildings were pre-let to a single tenant.

	1999	1998
Economic growth	3.0	3.7
Inflation	2.1	1.9
Growth private consumption	4.1	4.1
Growth in employment	2.5	3.0
Unemployment rate	3.2	4.2

Annual rent and market value

(in millions of Euro, at December 31, 1999 assuming no vacancies)



Distribution of investment properties

as a % of annual rent

as a % of market value

The Netherlands

Economic growth and gains in employment in the Netherlands have exceeded the increases seen in neighbouring countries for several years now. For the country as a whole the gross take-up of office space rose by 6% to 1.7 million m² in 1999. Companies in urgent need of accommodation are prepared to accept higher rents or to move form the Randstad to locations in the southern and eastern parts of the Netherlands, which combine lower rents with better accessibility and more parking facilities. Rents for prime office properties have risen faster in Utrecht and Amsterdam than in Rotterdam and the Hague. Strict restrictions on parking facilities for inner-city offices have been a strong stimulus for the shift in jobs to the suburbs. The most rapid increase in gross absorption was registered in the South and the East. Gross absorption in the West fell. Further sub-urbanisation of the Randstad in the direction of Flevoland, Gelderland and North Brabant is to be expected.

The retail property market in the Netherlands profited from the sharp increase in consumer expenditure during the year under review. Garden centres, DIY-outlets and furniture stores enjoyed the highest growth in turnover. There was a strong increase in market rents for shops in the main shopping streets of the major cities in 1999. Shop rents of more than EUR 900 per m² are no longer an exception. Factors behind the growth have been the success of Sunday shopping and the increased competition between retail chains for large units in the main shopping streets. Turnover in large regional shopping centres also developed favourably in 1999. It has been noted that consumers are making less frequent shopping trips but are spending more per visit. This means that in future increased attention will have to be paid to customer relations. The number of visitors of Wereldhave's shopping centres remained unchanged in 1999.

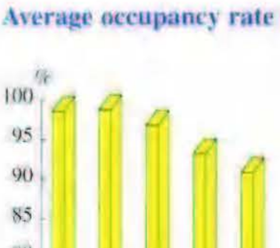
In February 1999, Wereldhave's 2,000 m² office building in the Delftechpark in Delft was transferred to investment. The building was awarded the Dutch building prize in recognition of its innovative environmental concept. The economic life and physical expectancy of the building run in parallel. All expenditures from purchase to demolition have been clearly itemised and the environmental burdens have been reduced. The building was fully let prior to its completion. In November the 3,000 m² extension to the Winkelhof shopping centre in Leiderdorp was opened. Since the opening there has been an increase in the number of visitors. Construction began in June on 6,000 m² of office accommodation in Alphen aan den Rijn. Completion is planned for the first quarter of 2001. The renovation of the high-rise section of the former Bogaard Centre in Rijswijk began in November. After redevelopment the

Agro Business Park, Wageningen

building will be renamed the Winston Churchill Tower, a new high-quality office building of 22,500 m² which will be completed in the second quarter of 2001. Plans are being drawn up to convert the low-rise section to residential use. Letting of the Ypenburg industrial estate has got off to a good start after the redevelopment which began in 1998. In December Wereldhave sold the Bellevue building in The Hague and the Damsigt building in Voorburg. The proceeds were in excess of the book value at the end of 1998.

With the sale of the Damsigt building and additional lettings in Ypenburg the occupancy rate of the Dutch portfolio in the year 2000 will show a substantial increase from the 91.1% of 1999. As at December 31, 1999 the investment portfolio was valued at EUR 251.9 mln and the development portfolio at EUR 53.1 mln. The Dutch portfolio was re-valued upwards by 1.5%.

Average occupancy rate in %



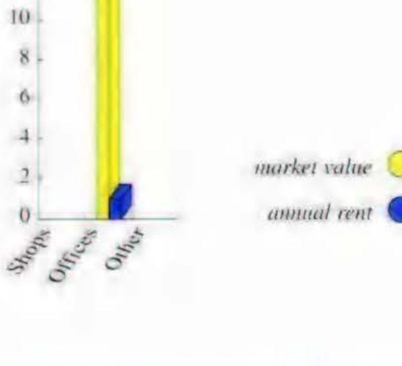
General lease conditions

1. Term: 5 years with an option for the tenant to extend a further 5 years.
2. Rent increases: annual increases based on the cost of living index (consumer price index).
3. Outgoings: structural maintenance, insurance, management and a part of local taxes are for the landlords' account.

	1999	1998
Economic growth	3.7	4.0
Inflation	2.3	2.3
Growth private consumption	4.3	4.1
Growth in employment	4.5	3.4
Unemployment rate	15.8	18.8

Annual rent and market value

(in millions of Euro, at December 31, 1999 assuming no vacancies)



Distribution of investment properties

as a % of annual rent

as a % of market value

Spain

Economic growth in Spain has exceeded the European average for several years. Employment grew at an exceptionally strong 4.5% in 1999. In Madrid the gross take-up of office space increased by 20% to over 600,000 m². A substantial amount (well over 200,000 m²) relates to leases on new office buildings not available for occupation until 2000 or later. The explanation for the high percentage of pre-letting is the fact that there has been a further drop in vacancies in 1999 to somewhere in excess of 200,000 m², or approximately 3% of the office stock. This low vacancy rate has resulted in a sharp increase in rents so that tenants are now prepared to sign leases for office space which will only be available later in the year. The effect of the continuing growth in demand and the low vacancy rate can be seen in the jump of approximately 20% in market rents to reach approximately EUR 260 per m² in the CBD and EUR 175 per m² in the better suburban locations. The vacancy rate will remain low in 2000 and 2001 since a substantial increase in new office accommodation is not to be expected until 2002 and the pre-let offices which become available for occupation in the meantime create no alternative for tenants seeking efficient modern office space. Much of the office space which these tenants vacate will require renovation before it can be let.

Favourable economic conditions are also reflected in the retail market. Growing consumer expenditure is leading to increasing sales per m². Market rents in the main shopping centres of Madrid and Barcelona stabilised during the year under review at EUR 1,050 per m². The persistent growth in the supply of retail space in suburban locations has more or less prevented any increase in sales per m² despite the growth in consumer expenditure and has led to increasing competition between shopping centres.

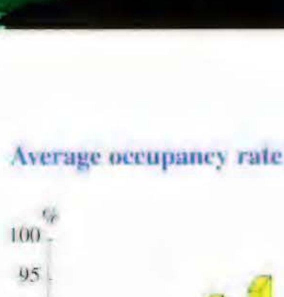
On February 18, 1999, Wereldhave reached an agreement on a turn-key development project involving an office complex of around 22,000 m² in Arroyo de la Vega, near Madrid. The site lies within the M40 ring road around Madrid on the motorway to Burgos, approximately 16 kilometres from the city centre. There are excellent connections to Barajas, Madrid's international airport. Many leading Spanish and international corporations have recently set up their headquarters in the immediate vicinity. The complex consists of four buildings with highly flexible internal divisions each of which has five storeys of office space and a two-storey underground car park. The buildings are grouped around a courtyard from which the principal entrances to the buildings can be reached. There are in total 421 parking spaces. There is a lively interest on the part of potential tenants. The complex, which will be completed in the third quarter of

Calle Fernando el Santo, Madrid

2000 is already more than 50% pre-let. The total investment in the project will amount to around EUR 46 mln.

The Spanish portfolio, consisting of the Fernando el Santo office building and the building on the Plaza de la Lealtad, was almost fully let as of December 31, 1999. The occupancy rate in the year under review was 94.7%. As of December 31, 1999 the value of the investment portfolio was EUR 15.5 mln and the value of the development portfolio EUR 44.8 mln. The valuation of the Spanish portfolio was re-valued upwards by 1.3%.

Average occupancy rate in %



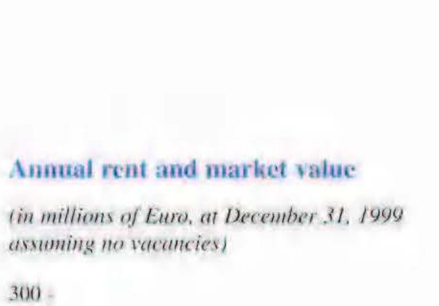
General lease conditions

1. Term: up to 5 years.
2. Rent increases: annual increases based on the cost of living index (consumer price index).
3. Outgoings: structural maintenance, insurance, management and a part of local taxes are for the landlords' account.

	1999	1998
Economic growth	1.7	2.2
Inflation	2.0	2.7
Growth private consumption	3.9	3.4
Growth in employment	0.7	1.2
Unemployment rate	6.1	6.2

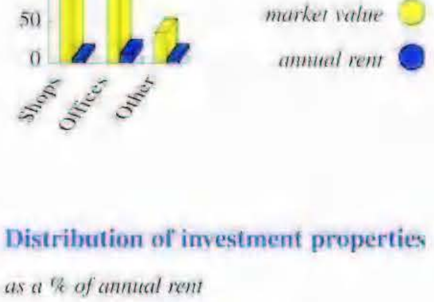
Annual rent and market value

(in millions of Euro, at December 31, 1999 assuming no vacancies)

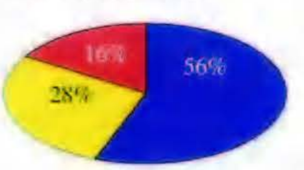


Distribution of investment properties

as a % of annual rent



as a % of market value



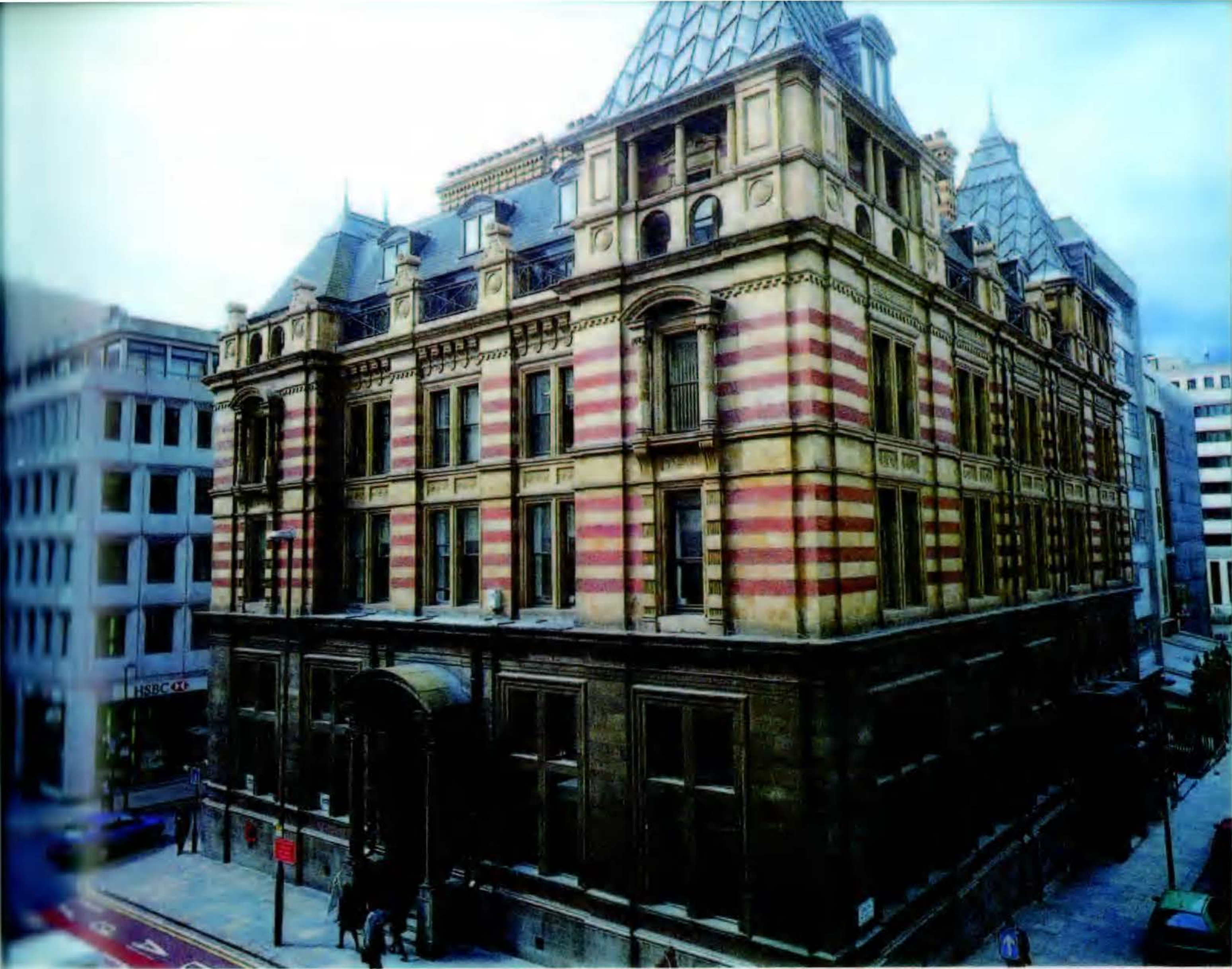
United Kingdom

Once it appeared that an economic recession was to be avoided there was a sharp improvement in sentiment on the British property market. In London gross take-up of office space was maintained at a high level in 1999. With the availability on the market on a number of newly constructed offices the vacancy rate has now begun to rise slightly. However, the vacancy rate in the City, Holborn and the West End is still below 5%. The demand for large modern office areas has led to the vacancy rate in the Docklands falling to a level of 5.5%. The persistently low vacancy rate exerts a positive influence on market rents in and around London. In the course of 1999 rents stabilised at GBP 560 per m^2 in the City. Competition for the City comes principally from the Docklands so that increasing construction activity is to be expected in the City for the next few years. Rents have risen to GBP 450 per m^2 in Holborn, to GBP 420 per m^2 in the Docklands and to GBP 660 m^2 in the West End, where the most rapid increase has taken place.

Positive developments on the rental market have pushed net rental yields downwards again in 1999 after rising in the second half of 1998. This means that more new construction activity is to be expected in the longer term. Most developers are cautious and await pre-lettings before beginning construction on new projects. Continuing economic growth therefore need not raise fears of a steep climb in vacancies. Rents outside London are also rising. The area around Birmingham is increasingly developing into an alternative location for ICT-companies which cannot find space and staff near Heathrow.

The UK retail markets are characterised by strongly intensified competition. Prices for most food and clothing items fell during 1999. Lower food prices can be traced to the take-over of Asda by Wal-Mart, which is attempting to gain market share from other supermarket chains through deep cuts in prices. Lower clothing prices are the result not only of increased supply, including the growth of discount stores, but also of shifts in the pattern of consumption away from clothing towards more spending on leisure, household goods and gardening.

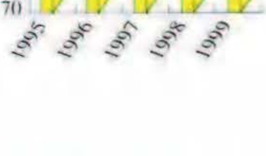
Wereldhave sold eleven properties in 1999, the largest of which was the office building at 65, Kingsway in London. Part of a vacant site in Rushden was also sold. This site was re-zoned for housing in 1998 and since then Wereldhave has been disposing of it piece by piece. The total proceeds of the sales in the United Kingdom during 1999 was substantially in excess of the book value at the end of 1998. Redevelopment of a 16,000 m^2 shopping centre in Folkestone is proceeding according to plan. It is expected that construction can begin in the summer of 2000.



[illegible] Park Row, Leeds

Two properties in the portfolio, an office building in Leeds and an office building with shops at street level in Baker Street, London, were the subject of a thoroughgoing renovation in 1999. Both projects have been completed and successfully let. With the exception of the freehold of the site of the office building at 14-18 Eastcheap, London, no acquisitions took place in 1999. The occupancy rate of the portfolio amounted to 97%. As at December 31, 1999, the investment portfolio was valued at EUR 349.5 mln and the development portfolio at EUR 13.9 mln. The British portfolio was re-valued upwards by 6%.

Average occupancy rate in %



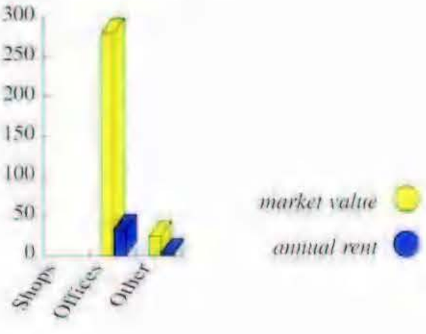
General lease conditions

1. Term: up to 25 years.
2. Rent adjustments to market levels every five years, in general not below the previous rent level.
3. Outgoings: mainly structural maintenance and insurance are all recoverable from the tenants.

	1999	1998
Economic growth	3.8	4.3
Inflation	1.4	1.2
Growth private consumption	5.1	4.9
Growth in employment	1.5	1.5
Unemployment rate	4.2	4.5

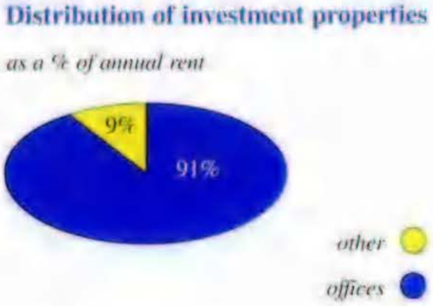
Annual rent and market value

(in millions of Euro, at December 31, 1999 assuming no vacancies)

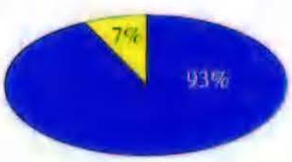


Distribution of investment properties

as a % of annual rent



as a % of market value



United States

With the strong growth in employment the American office markets have continued to perform better than expected. As a result the average vacancy rate rose only slightly from 9% to 9.5%. New developments are snapped up by tenants. As a result of the consistent demand for new office accommodation and the low vacancy rates there was a further increase in market rents for offices in 1999: on average about 5% for CBD's as against 2% for suburban office locations. The more rents rise the more opportunities there are for developing high-quality projects.

Approximately 90% of new office construction activity takes place in suburban office locations. In consequence there has been some increase in vacancy rates in a number of cities. The cities in question are mainly Southern cities where building controls are less stringent. Such cities as, for example, Atlanta, Dallas and Phoenix, are still growing strongly however, as they are pleasant and inexpensive places to live, so that despite the rise in vacancy rates rents in these markets have fallen only slightly. Traffic congestion has got worse as they continue to grow, leading to increased attention being paid to 'smart-growth'. The preservation of an attractive residential environment is also a requirement for attracting ICT-companies offering high-quality jobs to the area. It is noticeable that many American cities are making extra efforts to make their inner-city areas more attractive.

For a number of reasons ICT-companies seek to establish themselves in close proximity to other companies in the same sector in locations which are readily accessible and have ample parking spaces. In addition they seek high-visibility accommodation and generally prefer suburban locations. This can all be clearly seen in San José, Austin, Dallas and Washington. The spectacular growth of internet companies is currently fuelling strong expansion in suburban Washington, where market rents have risen from USD 260 per m^2 at the end of 1997 to USD 310 per m^2 at the end of 1999.

The retail markets in the United States are faced with excess shopping space and increasing competition from the internet. The result is that, despite a growth of 5% in consumer expenditure, shop turnover per m^2 and, consequently, shop rents have stagnated. The average rental level was unchanged at USD 175 per m^2, considerably lower than in Europe. The average initial yield on shop investments was also unchanged at 9.1%.

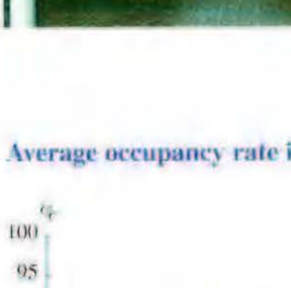
Construction began in March 1999 on two office buildings totalling 22,000 m^2 near Washington. These buildings, which will be available for occupation in the

6001 and 5001 Plaza on the Lake Drive, Austin

second quarter of 2000, have been fully pre-let. In the fourth quarter of 1999 Wereldhave purchased two fully let new office buildings in Austin of in total approximately 21,500 m². In addition, three office buildings and an apartment complex were transferred to the investment portfolio. These completed development projects are fully let. After the swift expansion in 1998 and 1999 the American portfolio is now concentrated largely in the high tech areas of Austin (four office buildings), Dallas (five office buildings and one apartment complex) and Washington DC (three office buildings, of which two will be available for occupation in the second quarter of 2000). In Loudon County near Dulles Airport (Washington) Wereldhave has acquired a vacant site on which to develop 12,000 m² of office space. Construction will begin in February 2000 and is expected to be completed in September 2000.

In February 2000 Wereldhave was successful in letting approximately 12,000 m² of the office building at 1515 Market Street, Philadelphia. The occupancy rate for the portfolio which in 1999 was still only 89.1%, will improve substantially in 2000. As at December 31, 1999 the value of the investment portfolio was EUR 305.7 mln and the value of the development portfolio EUR 56 mln. The valuation of the American portfolio was revised upwards by 2.6%.

Average occupancy rate in %



General lease conditions

1. Term: 5 or 10 years usual.
2. Rent increases: unusual during the term.
3. Outgoings: structural maintenance only is for the landlords' account; escalation clauses exist for increases in property taxes, electricity and wages.

The Park, Austin, Texas

Austin, Texas' state capital, ranks high amongst the most attractive cities in the United States. The city is very popular amongst high tech companies. Austin, along with Washington, counts as one of the most important locations for multimedia companies. During the nineties the population of the city grew by 35% to approximately 1.1 mln as of December 31, 1999. The increase in employment is just as impressive. In 1999 there was an increase in employment of 4.5%. The largest employer is the University of Texas with a staff of 20.300.

Dell Computer Corporation, Motorola and IBM are the largest employers amongst the high tech companies. The high tech industry currently provides 15% of all jobs in Austin as against 8% only three years ago. The unemployment rate of 2.7% lies well below the national average of 4.2%.

Wereldhave decided to invest in Austin because of the well trained workforce, the favourable conditions for setting up business, low local taxes, the presence of high tech companies, the high standard of living and strict environmental controls. Since we made our decision such high tech companies as Apple Computer and [illegible] Development Corporation have settled in Austin.

Of Austin's stock of 2.4 mln m² of office space approximately 94% is occupied. In the north-western section of the city, a suburban area with approximately 700,000 m² of office accommodation, the vacancy rate is low (2.3%). This is the area where most new building activity has taken place in recent years both the University of Texas and the bulk of the high tech companies are housed here. The popularity of the suburban locations is connected to the closeness to residential areas, shopping and restaurant facilities, the proximity to a large number of high tech companies and, last but not least, the beautiful surroundings.

The Park is an office building in landscaped surroundings to the north-west of Austin. The building which totals 8,700 m² consists of three storeys (including the ground floor) and a three-storey car park. Its 339 parking spaces offer one parking space for every 25 m² of office space. Wereldhave has created a state-of-the-art building with an extremely economical energy consumption and an efficient layout. Access is through a central hall which joins the two wings. The exterior façade is made of brick, highlighted with granite, and insulating glass. The lobby has been fitted out with great care in luxurious materials such as granite and jurastone. The installations, obviously, meet the highest standards. The building was fully let on completion.

Prospects

Office markets in the United States are performing even better than expected. The main reason for this is the accelerating pace of technological development. New investment opportunities are maintaining high levels of investment and strong employment growth. This is keeping vacancy rates reasonably low.

Rising demand is providing a continuing boost for the European office markets. The United Kingdom and the Netherlands, where the economies have been strong, have been the first countries to see new building activity get under way. Consequently, they are the first countries where rental growth has fallen. In Spain and France little new capacity will come on to the market in the short term and rental growth continues unabated. In Belgium, where new construction activity picked up in advance of the recovery in demand, no increase in rents can be expected in the immediate future.

The intense competition on the American retail market will continue to persist as electronic shopping expands and new retail concepts are introduced. In Europe, where the growth in supply is more closely controlled, competition is also getting tougher.

Results

Investments in development properties amounted to EUR 278.7 mln at the end of 1999. These investments are projected to provide a net return on equity of at least 9%. Together with the portfolio of new investment developed in previous years this should permit the dividend to increase once more in line with the growth in profits. Assuming stable currency rates Wereldhave expects an increase in profit per share between 7% and 12% in 2000. In view of the development projects under construction Wereldhave is also optimistic about profit prospects for subsequent years.

Board of Management Wereldhave N.V. G.C.J. Verweij
R.L.M. de Ruijter

The Hague, February 24, 2000

WERELDHAVE

Annual Accounts 1999

** See the note on page 36 and the proposed distribution of profits under 'Other information' on page 42*

Consolidated balance sheet at December 31, 1999

*after proposed distribution (x EUR 1 mln) **

	note.		**1999**		1998
Assets					
Investments					
property investments	1		1,595.4		1,269.6
Accounts receivable	2		32.2		38.2
Other assets	3		39.1		30.3
			1,666.7		**1,338.1**
Liabilities					
Shareholders' equity			909.0		800.9
Provisions	4		46.9		17.6
Long-term debt					
loans	5	393.4		309.5	
other liabilities	6	4.3		3.5	
			397.7		313.0
Short-term liabilities	7		313.1		206.6
			1,666.7		**1,338.1**

Erratum

Page 29, Annual Report 1999 Wereldhave:

Gross rental income 1999: EUR 111.5 mln
(instead of EUR 115.2 mln)

Consolidated profit and loss account 1999

(x EUR 1 mln)

	note.		1999		1998
Investment income					
gross rental income	1	115.2		101.6	
operation costs	2	./. 17.6		./. 16.7	
net rental income			93.9		84.9
Costs					
interest costs	3	./. 16.8		./. 15.8	
general costs	4	./. 4.7		./. 4.2	
			./. 21.5		./. 20.0
result before tax			72.4		64.9
taxes on corporate income			./. 0.8		./. 0.2
Profit after tax			**71.6**		**64.7**

Movements in shareholders' equity in 1999

(x EUR 1 mln)

		1999		1998
Direct investment result				
- profit after tax		71.6		64.7
Indirect investment result				
- movements in reserves as a result of differences in valuations and exchange rates	84.3		./. 10.5	
- costs of refinancing high rate debt	./. 26.9		–	
- other	16.9		12.7	
		74.3		2.2
Proposed dividend		./. 59.1		./. 56.0
Dividend not paid out for 1998 resp.1997		21.3		27.3
Increase in shareholders' equity		**108.1**		**38.2**

Consolidated cash flow statement for 1999

(x EUR 1 mln)

	1999		1998	
Cash flow from operational activities				
direct investment result	71.6		64.7	
movements in accounts receivable	6.0		./. 28.4	
movements in other assets	./. 0.1		–	
movements in short-term liabilities	103.9		52.3	
movements in provisions	27.4		./. 11.1	
exchange rate differences	./. 5.3		./. 1.7	
		203.5		75.8
Cash flow from investment activities				
investment in property	./. 294.7		./. 319.2	
disposals of property	101.6		131.6	
other movements in revaluation reserve	17.2		12.8	
		./. 175.9		./. 174.8
Cash flow from finance activities				
new loans/redemption	53.2		33.4	
movements in other long-term liabilities	0.8		./. 0.9	
dividend	./. 35.2		./. 27.0	
exchange rate differences	./. 10.5		–	
other movements in revaluation reserve	./. 27.2		./. 2.3	
		./. 18.9		3.2
Increase/decrease in cash and bank balances		**8.7**		**./. 95.8**

Notes to the accounts

Consolidation

Companies which form a group with Wereldhave, are included in the consolidated annual accounts. Interests of less than 100% are consolidated on a proportional basis. For that reason acquisitions and sales of interests in group companies are incorporated as acquisitions and sales of assets and liabilities. Proportional consolidation provides a direct illustration of the magnitude of Wereldhave's investments and related assets, liabilities and results.

Foreign currencies

Balance sheet items are translated into Euro at year-end rates of exchange. The results denominated in foreign currencies are converted at period average rates of exchange. Exchange rate differences are accounted for under the revaluation reserve.

	31.12.1999 EUR	31.12.1998 EUR
1 GBP	1.6116	1.4175
100 HUF	0.3943	0.3912
1 USD	0.9967	0.8751

Tax status

Wereldhave N.V. has the tax status of an investment company in accordance with Article 28 of the Netherlands 'Wet op de vennootschapsbelasting 1969' (Corporation Tax Act 1969). This means that no corporation tax is to be paid 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. There is no requirement to include surpluses, arising on disposal of investments, in the taxable profit to be distributed.

Basis of valuation for assets and liabilities

Assets, liabilities and provisions are included at their nominal value, except in those cases where a different basis of valuation is disclosed in the notes to the accounts.

Investments

Investment properties

Investment properties are valued at open market value. Open market value is based on market rents less operating costs. The net capitalisation factor and the present value of the differences between market rent and contracted rent, vacancies and investments needed in the future are calculated for each property to determine the open market value. Selling costs are deducted from this value. Half of the portfolio is valued at open market value by independent external valuers on June 30 and the other half on December 31 of each year. The open market value of those properties not appraised by external valuers is subjected to internal valuation by the same method. Differences against the previous valuations are taken to the revaluation reserve.

Development properties

Development properties are valued at cost or at estimated market value if lower. Development properties transferred from investment properties are valued at estimated market value. Cost includes commitments for capital expenditure on works not yet undertaken as well as the capitalised interest costs. After completion of the (re)development the property is transferred to the category of investment properties. A property is not considered to be a development property if the property has been at least 75% let, or one year after the date of certified practical completion of the development. Differences against the previous valuations are accounted for in the revaluation reserve.

Provisions

Provisions are created to meet future liabilities or risks. The provision for contingent tax liabilities represents the discounted value of contingent liabilities to taxation arising from differences between the valuation for tax purposes, taking into account allowable tax losses. The provision for refinancing costs of high rate debt is also included at discounted value.

Accounting policies for determining results

Investment income

Gross rental income

Gross rental income is made up of rents charged to tenants for the year. Service costs recoverable from tenants are not included in either rental income nor in operating costs.

Operating costs

These costs relate to operating costs attributable to the year, mainly consists of maintenance costs, property tax, insurance premiums and management costs and rent collection costs. No provision is made for depreciation on investment properties. Investment properties are valued at open market value (see above under Investment properties) in which allowance is made for technical and economic obsolescence.

Interest costs

Interest costs comprise interest attributable to the year on loans, other liabilities, accounts receivable and bank balances and the differences in interest arising on the conversions of financing in foreign currencies and interest rate swaps. Capitalised interest attributable to investments is deducted from the balance of interest paid and interest received.

General costs

General costs are those attributable to the year under review, which relate to operational activities. The costs which relate to asset management are deducted from total general costs and charged to the indirect investment result.

Taxes on corporate income

Under this heading are shown corporate tax related to the results from investments in group companies in the year under review.

Movements in shareholders' equity

The schedule of movements in shareholders' equity presents the direct and the indirect investment result and movements on account of share issues and dividend. The 1998 bonus issue resulted in retained cash dividends in 1999.

The direct investment result includes the profit after tax as stated in the profit and loss account and the current year's results comprised in the issue price of the shares.

The principal components of the indirect investment result are the movements in reserves as a result of differences against the previous year's valuations and exchange rate differences. These movements include valuation adjustments on investments, movements in contingent tax liabilities together with exchange rate differences arising on forward currency transactions and the conversion of results denominated in foreign currencies. Furthermore, the costs of refinancing of high rate debt are included in this item. The components of the indirect investment result are accounted for in the revaluation reserve.

Notes to the consolidated balance sheet at December 31, 1999

(x EUR 1 mln)

Property investments

		1999	1998
1.	investment properties	1,316.7	1,061.7
	development properties	278.7	207.9
		1,595.4	1,269.6

Investment properties

	1999	1998
balance at January 1	1,061.7	1,045.3
exchange rate differences	72.6	./. 26.2
	1,134.3	1,019.1
purchases/expenditures	64.9	140.1
transferred from/ to development properties	163.1	0.3
	1,362.3	1,159.5
disposals	./. 97.0	./. 117.3
	1,265.3	1,042.2
valuation adjustments	51.4	19.5
balance at December 31	1,316.7	1,061.7

To the amount of EUR 114 mln, properties have been charged by mortgage.

Development properties

	1999	1998
balance at January 1	207.9	45.2
exchange rate differences	11.9	./. 0.9
	219.8	44.3
purchases/expenditures	229.8	179.1
transferred to/from investment properties	./. 163.1	./. 0.3
	286.5	223.1
disposals	./. 4.6	./. 14.3
	281.9	208.8
revaluation	./. 3.2	./. 0.9
balance at December 31	278.7	207.9

Accounts receivable

		1999	1998
2.	debtors	7.0	4.4
	prepaid costs	2.4	2.5
	taxes recoverable	18.4	0.5
	other	4.4	30.8
		32.2	38.2

		1999	1998	
3.	cash and bank balances	37.6	28.9	**Other assets**
	office equipment and cars	1.5	1.4	
		39.1	30.3	

4.	contingent tax liabilities	20.0	17.6	**Provisions**
	refinancing costs	26.9	–	
		46.9	17.6	

The provisions have a nominal value of EUR 55.7 mln resp. EUR 39.7 mln and are considered to be mainly of a long-term nature.

5.	balance at January 1	309.5	286.2	**Loans**
	exchange rate differences	30.7	./. 10.1	
		340.2	276.1	
	new loans/redemptions	53.2	33.4	
	balance at December 31	393.4	309.5	

Loans can be illustrated as follows:

	December 31, 1999				December 31, 1998			
	in local currency	average interest rate in %	in Euro	distri-bution of debt in %	in local cur-rency	average interest rate in %	in Euro	distri-bution of debt in %
EUR	135.1	3.9	135.1	34.3	101.2	5.3	101.2	32.7
GBP	84.8	6.2	136.7	34.8	88.3	8.5	125.2	40.5
USD	122.0	6.6	121.6	30.9	97.0	6.4	83.1	26.8
total		5.5	393.4	100.0		6.9	309.5	100.0

	December 31, 1999 maturity spread in years (from 31-12-99)			December 31, 1998 maturity spread in years (from 31-12-98)		
	1-2	2-5	> 5	1-2	2-5	> 5
EUR	0	19	81	55	0	45
GBP	0	48	52	11	0	89
USD	57	43	0	0	100	0
total	18	36	46	23	27	57

The average duration of debt at fixed interest rates (EUR 196 mln, 49,8% of total debt) is 5.9 years.

Other long-term liabilities

6. This item exists of tenants' deposits.

Short-term liabilities

		1999	1998
7.	dividend	59.3	56.7
	taxes	6.1	6.6
	fixed-term loans and overdrafts	26.7	1.5
	investment obligations	169.3	106.2
	creditors and other liabilities	51.7	35.6
		313.1	206.6

Dividend includes the sum needed to meet dividend obligations in respect of the financial year should all shareholders opt for a cash dividend.

Notes to the consolidated profit and loss account for 1999

(x EUR 1 mln)

1. **Rental income**

	gross rental income		operating costs		net rental income	
	1999	1998	**1999**	1998	**1999**	1998
The Netherlands	29.5	31.2	2.3	3.4	27.2	27.8
Belgium	11.4	13.8	0.4	0.6	11.0	13.2
France	11.3	10.2	0.5	1.1	10.8	9.1
Spain	1.1	1.5	0.2	0.3	0.9	1.2
Germany	–	0.5	–	0.1	–	0.4
Hungary	0.5	0.7	–	–	0.5	0.7
United Kingdom	32.9	27.1	4.6	4.1	28.3	23.0
United States	24.8	16.6	9.6	7.1	15.2	9.5
	111.5	101.6	17.6	16.7	93.9	84.9
Offices	57.1	49.3	11.2	11.0	45.9	38.3
Shops	35.8	36.4	3.5	3.9	32.3	32.5
Other	18.6	15.9	2.9	1.8	15.7	14.1
	111.5	101.6	17.6	16.7	93.9	84.9

Loss of rental income due to voids amounted to 6.4% of the theoretical rent (1998: 6.8%). The theoretical rent is the sum of gross rental income and the loss of rent due to voids

		1999	1998
2.	maintenance	2.3	2.7
	property tax	5.2	4.0
	insurance premiums	0.6	0.5
	management costs and rent collection costs	5.9	5.1
	other operating costs	3.6	4.4
		17.6	16.7
3.	interest paid	23.3	21.5
	interest received	./. 2.1	./. 3.0
		21.2	18.5
	less: capitalised interest	./. 4.4	./. 2.7
		16.8	15.8
4.	personnel	3.2	2.8
	remuneration of Supervisory board	0.1	0.1
	external advisors' and auditors' fees	1.1	0.9
	other	1.7	1.8
		6.1	5.6
	less: costs of asset management	./. 1.4	./. 1.4
		4.7	4.2

Operating costs

Interest costs

General costs

Other

5. Salaries amounted in total to EUR 6.1 mln (1998: EUR 5.7 mln), social security contribution to EUR 0.9 mln (1998: EUR 0.8 mln), and pension costs to EUR 1.2 mln (1998: EUR 0.9 mln). Of the total of EUR 8.2 mln, EUR 2.7 mln is included in general costs (personnel), EUR 4.9 mln in operating costs and EUR 0.6 mln in investments. The remuneration of the members of the Board of Management amounts to EUR 0.8 mln (1998: EUR 0.6 mln) including social security contributions and pension costs. An average of 96 people has been employed by the Group during 1999 (1998: 100).

Company balance sheet at December 31, 1999

*after proposed distribution of profits (x EUR 1 mln) **

** See note 9 on page 41, and the proposed distribution of profits under 'Other information' on page 42.*

	note	1999		1998	
Assets					
Investments					
property investments		290.5		276.7	
investments in group companies	1	676.8		560.4	
other financial investments	2	237.1		186.6	
			1,204.4		1,023.7
Accounts receivable	3		9.0		1.5
Other assets			10.1		15.4
			1,223.5		1,040.6
Liabilities					
Shareholders' equity					
issued share capital	4	160.7		157.3	
share premium	5	621.9		625.3	
revaluation reserve	6	./. 182.8		./. 257.1	
general reserve	7	309.2		275.4	
			909.0		800.9
Provisions			26.9		–
Long-term debt					
loans	8		139.7		136.6
Short-term debt	9		147.9		103.1
			1,223.5		1,040.6

Company profit and loss account for 1999

(x EUR 1 mln)

	note	1999	1998
result of group companies		46.0	38.6
other result	10	25.6	26.1
Profit after tax		71.6	64.7

Notes to the company balance sheet at December 31, 1999 and the profit and loss account for 1999

(x EUR 1 mln)

For the basis of valuation of assets and liabilities and the accounting policies for determining the results, the reader is referred to the Notes to the accounts. The Company has made use of the exemption referred to in Article 402, Title 9, Book 2 of the Netherlands Civil Code.

Investments in group companies

1. Movements are as follows:

	1999	1998
balance at January 1	560.4	471.1
investments, in balance	1.0	85.2
	561.4	556.3
results	46.0	38.6
valuation adjustments	99.2	./. 6.5
profit distributions	./. 29.8	./. 28.0
balance at December 31	676.8	560.4

Investments in group companies have been valued at net assets value. A list of companies as referred to in Articles 379 and 414, Title 9, Book 2 of the Netherlands Civil Code, has been deposited at the Chamber of Commerce in The Hague.

Other financial investments

2. On account of intercompany relations EUR 237.1mln (1998: EUR 186.6 mln) is included under other financial investments.

Accounts receivable

3. On account of intercompany relations EUR 0.6 mln (1998: EUR 0.5 mln) is included under accounts receivable.

Issued share capital

4. The share capital at year-end 1999 is as follows:

type of shares nominal value NLG 20	Authorised (NLG)	In issue at December 31 (NLG) 1999	 1998
ordinary shares	500.000.000	346.594.500	339.134.960
preference shares	250.000.000	30.000.000	30.000.000
'A' priority shares	200	200	200
'B' priority shares	249.999.800	–	–
	1.000.000.000	376.594.700	369.135.160
less: uncalled preference capital		./. 22.500.000	./. 22.500.000
	1.000.000.000	354.094.700	346.635.160

Movements in issued share capital:

	1999	1998
balance at January 1	153.9	149.7
stock dividend	3.4	4.2
balance at December 31	157.3	153.9

At December 31, 1999 there are 17,329,725 ordinary, 1,500,000 preference and 10 'A'priority shares in issue. No 'B'priority shares have been issued.

		1999	1998	
5.	balance at January 1	625.3	629.5	**Share premium**
	stock dividend	./. 3.4	./. 4.2	
	balance at December 31	621.9	625.3	

The share premium at December 31, 1999 includes an amount of EUR 607.6 mln exempted from tax (1998: EUR 610.8 mln).

6.	balance at January 1	./. 257.1	./. 259.2	**Revaluation reserve**
	valuation adjustments on investments	48.2	18.6	
	exchange rate differences	38.0	./. 20.9	
	movements in contingent tax liabilities	./. 1.9	./. 8.2	
	other movements	./. 10.0	12.6	
	balance at December 31	./. 182.8	./. 257.1	

Of the movement of EUR 74.3 mln in the year under review EUR –12.9 mln can be characterised as realised and EUR 87.2 mln as not realised.

7.	balance at January 1	275.4	239.4	**General reserve**
	retained cash dividends	21.3	27.3	
	added according to proposal for distribution of profits	12.5	8.7	
	balance at December 31	309.2	275.4	

Loans

8. On account of intercompany relations EUR 44.4 mln (1998: EUR 12.3 mln) is included under loans.

Short-term liabilities

9. Short-term liabilities include the sum needed to meet dividend obligations in respect of the 1999 financial year, should all shareholders opt for a cash dividend. On account of intercompany relations an amount of EUR 40.7 mln (1998: EUR 28.0 mln) is also included under short-term liabilities.

Other results

10. On account of intercompany relations interest income to the amount of EUR 7.3 mln (1998: EUR 4.4 mln) is included in these results.

Items not included in the balance sheet

11. The company has given guarantees on behalf of group companies to third parties for a total amount of EUR 310 mln (1998: EUR 158 mln). In 1999 the company has entered into forward sale transactions of GBP 45 mln. These transactions have a remaining duration of 2 months. In 1999 agreement was reached to sell property to the value of EUR 6.2 mln.

Supervisory Board

J.F. Visser F.H.J. Boons

W. Lemstra H.M.N. Schonis

Board of Management

G.C.J. Verweij

R.L.M. de Ruijter

The Hague, February 24, 2000

Other information

Distribution of profits

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, or so much less as is available from the distributable profit plus a surcharge of 1.5%. Holders of 'B'priority shares have a second call on profits in the form of a dividend distribution to the preference shareholders, or a such lower amount as is available from 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 cash dividend of 4.71% on the preference shares in issue and 5% on the 'A'priority shares in issue, it is proposed to distribute to ordinary shareholders a dividend of EUR 3.40 in cash, or should they so prefer, a dividend in cash together with a tax free dividend in the form of bonus shares, charged to the tax-exempted share premium reserve. This amount in cash and accompanying distribution rate for the bonus shares will be announced on March 23, 2000. That part of profits which is not paid out in cash will be added to the general reserve.

(x EUR 1 mln)	**1999**	1998
Direct investment result	71.6	64.7
Preference dividend and dividend A priority shares	0.2	0.2
Dividend ordinary shares *)	58.9	55.8
Addition to general reserve	12.5	8.7
	71.6	64.7

**) On the assumption that the cash dividend is paid in respect of all dividend ranking ordinary shares.*

Preference and priority shares

The A priority shares are held by the Stichting tot het houden van prioriteitsa-ndelen van de naamloze vennootschap: Wereldhave N.V. (Foundation for the holding of priority shares of Wereldhave N.V.). The Supervisory and Management Boards of Wereldhave N.V. manage this foundation. The most important rights of the holders of 'A' and 'B' priority shares involve fixing the number of members of the Management and Supervisory Boards of the Company and the placing of a binding nomination list for their appointment. There are no 'B'priority shares issued. 1,350,000 of the preference shares are held by the Stichting tot het houden van preferente en prioriteitsaandelen B Wereldhave (Foundation for the holding of preference shares and B priority shares Wereldhave). The management of the Foundation consists of Messrs. H. Zomerplaag (Chairman), H.J.A.F. Meertens and M.A. Snijder. In addition to voting rights, the preference shares carry a preferential right to a dividend out of the profits. They have no entitlement to the Company's reserves. The purpose of the Foundation is, as set out in Article 2 section 1 of its Articles of Association, to look after the interests of Wereldhave N.V., of the business concern related to the Company as legal entity and of all parties involved, taking into consideration, amongst other objectives the maintenance of the independence, continuity and identity of the Company as a legal entity and as a business concern. On December 31, 1999, the foundation held a 7% interest in Wereldhave N.V.

The Company and the Board of the Foundation jointly declare that, to the best of their knowledge and belief, the Foundation is independent of the Company as defined in Annex X of the Fondsenreglement (Listing & Issuing Rules) of the Amsterdam Stock Exchange.

Transactions with directly related parties

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. 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's Report

Introduction

We have audited the Annual Accounts 1999 of Wereldhave N.V., The Hague. These financial statements are the responsibility of the Company's Board of Management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the Annual Accounts give a true and fair view of the financial position of the Company as of December 31, 1999 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code and the Investment Institutions Supervision act (Wet toezicht beleggingsinstellingen).

PricewaterhouseCoopers N.V.

The Hague, February 24, 2000

Supervisory Board

J.F. Visser (68)

Former Chairman of Board of Management of Westland/Utrecht Hypotheekbank N.V. Member of Wereldhave N.V. Supervisory Board since 1975; Chairman since 1991, re-appointed in 1999; Member of the Supervisory Boards of Canada Trust Bank N.V; Substitute Member of Amsterdam Stock Exchange Complaints Commission; Substitute Judge, Utrecht District Court.

F.H.J. Boons RA (59)

President of Board of Management of VADO Beheer B.V., Eindhoven. Member of Wereldhave N.V. Supervisory Board since 1984, re-appointed in 1997; Member of the Supervisory Board of several companies, and Chairman of the Supervisory Boards of Kantoren Fonds Nederland B.V. and Winkel Beleggingen B.V., subsidiaries of ABP (Dutch Civil Service Pension Fund), Heerlen; Chairman of Investment Committee of Interpolis Verzekeringen B.V..

W. Lemstra (64)

Former mayor of Hengelo, Overijssel; Member of Wereldhave N.V. Supervisory Board since 1992, a position to which he was re-appointed in 1998; Part-time professorship in Public-Private Co-operation and Public Management, University of Twente; Member of the Supervisory Boards of several companies, including NBM-Amstelland NV. Chairman of the Board of the Association of Hospitals; Member of the Upper Chamber States General.

H.M.N. Schonis (56)

Partner in Caron & Stevens/Baker & McKenzie (solicitors, tax consultants and notaries public), Amsterdam. Member of Wereldhave N.V. Supervisory Board since 1997; Part-time professorship in Fiscal Law, Catholic University of Nijmegen; Member of the Supervisory Boards of several companies, including Delta Lloyd Bank N.V..

The members of the Supervisory Board are all Dutch Nationals. The re-election of Messrs. Boons and Schonis for a period of two years will be proposed at the Annual General Meeting of Shareholders on March 30, 2000. None of the members of the Supervisory Board holds shares or options in Wereldhave N.V..

Board of Management

G.C.J. Verweij (54)

Employed by Wereldhave since 1977; Manager Building Staff Department 1981; Director Wereldhave Management Holding B.V. from 1982; Director Wereldhave N.V. from 1988 (chairman from 1994).

R.L.M. de Ruijter (48)

Employed by Wereldhave since 1987; Director Wereldhave Management Nederland B.V. 1990; Director Wereldhave Management Holding B.V. from 1994; Director Wereldhave N.V. from 1994.

Development properties

(projects under construction with a value above EUR 10 mln)

Belgium

Antwerp, Berchem

16,500 m^2 offices

start construction May 1999

completion November 2000

investment value EUR 22 mln

Vilvoorde (near Brussels)

10,000 m^2 offices

start construction December 1998

completion April 2000

investment value EUR 18 mln

France

Dunkirk, Bollaert

10,000 m^2 retail

start construction September 1999

completion November 2000

investment value EUR 16 mln

Paris, Clichy

20,000 m^2 offices

start construction February 2000

completion October 2001

investment value EUR 54 mln

Paris, Saint Denis

11,000 m^2 offices

start construction January 2000

completion May 2001

investment value EUR 21 mln

Alphen aan den Rijn
6,500 m^2 offices
start construction August 1999
completion December 2000
investment value EUR 10 mln

The Netherlands

Rijswijk, Winston Churchill Tower
22,500 m^2 offices
start construction October 1999
completion November 2000
investment value EUR 31 mln

Madrid, Arroyo de la Vega
20,000 m^2 offices
start construction February 1999
completion third quarter 2000
investment value EUR 46 mln

Spain

Washington (Virginia),
Dulles Tech III and IV
22,000 m^2 offices
start construction
March 1999/April 1999
completion April 2000/June 2000
investment value EUR 33 mln

United States

Investment properties at December 31, 1999

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

location	offices m²	shops m²	other m²	number of parking spaces	year of acquisition	year of construction or renovation	annual rent 2000 (x EUR 1 mln)
Belgium							
Brussels							
1-8 Boulevard Bischoffsheim	12,800			150	1988	1989	3.2
22-25 Boulevard Bischoffsheim	5,900			64	1990	1990	1.1
26-30 Rue Joseph II	19,700			145	1999	1998	3.9
6 Muntplein /22 Schildknaapstraat	7,700			35	1984	1996	1.4
Liège							
1 Quai des Vennes		30,100		1,650	1994	1995	6.5
Nijvel							
10 Steenweg op Bergen		15,300		800	1984	1995	1.8
Doornik							
22 Boulevard Walter de Marvis		14,300		1,260	1988	1996	1.5
other properties	6,800	2,400					1.7
	52,900	62,100	0				21.1
Interest Wereldhave (66,49%)	**35,100**	**41,300**	**0**				**14.0**
France							
Dunkirk							
Quai des Fusiliers Marins		9,850	7,850	600	1999	1999	2.8
Paris and environs							
56 Rue du Faubourg Saint Honoré/ 4-14 Rue d'Aguesseau (50%)	6,400			50	1977	1986	2.2
45-49 Rue Kléber, Levallois-Perret	20,600			350	1999	1999	5.8
Shopping Centre Parinor, Le Haut de Galy, Aulnay-sous-Bois		32,400		4,000	1990	1996	8.4
	27,000	42,250	7,850				19.2
Hungary							
Budapest							
two properties	**3,200**	**0**	**0**	37			**0.8**

location	offices m²	shops m²	other m²	number of parking spaces	year of acquisition	year of construction or renovation	annual rent 2000 (x EUR 1 mln)
Netherlands							
Alphen aan den Rijn							
35 A. van Leeuwenhoekweg			11,400	103	1997	1991	0.5
Amsterdam							
64 Hornweg			12,400	117	1997	1991	0.7
Arnhem							
Shopping Centre Kronenburg (leasehold till 2110)		34,400		1,000	1988	1985	6.2
Best							
4 Brem			11,300	690	1977	1971	0.8
Doorn							
Park Boswijk, Boswijklaan			33,300	130	1975	1996	1.7
Etten-Leur							
Shopping Centre Etten-Leur		21,300			1991	1980	2.5
Geldrop							
62-89A Heuvel and 1, 3, 5 and 15 Achter de Kerk		5,900			1978	1996	0.8
The Hague and environs							
35 Rotterdamseweg, Rijswijk			57,900	1,000	1996	1993	2.6
12 Veraartlaan, Rijswijk	5,600			87	1984	1991	0.6
Leiderdorp							
Shopping Centre Winkelhof		17,200		750	1995	1999	3.0
Nuth							
15 Thermiekstraat			17,000	690	1977	1987	1.1
Roosendaal and environs							
23 Borchwerf			15,400	126	1997	1994	0.5
6 Middenweg, Moerdijk (Zevenbergen)			8,800	126	1997	1988	1.0
Utrecht							
1 Rutherfordweg			12,900	100	1997	1994	0.6
other properties	7,000		64,900				3.7
	12,600	**78,800**	**245,300**				**26.3**
Spain							
Madrid							
2 Plaza de la Lealtad	3,000				1989	1972	0.7
15 Calle Fernando El Santo	3,250			43	1991	1993	0.5
	6,250	**0**	**0**				**1.2**

location	offices m²	shops m²	other m²	number of parking spaces	year of acquisition	year of construction or renovation	annual rent 2000 (x EUR 1 mln)
United Kingdom							
Blackburn							
76-80 Bank Top		3,500		202	1994	1987	0.4
Gloucester							
63-71 Northgate Street and 14-20 Hare Lane		4,000			1994	1972	0.5
Guildford							
73-75 North Street	1,050	350			1988	1976	0.5
Leeds							
31-32 Park Row	2,460				1988	1978	0.5
London and environs							
126-134 Baker Street, W1	930	770			1988	1999	0.8
326-334 Chiswick High Road, W4		2,300			1988	1974	0.5
72-74 Dean Street, Royalty House, W1	2,600			12	1988	1999	1.0
14-18 Eastcheap, EC3	5,200				1988	1991	2.1
Fielden House The Ring, Bracknell	1,600			30	1988	1983	0.5
31-36 Foley Street, W1	3,300			12	1988	1993	1.4
26-28 Great Portland Street, W1 (leasehold till 2105)	1,300				1988	1990	0.5
11-12 Haymarket, SW1	1,100				1988	1988	0.7
1-5 Lower George Street and 1 Eton Street, Richmond upon Thames		2,900		10	1988	1963	0.7
56-70 Putney High Street, SW15		4,200		44	1988	1971	0.9
10-12A Thames Street and 1, 2 en 5 Curfew Yard, Windsor	1,000	500		53	1988	1972	0.7
Northampton							
100 Pavillion Drive	11,000			510	1998	1991	3.3
Redhill							
Grosvenor House, 65/71 London Road	4,700			150	1989	1986	1.3
Rickmansworth							
Olds Approach, 1 Tolpits Lane			7,800	165	1988	1993	0.7
Sittingbourne							
Trinity Trading Estate			36,500	200	1988	1982	2.6
Sheffield							
Penistone Road		3,900		163	1988	1986	0.6
Warwick							
Warwick Technology Park, Gallows Hill, Conoco Centre	21,800			788	1998	1992	4.7
Yeovil							
Bay 6 Lynx Trading Estate		2,900		207	1994	1986	0.5
other properties	500	22,200	22,550				6.0
	58,540	**47,520**	**66,850**				**31.4**

location	offices m²	shops m²	other m²	number of parking spaces	year of acquisition	year of construction or renovation	annual rent 2000 (x EUR 1 mln)
United States							
Austin, Texas							
6901 Cap. of Texas Highway North	8,400				1999	1999	2.1
5001 Plaza on the Lake Drive	10,500				1999	1999	2.4
4801 Plaza on the Lake Drive	10,400				1999	1999	2.1
Dallas and environs, Texas							
1910 Pacific Place	29,700			14	1994	1982	3.6
805 Central Expressway, Allen	10,700				1999	1999	2.0
161 Corporate Center, Irving	9,700				1998	1998	2.2
4600 Regent Boulevard, Irving	7,400				1998	1998	1.5
4650 Regent Boulevard, Irving	7,400				1999	1999	1.5
Arboretum Estates, Richardson			28,600		1999	1999	3.6
Livonia, Michigan							
19500 Victor Park Way	10,300				1998	1998	2.2
Philadelphia, Pennsylvania							
1515 Market Street	46,900				1989	1986	8.1
Pittsburgh, Pennsylvania							
3000 Park Lane	9,800				1998	1998	2.1
Washington D.C.							
1401 New York Avenue	17,800			165	1988	1984	5.0
	179,000	**0**	**28,600**				**38.4**
Totaal	**321,690**	**209,870**	**348,600**				**131.3**

All properties are freehold unless stated otherwise. For properties which are not 100% owned, the surface areas, number of parking spaces and the annual rent are shown on pro-rate base. The annual rent is calculated on the assumption that the buildings are fully let and before deduction of operating costs.

Independent valuers

Healey & Baker, London

Jones Lang La Salle, London

Roux Troostwijk S.A., Paris

Troostwijk B.V., Amsterdam

Intervalor-Roux S.A., Madrid

Troostwijk N.V., Antwerp

Troostwijk UK Ltd., London

MB Valuation Services, Inc., Dallas

Summary of investment properties

The following is a summary of the open market value of the Group's investment properties at December 31, 1999. Foreign currencies have been converted at rates of exchange ruling at December 31, 1999. The annual rent is shown on the assumption that the buildings are fully let and before deduction of operating costs.

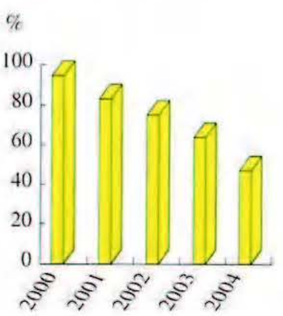
	offices		shops		other properties		total	
	market	annual	market	annual	market	annual	market	annual
(x EUR 1 mln)	value	rent	value	rent	value	rent	value	rent
Belgium	74.0	7.1	81.7	6.9			155.7	14.0
France	102.5	8.0	117.8	9.6	15.0	1.6	235.3	19.2
Hungary	3.1	0.8					3.1	0.8
Netherlands	16.7	1.5	125.2	12.5	110.0	12.3	251.9	26.3
Spain	15.5	1.2					15.5	1.2
United Kingdom	203.5	17.5	101.8	8.9	44.2	5.0	349.5	31.4
United States	284.2	34.8			21.5	3.6	305.7	38.4
Totaal	699.5	70.9	426.5	37.9	190.7	22.5	1,316.7	131.3

Summary of revaluations per country

	value 31-12-1999 in EUR	revaluation in 1999 in EUR	as a % of the value before revaluation
Belgium	195,267,580	1,115,008	0.6
France	306,663,642	12,806,541	4.4
Hungary	3,114,970	./. 850,075	./. 21.4
The Netherlands	305,049,709	4,559,869	1.5
Spain	60,229,148	796,956	1.3
United Kingdom	363,383,386	20,628,970	0
United States	361,715,363	9,147,972	2.6
Total	1,595,423,798	48,205,241	3.1

Contracted rent

(on December 31, expressed as a % of the forecasted rent)



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