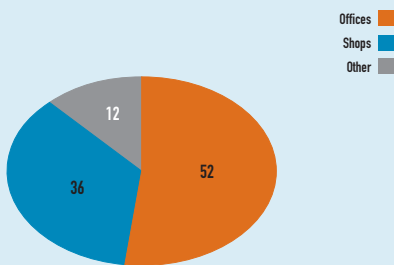


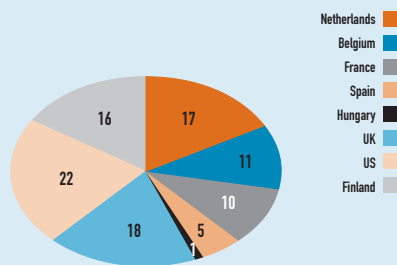
## Highlights 2002

- 8.3% increase in profit per share
- 7.3% increase in proposed dividend
- purchase of the Itäkeskus shopping centre
- sale of the Parinor shopping centre
- EUR 122.8 mln issue of new shares

Distribution of investment properties at December 31, 2002



Geographical distribution of investments at year end 2002



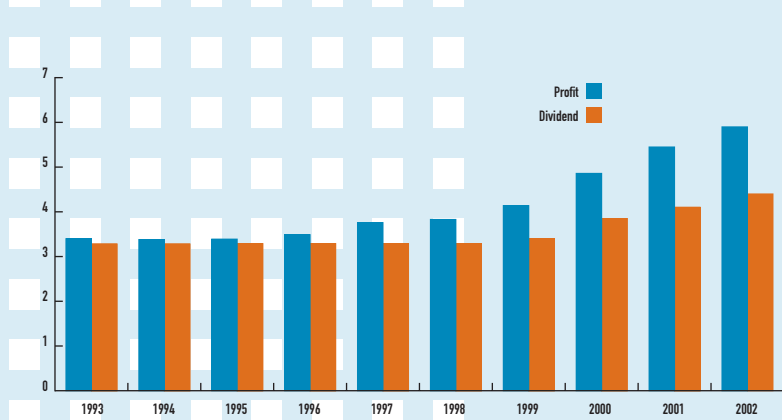
Share price in 2002



## Summary of past 10 years

	1993	1994	1995	1996	1997
<b>Results</b>					
<i>(x EUR 1 mln)</i>					
Net rental income	90.7	82.1	83.9	84.3	85.3
Profit <sup>1)</sup>	42.1	49.3	51.4	55.1	61.7
<b>Balance sheet</b>					
<i>(x EUR 1 mln)</i>					
Investments	1,097.4	1,115.6	1,059.5	1,139.5	1,090.4
Shareholders' equity	626.9	636.3	598.2	688.6	762.7
Long-term debt	468.0	419.1	400.6	370.5	290.5
Indirect investment result	./.	40.5	./.	56.5	./.
				55.5	53.8
					41.4
<b>Number of shares</b>					
at December 31	13,558,489	14,811,497	15,204,984	16,041,440	16,495,377
average during the year	12,236,205	14,496,012	15,096,775	15,759,729	16,380,631
<b>Statistics per share <sup>2)</sup></b>					
<i>(x EUR 1 mln)</i>					
Net asset value <sup>3)</sup>	45.90	42.65	39.09	42.67	45.99
Profit	3.07	3.31	3.37	3.43	3.73
Indirect investment result <sup>4)</sup>	./.	3.16	./.	3.32	./.
				3.64	3.43
					2.87
Dividend	3.29	3.29	3.29	3.29	3.29
	or 6.25%	or 8%	or 8%	or 5.88%	or 5.56%
Pay-out	107.2%	99.4%	97.6%	95.9%	88.2%
<b>Profit per share <sup>5)</sup></b>	3.40	3.38	3.39	3.49	3.76

### Profit and dividend per share



<sup>1)</sup> costs relating to asset management are from 2001 onwards no longer charged to the indirect investment result

<sup>2)</sup> per ordinary share, ranking for dividend and adjusted for the 1999 bonus issue

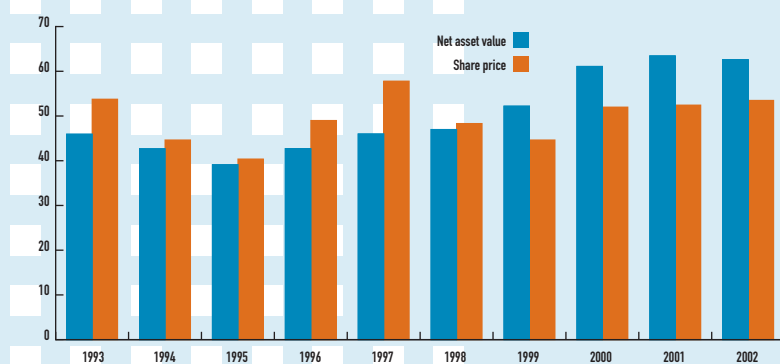
<sup>3)</sup> after deduction of the dividend in cash (until 1999 the amount payable assuming all shareholders opt for the cash dividend rather than the bonus shares)

<sup>4)</sup> including the effect of issues of new shares and stock dividend and as from 2001 without charging of the costs of asset management

<sup>5)</sup> based on the average number of shares in issue

1998	1999	2000	2001	2002
84.9	93.9	112.8	124.9	<b>147.8</b>
64.7	71.6	86.0	97.1	<b>116.3</b>
1,269.6	1,595.4	1,775.6	1,872.5	<b>1,955.4</b>
800.9	909.0	1,088.1	1,130.0	<b>1,235.9</b>
313.0	397.7	442.7	449.9	<b>633.2</b>
2.2	74.3	140.1	17.8	<i>./. 46.4</i>
16,956,748	17,329,725	17,756,735	17,756,735	<b>19,691,735</b>
16,834,997	17,236,480	17,639,307	17,756,735	<b>19,691,735</b>
46.99	52.21	61.09	63.45	<b>62.59</b>
3.80	4.12	4.83	5.45	<b>5.90</b>
0.49	4.50	7.86	1.01	<i>./. 2.36</i>
3.29	3.40	3.85	4.10	<b>4.40</b>
or 4.76%	or 4.76%			
and 0.57	and 1.00			
86.6%	82.5%	79.7%	75.2%	<b>74.6%</b>
3.83	4.14	4.86	5.45	<b>5.90</b>

### Net asset value and share price at December 31



## Board of Directors

G.C.J. Verweij  
R.L.M. de Ruijter

## Supervisory Board

F.H.J. Boons  
W. Lemstra  
H.M.N. Schonis  
C.J. de Swart

## Financial calendar

### March 26, 2003:

Annual General Meeting of Shareholders

### April 8, 2003:

Dividend payment

### May 7, 2003:

Publication of first quarter results 2003

### August 6, 2003:

Publication of interim statement 2003

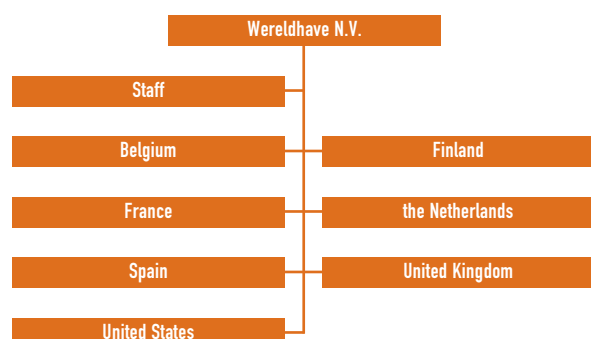
### November 5, 2003:

Publication of nine months results 2003

### March 2004:

Annual Report 2003

## Organisation



## Structure

Wereldhave is an independent international property investment company, founded in 1930. Wereldhave shares are traded at Euronext Amsterdam (Next 150). The Company is an investment company with variable capital. 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 tax law and therefore does not pay Corporation Tax in the Netherlands. Wereldhave is licensed to operate as an investment company under the Dutch “Wet toezicht beleggingsinstellingen” (Investment Institutions Supervision Act).

## Investments

Wereldhave invests in office buildings, shopping centres, industrial property and apartments in Belgium, Finland, France, Hungary, 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. Valuations take place annually with successive halves of the portfolio being valued on June 30 and December 31 by independent external professional 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 68.2% investment in Comm. V.A. Wereldhave Belgium S.C.A., listed at Euronext Brussels (Next Prime).

## 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](mailto:investor.relations@wereldhave.com)

website: [www.wereldhave.com](http://www.wereldhave.com)



## Strategy outline

### Mission and corporate aim

#### The right accommodation at the right time and the right place

Wereldhave's mission is to make available, when and where needed, commercial and residential property for rent. The object is to attain a growth in profit per share that exceeds the rate of inflation in the Eurozone by at least 3% over the long term, combined with a low risk profile on the property portfolio.

### Strategy

#### Portfolio renewal

The end-user is Wereldhave's foremost consideration when making decisions on property investment. The strategic policy is to apply portfolio renewal for the optimal satisfaction of tenants' changing demands. Wereldhave has a preference for investing in modern, adaptable and identifiable buildings in readily accessible locations in knowledge based areas, where there is a liquid property market. Wereldhave considers that this policy will engender both a continuous increase in earnings per share and an attractive growth in net asset value.

#### Diversification by geographical area and type of property

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.

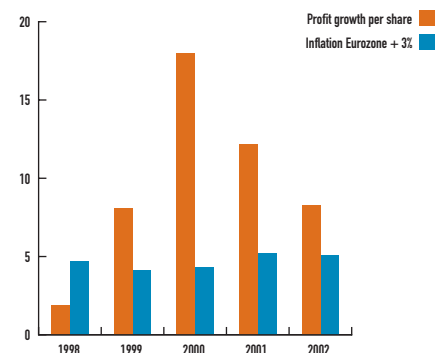
#### In-house management with local know-how

Wereldhave has in-house management with offices in the countries in which Wereldhave operates. This enables an efficient service to tenants and an attractive return to shareholders. The local organisations offer a "window on the market" and offer support to the investment and disinvestment strategy.

#### Innovation and responsible corporate citizenship

Wereldhave attaches great importance to durable innovative measures which lower total costs and raise tenant flexibility, whilst simultaneously relieving the pressure on the environment. Waste products will increasingly be taxed, making demolition and renovation increasingly expensive. Wereldhave pre-empted this problem by applying our own environmental and sustainability criteria to the choice of materials and a building's energy and water requirements.

### Profit growth / inflation Eurozone +3%



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## Report of the Supervisory Board To the Annual General Meeting of Shareholders

### Dividend proposal

We have pleasure in submitting the Report of the Board of Management and the Annual Accounts for 2002. PricewaterhouseCoopers Accountants 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, the payment of a cash dividend of EUR 4.40 per share.

### Topics on the agenda and corporate governance

The topics of discussion at the five meetings of the Supervisory Board held in 2002 included the financial results and the development of shareholders' equity, developments in the relevant property markets, currency and dividend policy and tax matters. Another important topic of discussion at our meetings was the determining of a new regulatory protocol under which the Supervisory Board will operate and the approval of a similar document governing the operations of the Board of Management. The new protocol provides, inter alia, for a maximum term of office of 8 years for members of the Supervisory Board. As a result three members will be due to retire over the next three years and therefore special consideration has been given to the continuity of the Board. The Supervisory Board also examined the performance of the Board of Management and the working relationships within the Supervisory Board, in the light of the model profile applying to its members. The profile and the protocol governing the modus operandi of the Supervisory Board and the division of responsibilities within it were revised in 2002. A copy of these documents is available for inspection at the Company's office.

### Proposed (re-)appointment

At the Annual General Meeting of Shareholders to be held on March 26, 2003 Mr W. Lemstra will retire. Having completed the maximum membership term of 8 years of the new regulatory protocol, he is not available for re-election. The Supervisory Board and the Board of Management are deeply indebted to Mr Lemstra for his contribution to the Supervisory Board's work. Mr C.J. de Swart will retire by rotation and is available for re-election. In accordance with Article 14 (3) of the Articles of Association the Foundation for the holding of priority shares of Wereldhave N.V. proposes the re-election of Mr C.J. de Swart and the election of Mr J. Krant. Both nominees match the profile applying to members of the Supervisory Board.

The Supervisory Board would like to thank the Board of Management and staff for their efforts during 2002.

On behalf of the Supervisory Board,

F.H.J. Boons, chairman

The Hague, February 20, 2003



## Report of the Board of management

### 2002: The main events

With effect from January 1, 2002, Wereldhave purchased the Itäkeskus shopping centre from the Finnish company Sponda Oyj for the sum of EUR 322 mln, including costs. With its 85,000 m<sup>2</sup> covered shopping area and 9,000 m<sup>2</sup> offices Itäkeskus is by far the largest shopping centre in Finland. The centre's existing management team has been employed by Wereldhave. The purchase transaction involved the private placement of 1,935,000 Wereldhave shares with the seller at net asset value of December 31, 2001. Sponda Oyj sold the shares in April 2002 to several international institutional investors.

In March 2002 Wereldhave sold the Parinor shopping centre in Paris for EUR 148.5 mln, 14% in excess of the book value as at December 31, 2001. The shopping centre had been part of the investment portfolio since 1990.

During 2002 six new properties were added to the investment portfolio. The properties in question are an office building in Berchem, Belgium, an office development project in Clichy, France, in the Netherlands an office building in Rijswijk, an industrial property in The Hague and an office building in Alphen and in the United States an office building in Loudon County, near Washington. The value of these investments as at December 31, 2002 was EUR 143.1 mln.

In the final quarter of the year Wereldhave purchased a 20,000 m<sup>2</sup> industrial property in Breda, the Netherlands for EUR 11 mln. In the United States a site for a 14,000 m<sup>2</sup> office development in the Central Business District of Washington has been acquired. The total investment in this project amounts to circa EUR 50 mln.

Wereldhave Belgium, owned 68.2% by Wereldhave, sold the future cash flow from the 27-year lease of the Monnaie House in Brussels at their discounted present value, yielding a profit of EUR 8.1 mln. In the Netherlands Wereldhave sold its interest in the Park Boswijk residential complex. Six smaller properties were sold in the United Kingdom.

Over the last two years Wereldhave has scaled back the size of the development portfolio to EUR 124.9 mln at the end of 2002 (2001: EUR 249.3 mln). Four properties with a total investment value of EUR 73 mln are expected to be transferred to the investment portfolio in 2003.

### Purchase of shopping centre Itäkeskus in Helsinki

### Sale of shopping centre Parinor in Paris

### Six new buildings, with a total value of EUR 143.1 mln added to investment portfolio

### Purchases in the Netherlands and the United States

### Disposals in Belgium, the Netherlands and the United Kingdom

### Development portfolio



## Results and equity

Net profit increased by 19.8% to EUR 116.3 mln (2001: EUR 97.1 mln). Profit per share rose by 8.3% from EUR 5.45 to EUR 5.90. This growth can be attributed to EUR 2.3 mln autonomous increases in rents and the acquisition of the Itäkeskus shopping centre. Additions to, and disposals from the investment portfolio had a net positive effect of EUR 22.3 mln on rental income. Interest costs rose by EUR 3.2 mln as a result of the expansion of the property portfolio. Lower average conversion rates for the pound sterling and the U.S. dollar depressed net profit by EUR 1.6 mln.

The indirect investment result for 2002 amounted to EUR -46.4 mln arising from property disposals (EUR 28.7 mln), currency movements (EUR -35.3 mln), property revaluation (EUR -24.7 mln) and other movements (EUR -15.1 mln). Net asset value per share after deduction of the proposed cash dividend amounted to EUR 62.59 at December 31, 2002 (2001: EUR 63.45).

## Dividend

Payment of a cash dividend of EUR 4.40 will be proposed to the Annual General Meeting of Shareholders, an increase of 7.3% to the previous year. A dividend of EUR 4.40 implies a pay-out ratio of 74.6%. Wereldhave strives to pay a steadily increasing dividend, within the confines of a pay-out ratio of between 75% and 85% of net profit. Obviously the legal requirement to distribute in cash the dividend as it is calculated for tax purposes will be observed. The background to this policy is the need to make regular investments in our properties in order to maintain their attractiveness as accommodation. This policy has a positive effect on the growth of profit per share.

## Stock market performance

Wereldhave shareholders earned a total return on their investment (assuming the reinvestment of dividend) of 9.8%, which is 7.4% higher than the EPRA (European Public Real Estate Association) Return Index. The price/earnings ratio at the end of 2002 was 9.1. Turnover on the stock exchange averaged about 29,000 shares per day. Wereldhave shares form part of the Euronext 150 Index and the Dow Jones Sustainability World Index. As from March 1, 2003 the Wereldhave share will form part of the Amsterdam Midkap Index.

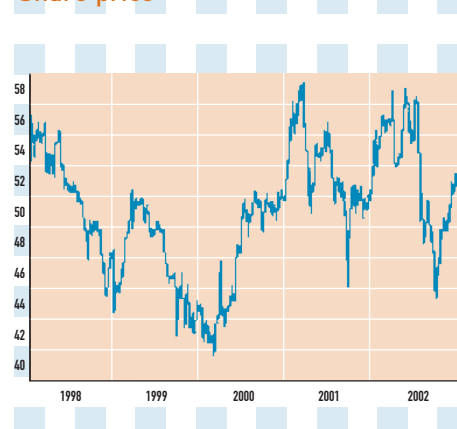
### Movements in net assets value per ordinary share ranking for dividend (x EUR 1)

	2002	2001
Net assets value at Jan. 1, before distribution of profits	67.55	64.94
less: dividend previous year	<u>4.10</u>	<u>3.85</u>
	63.45	61.09
Direct investment result: - profit	5.90	5.45

### Indirect investment result:

- revaluations	./. 1.26	0.35
- exchange rate differences/other movements	./. 1.10	<u>0.66</u>
Net assets value at Dec. 31, before distribution of profits	66.99	67.55
less: (proposed) cash dividend	<u>4.40</u>	<u>4.10</u>
Net assets value at Dec. 31, net of (proposed)	<u>62.59</u>	<u>63.45</u>

### Share price





## Finance and currencies

### Equity

Wereldhave uses as a long term guideline a solvency ratio of 60%, plus or minus 10%. Sound balance sheet ratios limit the sensitivity to possible future increases in interest rates and provide flexibility for future investment requirements.

In January 2002, 1,935,000 new ordinary shares were issued at the net asset value of December 31, 2001, bringing the total number of shares in issue to 19,691,735 and raising equity by EUR 122.8 mln. During the second quarter, the new shares were sold to several international institutional investors.

Shareholders' equity, net of the proposed dividend, stood at EUR 1,235.9 mln at the end of 2002 (2001: EUR 1,130.0 mln), equivalent to 59.5% of total liabilities including commitments arising from development projects (2001: 58.5%).

### Debt financing

Wereldhave pursues a balanced spread of maturities over the medium term. The Group's financing is arranged by several international banks, on the basis of balance sheet financing. Long-term debt at December 31, 2002 amounted to EUR 633.2 mln (2001: EUR 449.9 mln). In June 2002, a syndicated term facility of EUR 200 mln was arranged with a syndicate of international banks, to replace short term debt with long term debt. This is considered favourable under current market conditions with banks becoming reluctant to provide credit to companies. The average interest rate on outstanding borrowings benefited from the reductions in official rates and amounted to 4.2% at December 31, 2002 (2001: 4.9%). Borrowings at variable rates accounted for 71% of total debt at the end of the year (2001: 55%). Should movements in interest rates so indicate, Wereldhave will consider a consolidation of interest rates. Under the present policy, a movement in interest rates of 0.5% results in a EUR 0.10 change in profit per share. More information can be found in the notes to the consolidated accounts.

### Currencies

The standard guideline for covering the currency risks on the British and American portfolios is a hedging ratio of 50%. A deviation of up to 20% in either direction is permitted, giving a range of 30%-70% for the hedging ratio. At the end of 2002 70% of the currency risk on the investments in both US-dollars and pound sterling were hedged, in view of the uncertain economic conditions, war threats in the Middle East and a 5% US trade deficit. Under the present policy, a movement in the exchange rate for both the Dollar and pound sterling of 5% results in a total change of circa EUR 0.12 in profit per share.

### Derivatives

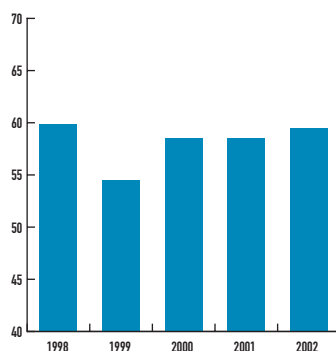
The use of financial instruments such as interest rate and currency swaps is limited to covering underlying positions or transactions. Only well respected banks qualify as a partner for such financial instruments.

### Price (x 1 EUR)

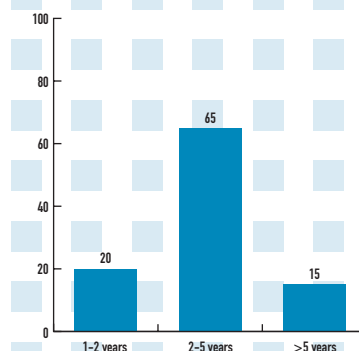
2000	2001	2002	2002
52.95	59.95	59.45	10.1
			highest
41.50	46.00	45.30	7.7
			lowest
52.00	52.45	53.50	9.1
			ultimo

### P/E

### Equity in % of total assets



### Maturity spread loans in %



## Development of the portfolio

The purchase of the Itäkeskus shopping centre in Helsinki and the sale of the Parinor shopping centre in Paris were the major changes to the portfolio during 2002. In the Netherlands, Wereldhave sold its interest in the Park Boswijk residential property at Doorn. In Belgium, Wereldhave Belgium sold the net present value of the cash flow of a 27-year lease of the Monnaie House in Brussels. A number of smaller properties were sold in the United Kingdom. In the Central Business Districts of Washington, United States Wereldhave has acquired a plot of land for the development of a 14,000 m<sup>2</sup> office building. In the Netherlands Wereldhave purchased an industrial building

of 20,000 m<sup>2</sup> at the A16 near Breda. During 2002, six new properties were transferred to the investment portfolio. These changes and currency movements resulted in a decreased proportion of offices in the portfolio and an increased proportion of retail properties. The geographical distribution of the portfolio changed significantly (see table). During the year, investments in properties in the investment portfolio amounted to EUR 16.4 mln and EUR 15.0 mln was invested in the development portfolio. The investment portfolio underwent a downward revaluation of 1.1% in local currencies. The average occupancy rate in 2002 amounted to 96.1% (2001: 97.1%). At the end of 2002 the investment portfolio was valued at EUR 1,830.5 mln and the development portfolio at EUR 124.9 mln.

### Net sales proceeds of the investment portfolio (x EUR 1 mln)

	Netherlands	Belgium	Germany	Finland	France	Hungary	Spain	UK	US	total
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	25.8	–	20.4	–	9.3	–	–	128.5
1999	30.9	7.9	–	–	–	–	–	72.7	–	111.5
2000	1.1	45.7	–	–	36.9	–	–	–	–	83.7
2001	1.5	–	–	–	–	0.7	–	12.5	–	14.7
2002	14.1	17.4	–	–	145.7	–	–	10.2	–	187.4
total	123.0	204.2	92.5	–	216.3	0.7	13.4	293.0	50.4	993.5

### Net sales proceeds of the investment portfolio (as a % of book value)

	Netherlands	Belgium	Germany	Finland	France	Hungary	Spain	UK	US	total
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	91	–	101	–	96	–	–	110
1999	102	117	–	–	–	–	–	121	–	115
2000	156	175	–	–	109	–	–	–	–	138
2001	157	–	–	–	–	103	–	110	–	113
2002	92	188	–	–	114	–	–	102	–	115
average	104	126	100	–	110	103	97	106	105	109

### Portfolio distribution

	98	99	00	01	02
Offices	50	53	56	58	52
Shops	36	32	30	28	36
Other	14	15	14	14	12

### Portfolio geographical distribution

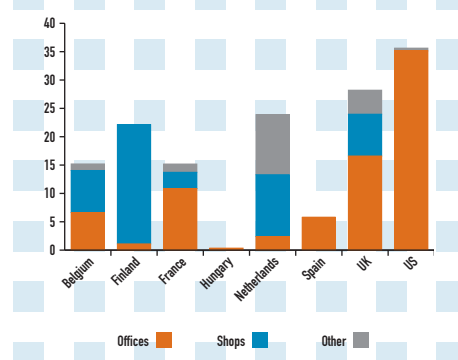
	98	99	00	01	02
Belgium	13	12	11	12	11
Finland	–	–	–	–	16
France	17	19	16	17	10
Hungary	<1	<1	<1	<1	<1
Netherlands	23	19	19	18	17
Spain	1	4	4	5	5
UK	27	23	22	20	18
US	18	22	27	27	22

### Net rental income per country

(as a % of the net rental income)

	98	99	00	01	02
Belgium	15.6	11.7	10.2	11.3	10.3
Germany	0.5	–	–	–	–
Finland	–	–	–	–	14.9
France	10.7	11.5	15.6	13.8	10.3
Hungary	0.8	0.5	0.4	0.2	0.1
Netherlands	32.8	29.0	19.9	19.1	17.3
Spain	1.4	1.0	1.5	4.5	3.9
UK	27.0	30.1	25.1	22.5	19.1
US	11.2	16.2	27.3	28.6	24.1
Total	100	100	100	100	100

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



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## Organisation and staff

### Staff matters

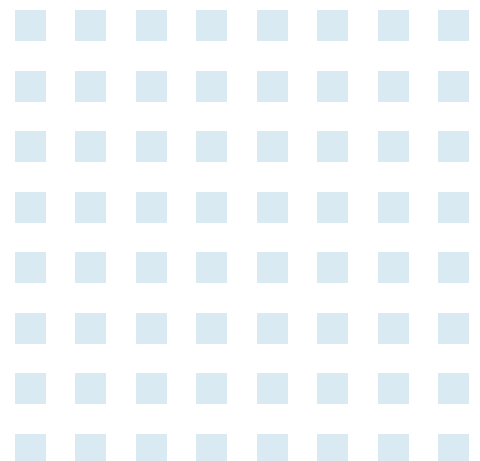
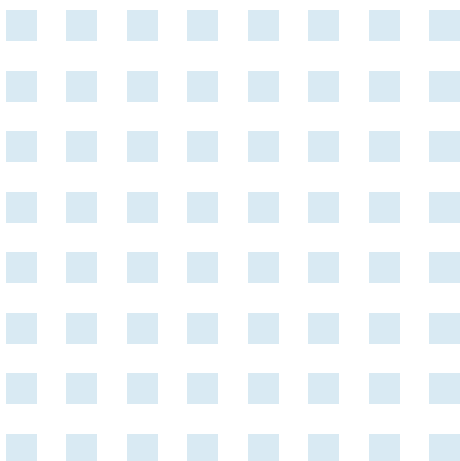
Wereldhave employed an average of 104 staff in 2002 (2001: 93) of whom 66 (2001: 55) worked in our local management offices. During the year the integration of the management team of the Itäkeskus shopping centre in Helsinki was completed. An additional office in Dallas was successfully added to the management organisation, whilst the management organisation of the Parinor shopping centre was transferred to the new owner.

During 2002, also at the lowest rate of the Euronext AEX index of 284, Wereldhave's pension fund maintained a pension-liabilities coverage ratio of more than 117%. This figure includes the estimated increase of the pension liabilities as at January 1, 2003.

In April 2003 Wereldhave will, for the third year in succession, be able to make the maximum profit share of one month's salary to its employees. The maximum is reached when Wereldhave's increase in profit per share outperforms the benchmark by more than 5%. The benchmark for the profit sharing scheme consists of the average increase in profit per share of a number of listed Dutch property companies. We would like to thank all our staff for their efforts and involvement during the year.

## National market reviews

The key economic figures in this section have been drawn from the December 2002 edition of the OECD publication 'Economic Outlook'. Revaluation figures have been calculated in local currencies. The occupancy rate is defined as the annual rental income (assuming zero vacancies), minus rental losses due to vacancies, expressed as a percentage of annual rental income.



## Belgium

The Brussels office market is a two speed market. The centre, where the principal occupants are typically European and Belgian public sector organisations, has a high occupancy rate and is little affected by fluctuations in the level of economic activity. The ring road and the outlying periphery house mainly Belgian and international corporations and is subject to larger variations in vacancy rates. A large proportion (43%) of Brussels' office workers travel by car and ease of access for motorists and the amount of parking space provided are important criteria when choosing between office locations. From 2004 onwards 10 new members will accede to the European Union, each of whom is expected to raise the EU's office space requirements by around 30,000 m<sup>2</sup>. Rents are still highest in the centrally located Quartier Léopold, the favourite address for the European Union and its member states, followed at some distance by the old city and the Quartier Nord. Market rents in these districts average around EUR 250 per m<sup>2</sup>, whereas average rates on the outskirts now amount to EUR 145 as against EUR 161 per m<sup>2</sup> a year ago. Market conditions on the outskirts are not expected to improve before 2005. This is the complete opposite to the situation in Antwerp where it is the eastern ring road which attracts the highest rents (EUR 135 per m<sup>2</sup>) and the centre where rents are lowest (EUR 90 per m<sup>2</sup>). It is expected that the eastern ring road will continue to be Antwerp's most expensive office location.

There are relatively few shopping centres in Belgium: 0.1 m<sup>2</sup> per inhabitant, compared to 0.2 m<sup>2</sup> in Spain and 0.3 m<sup>2</sup> in the Netherlands. The drift of higher and middle income families to the suburbs and beyond and the low birth rate has seriously eroded purchasing power in the cities. Local shopkeepers' resistance to the arrival of new shopping centres has therefore been vigorous, as a result of which few have been built. There has been no increase in rents in the main shopping streets of Brussels in the last year. Most of the shopping centres

built in recent years are on the outskirts of the cities. These centres have succeeded in attracting large numbers of shoppers and rents there have in fact risen to average EUR 300 per m<sup>2</sup> for the typical shop in a typical shopping centre.

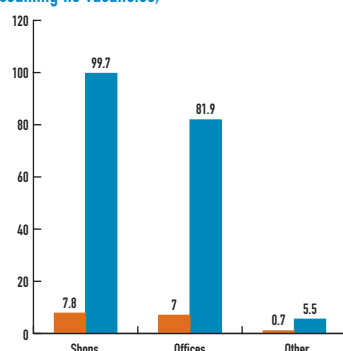
The vacancy rate in the Belgian industrial market nearly doubled to almost 10% in 2002. Nevertheless, rents have fallen only slightly, if at all. Lower economic growth has not only led to a drop in demand, but in their attempts to cut costs, companies are disposing of excess space and moving to better locations and buildings. As a result principally older, less attractively located properties have become vacant. In Brussels the vacancy rate is circa 5% and market rents amount to around EUR 55 per m<sup>2</sup>. In Antwerp, where the vacancy rate is 7%, market rents are approximately EUR 10 per m<sup>2</sup> lower than in Brussels. Net initial rental yields are more or less unchanged at 8.5% in Brussels and 0.25% higher in Antwerp.

Wereldhave Belgium sold the future cash flow from the 27-year lease of the Monnaie House in Brussels at present value. This transaction yielded a capital gain of EUR 8.1 mln. Early in 2002 the Madou Centre on the Boulevard Bishoffsheim in Brussels underwent a thorough renovation and was occupied by a new tenant in August. The second phase of the development project at Berchem, near Antwerp, was transferred to the investment portfolio at January 1, 2002. The third phase of this development project and the second phase of the development in Vilvoorde have not yet been transferred to the investment portfolio. Wereldhave Belgium's portfolio had an occupancy rate of 95.8% in 2002 (2001: 96.6%). Wereldhave's 68.2% interest (unchanged from 2001) in the investment portfolio was valued at EUR 187.1 mln and the share in the development portfolio at EUR 32.5 mln at December 31, 2002. The Belgian development portfolio was revalued downwards by 10.7%; the investment portfolio was revalued upwards by 3.9%.

	2002	2001
Economic growth	0.7	1.0
Inflation	2.8	1.9
Growth private consumption	0.6	1.0
Growth corporate investment	-2.8	2.9
Growth in employment	-0.6	2.0
Unemployment rate	6.9	6.6

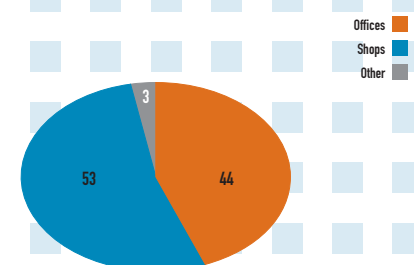
### Annual rent and market value

(in millions of Euro, at December 31, 2002 assuming no vacancies)



### Distribution of investments

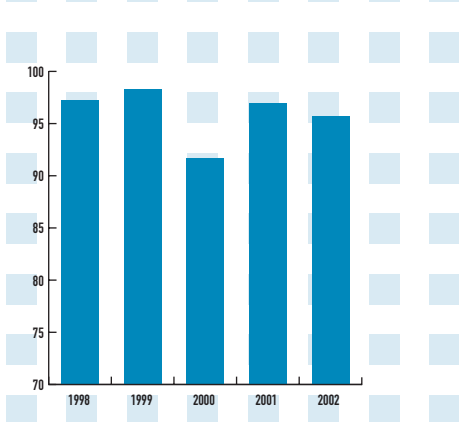
(as a % of market value)



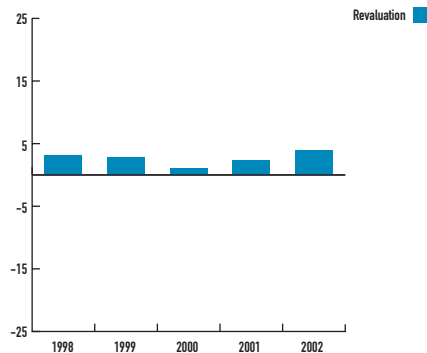


30 Medialaan, Vilvoorde

**Average occupancy rate in %**



**Revaluation of investment properties (as a %)**



**General lease conditions**

1. Term: 3, 6 or 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.

## Finland

In January 2002 Wereldhave purchased the Itäkeskus shopping centre in Helsinki. The building in its original form dates from 1984 and it was renovated and enlarged in 1992. Further additions were completed in October 2001. With a total covered shopping area of around 85,000 m<sup>2</sup> it comprises more than 240 shops, 30 restaurants, cafeterias and other catering facilities and two large department stores. In addition, the centre comprises 9,000 m<sup>2</sup> of offices and 3,000 covered parking spaces. Itäkeskus is nearly fully let. In view of its size and the large catchment area (340,000 inhabitants) Itäkeskus has a very dominant market position.

The Finnish economy recovered quickly from the fall in the growth rate in 2001. Economic growth accelerated from 0.7% in 2001 to 1.6% in 2002, whereas growth in the eurozone as a whole slipped from 1.5% to 0.9%. The rapid recovery of the Finnish economy is the result of its open character and the importance of high technology for Finnish exports, which grew by 2.6% in 2002. By comparison, Dutch exports fell by 2% in 2002. Private consumption expenditure rose by 2.5% in 2002, compared to 1.1% in 2001.

The vacancy rate in Helsinki office market rose from 1.5% in 2000 to 5% in 2002. As a result market rents for prime office properties dipped by 7% in 2002 to EUR 318 per m<sup>2</sup>. A further rise in the vacancy rate is not expected in 2003. Given the recovery in economic growth and the limited amount of development activity a slight increase in market rents cannot be ruled out. "Only" 125,000 m<sup>2</sup> of new office space is scheduled for completion in 2003. In the previous ten years the average was circa 175,000 m<sup>2</sup> per year. As a result of the increase in vacancies initial net rental yield on prime offices has risen to 6.5%.

The demand for quality retail space in Helsinki grew rapidly

during the 1990's. The principal cause was strong economic growth on the back of the expansion in the high-technology sector. In consequence market rents for prime retail space climbed from EUR 800 per m<sup>2</sup> in 1994 to EUR 1,400 per m<sup>2</sup> in 2002. This is a remarkable increase, given that the total supply of shopping-centre retail space grew during the period in question to reach 0.5 m<sup>2</sup> per inhabitant in Helsinki. The number for total Finland amounts to 0.3 m<sup>2</sup> per inhabitant. It should be remembered that the winters are cold and long, which makes street shopping less attractive and leads to strong consumer interest in the larger and covered shopping centres. As economic growth slackened pressure on the retail market lessened and market rents stopped rising. Now that the pace of economic growth and private consumption is quickening again, rents are picking up in the better shopping locations. In Finland part of the rental payment is frequently related to the turnover which is achieved. In a large shopping centre the average market rent amounts to around EUR 300 per m<sup>2</sup> but can climb to EUR 1,400 per m<sup>2</sup> for small units in the best locations.

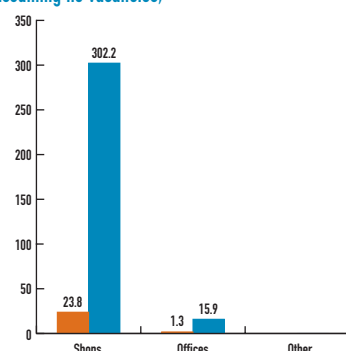
Developments have differed in the industrial property market. Vacancy levels have continued at the same low level because there has been little new construction. The main reason is that potential investors are interested only if tenants are prepared to sign long-term contracts. Since most potential tenants are unwilling to do so, new construction and vacancies remain low. Market rents for industrial property in Helsinki lie around the relatively high level of EUR 80 per m<sup>2</sup>.

The occupancy rate in the Finnish portfolio amounts to 98.6%. Only a number of storage spaces are unlet. On December 31, 2002 the value of the investment portfolio amount to EUR 318.1 mln. There are no development properties in the Finnish portfolio. The value of the investment portfolio has been adjusted downwards by 0.9%. This is the result of Wereldhave's policy to deduct selling costs from market value.

	2002	2001
Economic growth	1.6	0.7
Inflation	1.4	3.0
Growth private consumption	2.5	1.1
Growth corporate investment	-3.4	10.2
Growth in employment	-0.7	1.2
Unemployment rate	9.3	9.2

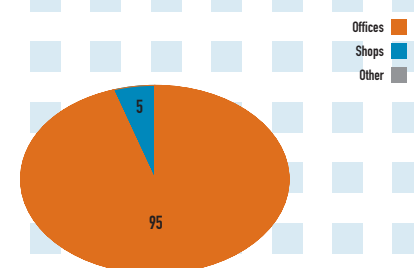
### Annual rent and market value

(in millions of Euro, at December 31, 2002 assuming no vacancies)



### Distribution of investments

(as a % of market value)





Boulevard of the Itäkeskus shopping centre

### General lease conditions

1. Term: 5 years with a mutual option at the end of the term to extend or renegotiate.
2. Rent increases: annual increases based on increases in the consumer price index. Part of the rental payment is related to turnover.
3. Outgoings: structural maintenance only is for the landlords' account.

## France

Gross absorption of office space in the Île-de-France during the year under review was practically unchanged from 2001. With the fall in the rate of economic growth the number of new development projects planned for the period 2002-2005 has fallen by approximately 40%. Nevertheless, the completion of new projects will probably cause the supply of unlet office accommodation to increase from 1.2 mln m<sup>2</sup> at the end of 2001 to 2.9 mln m<sup>2</sup> at the end of 2003. Cost control and the rationalisation of business processes are important factors in choosing a location. Tenants are specifically searching for easily accessible locations at competitive rents. Such properties are not available in the Central Business Districts. In general market rents for office accommodation have held up reasonably well, but there have been falls in the Central Business Districts and La Défense. The highest rents are still being paid in the Central Business Districts, followed by the Left Bank and then La Défense. Prospects for the next few years are best in the Central Business Districts and the inner ring where offices are readily accessible and where is a supply of new modern buildings.

There has been a sharp increase in interest in shops of more than 1,500 m<sup>2</sup> in the city centres. Convivial surroundings for shoppers is the critical factor. The megastores, which are situated in cheaper locations outside the cities have problems maintaining visitor levels. Market rents on the Champs Élysées rose by 8% last year and a hefty 50% over the last ten. Net rental yields for shops in exclusive locations stand at around 6%. The restrictive policy towards development means that easily accessible shopping areas have shown strong rental growth over the past few years. Most large shopping centres have been able to develop in the direction of "lifestyle centres" with lots of fashion, food and entertainment. Leisure outlets sometimes account for as much as 20% of the floorspace. Despite lower growth rates market rents in this sector have

remained steady. Investors are prepared to pay high prices for large shopping centres with adequate parking facilities.

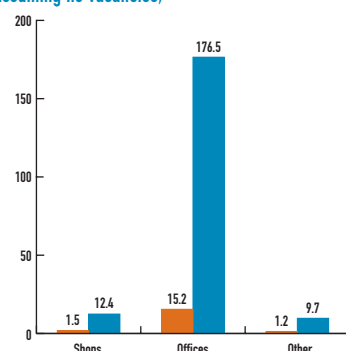
There was a slight fall in the take-up of industrial property in France in 2002. In Paris, however, levels held up and, despite rising vacancies, market rents were maintained at the EUR 55 per m<sup>2</sup> mark. Most new construction activity is being carried out to the north around Charles de Gaulle Airport and to the south at the more centrally located Senart. High land prices, an increasingly built-up environment and worsening traffic congestion are driving logistic services ever further from city centres. Initial rental yields on industrial property have fallen in recent years from 11.5% to 8.5% but are nevertheless relatively high in comparison with other European countries.

Wereldhave sold the Parinor shopping centre in Aulnay-sous-Bois (Paris) on March 3, 2002. The sales proceeds of EUR 148.5 were 14% higher than the book value as at December 31, 2001. The management team of the shopping centre has been transferred to the new owner. No other changes took place in the portfolio in 2002. The 23,564 m<sup>2</sup> office development in Clichy was completed in the second quarter. This development project, now more than 90% let, was transferred to the investment portfolio in the final quarter of 2002. The occupancy rate in our French investment portfolio was 98.4% in 2002 (2001: 100%). As at December 31, 2002 the investment portfolio was valued at EUR 198.6 mln. There are no development properties in the French portfolio. The French investment portfolio was revalued upwards by 1.2% in 2002.

	2002	2001
Economic growth	1.0	1.8
Inflation	1.9	1.4
Growth private consumption	1.5	2.8
Growth corporate investment	-0.2	3.1
Growth in employment	-0.5	1.6
Unemployment rate	9.0	8.7

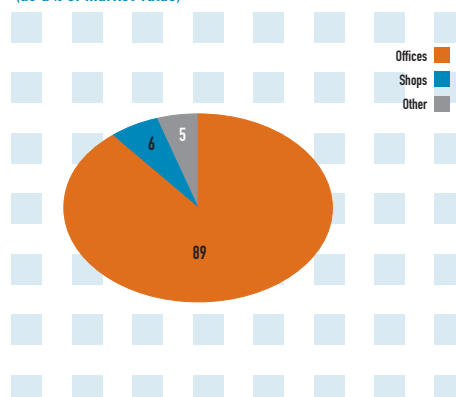
### Annual rent and market value

(in millions of Euro, at December 31, 2002 assuming no vacancies)



### Distribution of investments

(as a % of market value)

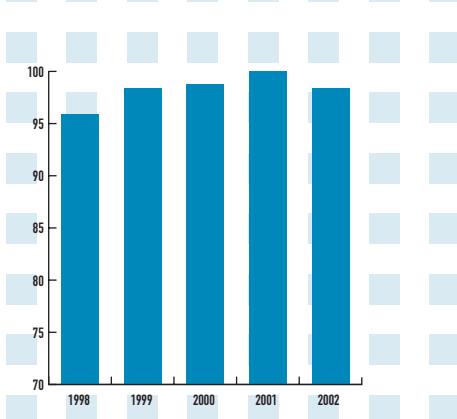




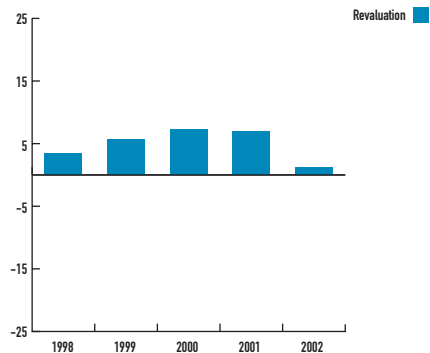


Avenue Jules Rimet, Saint-Denis

**Average occupancy rate in %**



**Revaluation of investment properties (as a %)**



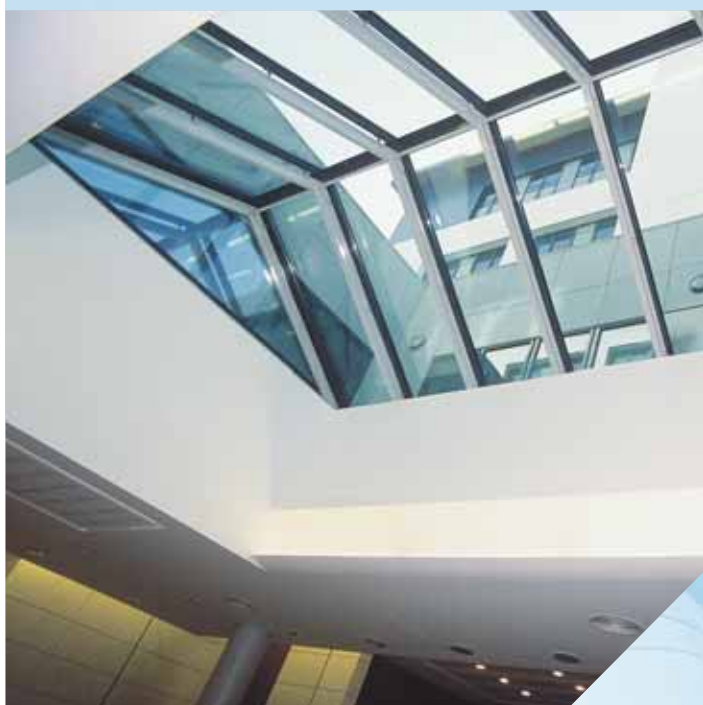
**General lease conditions**

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.



## Clichy, Cap West

Clichy, on the banks of the Seine, is one of Paris' northwestern suburbs. Communications are excellent. The travel time to La Défense and the centre of Paris is less than ten minutes. Roissy-Charles de Gaulle airport can easily be reached by car. Clichy can boast metro and train links. The northwestern suburbs have acquired the name "Croissant d'argent", analogous to the "Croissant d'or" in the centre. The "Croissant d'argent" offers modern buildings with large floor spaces at attractive rents. Many companies have established their headquarters here, including such renowned companies as L'Oreal, Sony, ETAM and BIC.



Clichy was facing the task to redevelop large industrial sites. Wereldhave purchased the "Cap West" from a developer in 2000. It is part of a scheme to develop more than 90,000 m<sup>2</sup> of office space on what was formerly a factory site along the Seine. Cap West, which represents the first stage of this scheme, consists of four buildings with a total floorspace of 23,564 m<sup>2</sup>.

Cap West will form the waterfront for the entire site. The buildings represent high quality and timelessness in architectural design. The four buildings are interconnected but appear to be separate from each other and so the bulk does not seem massive. Entrance is provided through two large reception areas. The buildings are fitted out in accordance with the latest technology. The integrated building control system makes it possible to monitor, control and secure all the technical installations. Under the buildings there are in total 350 parking spaces.

Since the start of the construction process there has been lively interest on the part of potential tenants, given the high quality and attractive rent levels and well over 90% of the floorspace has been let at rents well above those which Wereldhave had budgetted when construction commenced.



## The Netherlands

Despite the decrease in demand, 2.6 mln m<sup>2</sup> of new office space, a new record, came on to the market in 2002. In the next few years an average of 1.9 m<sup>2</sup> mln per year will be added. The excess supply will lead to a further increase in vacancies, in old and new office buildings. The total supply of available office space has increased by 1 mln m<sup>2</sup> to about 4.3 mln m<sup>2</sup>. If current economic conditions persist, the amount of unlet accommodation will inevitably rise to above 5 mln m<sup>2</sup> and will stay at that level until at least the end of 2005. Market rents are under pressure, most markedly in secondary locations which profited from the recent period of scarcity, but now also in prime locations. It is expected that the movement in market rents will be largely downward in the next few years.

Large-scale and peripheral retail outlets will rapidly become more important, partly as a result of the 5<sup>th</sup> official Town and Country Planning Directive. The hierarchical structure of the retail network and high density of population have made it difficult for foreign large-scale formats to establish themselves in the Netherlands. Hypermarkets draw too few customers on weekdays since shoppers have alternatives closer to their homes. It is expected that existing retail parks on the outskirts of the large cities will diversify the range of shops to attract more consumers. For the Dutch a day out increasingly means a day spent shopping. Leisure outlets are accounting for an increasing amount of space in the large shopping centres. In recent years international fashion chains in particular have paid hefty rents for prime sites for "flagship stores". Lesser locations also profited from the scarcity of shopping space. Now that demand has peaked these secondary sites have been the first to experience falling market rents. The top city locations remain Amsterdam, Rotterdam, Eindhoven, Utrecht and Maastricht.

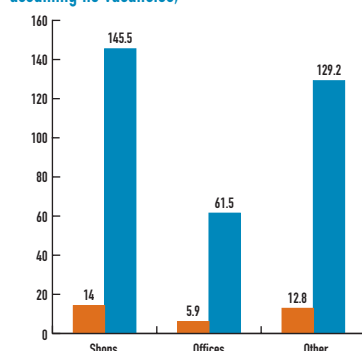
In the Dutch market, as elsewhere, industrial property is the most sensitive to the economic cycle. Absorption had already fallen by 17% in 2001. Vacancies rose in 2002. The steepest falls in take up have been registered in the smallest markets. For several years now there has been a trend in industrial property towards a larger scale of operation, as evidenced in centralized locations that have been successively pushed eastwards, not only in the Netherlands, but also in Belgium and France. An important requirement for these sites is location next to a motorway and the close proximity of a number of transport links. The highest market rents are paid in the vicinity of the Schiphol mainport, where they can reach EUR 85 per m<sup>2</sup>. Relatively high rents of up to EUR 70 per m<sup>2</sup> are also paid around Rotterdam. Rents of EUR 55 per m<sup>2</sup> hold for the best industrial estates in Brabant.

A fully let industrial property of 5,500 m<sup>2</sup> in the Ypenburg industrial estate in The Hague was added to the investment portfolio in the final quarter of the year. In October 2002 Wereldhave acquired a 20,000 m<sup>2</sup> logistics centre on the A16 motorway near Breda. This property is, as yet, unlet. In December 2002 Wereldhave sold its interest in the apartment complex Park Boswijk in Doorn. The proceeds were below book value. Two office buildings were transferred to the investment portfolio during the year under review: a 6,500 m<sup>2</sup> office building (50% let) in Alphen aan den Rijn and a renovated office building of 22,500 m<sup>2</sup> (60% let) in Rijswijk. The Kronenburg shopping centre in Arnhem has been enhanced with the arrival of the first "Albert Heijn XL". Wereldhave took the opportunity to alter the routing and branche-mix of the centre. The occupancy rate in the Dutch portfolio amounted to 89.9% in 2002 (2001: 95.1%). As at December 31, 2002 the investment portfolio was valued at EUR 336.2 mln; the development portfolio was valued at EUR 1.9 mln. The value of the development portfolio was adjusted downwards by 19.7%; the value of the investment portfolio was adjusted downwards by 2.6%.

	2002	2001
Economic growth	0.1	1.3
Inflation	3.8	5.3
Growth private consumption	0.9	1.2
Growth corporate investment	-3.0	-3.0
Growth in employment	0.4	2.0
Unemployment rate	2.7	2.0

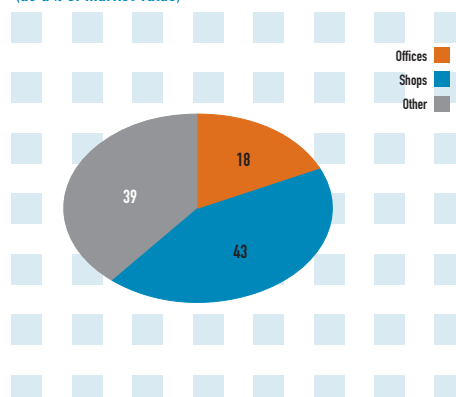
### Annual rent and market value

(in millions of Euro, at December 31, 2002  
assuming no vacancies)



### Distribution of investments

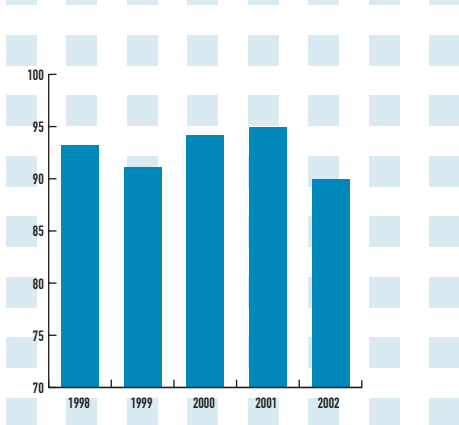
(as a % of market value)



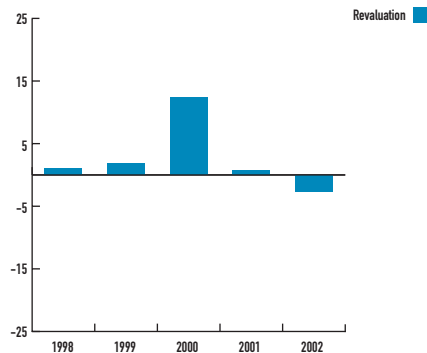


Raoul Wallenbergplein, Alphen aan den Rijn

**Average occupancy rate in %**



**Revaluation of investment properties (as a %)**



**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.

## Spain

Gross absorption of office space in Madrid was at a low ebb in the first half of 2002 but recovered strongly in the second half of the year. As a result the amount of space let in 2002 will prove to be only slightly less than the 470,000 m<sup>2</sup> let in 2001. With the completion of new office projects vacancies have risen. Approximately 400,000 m<sup>2</sup> per year will be released on to the market in 2003 and 2004 from property now under construction and so the vacancy level on the Madrid office market will rise further, with no possible stabilisation before 2005. Falls have been registered in market rents since the end of 2001, initially on the outskirts and subsequently in the Central Business Districts. The most sought after locations remain the Central Business Districts and areas close to the most desired residential districts such as la Moraleja, Alcobendas and Pozuelo in view of the relative ease of access.

23 new shopping centres were opened in 2002. At the beginning of the 1980's shopping centres were practically unknown in Spain. At the end of 1992 there were still only 200. From 1996 onwards the number increased rapidly as consumer expenditure expanded. Despite the announcement of restrictive measures at least 70 new shopping centres will be completed in the next few years. As from the second half of the 1990's there has been a trend towards differentiation between the shopping centres. In addition to the traditional centre there are an increasing number of specialist types such as factory outlets and luxury centres with a strong emphasis on fashion. At the same time shops in the main city shopping streets have continued to prosper. Large shops in the main shopping streets generate a higher rent per m<sup>2</sup> than on the outskirts. Market rents in a typical shopping centre average about EUR 275 per m<sup>2</sup>. Increases have been registered in only the top locations. In less attractive locations rents have dropped. Spain's low birth rate implies that in time the population will fall, thus intensifying competition in the retail sector.

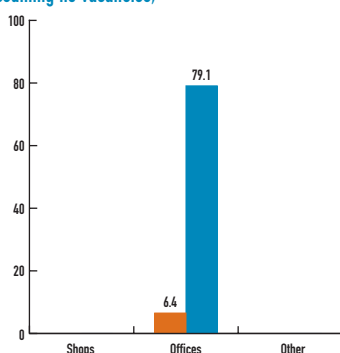
Vacancies in the industrial property market rose in 2002. In the Madrid area the five-year hike in market rents ground to a halt, stabilising at EUR 80 per m<sup>2</sup>; in Barcelona market rents dropped from EUR 95 to EUR 90 per m<sup>2</sup>. In general the demand for industrial accommodation in Spain is highly price sensitive, with most tenants prepared to relocate to less expensive peripheral locations in order to lower their rent bill. Proximity to motorways, harbours and airports is the most important consideration for many companies. Increasing traffic congestion and newly built ring roads have increased the attraction of the less expensive peripheral sites.

The most important event for Wereldhave in Spain in 2002 was the completion in October of a 36,800 m<sup>2</sup> industrial property development at Rivas. Well over 50% of this property has been let as from January 1, 2003. There were no changes in the composition of the portfolio during 2002. The average occupancy rate during the year under review amounted to 99.1% (2001: 98.8%).

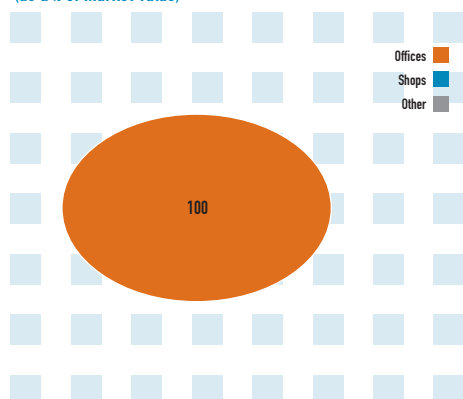
As at December 31, 2002 the investment portfolio was valued at EUR 79.1 mln and the development portfolio at EUR 23.9 mln. The value of the Spanish development portfolio was not adjusted. The investment portfolio was revalued downwards by 2.5%.

	2002	2001
Economic growth	1.8	2.7
Inflation	3.1	4.2
Growth private consumption	1.8	2.5
Growth corporate investment	-0.5	3.7
Growth in employment	1.2	2.3
Unemployment rate	11.2	10.5

**Annual rent and market value**  
(in millions of Euro, at December 31, 2002  
assuming no vacancies)



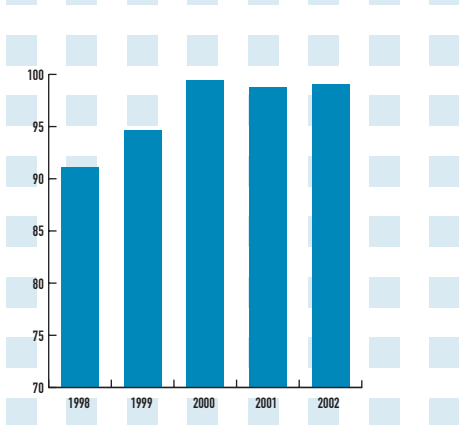
**Distribution of investments**  
(as a % of market value)



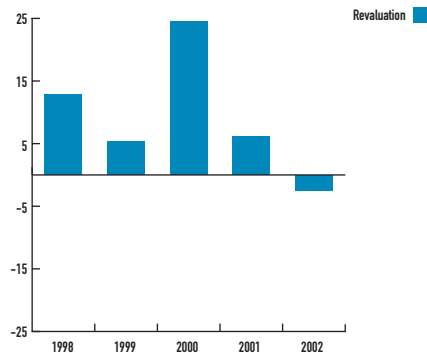


15 Avenida de la Vega, Alcobendas

**Average occupancy rate in %**



**Revaluation of investment properties (as a %)**



**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.

## United Kingdom

The gross absorption of office space in Central London has dropped since the second quarter of 2001 by over 50% to approximately 150,000 m<sup>2</sup> in the fourth quarter of 2002.

The number of development projects has, however, scarcely fallen since investors in prime office property are accepting lower investment returns and have often committed too much of their funds to withdraw from the project. The amount of space under construction amounts to about 1.5 mln m<sup>2</sup> and over the next two years this will propel the vacancy rate to at least 15%. Around 30,000 of the estimated 330,000 City-type jobs have gone since 2000. Availability in Docklands has increased sharply in the last quarter of 2002 from less than 100,000 m<sup>2</sup> to 165,000 m<sup>2</sup>. Tenants from the financial sector are seeking occupiers for surplus accommodation. Speculative development has taken place mainly in the City and the West End. A recovery in market rents in Central London is not expected before 2005.

Outside London, vacancy rates are highest in the Thames Valley, where mainly ICT and telecommunications companies are located. Market rents there are predicted to drop by at least 25% in the next three years. In other large cities such as Birmingham, Manchester and Leeds, where the office market is much smaller and where speculative construction has been limited, market rents are almost unchanged.

Shopping activities are drifting from the city centres to readily accessible shopping centres in the suburbs. With the liberalisation of the regulatory framework at the end of the 1980's, a large number of shopping centres and retail parks have been opened. The main shopping streets in the city centres must depend on breadth of choice, atmosphere and facilities for eating, drinking and leisure. Over the last couple of years the planning framework has been tightened again. Less attractive sites both in the town centres and the suburbs will come under increasing pressure. The average market rent

for a typical shop in a typical shopping centre is EUR 515 per m<sup>2</sup>. Although market rents for shops rose by circa 3% in 2002 lower economic growth and a slowdown in the increase in consumer expenditure is expected to lead to a more limited increase in market rents in 2003. Investors are paying the highest prices for retail parks in the suburbs, since this is the segment in which the strongest growth in market rents is forecast.

London Heathrow, Europe's largest airport, is the most expensive location for industrial property. The fall in air traffic since September 11, 2001 has severely reduced the amount of air freight. In addition the shake-out in the high-tech sector has left many industrial buildings unoccupied. This places rents under pressure. Rents in Heathrow have dropped, but rents in Birmingham have risen. In the United Kingdom too, there has been a noticeable trend for logistics companies preferring centrally located sites alongside the motorways. This trend has been compounded by continuing increases in the scale of operations and the requirement to deliver more quickly on demand. Market rents for prime industrial property at Heathrow stand at EUR 190 per m<sup>2</sup>. For less sought after locations rents vary around the EUR 100 per m<sup>2</sup> level.

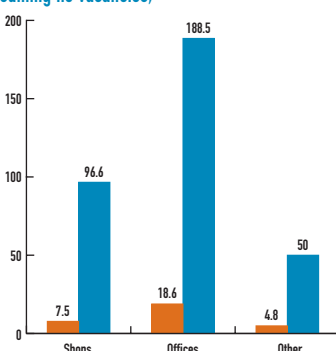
Wereldhave sold five smaller properties and a plot of land in 2002, generating a profit of EUR 4.2 mln. Rental income increased as a result of rent revisions and new lettings.

The occupancy rate in the investment portfolio was 99.2% in 2002 (2001: 98.7%). As at December 31, 2002 the investment portfolio was valued at EUR 335.1 mln and the development portfolio at EUR 10.4 mln. The value of the development portfolio was adjusted downwards by 3.1%. The United Kingdom investment portfolio was revalued upwards by 0.5%.

	2002	2001
Economic growth	1.5	2.0
Inflation	3.2	1.9
Growth private consumption	3.6	4.1
Growth corporate investment	-9.3	0.9
Growth in employment	0.6	0.6
Unemployment rate	5.2	5.1

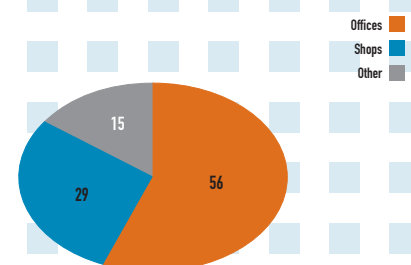
### Annual rent and market value

(in millions of Euro, at December 31, 2002 assuming no vacancies)



### Distribution of investments

(as a % of market value)

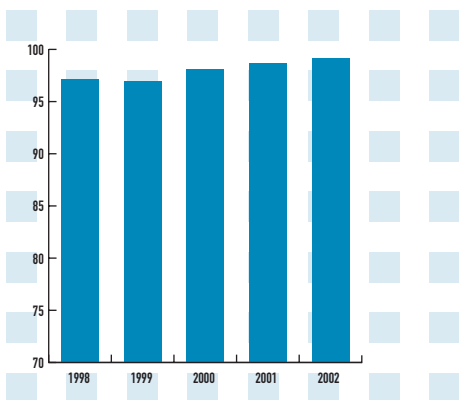




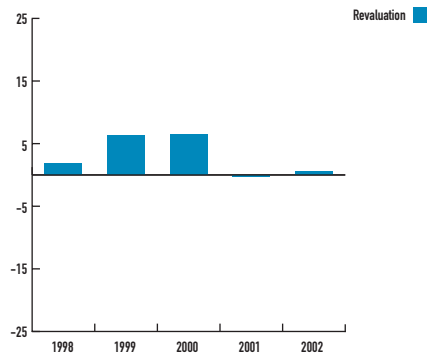


65 London Road, Redhill

**Average occupancy rate in %**



**Revaluation of investment properties (as a %)**



**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.

## United States

As in 2001 more office space was added to the available supply than found occupants. Last year the number of offices in the process of construction dropped by around 50%. A positive net absorption is expected once again from 2003 onwards. The working population of the United States grew by 1.2% in 2002 as against 0.7% in Europe. Rising vacancies are expected to lead to a further reduction in the number of development projects in 2004. Vacancies have occurred less rapidly in the Central Business Districts than in the peripheral areas. Cities with a diversified economy are less affected by swings in the business cycle than others. Net absorption in Washington remained positive in 2002. Employment is improving in Dallas and Austin. There is still a large amount of space available, above all from space redundant to occupants' requirements offered for subletting. The drop in market rents in Dallas has been less than 10% and to approximately 16% in Austin. In Washington, on the other hand, market rents have continued to rise, boosted by the additional demand for accommodation on behalf of the Federal authorities.

In the US retail market the number of outlet centres has peaked. In 1996 there were still 329 of these centres but this had already fallen to 261 in 2001. One possible explanation is that people want to shop closer to home. Furthermore, there are also cheaper shops offering a adequate range of choices on the outskirts of the cities. The result of this trend has been that the large super regional centres have been increasingly losing customers to the super locals and superstores. It is to be expected that, in time, many regional malls will prove to be too large and will have to be redeveloped or closed. Increasing competition is putting the major retailers' margins under pressure. Nominal shop rents have slipped slightly from EUR 188 to EUR 186 per m<sup>2</sup> on average for a typical shop in a shopping centre. The steepest falls have taken place in California and elsewhere in the West. In the East retail rents have held up.

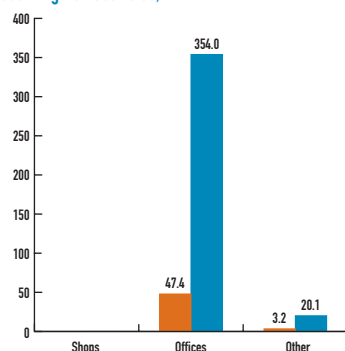
As economic growth disappointed the vacancy rate for industrial properties rose from 9.5% in 2001 to 11.4% in 2002. Rapid technological change in logistics has led to a strong growth in demand in this sector for large, flexible, centrally located buildings. On balance, however, demand has fallen and vacancies have risen. Market rents amount to EUR 58 in Dallas, EUR 68 in Austin and EUR 73 per m<sup>2</sup> in Washington. Average initial net rental yields in the United States have fallen slightly from 9.1% to 8.9%. This drop is undoubtedly connected with the low level of interest rates. Furthermore, market conditions seem to be bottoming out. The number of development projects has in the meantime fallen significantly. Dallas and Austin compare favourably with the rest of the United States for employment growth. Average initial net rental yields in Dallas stand at 8.6%.

During the first quarter of 2002 12,000 m<sup>2</sup> of office development in Loudon County was transferred to the investment portfolio. The club-house of Arboretum Estates in Richardson had to be rebuilt in 2002 after being hit by lightning. The fire damage was covered by insurance. In December a plot of land in the centre of Washington for the development of a 14,000 m<sup>2</sup> office building has been acquired. The total investment amounts to approximately EUR 50 mln and the project is scheduled for completion in 2005. The second phase of the Saxon Woods apartment complex in McKinney is expected to be completed in June 2003. No other changes took place in the portfolio. The occupancy rate in the investment portfolio was 96.0% in 2002 (2001: 96.4%). As at December 31, 2002 the investment portfolio was valued at EUR 374.1 mln and the development portfolio at EUR 56.2 mln. The value of the United States development portfolio was not adjusted, whilst the investment portfolio was revalued downwards by 4.4%.

	2002	2001
Economic growth	2.3	0.3
Inflation	1.1	2.4
Growth private consumption	3.1	2.5
Growth corporate investment	-5.8	-5.2
Growth in employment	-1.5	0.1
Unemployment rate	5.8	4.8

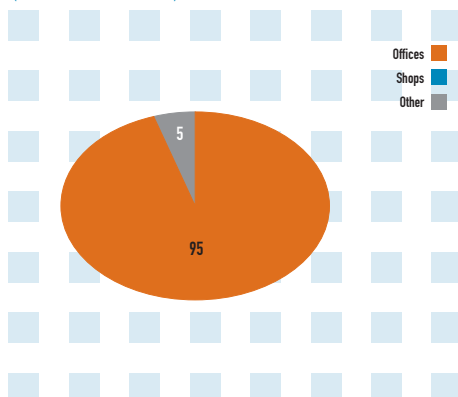
### Annual rent and market value

(in millions of Euro, at December 31, 2002 assuming no vacancies)



### Distribution of investments

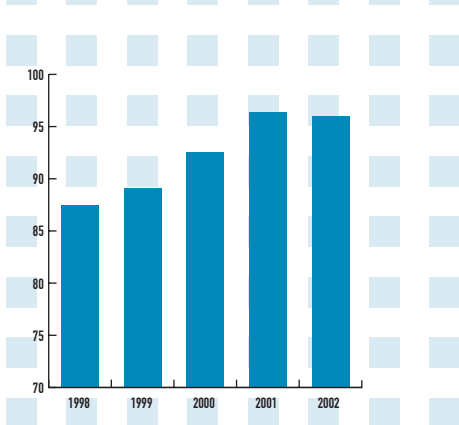
(as a % of market value)



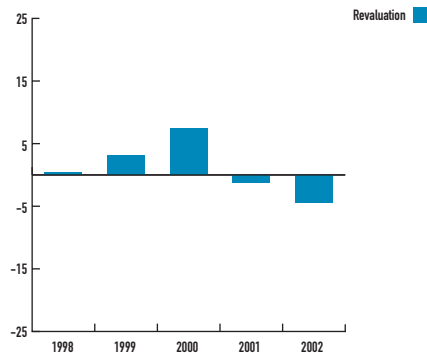


1910 Pacific Place, Dallas

**Average occupancy rate in %**



**Revaluation of investment properties (as a %)**



**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.

## Prospects

In March 2002 employment levels in the United States reached their lowest level and since then have increased by 0.2%. This figure is the balance of a 1.2% annual growth in population and a 1% increase in unemployment. Companies have laid down personnel to restore profitability. It is expected that investments will increase as soon as the profitability of companies has been restored. In view of the stronger growth in population and the more dynamic private sector, it is expected that the employment level will recover earlier and more strongly in the United States than in Europe. In view of this, Wereldhave sees opportunities in a limited number of markets in the United States for the coming years. Wereldhave's robust financial position enables it to purchase high quality property in times when economic conditions are unfavourable. Portfolio diversification by region and type of property allows Wereldhave to profit from differences in economic development between different regions and property sectors.

Over the last two years Wereldhave has pruned back the size of its development portfolio in the light of economic conditions. Portfolio renewal, however, still constitutes the foundation of our strategy. The first signs of recovery can be expected in a number of property markets from early 2005. This is why Wereldhave will selectively and on a limited scale start to develop new projects with a view to adding them to the portfolio from 2005 onwards to contribute to future growth of profit per share.

The relatively low average age of the portfolio and the remaining duration of the rental contracts make that Wereldhave is well positioned. Assuming average currency rates for the Dollar at the 2002 year-end level, Wereldhave forecasts a further increase in profit per share for the year 2003.

Board of Management Wereldhave N.V.  
The Hague, February 20, 2003

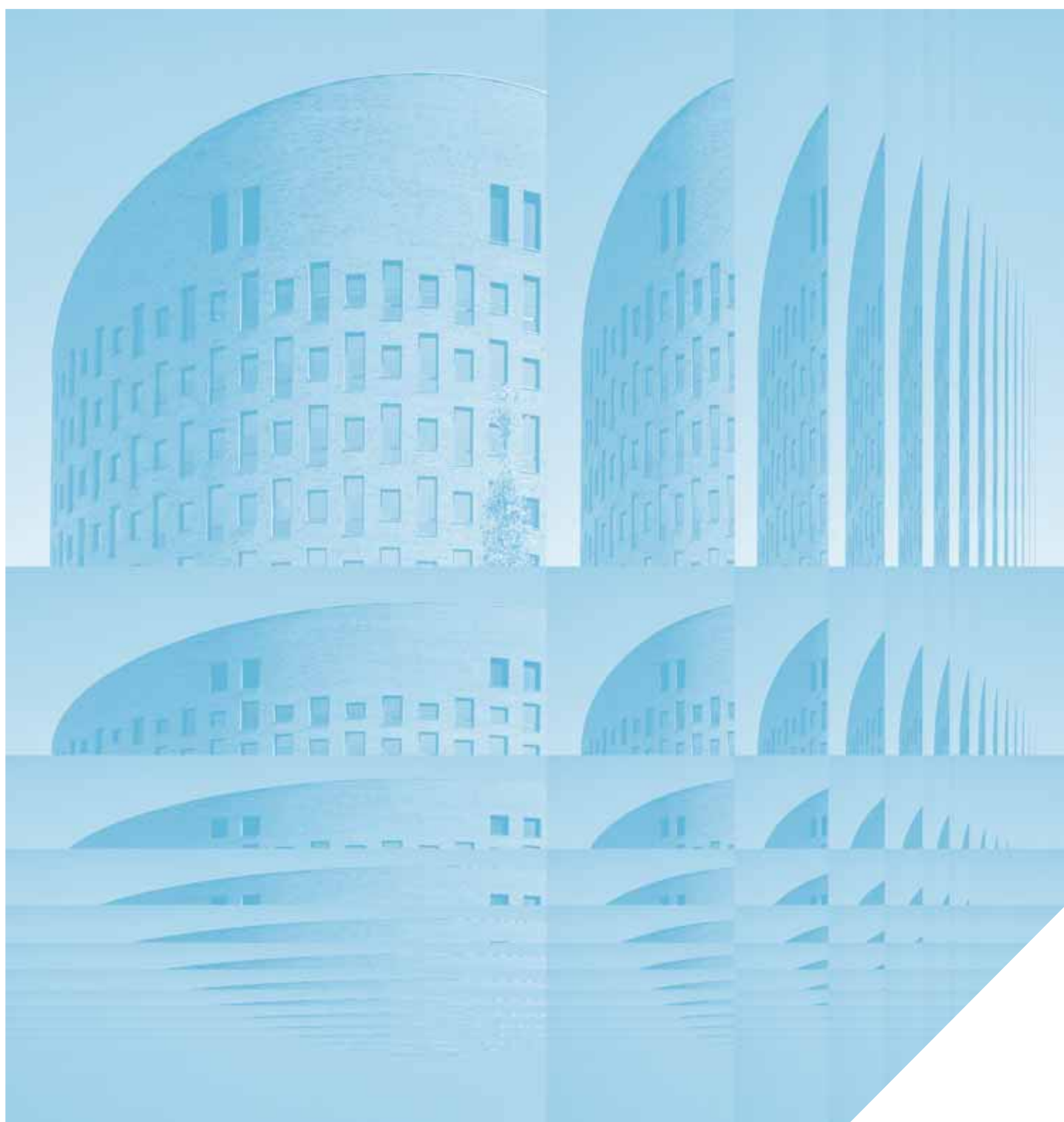
G.C.J. Verweij  
R.L.M. de Ruijter



R.L.M. de Ruijter (left) and G.C.J. Verweij



# Annual Accounts 2002



## Consolidated balance sheet at December 31, 2002

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

	note	2002	2001
<b>Assets</b>			
Investments			
property investments	1	1,955.4	1,872.5
Accounts receivable	2	48.4	44.8
Other assets	3	74.0	15.3
		<u>2,077.8</u>	<u>1,932.6</u>
<b>Liabilities</b>			
Shareholders' equity		1,235.9	1,130.0
Provisions	4	45.0	50.1
Long-term debt			
loans	5	629.8	444.3
other liabilities	6	<u>3.4</u>	<u>5.6</u>
		633.2	449.9
Short-term liabilities	7	163.7	302.6
		<u>2,077.8</u>	<u>1,932.6</u>

\* See the proposed distribution of profits under 'Other information' on page 44.

## Consolidated profit and loss account 2002

(x EUR 1 mln)

	note	2002	2001
<b>Investment income</b>			
gross rental income	1	175.9	152.8
operating costs	2	<u>./. 28.1</u>	<u>./. 27.9</u>
net rental income		147.8	124.9
<b>Costs</b>			
interest costs	3	<u>./. 23.6</u>	<u>./. 20.4</u>
general costs	4	<u>./. 7.4</u>	<u>./. 7.1</u>
		<u>./. 31.0</u>	<u>./. 27.5</u>
result before tax		116.8	97.4
taxes on corporate income	5	<u>./. 0.5</u>	<u>./. 0.3</u>
<b>Profit after tax</b>		<u><b>116.3</b></u>	<u><b>97.1</b></u>

## Movements in shareholders' equity in 2002

(x EUR 1 mln)

	2002	2001
<b>Direct investment result</b>		
– profit after tax	116.3	97.1
<b>Indirect investment result</b>		
– realised		
result on disposals	28.7	1.7
exchange rate differences	30.1	<u>./. 5.8</u>
other	<u>./. 2.1</u>	<u>./. 1.1</u>
	56.7	<u>./. 5.2</u>
– unrealised		
revaluation differences	<u>./. 24.7</u>	6.2
exchange rate differences	<u>./. 65.4</u>	19.6
other	<u>./. 13.0</u>	<u>./. 2.8</u>
	<u>./. 103.1</u>	23.0
Share issue	122.8	–
Proposed dividend	<u>./. 86.8</u>	<u>./. 73.0</u>
<b>Increase in shareholders' equity</b>	<u><b>105.9</b></u>	<u><b>41.9</b></u>

## Consolidated cash flow statement for 2002

(x EUR 1 mln)

	2002	2001
<b>Cash flow from investment activities</b>		
direct investment result	116.3	97.1
purchases/investment in property	./ 377.5	./ 69.4
disposals of property	164.7	13.0
movements in provisions	./ 16.9	./ 1.9
movements in revaluation reserve	28.7	2.0
movements in accounts receivable	./ 3.6	./ 0.3
movements in other assets	–	0.1
movements in short-term liabilities	./ 152.7	16.9
	<u>./ 241.0</u>	<u>57.5</u>
<b>Cash flow from financing activities</b>		
dividend	./ 80.9	./ 68.5
share issue	130.7	–
movements in long-term liabilities	201.0	./ 2.7
movements in revaluation reserve	./ 0.9	–
	<u>249.9</u>	<u>./ 71.2</u>
<b>Net cash flow</b>	8.9	./ 13.7
exchange rate differences	49.8	./ 10.6
<b>Increase/decrease in cash and bank balances</b>	<u><u>58.7</u></u>	<u><u>./ 24.3</u></u>



## 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.

	average		ultimo	
	2002	2001	2002	2001
1 GBP	1.59043	1.61112	1.53728	1.64338
1 HUF	0.00412	0.00390	0.00423	0.00407
1 USD	1.06027	1.11824	0.95356	1.13469

### 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. The participations in Belgium and the United States have a similar status. Participations in other countries have no specific tax status.

### 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, 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. 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 the property is transferred to the category of investment properties. A property ceases to be a development property from the earlier of one year after the date of practical completion or the date when the property is at least 75% let. Differences against the previous valuations are accounted for in the revaluation reserve.

### Provisions

Provisions are created to meet particular liabilities or risks. The provision for contingent tax liabilities represents the discounted value of liabilities to taxation arising from differences between the financial valuation and the valuation for tax purposes. The provision for refinancing costs of high rate debt is 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 consisting 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 costs attributable to the year under review, which relate to operational activities. General costs are not charged to the indirect investment result.

### Taxes on result

Under this heading is shown corporate tax related to the results from group companies in the year under review. As from 2000, taxes on losses to be compensated based on (contingent) tax receivables will be taken into account. Losses from years before 2000 will be valued in the year in which these losses are compensated with profits.

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

The components of the indirect investment result are accounted for in the revaluation reserve.

## Notes to the consolidated balance sheet at December 31, 2002

(x EUR 1 mln)

<b>1. Property investments</b>	<b>2002</b>	<b>2001</b>
investment properties	1,830.5	1,623.2
development properties	124.9	249.3
	<u>1,955.4</u>	<u>1,872.5</u>
<b>Investment properties</b>		
balance at January 1	1,623.2	1,517.5
exchange rate differences	./ 94.5	30.9
	<u>1,528.7</u>	<u>1,548.4</u>
purchases/expenditures	347.0	17.8
transferred from development properties	137.5	49.2
	<u>2,013.2</u>	<u>1,615.4</u>
disposals	./ 162.7	./ 13.0
	<u>1,850.5</u>	<u>1,602.4</u>
valuation adjustments	./ 20.0	20.8
balance at December 31	<u>1,830.5</u>	<u>1,623.2</u>

To the amount of EUR 110.5 mln, properties have been charged by mortgage.

<b>Development properties</b>		
balance at January 1	249.3	258.1
exchange rate differences	./ 10.7	3.4
	<u>238.6</u>	<u>261.5</u>
purchases/expenditures	30.5	51.6
transferred to investment properties	./ 137.5	./ 49.2
	<u>131.6</u>	<u>263.9</u>
disposals	./ 2.0	-
	<u>129.6</u>	<u>263.9</u>
revaluation	./ 4.7	./ 14.6
balance at December 31	<u>124.9</u>	<u>249.3</u>

<b>2. Accounts receivable</b>	<b>2002</b>	<b>2001</b>
debtors	6.9	7.5
prepaid costs	4.9	6.3
taxes	10.2	15.5
other	26.4	15.5
	<u>48.4</u>	<u>44.8</u>

The item other accounts receivables include long-term receivables to the amount of EUR 6.0 mln (2001: EUR 9.9 mln).

<b>3. Other assets</b>	<b>2002</b>	<b>2001</b>
cash and bank balances	72.6	13.9
office equipment and cars	1.4	1.4
	<u>74.0</u>	<u>15.3</u>
<b>4. Provisions</b>	<b>2002</b>	<b>2001</b>
provision for contingent tax liabilities	22.3	24.4
refinancing costs	22.7	25.7
	<u>45.0</u>	<u>50.1</u>
<b>Provision for contingent tax liabilities</b>		
balance at January 1	24.4	21.4
exchange rate differences	./.	0.7
	<u>23.7</u>	<u>21.6</u>
addition	12.9	3.2
withdrawal	./.	14.3
balance at December 31	<u>22.3</u>	<u>24.4</u>
<b>Provision for refinancing costs</b>		
balance at January 1	25.7	26.4
exchange rate differences	./.	1.7
	<u>24.0</u>	<u>27.0</u>
addition	1.2	1.4
withdrawal	./.	2.5
balance at December 31	<u>22.7</u>	<u>25.7</u>

At December 31, 2002 the provisions have a nominal value of EUR 63.7 mln (2001: 69.7 mln) resp. EUR 31.5 mln (2001: EUR 35.8 mln) and are considered to be mainly of a long-term nature. The net present value of the provision for refinancing costs is calculated at a 5.25% discount rate.

<b>5. Loans</b>	<b>2002</b>	<b>2001</b>
balance at January 1	444.3	437.7
exchange rate differences	./.	17.7
	<u>426.6</u>	<u>447.5</u>
new loans/redemptions	203.2	./.
balance at December 31	<u>629.8</u>	<u>444.3</u>

Loans can be specified as follows:

	December 31, 2002				December 31, 2001			
	in local currency	average interest rate in %	in Euro	distrib- ution in %	in local currency	average interest rate in %	in Euro	distrib- ution in %
EUR	360.6	3.9	360.6	57.3	256.6	4.1	256.6	57.7
GBP	78.3	6.3	120.4	19.1	78.3	6.3	128.7	29.0
USD	156.0	3.4	148.8	23.6	52.0	5.9	59.0	13.3
total		<u>4.2</u>	<u>629.8</u>	<u>100.0</u>		<u>4.9</u>	<u>444.3</u>	<u>100.0</u>

	December 31, 2002			December 31, 2001		
	maturity spread in years (from 31-12-2002)			maturity spread in years (from 31-12-2001)		
	1-2	2-5	> 5	1-2	2-5	> 5
EUR	14	79	7	0	90	10
GBP	43	0	57	0	43	57
USD	16	84	0	52	48	0
total	<u>20</u>	<u>65</u>	<u>15</u>	<u>7</u>	<u>71</u>	<u>22</u>

The average duration of debt at fixed interest rates (EUR 184 mln, 29% of total debt) is 4.4 years.

## 6. Other long-term liabilities

This item consists of tenants' deposits.

## 7. Short-term liabilities

	2002	2001
dividend	87.1	73.3
creditors and other liabilities	59.1	57.5
investment obligations	14.1	62.6
taxes	3.4	1.4
fixed-term loans and overdrafts	–	107.8
	<u>163.7</u>	<u>302.6</u>

EUR 7.2 mln of the short-term liabilities can be characterised as being of a long-term nature.

## Notes to the consolidated profit and loss account for 2002

(x EUR 1 mln)

### 1. Rental income

	gross rental income		operating costs		net rental income	
	2002	2001	2002	2001	2002	2001
The Netherlands	28.4	27.0	2.8	3.1	25.6	23.9
Belgium	16.2	14.5	1.1	0.3	15.1	14.2
France	15.9	18.5	0.7	1.3	15.2	17.2
Spain	6.0	5.9	0.2	0.2	5.8	5.7
Finland	23.4	–	1.3	–	22.1	–
Hungary	0.3	0.3	0.1	0.1	0.2	0.2
United Kingdom	31.3	31.8	3.1	3.8	28.2	28.0
United States	54.4	54.8	18.8	19.1	35.6	35.7
	<u>175.9</u>	<u>152.8</u>	<u>28.1</u>	<u>27.9</u>	<u>147.8</u>	<u>124.9</u>
Offices	101.5	92.3	22.2	20.9	79.3	71.4
Shops	53.9	39.9	3.9	4.2	50.0	35.7
Other	20.5	20.6	2.0	2.8	18.5	17.8
	<u>175.9</u>	<u>152.8</u>	<u>28.1</u>	<u>27.9</u>	<u>147.8</u>	<u>124.9</u>

Loss of rental income due to voids amounted to 3.9% of the theoretical rent (2001: 2.9%).

The theoretical rent is the sum of gross rental income and the loss of rent due to voids.

### 2. Operating costs

	2002	2001
maintenance	5.6	5.7
property tax	10.3	9.9
insurance premiums	0.9	0.7
property management and rent collection costs	6.4	6.7
other operating costs	4.9	4.9
	<u>28.1</u>	<u>27.9</u>

### 3. Interest costs

	2002	2001
interest paid	30.5	30.4
interest received	./.	2.4
	<u>27.9</u>	<u>28.0</u>
less: capitalised interest	./.	7.6
	<u>23.6</u>	<u>20.4</u>

### 4. General costs

	2002	2001
personnel	4.1	4.0
remuneration of Supervisory Board	0.1	0.1
external advisors' and auditors' fees	1.1	1.3
other	2.1	1.7
	<u>7.4</u>	<u>7.1</u>

## 5. Taxes on results

The 2002 tax charge is shown after deduction of tax on deductible losses to the amount of EUR 12.3 mln (2001: 6.9 mln).

## 6. Remuneration of Board of Management and Supervisory Board

(amounts x EUR 1,000)

Board of Management	salary	jubilee payment	profit share	social charges	pension costs
G.C.J. Verweij	267	22	26	18	65
R.L.M. de Ruijter	244	–	23	19	60

The members of the Board of Management do not hold shares or options in Wereldhave N.V. Wereldhave N.V. has not extended loans, advances or guarantees to members of the Board.

Members of the Supervisory Board	remuneration
F.H.J. Boons	36
W. Lemstra	24
H.M.N. Schonis	24
C.J. de Swart	24

The members of the Supervisory Board do not hold shares or options in Wereldhave N.V. Wereldhave N.V. has not extended loans, advances or guarantees to members of the Board.

## 7. Other

Salaries amounted in total to EUR 7.1 mln (2001: EUR 6.9 mln), social security contribution to EUR 1.1 mln (2001: EUR 1.0 mln), and pension costs to EUR 1.2 mln (2001: EUR 1.1 mln). Of the total of EUR 9.4 mln, EUR 3.6 mln is included in general costs (personnel), EUR 5.2 mln in operating costs and EUR 0.6 mln in investments. An average of 104 people has been employed by the Group during 2002 (2001: 93). The conditions for the payment of a profit share for the year 2002 have been met.

The total expense ratio amounts to 0.05, or 4.8%. This ratio is the quotient of the sum of the operating costs, interest and general costs and the average net asset value during the year under review.

## Company balance sheet at December 31, 2002

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

	note	2002	2001
<b>Assets</b>			
<b>Investments</b>			
property investments	1	302.9	292.5
investments in group companies	2	877.9	869.8
other financial investments	3	419.1	366.0
		<u>1,599.9</u>	<u>1,528.3</u>
Accounts receivable	4	29.8	10.3
Other assets		25.0	5.0
		<u><b>1,654.7</b></u>	<u><b>1,543.6</b></u>
<b>Liabilities</b>			
<b>Shareholders' equity</b>			
issued share capital	5	200.3	181.0
share premium	6	705.1	601.6
revaluation reserve	7	./ 71.3	./ 24.9
general reserve	8	401.8	372.3
		<u>1,235.9</u>	<u>1,130.0</u>
Provisions		22.7	25.7
Long-term debt			
loans	9	258.2	233.9
Short-term liabilities	10	137.9	154.0
		<u><b>1,654.7</b></u>	<u><b>1,543.6</b></u>

## Company profit and loss account for 2002

(x EUR 1 mln)

	note	2002	2001
result of group companies		83.4	70.5
other result	11	32.9	26.6
Profit after tax		<u><b>116.3</b></u>	<u><b>97.1</b></u>

\* See the proposed distribution of profits under 'Other information' on page 44.



## Notes to the company balance sheet and the profit and loss account

(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 on pages 33 and 34. The Company has made use of the exemption referred to in Article 2:402 of the Netherlands Civil Code.

### 1. Property investments

	2002	2001
Investment properties	302.9	278.5
Development properties	–	14.0
	<u>302.9</u>	<u>292.5</u>
<b>Investment properties</b>		
balance at January 1	278.5	273.1
investments	17.5	3.9
transferred to investment properties	14.8	–
	<u>310.8</u>	<u>277.0</u>
disposal of property	–	./ 0.4
	<u>310.8</u>	<u>276.6</u>
revaluation	./ 7.9	1.9
balance at December 31	<u>302.9</u>	<u>278.5</u>
<b>Development properties</b>		
balance at January 1	14.0	42.3
investments	1.3	4.4
revaluation	./ 0.5	–
transferred from investment properties	./ 14.8	–
	<u>–</u>	<u>46.7</u>
disposal of property	–	./ 32.7
balance at December 31	<u>–</u>	<u>14.0</u>

### 2. Investments in group companies

Movements are as follows:

	2002	2001
balance at January 1	869.8	817.0
additions/investments	15.0	–
	<u>884.8</u>	<u>817.0</u>
results	83.4	70.5
revaluations	./ 56.4	19.8
profit distributions	./ 33.9	./ 37.5
balance at December 31	<u>877.9</u>	<u>869.8</u>

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

### 3. Other financial investments

This item consists of intercompany relations.

### 4. Accounts receivable

On account of intercompany relations EUR 9.8 mln (2001: EUR 0.9 mln) is included under accounts receivable.

### 5. Issued share capital

The share capital at year-end 2002 is as follows:

type of shares	authorised	in issue (EUR)	
	(EUR) 31-12-2002	31-12-2002	31-12-2001
ordinary shares (EUR 10)	400,000,000	196,917,350	177,567,350
preference shares (EUR 9.08)	181,600,000	13,620,000	13,620,000
'A' priority shares	100	100	100
'B' priority shares	199,999,900	–	–
	<u>781,600,000</u>	<u>210,537,450</u>	<u>191,187,450</u>
less: uncalled preference capital		<u>./. 10,215,000</u>	<u>./. 10,215,000</u>
	<u>781,600,000</u>	<u>200,322,450</u>	<u>180,972,450</u>

Movements in issued share capital:

	2002	2001
balance at January 1	177.6	161.2
share issue	19.3	–
Euro conversion	–	16.4
balance at December 31	<u>196.9</u>	<u>177.6</u>

At December 31, 2002 there are 19,691,735 ordinary, 1,500,000 preference and 10 'A' priority shares in issue. No 'B' priority shares have been issued.

### 6. Share premium

	2002	2001
balance at January 1	601.6	618.0
share issue	103.5	–
Euro conversion	–	<u>./. 16.4</u>
balance at December 31	<u>705.1</u>	<u>601.6</u>

The share premium at December 31, 2002 includes an amount of EUR 690.7 mln exempted from tax (2001: EUR 587.3 mln).

<b>7. Revaluation reserve</b>	<b>2002</b>	<b>2001</b>
balance at January 1	./ 24.9	./ 42.7
valuation adjustments on investments	./ 24.7	6.2
exchange rate differences	./ 35.3	13.8
result on disposals	28.7	1.7
movements in provisions	./ 14.2	./ 4.2
other movements	./ 0.9	0.3
balance at December 31	<u>./ 71.3</u>	<u>./ 24.9</u>

Of the movement of EUR –46.4 mln (2001: EUR 17.8 mln) in the year under review EUR 56.7 mln (2001: EUR –5.2 mln) can be characterised as realised and EUR –103.1 mln (2001: EUR 23.0 mln) as unrealised.

<b>8. General reserve</b>	<b>2002</b>	<b>2001</b>
balance at January 1	372.3	348.2
added according to proposal for distribution of profits	29.5	24.1
balance at December 31	<u>401.8</u>	<u>372.3</u>

### 9. Loans

On account of intercompany relations EUR 91.1 mln (2001: EUR 26.8 mln) is included under loans.

### 10. Short-term liabilities

Short-term liabilities include dividend obligations in respect of the 2002 financial year. On account of intercompany relations an amount of EUR 30.0 mln (2001: EUR 44.0 mln) is also included under short-term liabilities.

### 11. Other results

On account of intercompany relations interest income to the amount of EUR 15.7 mln (2001: EUR 11.7 mln) is included.

### 12. Items not included in the balance sheet

The company has given guarantees for group companies to third parties to the amount of EUR 451 mln (2001: EUR 312 mln). In 2002 the company has entered into forward sale transactions of GBP 75 mln and USD 148 mln. These transactions have a remaining duration of less than 2 months.

The Hague, February 20, 2003

Supervisory Board  
 F.H.J. Boons  
 W. Lemstra  
 H.M.N. Schonis  
 C.J. de Swart

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

## 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 4.82% on the preference shares in issue and 5% on the 'A' priority shares in issue, it is proposed to distribute to holders of ordinary shares a dividend of EUR 4.40 in cash. That part of profits which is not paid out will be added to the general reserve. The part of the profit not paid out will be added to the general reserve.

(x EUR 1 mln)	2002	2001
Direct investment result	<u>116.3</u>	<u>97.1</u>
Preference dividend and dividend A priority shares	0.2	0.2
Dividend ordinary shares	86.6	72.8
Addition to general reserve	29.5	24.1
	<u>116.3</u>	<u>97.1</u>

### Preference and priority shares

Wereldhave does not have large investors as defined in the Besluit toezicht beleggingsinstellingen (Decree Supervision Investment Institutions), with the exception of the Stichting tot het houden van prioriteits aandelen van de naamloze vennootschap: Wereldhave N.V. (Foundation for the holding of priority shares of Wereldhave N.V.), holder of 10 priority A shares. 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 prioriteits aandelen B Wereldhave (Foundation for the holding of preference shares and B priority shares Wereldhave). The management of the Foundation consists of Messrs. H.J.A.F. Meertens (Chairman), M.A. Snijder and P.C. Neervoort. 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. The closing price of the preference share at December 31, 2002 was EUR 2.09. On December 31, 2002, the foundation held a 6.4% 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 direct 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 2002 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, 2002 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 Accountants N.V.

The Hague, February 20, 2003

## Supervisory Board

### F.H.J. Boons (62)

Member of the Supervisory Board of VADO Beheer B.V., Eindhoven.

Member of Wereldhave N.V. Supervisory Board since 1984, re-appointed in 2002. Chairman since 2000.

Member of the Supervisory Board of several companies, including Dela Coöperation U.A., and Chairman of the Supervisory Boards of Kantoren Fonds Nederland B.V. (Dutch Offices Fund).

### W. Lemstra (67)

Former mayor of Hengelo, Overijssel.

Member of Wereldhave N.V. Supervisory Board since 1992, a position to which he was re-appointed in 2001.

Part-time professorship in Public-Private Co-operation and Public Management, University of Twente.

Member of the Supervisory Boards of several companies, including Planoform Holding B.V.

Member of the Upper Chamber States General.

### H.M.N. Schonis (59)

Partner in Baker & McKenzie (solicitors, tax consultants and notaries public), Amsterdam.

Member of Wereldhave N.V. Supervisory Board since 1997; re-appointed in 2002.

Part-time professorship in Fiscal Law, Catholic University of Nijmegen.

Member of the Supervisory Boards of several companies, including Delta Lloyd Bankengroep N.V.

### C.J. de Swart (61)

Former Chairman Board of Management ASR Insurance Company and former member of the Executive Committee of Fortis

Member of Wereldhave N.V. Supervisory Board since 2001

Member of the Supervisory Board of several companies: Investment Fund "De Zonnewijzer", ABZ Holding B.V. and Japhet de Jong Holding B.V.

The members of the Supervisory Board are all Dutch Nationals.

Mr Lemstra and Mr de Swart will retire by rotation.

The re-election of Mr de Swart and the election of Mr J. Krant will be proposed at the Annual General Meeting of shareholders on March 26, 2003.

## Board of Management

### G.C.J. Verweij (57)

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 (51)

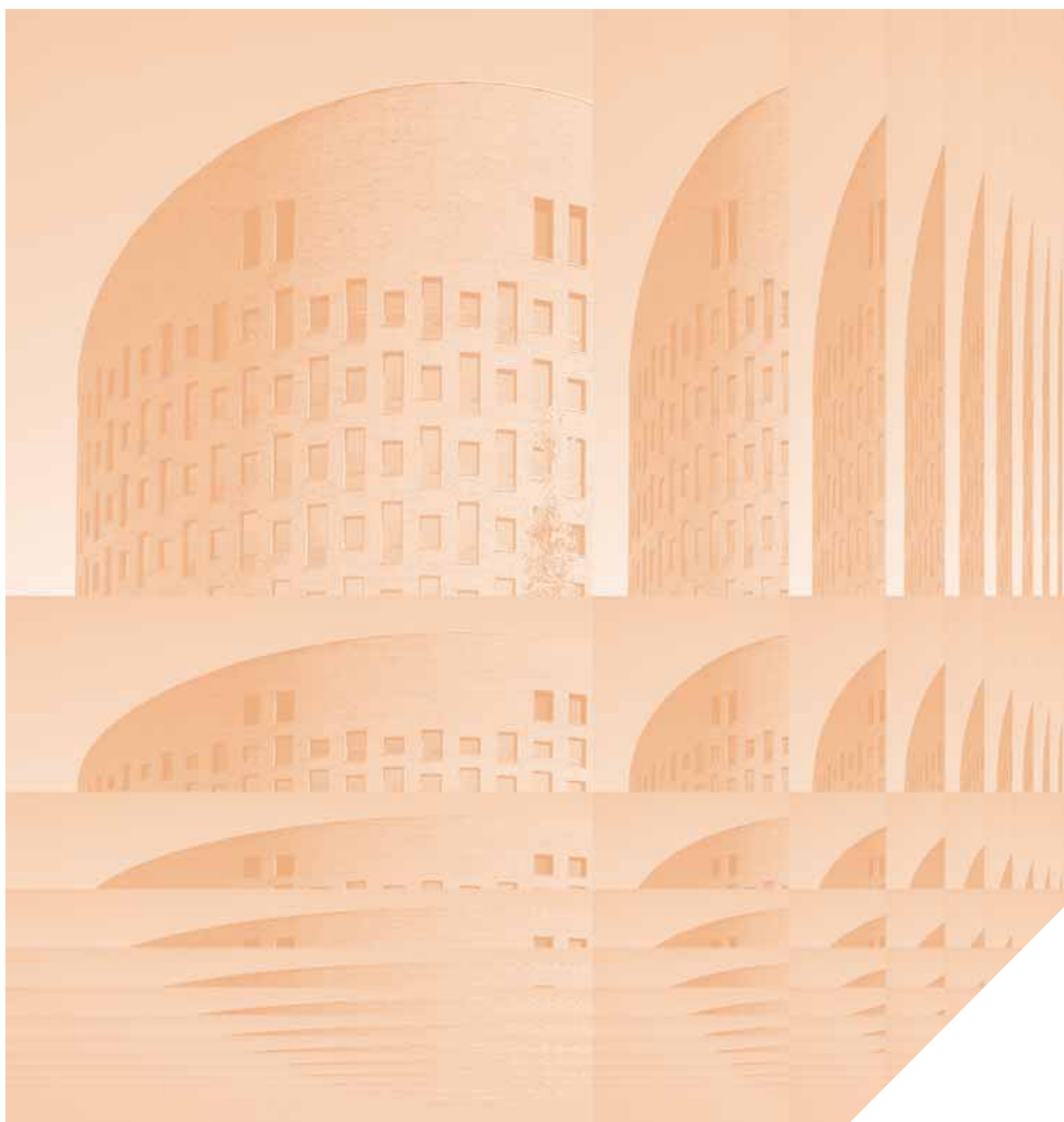
Employed by Wereldhave since 1987

Director Wereldhave Management Nederland B.V. 1990

Director Wereldhave Management Holding B.V. from 1994

Director Wereldhave N.V. from 1994

## Investment properties



## Investment properties at December 31, 2002

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

location	offices m <sup>2</sup> n.l.a.	shops m <sup>2</sup> n.l.a.	other m <sup>2</sup> n.l.a.	number of parking spaces	year of acquisition	year of construction or renovation	annual rent 2003 (x EUR 1 mln)
<b>Belgium</b>							
<b>Brussel</b>							
1-8 Boulevard Bischoffsheim	12,666			150	1988	2002	2.1
22-25 Boulevard Bischoffsheim	5,730			64	1990	1990	1.1
<b>Liege</b>							
1 Quai des Vennes		31,252		2,200	1994	1995	7.2
<b>Nijvel</b>							
10 Steenweg op Bergen		15,503		750	1984	1995	2.1
<b>Doornik</b>							
22 Boulevard Walter de Marvis		14,178		1,260	1988	1996	1.7
<b>Vilvoorde</b>							
30 Medialaan	5,696			177	1999	2001	1.0
32 Medialaan	4,052			123	1999	2001	0.7
<b>Berchem</b>							
1 Roderveldlaan	12,344			238		2002	1.9
3-4-5 Roderveldlaan	17,139			316	1999	2001	2.3
<b>other properties</b>	<u>6,336</u>	<u>3,285</u>	<u>18,359</u>				<u>2.3</u>
	<u>63,963</u>	<u>64,218</u>	<u>18,359</u>				<u>22.4</u>
<b>Interest Wereldhave (68.2%)</b>	<u><u>43,623</u></u>	<u><u>43,797</u></u>	<u><u>18,359 *</u></u>				<u><u>15.5</u></u>
<b>Finland</b>							
<b>Helsinki</b>							
Itäkeskus	<u>9,062</u>	<u>85,009</u>	<u>-</u>	3,000	2002		<u>25.1</u>
<b>France</b>							
<b>Dunkirk</b>							
Quai des Fusiliers Marins		9,895	7,944	600	1999	1999	2.7
<b>Paris and environs</b>							
45-49 Rue Kléber, Levallois-Perret	19,660			350	1999	1999	6.2
Avenue Jules Rimet, Saint-Denis	10,993			121	1999	2001	2.9
Zac des Berges de Seine, Clichy	23,564			350		2002	6.1
	<u>54,217</u>	<u>9,895</u>	<u>7,944</u>				<u>17.9</u>
<b>Hungary</b>							
<b>Budapest</b>							
	<u>1,916</u>	<u>-</u>	<u>-</u>	24			<u>0.4</u>

\*) The interest of Wereldhave in the item other amounts to 100%.



location	offices m <sup>2</sup> n.l.a.	shops m <sup>2</sup> n.l.a.	other m <sup>2</sup> n.l.a.	number of parking spaces	year of acquisition	year of construction or renovation	annual rent 2003 (x EUR 1 mln)
<b>Netherlands</b>							
<b>Alphen aan den Rijn</b>							
35 A. van Leeuwenhoekweg			11,375	103	1997	1991	0.6
R. Wallenbergplein	6,177			108		2002	0.8
<b>Amersfoort</b>							
1-3 Basicweg			11,377	96	1997	1993	0.5
<b>Amsterdam</b>							
64 Hornweg			12,457	117	1997	1991	0.8
<b>Arnhem</b>							
Shopping Centre Kronenburg (leasehold till 2110)		31,899		1,000	1988	1985	6.9
<b>Best</b>							
4 Brem			11,283	690	1977	1971	0.9
<b>Breda</b>							
Distriparc IABC			20,134		2002	2002	1.1
<b>Deventer</b>							
2 Duisburgstraat			18,360	25	1997	1991	0.5
<b>Etten-Leur</b>							
Shopping Centre Etten-Leur		20,163			1991	1995	2.8
<b>Geldrop</b>							
62-89A Heuvel and 1, 3, 5 and 15 Achter de Kerk		5,927			1978	1996	0.9
<b>The Hague and environs</b>							
20-160 Laan van Ypenburg, The Hague			49,500	200	1996	1993	2.9
12 Veraartlaan, Rijswijk	5,490			87	1984	1991	0.7
Winston Churchill Tower, Rijswijk	23,163			370		2002	3.3
<b>Leiderdorp</b>							
Shopping Centre Winkelhof		17,286		830	1993	1999	3.4
<b>Nuth</b>							
15 Thermiekstraat			18,066	690	1977	1987	1.2
<b>Roosendaal and environs</b>							
23 Borchwerf			15,378	126	1997	1994	0.6
6 Middenweg, Moerdijk			8,779	126	1997	1988	1.1
<b>Utrecht</b>							
1 Rutherfordweg			12,876	100	1997	1994	0.7
<b>other properties</b>	7,022		35,200				3.0
	<u>41,852</u>	<u>75,275</u>	<u>224,785</u>				<u>32.7</u>
<b>Spain</b>							
<b>Madrid</b>							
2 Plaza de la Lealtad	3,012				1989	1999	0.8
15 Calle Fernando El Santo	3,254			39	1991	1993	0.8
15 Avenida de la Vega, Alcobendas	22,676			421	1999	2000	4.8
	<u>28,942</u>	<u>-</u>	<u>-</u>				<u>6.4</u>

location	offices m <sup>2</sup> n.l.a.	shops m <sup>2</sup> n.l.a.	other m <sup>2</sup> n.l.a.	number of parking spaces	year of acquisition	year of construction or renovation	annual rent 2003 (xEUR 1 mln)
<b>United Kingdom</b>							
<b>Blackburn</b>							
76-80 Bank Top		3,426		202	1994	1987	0.5
<b>Gloucester</b>							
63-71 Northgate Street and 14-20 Hare Lane		4,047			1994	1972	0.5
<b>Guildford</b>							
73-75 North Street	1,085	357			1988	1976	0.6
<b>Leeds</b>							
31-32 Park Row	2,502				1988	1978	0.5
<b>London and environs</b>							
126-134 Baker Street, W1	934	605			1988	1999	0.8
326-334 Chiswick High Road, W4		2,307			1988	1974	0.7
72-74 Dean Street, Royalty House, W1	2,648			12	1988	1999	1.3
14-18 Eastcheap, EC3	3,630				1988	1991	2.4
31-36 Foley Street, W1	3,134			12	1988	1993	1.9
26-28 Great Portland Street, W1 (leasehold till 2105)	1,290				1988	1990	0.6
11-12 Haymarket, SW1	1,183				1988	1988	0.7
1-5 Lower George Street and 1 Eton Street, Richmond upon Thames		2,864		10	1988	1963	0.8
56-70 Putney High Street, SW15		4,369		44	1988	1971	0.9
10-12A Thames Street and 1, 2 and 5 Curfew Yard, Windsor	932	464		62	1988	1972	0.7
<b>Northampton</b>							
100 Pavillion Drive	11,051			510	1998	1991	3.1
<b>Redhill</b>							
Grosvenor House, 65/71 London Road	4,652			150	1989	1986	1.6
<b>Rickmansworth</b>							
1 Tolpits Lane, Olds Approach			7,334	165	1988	1993	0.8
<b>Sittingbourne</b>							
Trinity Trading Estate			35,742	200	1988	1982	2.7
<b>Sheffield</b>							
Penistone Road		3,918		163	1988	1986	0.7
<b>Warwick</b>							
Warwick Technology Park, Gallows Hill	21,814			788	1998	1992	4.7
<b>Yeovil</b>							
Bay 6, Lynx Trading Estate		3,218		207	1994	1986	0.5
<b>other properties</b>	1,924	8,701	15,298				3.9
	<b>56,779</b>	<b>34,276</b>	<b>58,374</b>				<b>30.9</b>

location	offices m <sup>2</sup> n.l.a.	shops m <sup>2</sup> n.l.a.	other m <sup>2</sup> n.l.a.	number of parking spaces	year of acquisition	year of construction or renovation	annual rent 2003 (x EUR 1 mln)
<b>United States</b>							
<b>Austin, Texas</b>							
6901 Cap. of Texas Highway North	8,568			344	1999	1999	2.1
5001 Plaza on the Lake Drive	11,383			539	1999	1999	3.3
4801 Plaza on the Lake Drive	10,363			491	1999	1999	3.0
8300 Mopac Expressway	8,669			431	1998	2000	2.2
<b>Dallas and environs, Texas</b>							
1910 Pacific Place	30,115			14	1994	1982	4.0
805 Central Expressway, Allen	10,702			737	1999	1999	1.9
161 Corporate Center, Irving	9,737			465	1998	1998	2.2
4600 Regent Boulevard, Irving	7,432			479	1998	1998	1.5
4650 Regent Boulevard, Irving	7,432			479	1999	1999	1.4
Arboretum Estates, Richardson			28,601	648	1999	1999	3.2
<b>Livonia, Michigan</b>							
19500 Victor Park Way	10,325			600	1998	1998	2.1
<b>Philadelphia, Pennsylvania</b>							
1515 Market Street	47,161				1989	1986	8.9
<b>Pittsburgh, Pennsylvania</b>							
3000 Park Lane	9,784				1998	1998	1.9
<b>Sterling</b>							
Corporate Center Loudon Tech	11,681					2002	2.3
<b>Washington D.C.</b>							
1401 New York Avenue	17,646			165	1988	1984	5.5
<b>Herndon</b>							
13650 Dulles Technology Drive	10,507			531	1999	2000	2.5
13650 Dulles Technology Drive	10,507			531	1999	2000	2.6
	<u>222,012</u>	<u>-</u>	<u>28,601</u>				<u>50.6</u>
<b>Total</b>	<u>458,621</u>	<u>248,252</u>	<u>338,063</u>				<u>179.5</u>

N.l.a. means net lettable area. 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 rata basis. The annual rent is calculated on the assumption that the buildings are fully let and before deduction of operating costs.

## Independent valuers

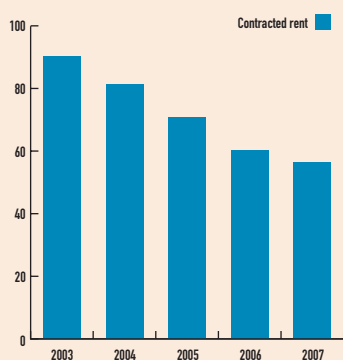
Jones Lang La Salle,  
London

Troostwijk Taxaties B.V.,  
Amsterdam

Troostwijk-Roux Expertises cvba,  
Antwerp

## Contracted rent

(on December 31, 2002, expressed as a % of the forecasted rent)



## Summary of investment properties

The following is a summary of the open market value of the Group's investment properties at December 31, 2002. Foreign currencies have been converted at rates of exchange ruling at December 31, 2002. The annual rent is shown on the assumption that the buildings are fully let and before deduction of operating costs.

(x EUR 1 mln)	offices		shops		other properties		total	
	market value	annual rent	market value	annual rent	market value	annual rent	market value	annual rent
Belgium	81.9	7.0	99.7	7.8	5.5	0.7	187.1	15.5
Finland	15.9	1.3	302.2	23.8	–	–	318.1	25.1
France	176.5	15.2	12.4	1.5	9.7	1.2	198.6	17.9
Hungary	2.2	0.4	–	–	–	–	2.2	0.4
The Netherlands	61.5	5.9	145.5	14.0	129.2	12.8	336.2	32.7
Spain	79.1	6.4	–	–	–	–	79.1	6.4
United Kingdom	188.5	18.6	96.6	7.5	50.0	4.8	335.1	30.9
United States	354.0	47.4	–	–	20.1	3.2	374.1	50.6
<b>Total</b>	<b>959.6</b>	<b>102.2</b>	<b>656.4</b>	<b>54.6</b>	<b>214.5</b>	<b>22.7</b>	<b>1,830.5</b>	<b>179.5</b>

## Summary development portfolio

(investment value more than EUR 10 mln)

			(estimated) date of completion	investment value (x EUR 1 mln)
Belgium	Berchem	Phase 3 De Veldekens, 11,416 m <sup>2</sup> offices	01-08-2002	16.5 *)
	Vilvoorde	Phase 2 Medialaan, 12,989 m <sup>2</sup> offices	01-09-2002	25.6 *)
Spain	Rivas	36,800 m <sup>2</sup> industrial	01-11-2002	23.5
United States	Washington	14,000 m <sup>2</sup> offices, G-Street	01-04-2005	50.0
	Saxon Woods	Phase 525 apartments	15-06-2003	35.6

\*) Wereldhave's interest amounts to 68.2% of these investment values.

## Summary of revaluations of the investment properties per country and sector

	value at 31-12-2002 (x EUR 1 mln)	revaluation in 2002 (x EUR 1 mln)	as a % of the value before revaluation			total			
			offices	shops	other				
Belgium	187.1	7.1	2.3	7.4	./.	22.3	3.9		
Finland	318.1	./.	2.9	./.	0.9	./.	0.9		
France	198.6	2.4	2.0	./.	4.7	./.	4.8	1.2	
Hungary	2.2	–	0.2	–	–	–	0.2		
The Netherlands	336.2	./.	9.1	./.	3.9	0.3	./.	5.2	2.6
Spain	79.1	./.	2.0	./.	2.5	–	–	2.5	
United Kingdom	335.1	1.5	./.	4.9	6.7	11.8	0.5		
United States	374.1	./.	17.0	./.	4.5	–	./.	2.0	4.4
<b>Total</b>	<b>1,830.5</b>	<b>./.</b>	<b>20.0</b>	<b>./.</b>	<b>2.6</b>	<b>1.6</b>	<b>./.</b>	<b>1.9</b>	<b>1.1</b>