Annual Report 2007

Contents

WERELDHAVE

This is the English translation of the Annual Report and Accounts 2007. The official version is in Dutch.

The year 2007 was a turbulent one, with property values peaking. Wereldhave realised valuation gains by the disposal of more high-risk properties and added recently constructed first-class property to its portfolio.

Key figures (in €)	**2007**	**2006**	**%**
Results			
Profit	229.6 mln	357.5 mln	-/- 35.78%
Direct result	108.0 mln	113.3 mln	-/- 4.68%
Indirect result	121.6 mln	244.2 mln	-/- 50.20%
Profit per share	10.42	16.53	-/- 36.96%
Direct result per share	4.88	5.14	-/- 5.06%
Equity	**31-12-2007**	**31-12-2006**	**%**
Investment portfolio	2,668.0 mln	2,521.5 mln	5.81%
Shareholders' equity	1,972.6 mln	1,890.0 mln	4.37%
Net asset value per share	89.02	85.46	4.17%

Proposed dividend € 4.65 in cash, payable from April 4, 2008.

Property purchases and disposals in 2007 (amounts at year end rates x € 1 mln)

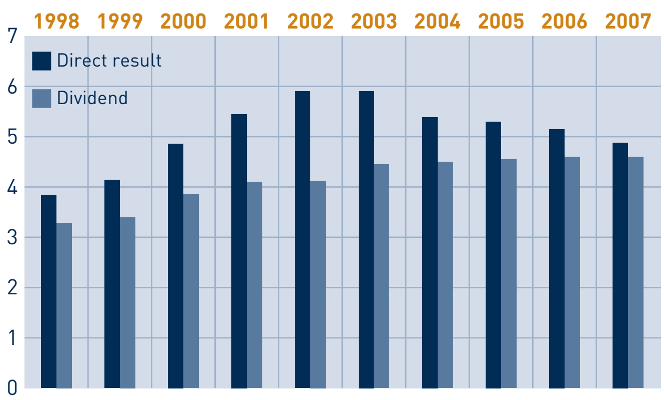
Purchases			**Disposals** (Gross proceeds)		
San Diego, USA	office	150.0	Pittsburgh, USA	office	8.2
Villalbal, Spain	retail	53.9	Pennsylvania, USA	office	51.6
Frisco, USA	land	5.1	Norbury, UK	industrial	4.0
			London, UK	retail	7.8
			Amsterdam, NL	industrial	7.2
			Deventer, NL	industrial	3.4
			Rijswijk, NL	office	43.6
			Meer, Belgium	industrial	19.5
			Luik, Belgium	retail	3.7
		209.0			149.0

In 2008, Wereldhave will continue to expand its portfolio – preferably with new development projects – in large, liquid markets.

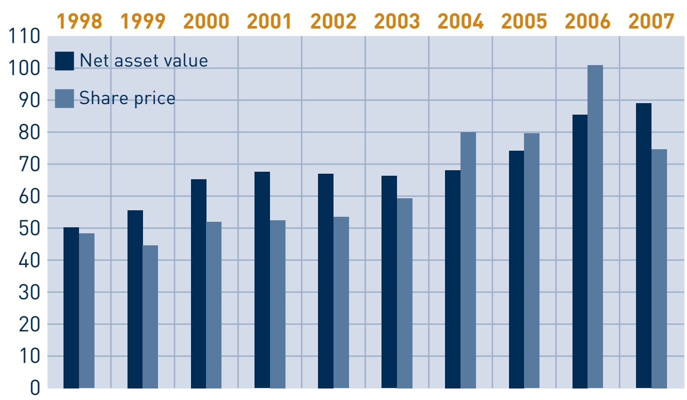
Key figures past 10 years[1]

	1998	1999	2000	2001	2002
Results					
(x € 1 mln)					
Net rental income [4]	84.9	93.9	112.8	124.9	147.8
Profit [8]	86.9	131.4	216.2	102.6	127.6
Direct result [2] [8]	64.7	71.6	86.0	97.1	116.3
Indirect result [6] [8]	2.2	74.3	140.1	17.8	./. 46.4
Balance sheet					
(x € 1 mln)					
Investments	1,061.7	1,316.8	1,517.5	1,623.2	1,830.5
Development projects	207.9	278.6	258.1	249.3	124.9
Equity [3]	856.9	968.1	1,156.6	1,203.0	1,322.7
Interest bearing debt	311.0	420.1	464.6	552.1	629.8
Number of shares					
At December 31	16,956,748	17,329,725	17,756,735	17,756,735	19,691,735
Average during the year	16,834,997	17,236,480	17,639,307	17,756,735	19,691,735
Share data [5]					
(x € 1)					
Equity [9]	50.28	55.61	64.94	67.55	66.99
Direct result [2]	3.80	4.12	4.83	5.45	5.90
Indirect result [6]	0.49	4.50	7.86	1.01	./. 2.36
Dividend	3.29	3.40	3.85	4.10	4.40
Dividend choice	or 4.76%	or 4.76%			
	and 0.57	and 1.00			
Pay-out	86.6%	82.5%	79.7%	75.2%	74.6%
Direct result per share [7]	3.83	4.14	4.86	5.45	5.90
Profit per share [7]	5.15	7.62	12.24	5.77	6.47

Direct result and dividend per share *(x € 1)*



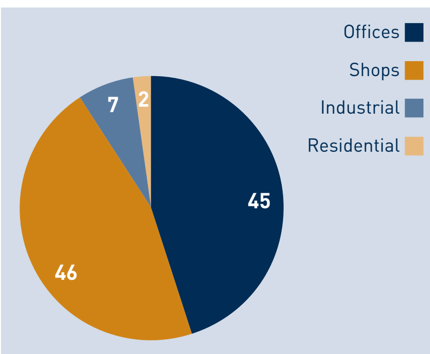
Net asset value and share price at December 31
(before distribution of profit, x € 1)



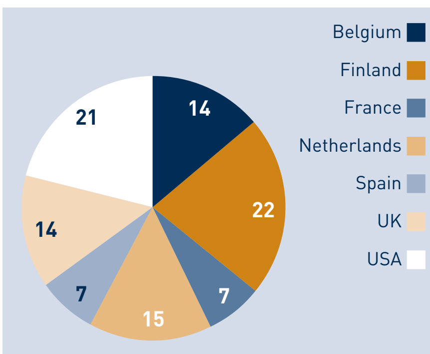
	2003	2004	2005	2006	2007
	146.6	147.5	151.8	151.2	**147.5**
	104.7	160.8	192.1	343.5	**216.5**
	116.5	110.9	110.1	106.9	**101.3**
./.	42.4	49.9	82.0	236.6	**115.2**
	1,844.0	2,015.1	2,288.8	2,521.5	**2,668.0**
	88.1	50.3	34.0	33.9	**40.4**
	1,310.0	1,414.8	1,542.2	1,776.0	**1,850.1**
	575.2	500.0	630.1	541.0	**592.6**
	19,691,735	20,781,735	20,781,735	20,781,735	**20,781,735**
	19,691,735	20,573,265	20,781,735	20,781,735	**20,781,735**
	66.35	68.08	74.21	85.46	**89.02**
	5.91	5.34	5.30	5.14	**4.88**
./.	2.15	2.40	3.94	11.39	**5.54**
	4.45	4.50	4.55	4.60	**4.65**
	75.3%	84.3%	85.8%	89.5%	**95.4%**
	5.91	5.39	5.30	5.14	**4.88**
	5.31	7.81	9.24	16.53	**10.42**

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

Distribution of investment properties by sector at year-end 2007



Geographical distribution of investment properties at year-end 2007

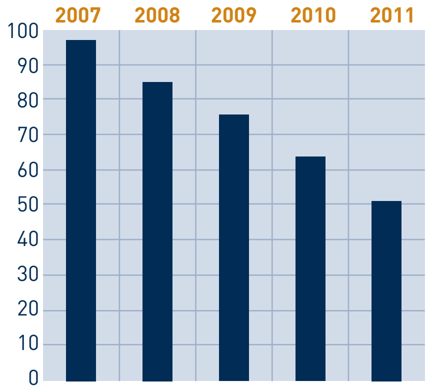


Share price development 2003-2007 *(in €)*

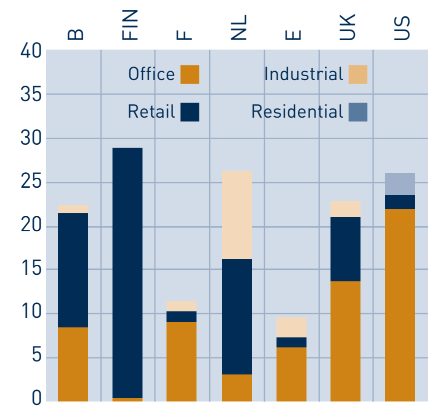
Key information

	2003	2004	2005	2006	2007
Share price at December 31	59.35	80.00	79.65	100.90	74.72
Price/DR at 31-12	10.0	14.8	15.0	19.6	15.3
avg. Transaction volume/day	30,500	46,000	53,000	75,000	171,000
Market capitalisation at 31/12	1.2 mrd	1.7 mrd	1.7 mrd	2.1 mrd	1.6 mrd
NAV/share	66.35	69.40	74.21	85.48	89.02
Premium/discount	- 10.6%	17.5%	7.3%	18.1%	- 16.1%
Dividend	4.45	4.50	4.55	4.60	4.65
Dividendyield at 31-12	7.5%	5.6%	5.7%	4.6%	6.2%
Pay-out	75%	84%	86%	89%	95%
Free float	100%	100%	100%	100%	100%

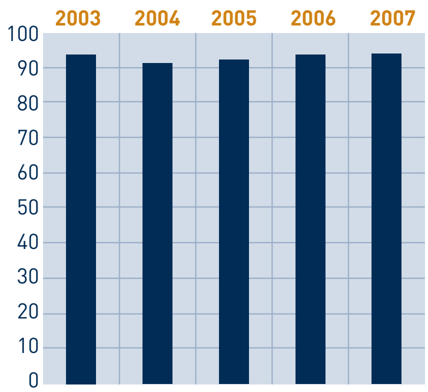
Contracted rent
(as a % of contracted rent at December 31, 2007)



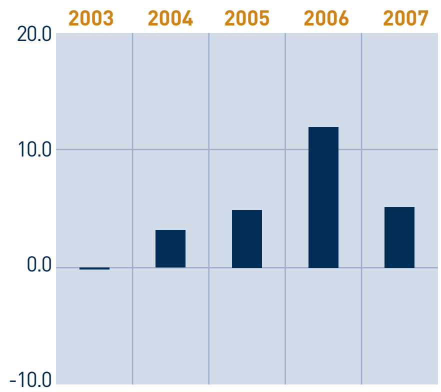
Net rental income per country

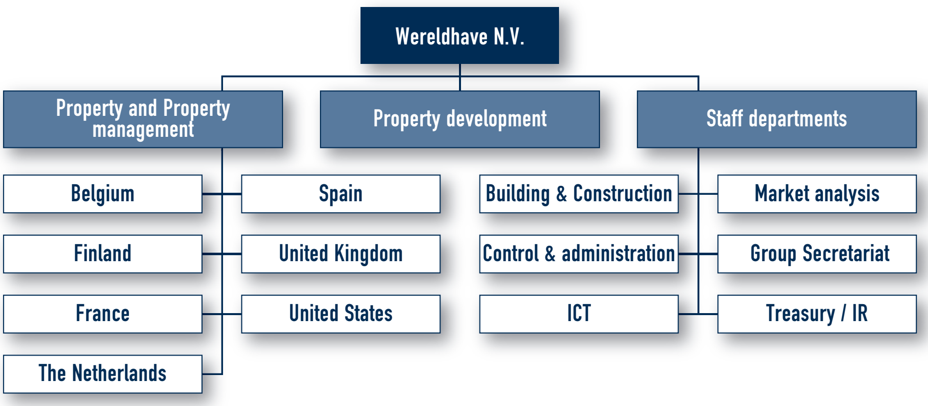


Occupancy (%)



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





Financial calendar

March 13, 2008	Record date Annual General Meeting of Shareholders
March 27, 2008	Annual General Meeting of Shareholders
March 31, 2008	Ex-dividend date
April 2, 2008	Dividend record date
April 4, 2008	Dividend payment date
May 8, 2008	First quarter results 2008
August 7, 2008	Interim statement 2008
November 7, 2008	Third quarter results 2008
March 2009	Annual Report 2008

Wereldhave is listed at NYSE Euronext Amsterdam (AMX) and Paris (Premier Marché, valeurs étrangères) and a component of the following indices: Dow Jones Sustainability Index, MSCI, EPRA, GPR and Stoxx.
Tickercode: WHA
ISIN NL 0000289213

Board of Management
G.C.J. Verweij
J. Buijs

Supervisory Board
C.J. de Swart
J. Krant
F.Th.J. Arp
P.H.J. Essers

Introduction

Structure

Wereldhave is an independent international property investment company, founded in 1930. Wereldhave shares are traded on the NYSE Euronext in Amsterdam and Paris.
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 (closed end).
The Company has the status of an Investment Institution under Dutch tax law and therefore does not pay Corporation Tax in the Netherlands. Development activities are subject to tax. Wereldhave is licensed to operate as an investment company under the Dutch "Wet op het financieel toezicht" (Financial Supervision Act).

Investments

Wereldhave invests in office buildings, shopping centres, industrial and residential property in Belgium, Finland, France, the Netherlands, Spain, the United Kingdom and the United States. Wereldhave has its own management organisations for the development, investment and management of its properties in each of these countries. 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. Internal valuations are carried out four times per year 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 on the NYSE Euronext Brussels. The investments in France qualify for the SIIC regime (Sociétés d'Investissements Immobilières Cotées). The investments in the USA are held in a REIT (Real Estate Investment Trust).

Strategy outline

Mission and corporate aim

The right accommodation at the right time and in the right place
Wereldhave's mission is to make available, when and where needed, commercial and residential property for rent. The objective is to attain a long term attractive investment result, combined with a low risk profile on the property portfolio.

Strategy

Diversification by geographical area and type of property
Wereldhave endeavours 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.

Portfolio renewal
Wereldhave's strategy is aimed at portfolio renewal, adding new or recently developed property to its portfolio and selling property that is no longer up to the required standards. This will result in a portfolio with a lower average age, with favourable letting prospects and low maintenance costs. Since the demand for newer property is higher than that for older property, portfolio renewal will also help to improve marketability.

Strategy in economic perspective

The strategy of portfolio renewal has been pursued consistently since the first half of the 1990s. By far the majority of the property portfolio is currently made up of modern, flexible buildings in the international A segment, with predictably low maintenance and favourable letting prospects. Property marketability has also proved positive: in all instances during recent years when Wereldhave decided to sell, buyers could be found quickly at a price level equal to or in excess of the book value (see the summary on page 16).

Prices for fully let property have risen sharply in recent years, causing the initial yield to drop, approximating, or even dropping below, interest rates on the capital markets.
As a consequence, investors are accepting returns on property investments without a risk mark-up. Wereldhave has responded to the situation by selling property with high letting risks and limited scope for future increases in value.
Although this led to lower rental income and therefore to lower direct results, the sales meant that the sharp increases in shareholder value could be realized and future loss of value prevented. In 2007 Wereldhave realised a profit on disposals of € 17.4 million (2006: € 39.9 million).

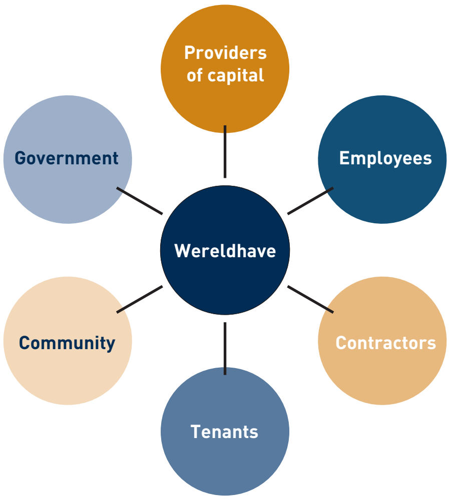
Very low initial yields can only be justified if improvements in occupancy levels or increases in rent are foreseen. Since such developments are not expected in many cases, Wereldhave pursues a restrictive acquisition policy. Development projects offer more opportunities for creating shareholder value. Wereldhave can complete such projects at cost and by subsequently letting and valuing the property based on prevailing market conditions, Wereldhave can create value.
As at 31 December 2007, five projects were in the development pipeline: three projects in Europe (totalling approximately € 210 million) and two in the United States (totalling approximately USD 400 million). More detailed information about the scale and progress of these projects can be found on pages 34 and 35.

Sustainability

Stakeholders

For Wereldhave, corporate sustainability is a strategic priority. It is aimed at improving the quality of business operations while making more efficient use of all resources, and lowering operating costs. The role of this concept, then, extends further than responsible use of energy and raw materials. Improving business processes is a continuous process of initiative, evaluation and implementation, involving all stakeholders.

Wereldhave recognises the following stakeholders:



Employees

The continuity of business processes, employee integrity and the care taken in dealing with human capital, the environment and resources must be a central touchstone of Wereldhave's policies and their implementation by employees. In this context, Wereldhave offers its employees not only excellent primary and secondary terms of employment, but also a wealth of opportunities to follow courses for their personal development. The average duration of employment is ten years, and absenteeism has been below 3% for a number of years. Being a good employer demonstrably leads to lower costs.

Wereldhave has drawn up Business Principles and a Code of Conduct with principles of conduct for all individuals connected to the company. In addition, the company has rules in place for alleged irregularities. Wereldhave has listed the positions which are sensitive in terms of integrity. Special procedures are in place for hiring employees for such positions.

All relevant business processes and associated quality requirements are documented in a database. This system serves not only to guarantee the continuity of business processes, but also records and disseminates the knowledge present in the company.

During 2007 measures have been taken to reduce the office use of paper. Our Company Car Arrangement has been amended, promoting cars with a low CO_2 emission and discouraging or even forbidding environmentally unfriendly choices.

Contractors

Care for the environment and sustainability are central tenets in the schedule of requirements which Wereldhave imposes on its contractors. Wereldhave maintains stable relationships with companies that respect business integrity.

As stated in its Business Principles Wereldhave invests in sustainable, innovative property products that will result in a higher practical value, lower overall costs and a lower burden on the environment. Since 1998, based on this principle, Wereldhave has followed a number of set themes: energy, water, materials, surroundings, flexibility and interior environment ('healthy buildings'). Through specific projects, knowledge is gained which is then documented in standard schedules of requirements for the construction of buildings, and is subsequently applied to new investments.

10 years of sustainable investing

1998	"XX" Building in Delft. This ecologically designed office building was built for a twenty year lifespan and may be demolished in 2018. This does not, however, make XX a disposable building – many of the materials used can easily be re-used or recycled. The owner of the land will then be free to have a new building developed, geared to the demands of 2018.
2000	Wereldhave calculation model for sustainable investments.
2001	Internal procedures and guidelines for sustainable investments.
2002	Start McKinney Green development.
2003	Monitoring program to measure performance of new buildings.
2004-2006	Design criteria for healthy buildings.
2006	Completion of McKinney Green building in Texas, the first privately financed office building in the US whose design as well as construction phase complied with LEED (Leadership in Energy and Environmental Design) platinum certification requirements.

In the policy of expansion and renewal of its portfolio, Wereldhave has drawn up standard schedules of requirements for various types of buildings, documenting various measures which – over and above statutory requirements – promote the drastic reduction of CO_2 emissions. The procedure is set out in the Sustainable Investment Procedure and covers not only controls on building design and construction in conformity with the strictest standards of the European Union, but includes test measurements to determine whether the building meets expectations once it is occupied. The procedure is mandatory for all new investments made by the Group. The performance of new buildings has been carefully monitored since 2002. The results of these tests provide feedback for setting benchmarks for new properties, thus generating a process of continuous product improvement.

In 2007, Wereldhave has started to tighten the schedules of requirements with rules for the planting or replacement of trees and greenery in and around the buildings in the portfolio. Wereldhave requires that more than half of the trees and greenery will consist of local flora. Targets will also be set to further reduce construction waste at all sources in the chain. Wereldhave has also started monitoring CO_2 emissions from its buildings in order to achieve reductions.

Clients

When leasing properties in the portfolio, Wereldhave will inform tenants of the sustainable aspects of the property they are about to use. Service provision to tenants will be expanded to advise tenants on the environmentally friendly fitting out/organisation of the leased premises, including the associated waste flows. In the Netherlands, green energy has been purchased centrally for the entire Dutch portfolio.

Community

Wereldhave considers it important to involve all the local residents and to inform them of the preparation, planning and progress of projects. Such information will focus in particular on the requirements of the design of the building and the site layout. This approach allows us to take the interests of third parties into account at an early stage, concentrating on issues like public safety and attractiveness of the surroundings, the quality of facilities and the infrastructure. Since Wereldhave wishes to be involved at local level, it supports a local charity with every new investment.

Government

Local government plays an important role in the completion of projects. Wereldhave seeks to maintain good relationships with local authorities in all projects, from the long-term commitment that is a natural characteristic of an investor. Wereldhave seeks close cooperation with local authorities, giving precedence to all aspects of corporate sustainability.

Wereldhave aims to achieve good relationships with regulatory authorities in the countries in which it operates, without avoiding discussions when necessary. Wereldhave has a licence pursuant to the Financial Supervision Act (previously: Act on the Supervision of Collective Investment Schemes) and is subject to the supervision of the Netherlands Authority for the Financial Markets and the prudential supervision of De Nederlandsche Bank. Wereldhave's financial year runs from 1 January up to and including 31 December in accordance with its Articles of Association.

Providers of capital

Demand from tenants for eco-friendly housing will rise. Lower service costs resulting from lower energy consumption are attractive to tenants. The owner of the property not only has lower maintenance and operating costs, but also a stable investment. So Wereldhave creates shareholder value by operating in a socially responsible way. The Wereldhave share is a component of the Dow Jones Sustainability Index.

Wereldhave presents to providers of capital and other stakeholders a transparent picture of the company's results and corporate governance structure, as well as the company's principles in the areas of the environment, ethics and employee rights.

The dialogue with shareholders is primarily conducted at the General Meeting of Shareholders. Additionally, Wereldhave gives regular presentations to institutional investors and financial analysts. These presentations are also published on the company's website. The website offers shareholders and interested parties the opportunity to ask the company direct questions.

Preliminary report of the Supervisory Board

To the Annual General Meeting of Shareholders

Recommendation

We have pleasure in submitting the Report of the Board of Management and the Annual accounts for 2007. PricewaterhouseCoopers Accountants N.V. have audited and approved the accounts. We propose the approval of the accounts and support the proposal of the Board of Management to pay a cash dividend of € 4.65 per share.

Proposed reappointment

Mr F.Th.J. Arp is due to retire at the Annual General Meeting in March 2008. He is eligible and nominated for re-election. His experience in finance and accounting of large listed companies, leading international operating companies, international financing transactions and risk management is the reason for his nomination. The candidature closely fits the profile for Supervisory Board members.

Report of the Supervisory Board

The Supervisory Board met six times in 2007. An extensive report on its activities can be found on page 99 of this Annual Report.

The Hague, February 21, 2008

Supervisory Board Wereldhave N.V.

C.J. de Swart
J. Krant
F.Th.J. Arp
P.H.J. Essers

2007 in brief

Property markets

2007 was a turbulent year, during which property values peaked. The credit crisis that struck in August acted as a turning point. Since then, banks have become more reticent and it has become more difficult for many parties to acquire funding. As a result, the number of buyers in the market has dropped and in some markets initial yields have risen. In the United Kingdom, this resulted in a downward revaluation for 2007. Wereldhave anticipated these developments by a major sales programme and by the maintenance of strong capital ratios. Also in 2007, Wereldhave's committed financing facilities provided by banks were increased and renewed.

Acquisitions in Spain and in the United States

In January 2007, Wereldhave purchased a parcel of land in Frisco, near Dallas in the United States, to construct around 600 apartments. The purchase price was USD 7.4 million. Near the end of June 2007, Wereldhave entered the market on the West Coast of the United States, by purchasing an office block of 35,200 m^2, 12 apartments, 1,400 m^2 of retail space and 752 parking spaces in San Diego, for USD 210 million. The acquisition in July of a retail and leisure centre of 22,666 m^2 in Villalba (near Madrid) for € 53.9 million marked the realisation of the planned expansion of our investments in Spain.

Hotel and conference centre in Finland operational

Early in October 2007, the Finnish hotel and conference centre developed by Wereldhave in Espoo (near Helsinki) became operational. The investment value was € 4.4 million. The building has been fully let since completion.

Sales in Belgium, the Netherlands, the United Kingdom and the United States

Early in 2007, Wereldhave sold office blocks in Pittsburgh and in Philadelphia in the United States, for a total of USD 88 million. In the United Kingdom, Wereldhave sold industrial units in Norbury, near London, and 1,222 m^2 of retail space at Eastham, London, for a total of GBP 8.7 million. In the Netherlands, Wereldhave sold two industrial properties: one in Deventer and one in Amsterdam, for a total of € 10.6 million, and office premises of 23,163 m^2 in Rijswijk for € 43.6 million. In Belgium, Wereldhave sold three industrial buildings in Meer with a total of 40,969 m^2 for € 19.5 million, and the Garden Stores shopping arcade in Liège for € 3.7 million. A profit of € 17.4 million was realised on these disposals (2006: € 39.9 million).

Development portfolio

As at 31 December 2007, the development portfolio consisted of five projects, two in Belgium, one in the Netherlands and two in the United States. The projects in Belgium concerned a mixed-use development of retail, leisure, homes, offices and a hotel in Nivelles and the expansion of a shopping centre in Tournai, while the Dutch project involved the expansion of the shopping centre 'De Winkelhof' in Leiderdorp. In the United States, construction started in November 2007 on the first phase of project Éilan in San Antonio, with 560 rental homes, 8,000 m^2 of retail space and central facilities and a hotel with 150 rooms. In Frisco, Texas, Wereldhave is developing a scheme for 600 homes. Further information about the development portfolio can be found on pages 34 and 35, and about project Éilan on pages 22 and 23.

Results

Profit

The profit for 2007 totalled € 229.6 million or € 10.42 per share. The portfolio revaluation surplus and the profits on property disposals were less high than during the record year of 2006. This was the main reason for the decrease in profits from € 357.5 million in 2006 (€ 16.53 per share). The portfolio revaluation was positive in all countries, with the exception of the United Kingdom. In total, the value of the portfolio rose by € 129.2 million. A profit of € 17.4 million was realised on disposals of property. The profit includes the direct result and the indirect result. Further information is set out below. A detailed statement of the direct and indirect results, including comparative figures, is contained in the consolidated financial statements on page 41. Details of the revaluations are set out op page 108.

Direct result

The direct result is the result generated from lettings, net of costs. The direct result for 2007 totals € 108.0 million, which is € 5.3 million less than 2006. The difference (including exchange rate differences) stems from lower net rental income (€ –3.7 million), higher interest costs (€ –3.5 million), other income and expense (€ +1.2 million) and lower taxes on the direct result (€ +0.7 million).

Gross rental income dropped by € 2.0 million, with an autonomous increase of € 2.6 million being cancelled out by the effects of exchange rate differences (€ –2.9 million) and the net effect of purchases and sales (€ –1.7 million). Of the drop in net rental income, € 1.8 million stems from purchases and sales of property, while € 2.3 million is the consequence of exchange rate differences. Due to € 1.7 million higher net service charges, particularly property taxes, the autonomous increase in net rental income was limited to € 0.3 million.

Exchange rate differences had a positive impact of € 0.6 million on interest costs, whilst higher interest rates, meant interest costs rose by € 1.8 million. The remainder of the increase in interest costs stems from purchases and sales of property. Management costs remained stable. Largely as the result of income arising on the surrender of a lease, other income and expense rose by € 1.2 million. Taxes on the results decreased by € 0.7 million. Lower exchange rates for the pound sterling and the US Dollar had a total negative effect of € 1.6 million.

The occupancy rate improved slightly, compared with 2006, to 94.0%. Broken down by sector, occupancy rates during 2007 were as follows: offices 89.6%, retail 98.8%, industrial 94.9% and residential 91.9%.

Indirect result

The indirect result for 2007 totalled € 121.6 million (2006: € 244.2 million), primarily arising from realised and unrealised increases in the value of the portfolio. A surplus of € 17.4 million was recorded on disposals of property in 2007 (2006: € 39.9 million).

The yield compression led to an upward revaluation of the property portfolio as at 31 December 2007. Total revaluations came to € 129.2 million (2006: € 270.4 million). The average yield on the portfolio used for valuation purposes dropped by 0.4% in 2007, resulting in a weighted net initial yield of 5.9%. In the United Kingdom, the total revaluation was negative, as a result of decreases during the final quarter.

Share price *(x € 1)* / **Price/DR**

	Share price 2006	Share price 2007	Price/DR 2007
highest	102.80	115.25	23.62
lowest	71.30	70.34	14.41
year-end	100.90	74.72	15.31

Key figures *(x € 1 mln)*

Results	2007	2006	△
Profit	229.6	357.5	-/-35.78%
Direct result	108.0	113.3	-/- 4.68%
Indirect result	121.6	244.2	-/-50.20%
Profit per share *(x € 1)*	10.42	16.53	+ 36.96%
Direct result per share *(x € 1)*	4.88	5.14	-/- 5.06%
Equity			
Investment portfolio	2,688.0	2,521.5	+ 5.81%
Equity	1,972.6	1,890.0	+ 4,37%
Net asset value per share *(x € 1)*	89,02	85,46	+ 4,17%

Higher property valuations and the changes to tax rates and legislation caused an increase in taxes on indirect result of € 22.6 million (2006: € 64.0 million). Other finance income and costs totalled € –0.5 million, consisting of exchange rate differences and the premium paid on the purchase of Debentures in the United Kingdom. The premium led to a non-recurring drop in the effective tax in the United Kingdom to € 1.2 million. In total, Wereldhave purchased Debentures with a nominal value of GBP 9.3 million during 2007. Over the coming years, these purchases will have a positive impact on the direct results, by lowering the interest expense.

Dividend

A cash dividend of € 4.65 will be proposed to the General Meeting of Shareholders (2006: € 4.60). With a dividend of € 4.65, the payout ratio is 95%. Wereldhave has decided to raise the payout ratio to 85%-95% of the direct results. The proposed dividend of € 4.65 per share will be distributed entirely in cash, thus meeting the fiscal distribution requirements.

Stock market performance

In 2007, Wereldhave shareholders recorded a total return of –21.4% (2006: 32.4%). This return was 10.5% above the EPRA (European Public Real Estate Association) Return Index (€). The Wereldhave share is listed in Amsterdam and in Paris, and is included on the Amsterdam Midkap Index (AMX, 2007 return: –4.8%). Wereldhave is the only Dutch property investment institution that is included in the Dow Jones Sustainability Index (2007 return: 0.72%). The price/direct result ratio at year-end 2007 was 15.3. Turnover on the exchange totalled some 171,000 shares per day. Options to the share are traded on Euronext.Liffe.

Share price development *(€)*

Equity

Equity

The balance sheet total rose by € 152.7 million, primarily as a result of purchases and sales and a higher valuation of the portfolio. At the end of 2007, equity including minority interests, before appropriation of the proposed dividend, was € 1,972.6 million. This represents 70.4% of the balance sheet total (2006: 71.3%). As a guideline for the long term, Wereldhave maintains a solvency ratio of 60%, with a margin of approximately 10%. Strong capital ratios limit the sensitivity to interest rate movements, and increase the ability to make new investments. No new shares were issued during 2007. As at 31 December 2007, a total of 20,781,735 ordinary shares were outstanding.

The shares in Wereldhave are held by institutional investors and private shareholders, in the Netherlands and abroad. As at 31 December 2007, Wereldhave had three shareholders with interests of more than 5%: Stichting Preferente Aandelen (6.06% preference shares), Barclays Global Investors (on behalf of several funds) (6.86% of the ordinary shares) and ABP (5.95%). The free float of ordinary shares is 100%. The net asset value per share before profit appropriation as at 31 December 2007 was € 89.02 (2006: € 85.46).

Debt financing

At the end of December 2007, interest-bearing debt totalled € 592.6 million, of which 65% was at variable rates. The variable money market interest rates in 2007 were higher than in previous years, at times even exceeding the capital market interest rates. Wereldhave managed to maintain the average interest rate at year-end 2007 at an unchanged 5.4%. The recent decreases in interest rates in the United States will be favourable for Wereldhave.

The acquisitions in 2007 were financed using existing credit facilities. Borrowings in USD and GBP are part of the currency hedging policy. The hedge of the dollar risk on the portfolio was reduced from 70% to 64% at the end of June, through the purchase of an office block in San Diego for USD 210 million, of which 50% was financed in euros. The sub-prime crisis in August led to worldwide distrust of the interbank money markets and to liquidity deficits. Banks were faced with significant write-downs of their investment portfolios and with substantially lower balance sheet ratios, as a result, have become much more reluctant to extend credit. The crisis also caused the dollar to fall further. By utilizing its favourable credit status and its solidity strength, Wereldhave acquired additional committed credit facilities late in 2007, at conditions that reflect Wereldhave's sound balance sheet ratios. As at 31 December 2007, Wereldhave had more than € 300 million available in committed facilities, which represents ample funding for the development portfolio.

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

Net asset value before distribution	2007	2006
of profit as at 01-01	85.46	74.20
less: dividend previous year	4.60	4.55
	80.86	69.65
Direct result	4.88	5.14
Indirect result	5.54	11.39
Other movements in equity	-/- 2.26	-/- 0.72
Net asset value before distribution of profit as at 31-12	89.02	85.46
less: proposed dividend	4.65	4.60
Net asset value after distribution of profit as at 31-12	84.37	80.86

As at 31 December 2007, Wereldhave had strong capital ratios and relatively few debts. With a Loan To Value ratio of 21.9%, Wereldhave is one of the top five listed European property funds. Wereldhave's sensitivity to interest rates is limited by its high solvency. Further information is presented on page 17.

Wereldhave's aim is to attain a portfolio of borrowings with a balanced spread over the medium term. In 2008, only € 56.7 million of debt will need to be refinanced. The group's financing is generally provided based on balance sheet financing, without security, by various international banks. The notes to the consolidated annual accounts contain further information about the borrowings.

The convertible bond (2006 – 2011) with a nominal interest rate of 2.5% has a conversion rate of € 97.00. As at 31 December 2007, no bonds had been converted into Wereldhave shares.

Currency

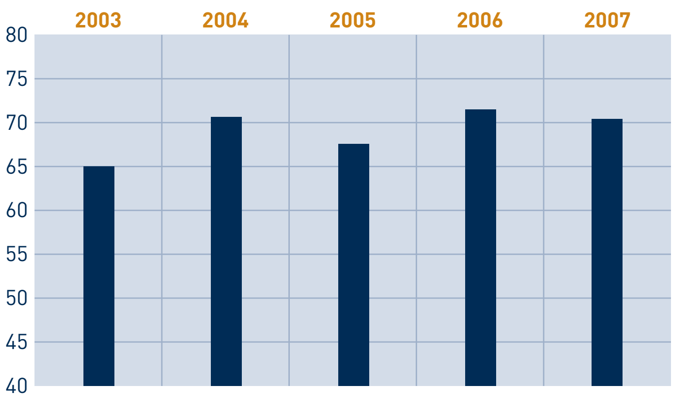
At 31 December 2007, 63.8% (2006: 73.1%) of the USD position and 58.7% (2006: 63.5%) of the GBP was hedged. In 2007, Wereldhave utilised forward exchange transactions to hedge its USD and GBP position. The negative net impact of exchange rate differences on equity was € 45.9 million.

These hedge ratios represent the economic currency risk on the value of the property portfolio in the respective currencies. The standard for hedging the USD and GBP risks on the property portfolio is a hedge ratio of 70%. Deviations from that figure are permitted within a hedging margin of 50%-90%. Results in USD and GBP are not hedged separately, except through interest expense in the same currency.

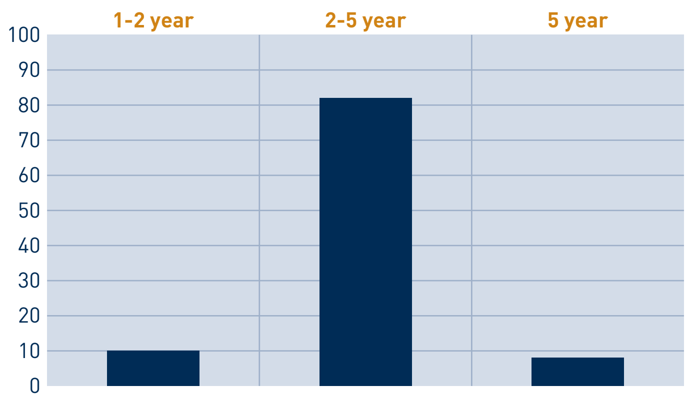
Derivatives

Wereldhave employs currency swaps and currency options; Wereldhave also uses financial instruments to manage its interest costs. These financial instruments are combined to manage the sensitivity to exchange rates on the net asset value per share and the sensitivity to interest rates on the profit per share in pursuit of the policies described above. Only reputable banks with 'investment grade' credit ratings qualify as partners for such transactions.

Equity as a % of total assets
(before distribution of profit)



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



Development of the portfolio

In 2007, Wereldhave purchased property in the United States and Spain, and sold property in Belgium, the Netherlands, the United Kingdom and the United States. The largest acquisition during 2007 involved a 35,200 m^2 office block in San Diego, for USD 210 million. In Spain, Wereldhave purchased a retail and leisure centre of 22,666 m^2 for € 53.9 million. Sales included offices in the United States and the Netherlands, retail space in the United Kingdom and Belgium, and industrial premises in the United Kingdom, the Netherlands and Belgium. In Finland, a hotel and conference centre became operational.

The investment portfolio valuation increase was 5.1% (€ 129.2 million) in 2007, with upward revaluations in all countries except the United Kingdom, where values decreased overall as a result of higher initial yields. The average occupancy over 2007 rose to 94.0% (2006: 93.5%). At year-end 2007, the value of the development portfolio was € 40.4 million. The value of the investment portfolio was € 2,668.0 million. Information about the development portfolio is presented on pages 34 and 35.

Net sales proceeds of investment properties *(x € 1 mln) *)*

	Netherlands	Belgium	Germany	Finland	France	Hungary	Spain	UK	USA	total
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
2003	–	–	–	–	–	2.1	–	2.7	–	4.8
2004	4.4	–	–	–	–	–	–	–	23.7	28.1
2005	6.0	–	–	–	–	–	–	62.2	10.0	78.2
2006	6.1	–	–	–	105.9	–	–	59.0	–	171.0
2007	52.3	22.2	–	–	0.1	–	–	12.6	60.6	147.8
total	117.2	165.4	25.8	–	309.0	2.8	9.3	231.9	94.3	955.7

Net sales proceeds of investment properties *(as a % of book value) *)*

	Netherlands	Belgium	Germany	Finland	France	Hungary	Spain	UK	USA	total
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
2003	–	–	–	–	–	106	–	101	–	103
2004	56	–	–	–	–	–	–	–	102	90
2005	100	–	–	–	–	–	–	116	90	111
2006	105	–	–	–	144	–	–	114	–	131
2007	116	138	–	–	–	–	–	158	105	116
avg.	104	142	91	–	121	105	96	118	102	117

*) the figures up to and including 2003 are based on Dutch GAAP, the figures as from 2004 on IFRS

Investment portfolio distribution *(as a %) *)*

	03	04	05	06	07
Offices	48	44	48	45	45
Shops	39	42	41	44	46
Industrial	12	12	9	9	7
Residential	1	2	2	2	2

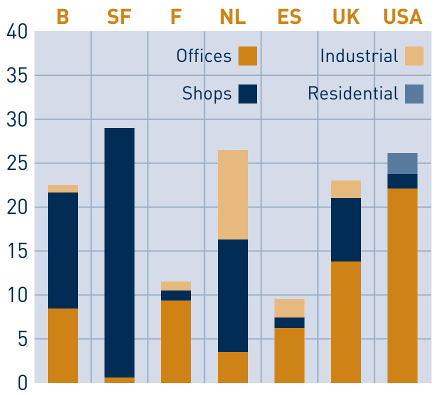
Investment portfolio geographical distribution *(as a %) *)*

	03	04	05	06	07
Belgium	12	16	15	14	14
Finland	20	19	19	21	22
France	11	10	9	7	7
Netherlands	19	18	16	16	15
Spain	5	5	5	5	7
UK	17	16	18	17	14
USA	16	16	18	20	21

Net rental income per country *(as a %) *)*

	03	04	05	06	07
Belgium	10.6	13.6	14.2	14.5	15.2
Finland	17.5	18.3	17.9	18.5	19.6
France	10.4	11.0	11.3	9.0	7.7
Hungary	0.1	–	–	–	–
Netherlands	18.6	17.2	17.0	17.5	17.9
Spain	5.2	5.0	4.8	5.5	6.4
UK	17.1	16.5	17.6	17.7	15.5
USA	20.5	18.4	17.2	17.3	17.7
Total	100	100	100	100	100

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



Staff and organisation

The composition of the workforce did not undergo any major changes in 2007. During the year, Wereldhave employed an average of 101 persons (2006: 99), of whom 65 (2006: 64) were in the local management offices. Of the total workforce, 42% were female and 58% male. The average age of the workforce was 43, while the average employment duration was 10 years. Absence through sick leave totalled 3%. We wish to express our gratitude to all our employees for their dedication and involvement.

Main company risks

Wereldhave's principal operational risks are the rental risk and the movements in the portfolio's value. The most important financial risks are the interest rate risk and the currency risk on the USD and GBP.

The rental risk includes the risk of loss of rental income as a result of vacancy, the lettability and the movements in rental prices. Wereldhave is actively creating a young modern portfolio with positive letting prospects by means of portfolio rejuvenation. The local management organisations report on the relevant developments on a monthly basis. Wereldhave also has a Market Analysis department, which closely monitors the developments in the various markets and reports to the Board of Directors. A 0.5% change in the occupancy rate will have an impact of € 0.04 on the direct result per share.

The movements in the portfolio's value are influenced on the one hand by developments in the rental market and on the other by developments in the financial markets. Portfolio renewal ensures an appealing portfolio with positive letting prospects, and although the value of first-class property may also fall, such decreases will be less substantial. Wereldhave's strong capital ratios make it possible to absorb any decreases in the value of the portfolio. A 0.25% change in the average initial yield will have an impact of € 4.50 on the intrinsic value per share.

Movements in interest rates may affect results, returns and the value of the property portfolio. The Board of Directors determines the interest rate policy. Wereldhave has options for interest consolidation, and maintains strong capital ratios. A 0.5% change in the average interest rate will have an impact of € 0.09 on the direct result per share.

Beyond the euro zone, Wereldhave has investments in US dollars and pounds sterling. Lower exchange rates for these currencies may cause the results and the value of the investments to fall, which effect is limited by financing in the relevant currency. The Board of Directors determines the hedging policy. Exchange rate developments are monitored continuously. The risks of falling exchange rates on the direct results are not hedged. The economic currency risk on the value of the portfolio is partly hedged (see paragraph 'currency' on page 15). A 5% change in the year-end exchange rate will have an impact of € 1.55 on the net asset value per share. A 5% change of the average exchange rates will have an impact of € 0.06 on the direct result per share.

For a full description of all company risks, we refer to page 80.

Information per country

The key economic figures per country have been drawn from the December 2007 OECD '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 Belgian economy grew by 2.6% in 2007 compared with the level for 2006. However, during the last six months of the year, a decline in the demand for homes, government cutbacks and rising imports caused the economy to stall unexpectedly quickly, particularly in industry and construction. Nevertheless, the growth continued unabatedly high in the service sector.

Absorption on the office market in Brussels dropped sharply in 2007. However, due to the small volume of new development completed, vacancy levels in Brussels dropped to an average of 9.5%, ranging from 3% in the centre to more than 21% in the peripheral areas. The highest rental prices are paid in the European district, the Leopold district, at € 300 per m^2.
The returns on office space continued to drop in 2007.
The market for shops profited from the increase in consumer purchasing power last year. As much shop space was absorbed during the first three quarters of 2007 as in the whole of 2006. Around 1.3 million m^2 of floor area will be developed over the coming three years. Town and city centres and less centralised shops will suffer most. The returns of shopping centres continued to drop in 2007. Midway through the year, the highest returns in Antwerp and Brussels were 4.25%.

Industrial space is concentrated heavily in the region around Antwerp-Brussels-Ghent. Rental prices remained unchanged in 2007. The logistics market is situated mostly along the Antwerp-Genk-Liège and Brussels-Liège motorways. Belgium's logistics sector continues to grow, owing to the success of Antwerp's port. However, users of logistics complexes are highly sensitive to prices, and at the same time more willing to relocate, meaning that rents did not rise, but rather caused the demand to shift to cheaper, more easterly regions.

During autumn 2008, Wereldhave Belgium expects to be able to commence the first phase of the expansion of the shopping centre 'Nivelles' by 10,000 m^2. Approximately € 30 million will be invested in the expansion. A second phase consists of retail and leisure, incorporating a retail park and a 4,000 m^2 hotel. Furthermore, on the adjacent site 350 apartments with associated infrastructure will be developed. The total investment volume of the second phase will be € 115 million.
In Tournai, plans are being made to expand the shopping centre by 4,500 m^2, with a 10,000 m^2 retail park.
The investment for the expansion will be approximately € 34 million. Construction is planned to start in 2009.

The court has referred the legal proceedings initiated against Wereldhave Belgium, in connection with the sale of a cash company in 1993, to the court in the first instance. Wereldhave Belgium has appealed that decision. No date has yet been set for that appeal. Wereldhave Belgium is convinced that it complied with all applicable laws and regulations. Further information about this case is available on page 83 and on Wereldhave's website. In 2007, Wereldhave sold three industrial buildings in Meer, for € 19.5 million. The Garden Stores shopping arcade in Liège was sold in December 2007 for € 3.7 million. The average occupancy of Wereldhave's Belgian portfolio rose to 86.6% (2006: 83.6%). As at 31 December 2007, the value of the Belgian portfolio was € 370.4 million, following an upward revaluation by 5.6%. The value of the development portfolio was € 9.1 million. Wereldhave's interest in Wereldhave Belgium remained unchanged at 68.2% at year-end 2007.

Prospects

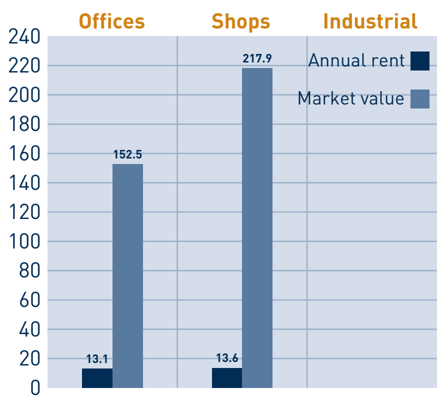
In light of a number of lettings concluded in 2007 (most of them on Medialaan in Vilvoorde), the Board of Directors expects the occupancy of the office portfolio to rise in 2008. As such, Wereldhave Belgium will continue to concentrate on a further improvement of the occupancy rate and also on the development projects in Nivelles and Tournai in 2008.

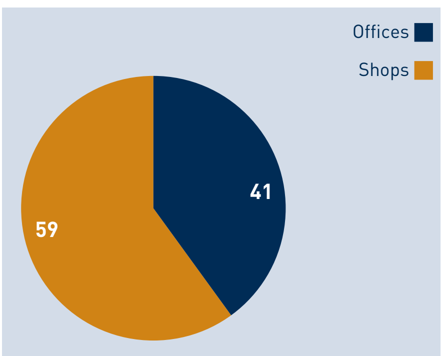
OECD Economic Outlook

	06	07	08	09
Economic growth	2.9	2.6	1.9	2.0
Average growth EU zone	2.9	2.6	1.9	2.0
Inflation	2.0	2.0	2.5	2.0
Growth private consumption	2.1	2.3	2.1	1.9
Growth corporate investment	4.2	6.7	3.2	3.0
Growth in employment	1.1	1.5	1.1	0.7
Unemployment rate	8.2	7.7	7.3	7.0

Annual rent and market value

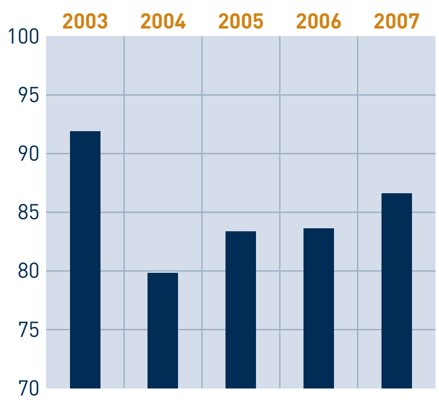
(x € 1 mln as at December 31, 2007, assuming no vacancies)



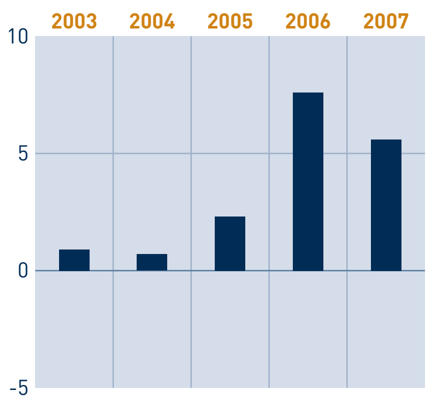


Vilvoorde, 28 Medialaan

Average occupancy rate *(as a %)*



Property revaluation *(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.
4. Lease prices are inclusive of VAT.

Finland

With an economic growth of more than 4%, the Finnish economy was one of the leaders in the euro zone in 2007. Production increased in almost all sectors. Unemployment was so low, particularly in towns and cities, that it is hindering further growth. Higher wage demands are forcing the prices of products and services up. Inflation rose to more than 2% during the year. The growth is expected to remain above average for the euro zone.

More office space was in use in the Helsinki region at the end of 2007 than at the start of the year. The completion of new offices meant that the vacancy rate rose to around 8.4%. This increase will continue. The higher demand meant that rents for offices rose by 6.4%. The highest rents are paid in Helsinki's Central Business District, at € 320 per m^2. Gross initial yields continued to fall in 2007. The highest yields were 4.8%. An increasing number of foreign investors have entered the Finnish property market, and have now discovered regional cities such as Tampere and Oulu. The highest initial yields in those cities were around 6.25%.

The demand for retail space continued to rise in 2007. In the Helsinki region, only 1.7% of the shop floor area is vacant. The higher demand, combined with the limited supply, caused shop rents to rise. Although many plans exist for new shop projects, most of them will not be realised in the short term. Two new Ikea branches, in Turku and Tampere, may have a major impact on the existing retail structure. The low population density means that the catchment areas of shops and shopping centres are much larger than in other European countries. Midway through 2007, the highest yields for shopping centres in Helsinki were 4.5%; the corresponding figure for retail warehousing was 5.25%.

Higher imports and exports are causing the demand for industrial and logistics units to rise. This sub-market will continue to profit from the improvements being made to the infrastructure at various locations. However, the supply of industrial and logistics units is very limited in most towns and cities. Vacancy in the Helsinki region is less than 3%. Only in Oulu is vacancy higher than the balance level of 5%. The relocation of the port from Helsinki to Vousaari, east of Helsinki, means more space for industrial and logistics activity. Since the old locations will be redeveloped, this increase in the supply is only temporary. Besides this location, barely any land is available for new industrial space in the Helsinki region. The highest yields for industrial space in the Helsinki region are 6.0 - 6.25%, and 7.0 - 8.25% in the regional towns.

In 2007, a 3,444 m^2 hotel and conference centre, newly developed by Wereldhave, was completed in Espoo. The building is fully let. The total investment was € 4.4 million. The occupancy rate of the Finnish portfolio came to 99.5% (2006: 99.5%). As at 31 December 2007, the value of the investment portfolio was € 580.7 million, an upwards revaluation of 9.5%. The portfolio does not include any projects under development.

Prospects

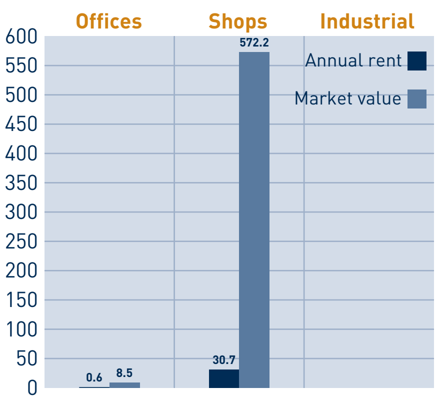
Wereldhave expects the high occupancy rate of the Finnish portfolio to continue in 2008. It is Wereldhave's aim to further expand its Finnish portfolio in 2008, acquiring existing and newly developed property, with the objective of adding shopping centres to the portfolio.

OECD Economic Outlook

	06	07	08	09
Economic growth	4.9	4.2	2.9	2.6
Average growth EU zone	2.9	2.6	1.9	2.0
Inflation	1.5	1.4	1.9	1.5
Growth private consumption	4.3	3.1	2.5	2.3
Growth corporate investment	4.5	4.7	3.2	2.6
Growth in employment	1.8	2.0	0.9	0.4
Unemployment rate	7.7	6.6	6.3	6.1

Annual rent and market value

(x € 1 mln as at December 31, 2007, assuming no vacancies)

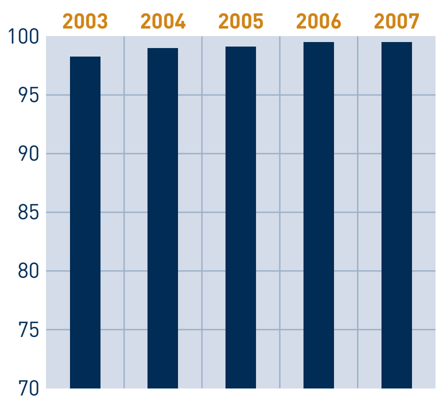


Distribution of investments

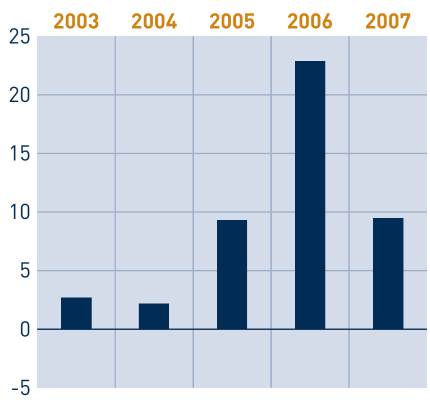
(as a % of market value)

Espoo, Conference and Training Centre Meripuisto, 4 Tyrskyvuori

Average occupancy rate *(as a %)*



Property revaluation *(as a %)*



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 agreements are turnover rents.
3. Outgoings: structural maintenance only is for the landlords' account.

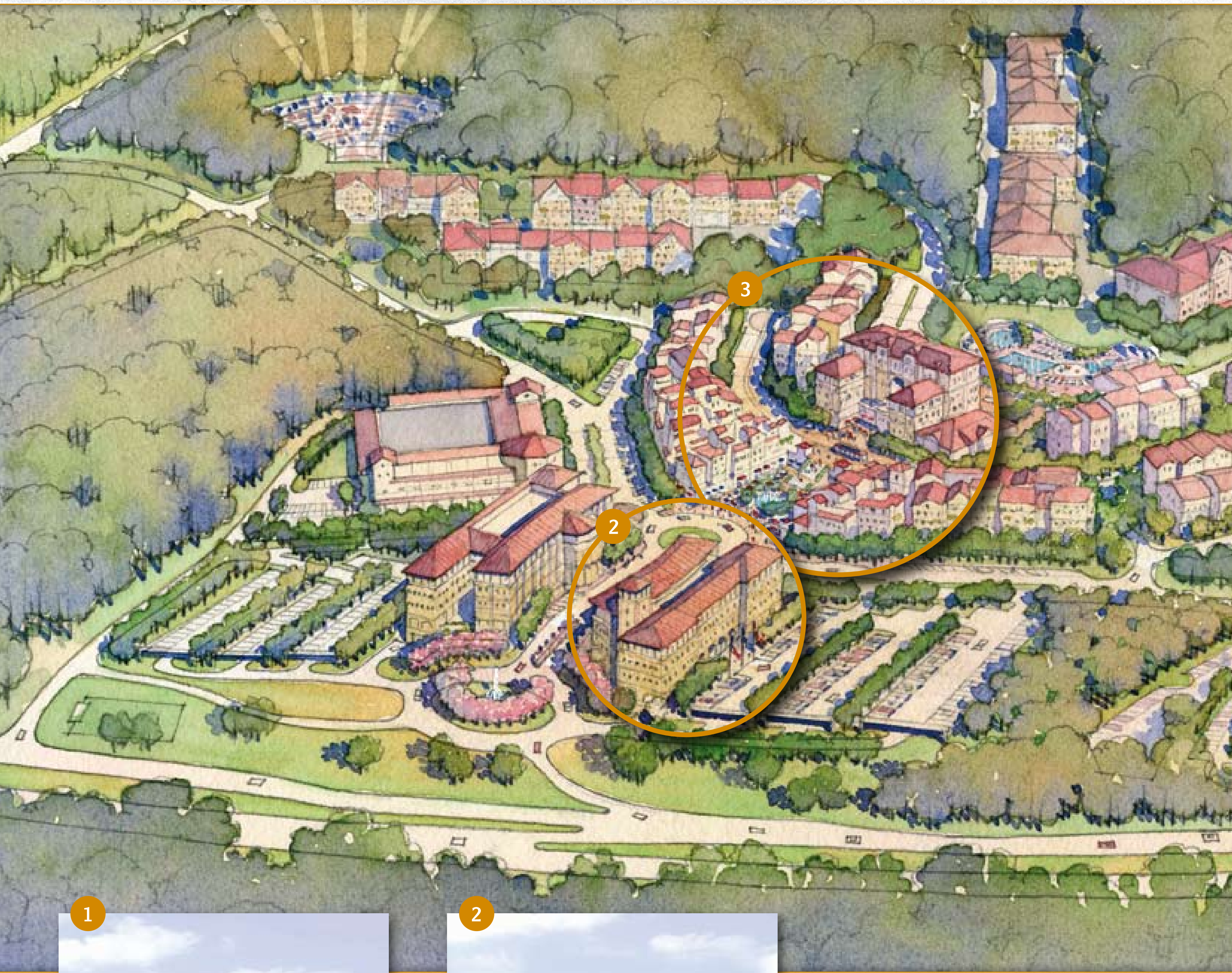
San Antonio, Texas

Established in 1718, San Antonio lies in the heart of Texas and has evolved to become the 8th largest city in the United States; and is among the fastest growing cities in the U.S. San Antonio's diversified economy is focused on four primary sectors: Financial Services, Health Care, National Defence and Tourism. The population in the metropolitan area totals nearly 2 million and is expected to grow to 2.2 million by 2012.

While preserving its Texas flavour and historic charm, the city has become a most desired location for corporate headquarters, investment activity and leisure travellers from all corners of the world. San Antonio hosts an estimated 20 million visitors each year.

At the end of 2005, Wereldhave entered the San Antonio market by purchasing a plot of land measuring 48 hectare, located in the Loop 1604 corridor, at the intersection of Interstate Highway 10 and La Cantera Parkway. The "La Cantera" area is characterized by its upmarket housing, prestigious golf resorts and high end shops; only 24 kilometers Northwest of historic downtown San Antonio, and 19 kilometers Northwest of San Antonio International Airport.

On this site, Wereldhave will develop Éilan, Wereldhave's vision of a "sustainable", "interactive", "lifestyle-community";



1 **Marketing Center / Future Restaurant**

2 **Class A Office Building**

3 **La Piazza** The Forefront: Residential apartments above ground level shops; dancing fountain; and grand staircase.
The Background: luxury hotel and spa; upper plaza; and trolley route.

Éilan: a lifestyle; "Live, Work, & Play"

a Mixed-use concept where to "Live, Work, and Play".

The project, totaling approximately 170,000 m^2 will consist of:

- 1,400 apartments;
- 20,000 m^2 of class-A office space;
- Luxury Hotel and Spa with approximately 150 rooms;
- Retail space: 8,000 m^2; shops, restaurants & specialty grocer;
- A non denominational Chapel;
- A 1,000 seat Amphitheatre;
- A solar-powered historic Trolley, providing transport links;
- Cycle lanes throughout the site;
- Hiking trails and over 10 hectare of undisturbed green space;
- Sports facilities; and a wide variety of amenities, carefully planned and beautifully landscaped over the entire site to promote creativity and deliver quality of life.

The master plan was designed and will be implemented as to optimize natural resources by, among other features: creating a walkable community which facilitates pedestrian movement; linking to amenities and support-retailers thus minimizing vehicular traffic; water harvesting; integrating sustainable paving materials; minimizing impervious cover and impact on the underlying aquifer; maximizing the natural topography of the site; installing energy efficient systems; and installing a central plant for air conditioning. The primary focus, however, remains on successfully creating "people places" in a public setting; an environment which promotes human interaction, social engagement, and a sense of belonging.

In November 2007, Wereldhave began the site work which includes the construction and installation of all utilities and infrastructure for the total project. Construction of all the amenities, the marketing centre, the office buildings, the first 560 apartments, the retail spaces and the hotel, will commence, in sequence, as the site work progresses. The balance of the apartments will be built in a seamless transition, in phases, as the market demand supports.

The first buildings will be delivered in the spring 2009 and Éilan, promising to be one of the Company's most dynamic projects, is anticipated to open in September 2009.

3

France

France is losing competitive power in the global market and is attempting to introduce reforms. This is encountering resistance from the population. The deficit has been reduced in recent years. Economic growth is clearly lagging compared with the euro zone as a whole. Despite rising employment, unemployment remains structurally high, and the level of participation is low. Inflation is slightly above the ECB's target figure, and is expected to remain so in the years to come.

The large market for offices in the Paris region (almost 50 million m^2) is currently characterised by a significant supply shortfall (5% average, and in the Central Business District the figure is even 2.5%). The virtual absence of suitable space means that the submarkets are becoming more attractive. In 2007, 2.7 million m^2 of office space was absorbed. The most liquid office markets are Central Paris, La Défense, Neuilly and Levallois. The sharpest increases in rents in the Paris region last year were recorded in Neuilly and Levallois (16%) and in Paris Centre West (13%). The highest rents in Central Paris are now more than € 800 per m^2. During 2007, the highest yields levelled out at 3.6% in the Central Business District and at 4.5% in La Défense, Neuilly and Levallois.

The French retail market is mature and highly competitive. Shop sales per head of the population (€ 6,030) are among the highest in Europe (UK: € 6,050; Europe: € 4,030). Town and city centres are giving way to out of town retail. Many towns and cities are carrying out regeneration projects and major infrastructural projects in attempts to restore the strength of their centres. The retail parks are competing, with lower rental prices, larger shop units and better parking facilities. Over 160 retail parks are currently under construction. Of the 7.1 million m^2 of shop space that will enter the market during the coming three years, 40% is made up of shopping centres. As a result, the market threatens to be flooded with a surplus of out of town shopping centres. The highest rents for shops on the Champs Elysées in Paris rose to € 10,000 per m^2, while annual rents of up to € 2,000 per m^2 are paid in regional towns and cities. In retail parks, rents of up to € 160 per m^2 are paid. The net yields for retail rose during 2007, to 4% for high street shops and shopping centres, and to 5% for retail parks.

The gross absorption of logistics space fell last year, while the supply levelled out. Conversely, the absorption of light industrial space rose during 2007, while the supply diminished. The highest rents in the Paris region levelled out last year at € 55 per m^2 for logistics premises and at € 110 per m^2 for light industrial space. Rents for French industrial space are relatively low, compared with the surrounding countries. In 2007, net yields for industrial space levelled out at 6% for logistics premises, and rose to 7% for light industrial premises.

The composition of the French portfolio was not changed during 2007. The occupancy rate of the French portfolio was 96.0% over 2007 (2006: 98.5%). As at 31 December 2007, the value of the investment portfolio was € 197.7 million, an upward revaluation of 8.2%. Wereldhave's French portfolio does not include any development projects. Wereldhave's plans for expanding the shopping centre in Dunkirk are contingent upon a local plan that the municipal authorities are preparing.

Prospects

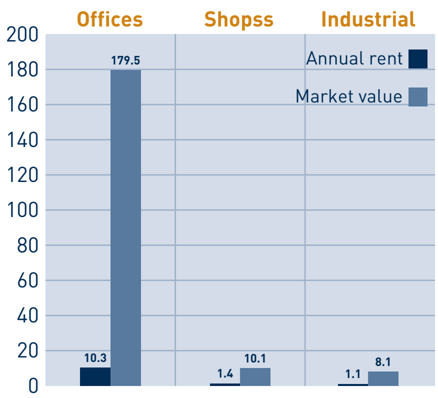
The termination of a number of lease contracts in 2007 will cause the occupancy rate to fall in 2008. In 2008, the principal area of attention will be on improving the occupancy rate, while opportunities for development projects and for purchasing recently developed existing property will be identified, the focus remaining on the Paris region.

OECD Economic Outlook

	06	07	08	09
Economic growth	2.2	1.9	1.8	2.0
Average growth EU zone	2.9	2.6	1.9	2.0
Inflation	2.3	2.2	2.2	2.1
Growth private consumption	2.2	1.9	2.1	2.4
Growth corporate investment	4.1	3.7	2.5	2.6
Growth in employment	0.9	1.1	0.7	0.6
Unemployment rate	8.8	8.0	7.5	7.4

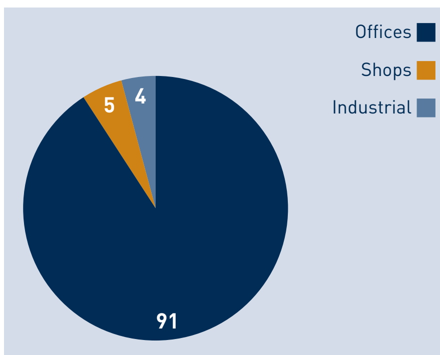
Annual rent and market value

(x € 1 mln as at December 31, 2007, assuming no vacancies)



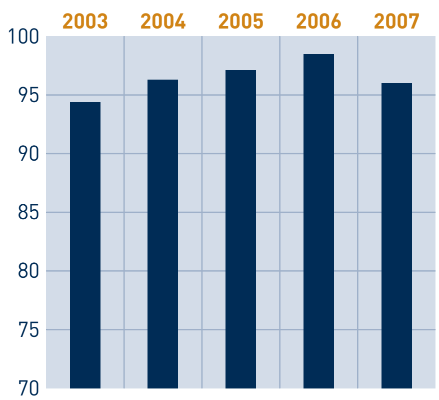
Distribution of investments

(as a % of market value)

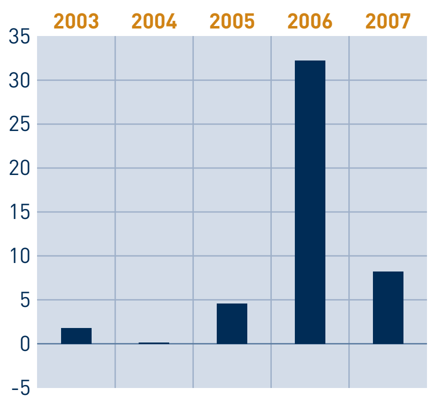


Paris, Saint Denis, Avenue Jules Rimet

Average occupancy rate *(as a %)*



Property revaluation *(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.

The Netherlands

More businesses made investments in 2007 than in 2006, while consumers purchased more goods and exports also rose. Although re-export grew particularly sharply, exports of Dutch products also increased. These developments resulted in a higher-than-average economic growth, rising employment and diminishing unemployment. Increased expenditure and the higher oil and food prices caused inflation to rise during the year, close to the level targeted by the ECB.

The office market profited from the higher employment in the professional services sector. Absorption peaked during the first six months of 2007 and the annual absorption was 5% in excess of 2006. Although vacancies in office space fell, 6 million m^2 of primarily older office space was vacant at year-end 2007, representing 14% of the total supply. The high vacancy levels meant that average rents barely rose. However, in some regions the drop in the supply of new developments caused incentives to tenants to fall and the highest rents to rise. The highest rent, € 375 per m^2, is paid in Amsterdam South. In other cities, the highest rents are rising faster than in Amsterdam. Yields continued to fall in 2007. Midway through 2007, they were 4.75% in Amsterdam and approximately 5% in The Hague, Rotterdam and Utrecht.

The retail market also developed favourably. The increasing levels of turnover recorded by shops caused the number of sales outlets to rise. In total, the supply of shops is currently in excess of 28 million m^2. Of the total shop floor area, over 7.3% was vacant at year-end 2007 (2006: 7.6%). The demand for space is aimed primarily at the high street, with surrounding streets performing significantly less favourably. As a result, the spread of shop rents increased, the lower limit remaining stable, while the rents in the most popular shop locations continue to rise. The average increase in rents over 2007 was around 5%.

The supply of industrial space in the whole of the Netherlands dropped to around 8 million m^2 in 2007. The market is tighter in the four major cities than in the rest of the country. Construction and industry account for almost half the absorption. Schiphol and the port of Rotterdam remain top locations, but scarcity, combined with traffic congestion, means that strategic locations in the hinterland are becoming more interesting. Only the highest rents increased during 2007. More industrial space will once more be developed or redeveloped during the coming years, while more logistics units and other speculative industrial premises will also be completed. In various regions, the emphasis will be on restructuring existing industrial estates.

In 2007, Wereldhave sold industrial premises in Deventer and Amsterdam, and an office block in Rijswijk. In Leiderdorp, Wereldhave produced a plan to expand 'De Winkelhof' by well over 7,000 m^2 of shop space and accompanying parking spaces, with input from the municipal authorities, local residents and businesses. This resulted in a design that is supported by all stakeholders. A final decision concerning the approval and commencement of the project is expected during the first quarter of 2008. The occupancy rate of the Dutch portfolio improved during 2007, to 97.2% (2006: 93.9%). As at 31 December 2007, the value of the investment portfolio was € 397.1 million, and that of the development portfolio € 2.2 million. The portfolio underwent an upward revaluation of 10.2%.

Prospects

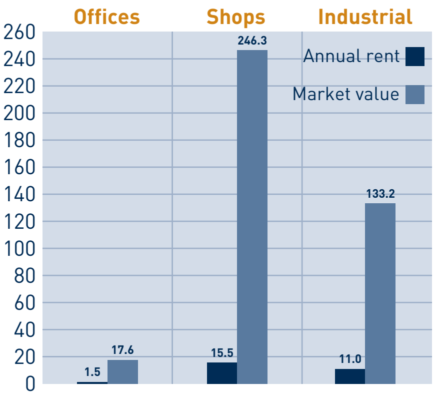
Last year, it became possible for investment institutions to conduct property development operations in the Netherlands, using taxpaying companies. As such, Wereldhave incorporated a property development company, and in 2008 will focus on identifying development opportunities.

OECD Economic Outlook

	06	07	08	09
Economic growth	3.0	3.0	2.4	2.3
Average growth EU zone	2.9	2.6	1.9	2.0
Inflation	1.9	1.4	1.9	2.5
Growth private consumption	-0.8	1.9	2.0	2.3
Growth corporate investment	7.2	4.7	4.8	4.3
Growth in employment	1.9	1.8	1.1	0.9
Unemployment rate	4.1	3.3	2.9	2.7

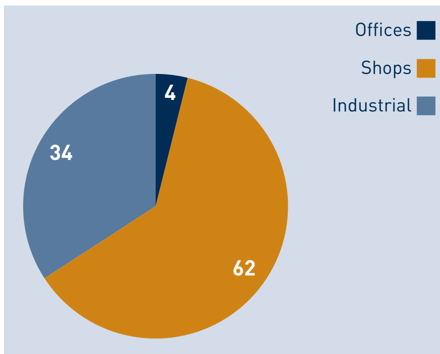
Annual rent and market value

(x € 1 mln as at December 31, 2007, assuming no vacancies)



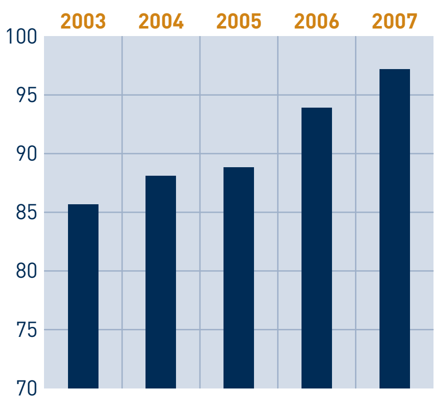
Distribution of investments

(as a % of market value)

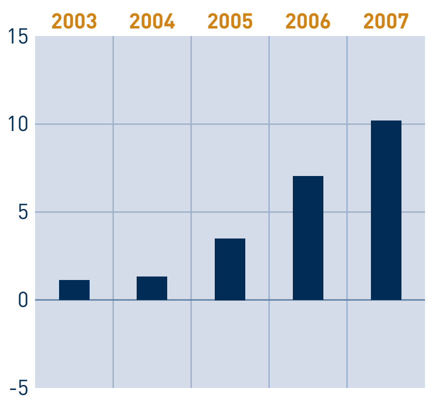


Delft, Office building XX, 22-24 Delftechpark

Average occupancy rate *(as a %)*



Property revaluation *(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

Midway through the year, rising mortgage interest rates caused the demand for homes to drop. During the third quarter, 30% fewer homes were sold than in the previous quarter. As a result, in part, of the years of speculative development, house prices fell in several regions. Higher mortgage costs and the lower value of housing restricted the growth of consumer spending. Diminishing activity in residential construction also meant a loss for the construction sector. The combination of these factors is expected to result in a significantly lower economic growth in the coming years.

Despite impressive production figures for new development, the supply of available office space in Madrid and Barcelona fell. At year-end 2007, the vacancy rate in Madrid was 3.4%, and in Barcelona 5.0%. Vacancy figures in other town and city centres are even lower. As a consequence, office rents in Madrid rose sharply. Midway through the year, Madrid was the seventh most expensive office city in Europe. At the start of the last quarter, the highest rents for office premises were € 470 per m^2, which is 22% higher than a year ago. Rents for offices in Barcelona remained stable. In Madrid, 1.6 million m^2 of office floor area is planned, roughly 11.5% of the existing supply. Other cities also have ambitious development plans, although it is not always certain whether the market is capable of absorbing the planned volumes. The fall in initial yields for offices ended in 2007. In the third quarter, initial yields rose slightly. It will become apparent during the first six months of 2008 whether this was a break from the trend.

Despite the unfavourable economic developments, the prospects for the retail sector are still positive. Employment is improving, and the rising income per head of population is leading to increasing spending. The continuing demand for shop space also forced rents up, by 19% during the first six months of the year. However, initial yields remained unchanged, as a result of the large number of projects in the pipeline. The highest yields, realised in Madrid, are currently 4.0%.

The demand for industrial premises, which was slow off the mark, recovered eventually. The low yields and the increasing interest rates mean that renting has become more appealing than buying for many businesses. Since vacancy is relatively low (less than 3% in Madrid and Barcelona; less than 5% in Seville, Valencia and Malaga), this development caused the rents to rise slightly. Initial yields remained level in most regions. However, yields differ greatly between urban and out of town locations, ranging up to around 4.5 percent points. The low yields for town and city centre industrial premises seem to indicate that investors and developers are anticipating rezoning plans.

On 20 July 2007, Wereldhave purchased a retail and leisure centre of 22,676 m^2 in Collado Villalba, some 35 kilometres northwest of Madrid, for a purchase price of € 53.9 million including transaction costs. The average occupancy rate of the portfolio during the year under review was 98.8% (2006: 99.2%). As at 31 December 2007, the value of the investment portfolio was € 179.8 million. Wereldhave does not have any development projects in Spain. The Spanish portfolio underwent an upward revaluation of 4.7%.

Prospects

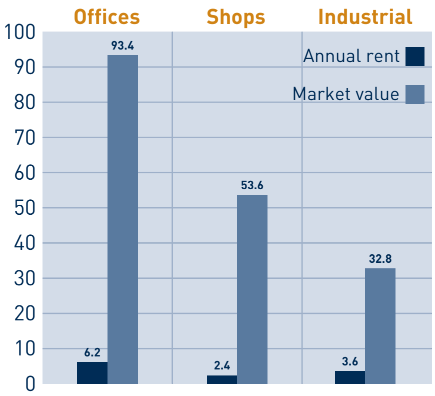
No major changes are expected in terms of occupancy rates in 2008. With the acquisition of the retail and leisure centre Planetocio in Collado Villalba, Wereldhave achieved its objective of adding retail to its portfolio. Wereldhave's aim is to further expand its Spanish portfolio, preferably with retail.

OECD Economic Outlook

	06	07	08	09
Economic growth	3.9	3.8	2.5	2.4
Average growth EU zone	2.9	2.6	1.9	2.0
Inflation	4.0	3.2	3.3	2.9
Growth private consumption	3.8	3.3	2.7	2.5
Growth corporate investment	6.8	5.8	1.2	1.3
Growth in employment	4.1	3.3	2.4	1.9
Unemployment rate	8.5	8.1	8.1	8.3

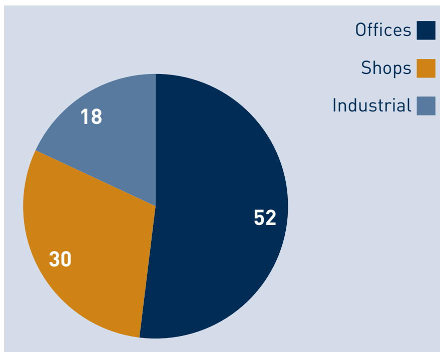
Annual rent and market value

(x € 1 mln as at December 31, 2007, assuming no vacancies)



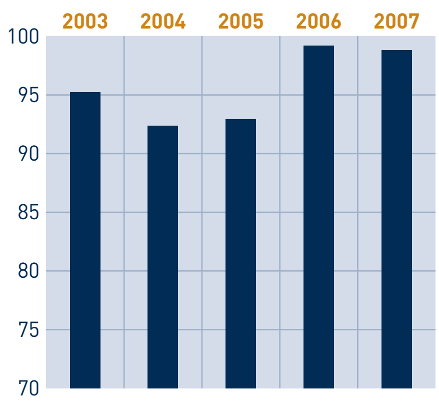
Distribution of investments

(as a % of market value)

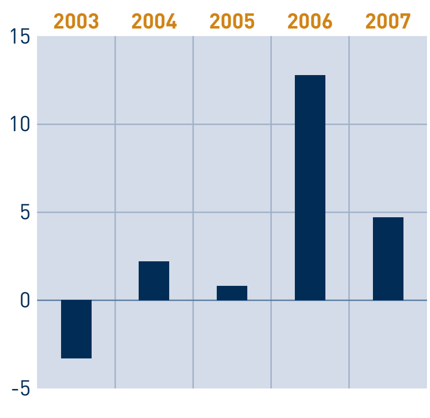


Madrid, 15 Calle Fernando el Santo

Average occupancy rate *(as a %)*



Property revaluation *(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

With an average economic growth of almost 3% during the past decade, the United Kingdom showed up favourably compared with the euro zone and the OECD. However, the growth in employment has slowed in recent years, and unemployment has levelled out at 5.3%. The growth in incomes is also levelling out somewhat, while the number of available jobs continues to rise. The Bank of England's target for inflation has not yet been achieved. The general expectations for 2008 are less favourable, affected as they are by the rising interest rates, higher debts and a more modest growth in incomes. Owing to its relatively major financial sector, the United Kingdom will suffer more from the current credit crisis than other countries.

The first signs of the credit crisis were reflected in the office market late in 2007, when a series of major transactions was put on hold. The gross absorption in Central London was identical to that of 2006, at 1.4 million m^2. Absorption of office space in other cities besides London remained solid. Vacancy in Central London levelled out in 2007, at 4%, while in West End it even reached 2.5%. The scarcity on the market caused rents to continue to rise in 2007. The highest rents for office space rose by almost 25% last year: the highest increases in rental prices in two decades. However, the rise of rental prices has been levelling out since the third quarter. In Central London, the highest rents are paid in the West End (GBP 1,280 per m^2) and the City (GBP 670 per m^2). The net yields for first-class office space rose over the course of 2007, to 4.5% in the West End and to 5.5% in the City.

Over 2007, the demand for high street shops fell slightly, although it remains strong, particularly in Central London. The highest rents for shop space are still paid in Bond Street (GBP 8,350 per m^2). The yields for the top locations continued to rise in 2007: high street shopping areas 3-4%, shopping centres 4.6% and retail warehouses 4%. The yields for secondary locations are also improving. The international credit crisis, falling house prices and rising interest rates had a negative impact on consumer confidence during the last six months of 2007.

With 150 million m^2, the market for industrial premises in the United Kingdom is one of the largest in Europe in terms of volume. The principal cluster, the Golden Triangle northwest of London, between the M1, M6 and M42 motorways, is expanding in the direction of Milton Keynes, Northampton and Nottingham. Almost 85% of British freight transport is road-based, where costs have been forced up sharply in recent years by higher energy prices, altered legislation and traffic congestion. The highest rents for industrial space are paid around Heathrow (GBP 140 per m^2), which are reportedly the highest anywhere in the world. The sharpest increases in rent in recent years were recorded in East Anglia (37%) and the London area (23%). The highest initial yields for first-class industrial space are paid in the South East and the Midlands (approximately 5.2%).

In 2007, Wereldhave sold industrial units in Norbury near London, and 1,222 m^2 of retail space in East Ham, London, for a total of GBP 8.7 million. The average occupancy rate of the portfolio during the year under review was 92.3% (2006: 98.0%). As at 31 December 2007, the value of the investment portfolio was € 371.0 million. The British portfolio underwent a 3.1% decrease.

Prospects

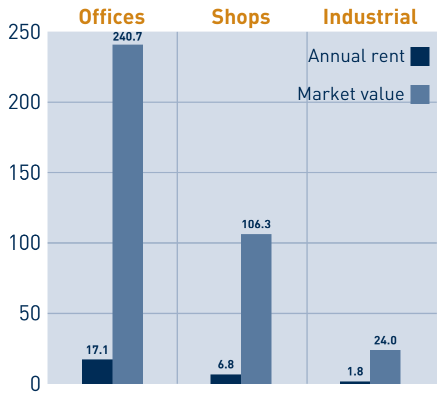
The termination of a number of lease contracts means that vacancies have risen in the office park in Manchester. The rental team has been revised. The focus will be on improving the occupancy of the portfolio. The possibility of redeveloping two buildings in the portfolio is currently being considered. Wereldhave is also looking for suitable existing property to expand its United Kingdom portfolio.

OECD Economic Outlook

	06	07	08	09
Economic growth	2.8	3.1	2.0	2.4
Average growth EU zone	2.9	2.6	1.9	2.0
Inflation	2.6	3.2	2.5	2.1
Growth private consumption	2.1	3.1	1.7	2.2
Growth corporate investment	8.2	5.7	1.8	3.5
Growth in employment	0.9	0.5	0.5	1.1
Unemployment rate	5.5	5.5	5.7	5.5

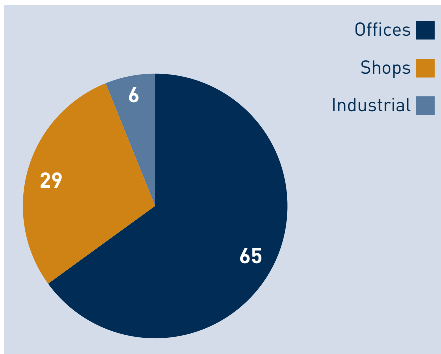
Annual rent and market value

(x € 1 mln as at December 31, 2007, assuming no vacancies)



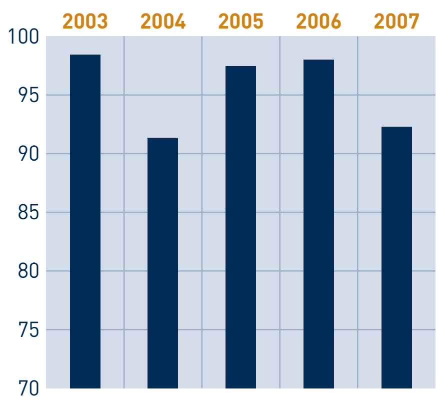
Distribution of investments

(as a % of market value)

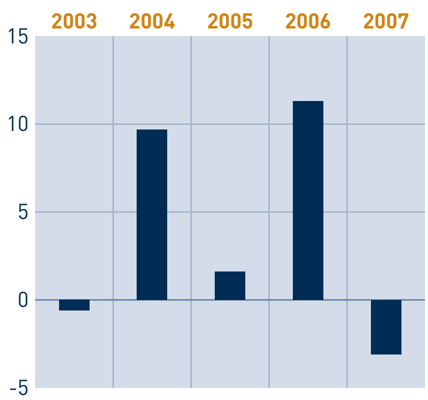


Manchester, The Towers Business Park, Wilmslow Road

Average occupancy rate *(as a %)*



Property revaluation *(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

In 2007, economic growth in the United States stalled at 2.2%. Tighter credit facilities, the deterioration of the housing market and unpredictable consumer spending held the United States economy back. The significantly higher energy prices in particular caused inflation to rise more sharply than wages, resulting in less purchasing power. Unemployment was low in 2007, at 4.6%, although it climbed rapidly to 5% in December. The rising unemployment means less possibility of wage rises. At present, strong exports, fuelled by the cheap dollar, is keeping the US economy going.

The limited developments of office space meant that vacancy rates continued to drop in many cities in 2007, despite lower absorption figures. In the most liquid office markets rents rose; in the less liquid markets, rents dropped during the third quarter. The highest annual rents are still paid in New York Midtown (USD 1,020 per m^2). Net initial yields rose further to 4% in New York Midtown, while remaining at 5.25% in Washington DC and at 5% in Los Angeles. Some cities saw slight improvements in yields during the third quarter.

The United States retail market totals 112 million m^2, concentrated largely in the western part of the US. The cities with largest supplies of shop space are Chicago, Houston and Atlanta. The sharp price reductions and extended opening hours at the end of the year meant that consumer spending remained on par in 2007, despite the crisis in the housing market and rising oil prices. The net yields for shop space rose slightly during the year. The highest yields of 5.5% are paid in New York City, San Diego and San José.

The gross absorption of industrial space in 2007 fell significantly short of the 2006 figure. However, fewer new developments caused vacancy rates to fall to 8%. As a result, rents rose slightly. The highest rents are paid in California. The highest initial yields are also realised in California (5.75% in San Francisco and 5.9% in San Diego, the Inland Empire and Los Angeles).

During the first six months of the year, the housing market came under increasing pressure. In the summer of 2007, the housing market was hit by the subprime mortgage crisis. Since the monthly costs of rented accommodation are still significantly less than those of owner-occupied homes, the demand for rented homes rose. Conversely, homes that have been for sale for extended periods are also being offered to let. At the end of 2007, almost 6 million homes were for sale, representing some 4.6% of the supply.
In January 2007, two office blocks were sold (Pittsburgh and Pennsylvania), and a parcel of land was purchased for USD 7.4 million, for the construction of 600 homes in Frisco, near Dallas. Late in June 2007, Wereldhave acquired a 35,200 m^2 office block in San Diego for USD 210 million. In January 2008, the final touches were put to the renovation of the façade of 1401 NY Ave. in Washington, an investment of about USD 10 million.

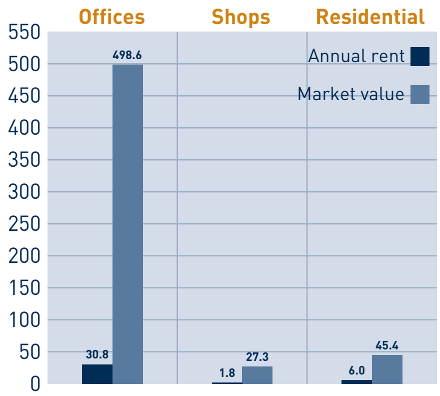
In November 2007, work commenced on the first phase in San Antonio, Texas, an investment of some USD 190.0 million (see page 35). The first phases of the project will become operational in the third quarter of 2009. The average occupancy of the portfolio was 91.5% (2006: 89.0%). As at 31 December 2007, the value of the investment portfolio was € 571.3 million, and the value of the development portfolio was € 28.8 million. The investment property portfolio underwent an upward revaluation of 2.1%.

Prospects
The purchase of the office premises in San Diego in 2007 marked Wereldhave's entry into a new market. In 2008, the primary areas of attention will be detailing the plans for Frisco, building the first phase of the San Antonio project and making new investments on the West Coast.

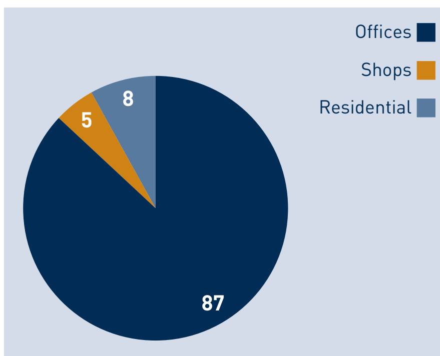
OECD Economic Outlook

	06	07	08	09
Economic growth	2.9	2.2	2.0	2.2
Average growth EU zone	2.9	2.6	1.9	2.0
Inflation	3.2	2.6	2.1	2.0
Growth private consumption	3.1	2.9	1.8	1.9
Growth corporate investment	2.6	-2.1	-1.2	2.4
Growth in employment	1.9	1.1	0.4	0.8
Unemployment rate	4.6	4.6	5.0	5.0

Annual rent and market value
(x € 1 mln as at December 31, 2007, assuming no vacancies)

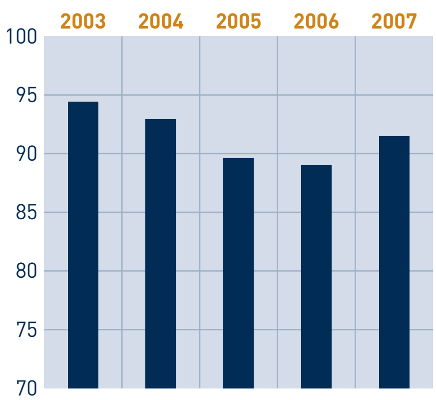


Distribution of investments
(as a % of market value)

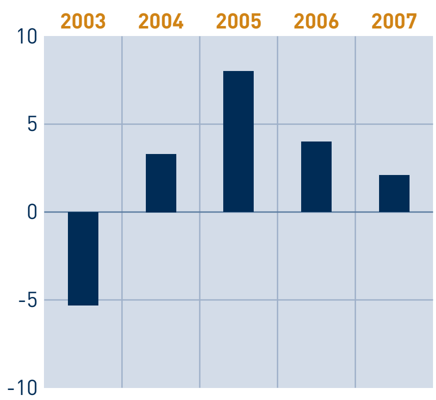


California, San Diego, 655 West Broadway

Average occupancy rate *(as a %)*



Property revaluation *(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.

Summary of development projects

Belgium

Nivelles

Description

The shopping complex 'Nivelles' is situated in Nivelles, between Brussels and Charleroi, along the A7/E19 motorway.
The existing shopping centre underwent a comprehensive upgrade last year. Expansion will commence toward the end of 2008.
Another plan is being developed in the vicinity of the shopping centre, consisting of retail and leisure, offices and apartment complexes.

Scope

Existing shopping centre 15,503 m²,
Expansion of shopping by circa 10,000 m²
Retail park & leisure (including hotel), offices and apartments

Sustainable items

Shopping centre upgrade:
Energy-saving fittings; collective heating and cooling systems with separate heat pumps for all units; special focus on the materials used and on routes for slow traffic
Shopping centre expansion:
Energy-saving measures, by increasing the value of building insulation, investigation hot and cold storage underground, use of sustainable materials (recycled and recycling materials)
Retail park & leisure:
Energy-saving measures, by increasing the value of building insulation, investigation hot and cold storage underground,use of sustainable materials (recycled and recycling materials)
Offices:
Energy-saving measures, by increasing the value of building insulation, investigation hot and cold storage underground, concrete core activation, daylight-regulating light fittings
Apartments:
Lifelong use through use of domotics, insulation value above statutory standards, use of sustainable materials (recycled and recycling materials), low-traffic environment combined with under-ground parking facilities

Investment

The expansion of the shopping centre is budgeted at € 30,000,000.
The extra development on the adjacent sites is budgeted at € 115,000,000.

Timescale

Shopping centre:	2008-2010
Retail park & leisure:	2009-2012
Offices:	2010-2012
Apartments:	2012-2014

Shopping Centre Les Bastions in Tournai

Description

A 28,000 m² plot of land was acquired opposite the shopping centre. The purchase of this plot of land allows for an expansion of the existing shopping centre by approximately 4,500 m². On the plot of land purchased, an extension of the car park is planned, in combination with shops and a number of residential properties.

Scope

Existing centre 14,178 m², extension of approximately 4,500 m² on existing car park, 10,000 m² retail, 500 parking spaces and approximately 26 residential properties.

Sustainable items

Subsequent planning will look at energy-saving measures, sustainable use of materials and a natural transition to the adjacent woodland.

Investment

€ 34,000,000

Timescale

Retail park phase 1:	2009-2010
Expansion shopping centre:	2009-2010
Retailpark phase 2:	2011
Apartments:	2011

The Netherlands

Shopping Centre ‘De Winkelhof’ Leiderdorp

Description	The existing centre currently covers a floor area of 17,310 m². The proposed expansion amounts to more than 7,000 m² lettable floor area and an underground car park. Also, the adjacent Statendaalder-plein will be transformed into a multifunctional square. Planning to take place in close consultation with the parties concerned.
Scope	more than 7,000 m² expansion underground car park with approximately 375 parking spaces upgrading existing Statendaalder-plein
Sustainable items	Planning preparation focuses especially on the relationship with the built-up surroundings, public safety and routes for slow traffic. Attention will also be given to energy, water and materials usage, the interior environment and the flexibility of the complex.
Investment	€ 30,000,000.
Timescale	Planning 2008, preparation 2009, completion 2009-2011.

United States

San Antonio, Texas

Description	Mixed development of residential property, offices, a hotel and central facilities, designed as an urban pedestrian zone, in a popular residential area to the north of San Antonio.
Scope	Several project phases,totalling 1,400 apartments, 17,000 m² offices, Hotel with 150 rooms, 8,000 m² retail and central facilities, Amphitheatre with 1,000 seats, Non denominational chapel.
Sustainable items	During the development, special attention will be given to water collection and recycling, solar energy, daylight filtering, energy efficient building systems and use of sustainable, local materials.
Investment	First phase USD 190,000,000; total project USD 330,000,000.
Timescale	First construction phase comprises 560 residential properties, 8,000 m² of shops and central facilities, offices and a hotel. Start of construction November 2007, completion September 2009.

Prospects

Wereldhave completed a hotel and conference centre in Finland in 2007. The mixed-use development plans in Nijvel (Belgium) and San Antonio (USA) also include hotels, which will be added to the portfolio. Wereldhave is currently considering the possibilities of expanding its investments in hotels in 2008.

Acquiring Turkish property with an acceptable risk profile has proved to be more problematic than originally believed. However, Wereldhave will not let up its efforts in 2008, and will reassess its position at the end of the year. The purchase of an office block in San Diego signified Wereldhave's first investment on the West Coast of the United States. The West Coast investments will be expanded during in 2008.

The Board of Directors expects to achieve improvements in occupancy rates during 2008, particularly in Belgium, the United Kingdom and the United States. In November 2007, construction started on the Éilan scheme in San Antonio, and Wereldhave expects that it can commence with the expansion of the 'Nivelles' shopping centre in Belgium during autumn of 2008. The new plans for the second phase of the Nivelles development, the expansion of the shopping centre Tournai (Belgium), the shopping centre 'De Winkelhof' in Leiderdorp (Netherlands) and the construction of 600 homes in Frisco (USA) will be detailed further in 2008.

Prices of rented property have risen sharply during recent years, in all countries in which Wereldhave has activities. As a result, in many cases the initial yields approached the capital market interest rates, sometimes even dropping below that level. The third quarter of 2007 saw an end to the years of diminishing initial yields. Wereldhave expects the cap rates on property to rise in 2008, and expects property values to fall. Wereldhave has anticipated that this development by ensuring strong capital ratios and by pursuing a substantial programme of disposals. The more high-risk premises in the portfolio have been sold during recent years, allowing Wereldhave to benefit from the sharp increases in property values. No major sales are foreseen for 2008, although incidental sales may arise. If the rise in initial yields continues, it may be possible to once more purchase recently built property that offers immediate contributions to the results. Wereldhave's strong capital ratios allow it to benefit from attractive investment opportunities.

The Hague, February 21, 2008

Board of Management Wereldhave N.V.
G.C.J. Verweij
J. Buijs

Annual Accounts 2007

Consolidated Annual Accounts 2007

Company Annual Accounts 2007

Consolidated balance sheet at December 31, 2007

(amounts x € 1,000)

	Notes	December 31, 2007		December 31, 2006	
Assets					
Non-current assets					
Intangible assets	5	844		172	
Investment properties	6	2,668,032		2,521,542	
Development projects	7	40,430		33,889	
Property and equipment	8	6,531		6,104	
Financial assets	9	21,787		22,613	
Other long term assets	10	24,606		26,462	
			2,762,230		2,610,782
Current assets					
Trade and other receivables	11	10,840		17,294	
Tax receivables	12	12,764		1,975	
Cash and cash equivalents	13	16,803		19,919	
			40,407		39,188
			2,802,637		2,649,970
Equity and Liabilities					
Equity					
Share capital	14	207,817		207,817	
Share premium	15	763,809		763,809	
General reserve	16	932,157		811,565	
Revaluation reserve	17	1,287		1,875	
Exchange rate differences reserve	18	-/- 55,005		-/- 9,060	
			1,850,065		1,776,006
Minority interest			122,545		113,996
			1,972,610		1,890,002
Long term liabilities					
Interest bearing liabilities	19	535,906		506,722	
Deferred tax liabilities	20	163,219		147,806	
Other long term liabilities	21	23,802		20,142	
			722,927		674,670
Short term liabilities					
Trade payables		4,229		3,893	
Taxes	22	5,649		5,858	
Interest bearing liabilities	19	56,691		34,317	
Other short term liabilities	23	40,531		41,230	
			107,100		85,298
			2,802,637		2,649,970
Net asset value per share *(x € 1)*	35		89.02		85.46
Diluted net asset value per share *(x € 1)*	35		89.43		86.09

Consolidated income statement for 2007

(amounts x € 1,000)

	Notes	2007	2007	2006	2006
Gross rental income	26	166,551		168,533	
Service costs charged		39,050		40,892	
Total Revenues			205,601		209,425
Service costs paid		-/- 45,180		-/- 45,334	
Property expenses	27	-/- 12,962		-/- 12,847	
			-/- 58,142		-/- 58,181
Net rental income			147,459		151,244
Valuation results	28		129,043		266,142
Results on disposals	29		17,372		39,919
General costs	30		-/- 14,133		-/- 14,002
Other income and expense	31		5,131		3,896
Net operational result			284,872		447,199
Interest	32		-/- 27,581		-/- 23,697
Other financial income and expense	33		-/- 1,735		2,069
Result before tax			255,556		425,571
Taxes on results	34		-/- 25,908		-/- 68,062
Profit			229,648		357,509
Shareholders			216,484		343,487
Minority interest			13,164		14,022
Profit			229,648		357,509
Earnings per share *(x € 1)*	35		10.42		16.53
Diluted earnings per share *(x € 1)*	35		9.79		15.60

Direct and indirect result for 2007*)

(amounts x € 1,000)

	2007		2006	
	direct result	indirect result	direct result	indirect result
Gross rental income	166,551		168,533	
Service costs charged	39,050		40,892	
Total Revenues	205,601		209,425	
Service costs paid	-/- 45,180		-/- 45,334	
Property expenses	-/- 12,962		-/- 12,847	
	-/- 58,142		-/- 58,181	
Net rental income	147,459		151,244	
Valuation results		129,043		266,142
Results on disposals		17,372		39,919
General costs	-/- 14,133		-/- 14,002	
Other income and expense	5,131		3,896	
Net operating profit	138,457	146,415	141,138	306,061
Interest	-/- 25,962	-/- 1,619	-/- 22,437	-/- 1,260
Other financial income and expense	-/- 1,195	-/- 540	-/- 1,341	3,410
Results before tax	111,300	144,256	117,360	308,211
Taxes on results	-/- 3,330	-/- 22,578	-/- 4,035	-/- 64,027
Profit	107,970	121,678	113,325	244,184
Shareholders	101,319	115,165	106,854	236,633
Minority interest	6,651	6,513	6,471	7,551
Profit	107,970	121,678	113,325	244,184
Earnings per share *(x € 1)*	4.88	5.54	5.14	11.39
Diluted earnings per share *(x € 1)*	4.68	5.11	4.97	10.63

*) The summary underneath contains additional information which is not part of the primary statements and not obligatory under IFRS regulations.

Consolidated statement of movements in equity for 2007

(amounts x € 1,000)

	Notes	Attributable to shareholders of the Company					Minority interest	Total
		Share capital	Share premium	General reserve i)	Revaluation reserve	Reserve for exchange rate differences		
Balance at December 31, 2005		207,817	755,707	563,213	1,527	13,898	106,171	1,648,333
Change in accounting principles	a	–	–	-/- 203	–	–	–	-/- 203
Balance at January 1, 2006		207,817	755,707	563,010	1,527	13,898	106,171	1,648,130
Exchange rate differences	b	–	–	–	–	-/- 22,958	–	-/- 22,958
Revaluation of financial assets available for sale		–	–	–	348	–	162	510
Equity component Convertible bond	c	–	8,102	–	–	–	–	8,102
Other	d	–	–	-/- 375	–	–	–	-/- 375
Profit book year		–	–	343,487	–	–	14,022	357,509
		207,817	763,809	906,122	1,875	-/- 9,060	120,355	1,990,918
Dividend 2005	e	–	–	-/- 94,557	–	–	-/- 6,359	-/-100,916
Balance at December 31, 2006		207,817	763,809	811,565	1,875	-/- 9,060	113,996	1,890,002
Exchange rate differences	f	–	–	–	–	-/- 45,945	-/- 4	-/- 45,949
Revaluation of financial assets available for sale		–	–	–	-/- 588	–	-/- 274	-/- 862
Other	g	–	–	-/- 296	–	–	2,021	1,725
Profit book year		–	–	216,484	–	–	13,164	229,648
		207,817	763,809	1,027,753	1,287	-/- 55,005	128,903	2,074,564
Dividend 2006	h	–	–	-/- 95,596	–	–	-/- 6,358	-/-101,954
Balance at December 31, 2007		207,817	763,809	932,157	1,287	-/- 55,005	122,545	1,972,610

Notes to the consolidated statement of movements in equity (excluding movements in minority interest)

a	**Change in accounting principal**		
	Effect of retrospective change in accounting principles as a result of the new interpretation of IFRS rules for employee benefit plans (IAS 19)		-/- 203
b	**Exchange rate differences**		
	Exchange rate differences on net investments in foreign entities	-/- 22,891	
	Hedges of net investments in foreign entities	971	
	Exchange rate differences on results in foreign currencies (difference between year-end and average rates)	-/- 1,038	
			-/- 22,958
c	**Equity component convertible bond**		
	Initial value of the conversion option which has been determined as residual value after determination of the liability component		8,102
d	**Other**		
	Non recoverable withholding tax		-/- 375
e	**Dividend for 2005**		
	Ordinary shares (€ 4.55 per share)		-/- 94,557
f	**Exchange rate differences**		
	Exchange rate differences on net investments in foreign entities	-/- 68,445	
	Hedges of net investments in foreign entities	24,386	
	Exchange rate differences on results in foreign currencies (difference between year-end and average rates)	-/- 1,886	
			-/- 45,945
g	**Other**		
	Non recoverable withholding tax	-/- 376	
	Released not paid dividend previous years	80	
			-/- 296
h	**Dividend for 2006**		
	Ordinary shares (€ 4.60 per share)		-/- 95,596
i	**General Reserve**		
	As at December 31, 2007, an amount of € 713.9 mln (2006: € 596.6 mln) is designated as a legal reserve, related to unrealised revaluation reserve investment properties, and can not be distributed		932,157

Consolidated cash flow statement for 2007

(amounts x € 1,000)

	Notes	2007		2006	
Operating activities					
Profit		229,648		357,509	
Exchange rate differences	a	-/- 1,541		171	
			228,107		357,680
Adjustments:					
Non cash part of interest- and other financial income and expense	b	693		-/- 1,577	
Valuation results	c	-/- 129,043		-/- 266,142	
Results on disposals		-/- 17,372		-/- 39,919	
Deferred taxes		22,578		64,976	
Other movements in reserves		-/- 1,070		248	
Exchange rate differences deferred tax liabilities		-/- 3,093		-/- 2,396	
			-/- 127,307		-/- 244,810
			100,800		112,870
Movements in working capital	d		-/- 3,996		2,630
Cash flow from operating activities			96,804		115,500
Investment activities					
Proceeds from disposals	e	136,829		171,925	
Investments in investment property, equipment and projects	f	-/- 233,513		-/- 132,076	
Investments in financial assets		-/- 5,432		-/- 4,698	
Cash flow from investment activities			-/- 102,116		35,151
Financing activities					
New loans interest bearing debts		262,446		293,621	
Repayment interest bearing debts		-/- 182,591		-/- 365,662	
Change other long term liabilities		-/- 1,067		-/- 6,714	
Dividend minority interest		-/- 6,358		-/- 6,359	
Dividend paid		-/- 95,638		-/- 94,521	
Cash part forward transactions		25,404		3,936	
Cash flow from financing activities			2,196		-/- 175,699
Decrease			-/- 3,116		-/- 25,048
Cash and bank balances at January 1			19,919		44,967
Decrease			-/- 3,116		-/- 25,048
Cash and bank balances at December 31			16,803		19,919

Notes to the consolidated cash flow statement

		2007	2006
a	**Exchange rate differences**		
	Exchange rate differences in profit and loss (difference between year-end rates versus average exchange rates)	-/- 1,541	171
b	**Non cash part of interest- and other financial income and expense**		
	Capitalised interest	-/- 2,446	-/- 1,803
	Movement in pension liabilities	-/- 89	-/- 1,614
	Depreciation loans amortised cost	781	754
	Rent up convertible loan	1,619	1,260
	Movement in leasehold liabilities	828	-/- 174
		693	-/- 1,577
c	**Valuation results**		
	Valuation results on investment properties	-/- 129,210	-/- 270,426
	Valuation results on financial instruments	167	4,284
		-/- 129,043	-/- 266,142
d	**Movements in working capital**		
	Change in receivables	-/- 4,335	862
	Change in short term liabilities	-/- 530	907
	Exchange rate differences	869	861
		-/- 3,996	2,630
e	**Proceeds from disposals**		
	Net proceeds from investment property	135,800	171,925
	Net proceeds from development projects	1,029	–
		136,829	171,925
f	**Investments in investment property, equipment and projects**		
	Investments in investment property	-/- 221,901	-/- 119,161
	Investments in development projects	-/- 10,606	-/- 11,932
	Investments in equipment	-/- 1,006	-/- 983
		-/- 233,513	-/- 132,076

1. General information

Wereldhave N.V., (the company), is a property investment company. The property portfolio of Wereldhave and its subsidiaries (the group) are located in Europe and the U.S.A. The group is principally involved in leasing out investment property under operating leases. The property management is performed by group property and management companies. The company is a limited liability company incorporated and domiciled in The Netherlands. The shares of the company are listed on the NYSE Euronext Stock Exchanges of Amsterdam and Paris. The consolidated financial statements for the year 2007 have been approved and authorised for issue by the Supervisory Board on February 21, 2008.

2. Tax status

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

3. Accounting policies

3.1 Basis for preparation of 2007 financial statements

The Group's functional and presentation currency is the Euro. The financial statements of Wereldhave N.V. have been presented in euros, rounded to the nearest thousand. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved and endorsed by the EU Commission up to December 31, 2007. The consolidated financial statements and the company financial statements have been prepared on historical cost basis, unless specified otherwise. The company has made use of the exemption referred to in art. 402 BW 2.9.

The accounting policies below have been applied to the years presented, i.e. the reporting year and the preceding year, unless mentioned otherwise.

In 2007 a number of IFRS standards and interpretations became applicable. These new or adjusted standards and interpretations do not affect Wereldhave's figures for the year 2007, but have affected the notes. This concerns the following standards and interpretations:

- IFRS 7 'Financial Instruments, Disclosures': The disclosures with regard to financial instruments have been adjusted in accordance with this new standard;
- Amendment to IAS 1 'Presentation of Financial Statements': This amendment requires companies to disclose additional information about the entity's objectives, policies and processes for managing capital. Wereldhave has incorporated the new requirements;
- Amendment to IAS 23 'Borrowing cost': This amendment removes the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. This amendment does not affect the accounting policies of Wereldhave;
- IFRIC 10, 'Interim Financial Reporting and impairment': This IFRIC (International Financial Reporting Interpretations Committee) gives additional information about the relationship between IAS 34 Interim Financial Reporting, IAS 36 Impairment of Assets and IAS 39 Financial Instruments: Recognition and Measurement. This IFRIC has no effect for Wereldhave;
- IFRIC 11, 'Group and Treasury Share Transactions': This IFRIC addresses the accounting for equity-settled awards and group schemes. This IFRIC has no effect for Wereldhave.

Further IFRC 12, 13 and 14 have been issued in 2007. IFRIC 12 and 13 are not applicable for Wereldhave. IFRIC 14 has not yet been approved and endorsed by the European Union.

Based on a new interpretation with regard to IAS 19 'Employee benefits' Wereldhave has changed its accounting policies and accounted for this new interpretation as a change in accounting principals. The new interpretation has been adopted retrospectively, which resulted in a negative adjustment of equity and the pension asset by € 0.2 mln as per January 1, 2006. The effect of the change of interpretation on the 2007 results and pension asset amounts to € 0.16 mln negative.

Wereldhave has not early adopted IFRS 8 'Operating Segments'. The accounts have been prepared before distribution of profit.

3.2 Consolidation

Subsidiaries are those entities, including special purpose entities, controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity. The financial statements of subsidiaries are included in the consolidated financial statements. Intra-group balances and unrealised gains and losses are eliminated. In case of control of less than 100%, subsidiaries are consolidated on a 100% basis. In these cases a minority share is shown in the balance sheet under equity as well as in the profit and loss account as a separate item. The purchase method is used for the recognition of acquired group companies. The acquisition is measured at the fair value of the assets and liabilities at the date of acquisition. Re-measurement at subsequent balance sheet dates is based on fair value. As soon as control ceases to exist, subsidiaries are deconsolidated.

3.3 Foreign currencies

Results in foreign currencies are translated to euros at period-average rates. Assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates at the balance sheet date. Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised under other financial income and expense.

	Average		Year-end	
	2007	2006	2007	2006
GBP	1.46048	1.46744	1.36351	1.48920
USD	0.73053	0.79637	0.67930	0.75930
TRY	0.56067	–	0.58241	–

Exchange differences on the net investment in foreign entities are recognised in the equity under exchange rate reserve. Exchange differences on directly held assets and liabilities in foreign currencies are recognised in the profit and loss account under other financial income and expense.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3.4 Derivatives

Derivative financial instruments are stated at fair value. The gain or loss on remeasurement is recognised in the profit and loss account. Purchase and sale are recognised and derecognised using trade date accounting. The fair value of derivative instruments used for hedging purposes is disclosed in note 24.

3.5 Hedging of net investment in foreign operation

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation, including foreign currency loans between subsidiaries, and determined to be an effective hedge is recognised directly in equity. The ineffective portion, if any, is recognised in the profit and loss account. On disposal of a foreign investment cumulative gains and losses on hedges recognised in the equity are transferred to the income statement.

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

3.6 Capital

The objective of Wereldhave, when managing capital (as presented in the annual accounts), is to safeguard the group's going concern, provide returns for the shareholders, benefits for other stakeholders and to maintain such a capital structure to optimize the cost of capital. Further Wereldhave manages its fiscal capital to ensure that it meets the requirements from fiscal laws and regulations.

Wereldhave may adjust the amount of dividends, return capital to shareholders, issue new shares or sell assets to maintain or adjust the capital structure.

3.7 Intangible assets

Goodwill

In case of a business combination goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Wereldhave allocates goodwill to relevant group companies.

Computer software

Acquired computer software licenses and development costs regarding internal developed software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (5 to 10 years).

3.8 Investment property

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

Market value is based on the capitalization of market rents less operating costs, such as cost of maintenance, insurance and expenses. The net capitalisation factor and the present value of the differences between market rent and contracted rent, of vacancies and of maintenance expenditure to be taken into account are calculated for each property individually. Sale costs at the expense of the purchaser among which transfer tax is deducted from the market value. After acquisition subsequent expenditure is added to the asset's carrying amount when it is probable that future economic benefits will flow to the entity and the cost of the expenditure can be measured reliably. All other expenditures, such as repairs and maintenance, are charged to the income statement during the financial period in which they are incurred.

Investments for which the land has been acquired by means of an operational lease (ground rent agreement), are valued in accordance with the fair value method classifying operational leases as an investment property. The investment property valuation will include, as a deduction, the present value of the ground rent payments to be made. For accounting purposes ground rents are accounted for as financial leases, adding the fair value of these lease liabilities back to the investment property value. At the same time the fair value of lease liabilities is shown under long term liabilities. In cases where the present value on the basis of market rates of lease liabilities is lower than their fair value, the present value will be shown.

Every six months half of the portfolio is valued at market value by independent external valuers, on 30 June and on 31 December. All properties are internally valued at market value at the end of every quarter. Valuation differences and results on disposals are recognised in the income statement. Related tax effects are taken into account in taxes on results. Investment properties under redevelopment continue to be classified as investment properties. Properties in own use are classified under property and equipment and its fair value at the date of reclassification is considered to be its cost for depreciation purposes of property in own use. When properties are sold the difference between the net proceeds and book value are accounted for in the profit and loss account under results on disposals.

3.9 Property and equipment

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

- Property : 33 years
- office furniture : 10 years
- Equipment : 3-5 years
- cars (excl. residual value) : 5 years

For properties in own use the fair value at the date of reclassification is considered to be its cost for depreciation purposes. Impairment tests are performed in case of a triggering event which could be a reason for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount less costs to sell and is accounted for in the income statement. The useful lives and the residual values of property and equipment are reviewed at balance sheet date. Gains and losses on disposals are recognised in the income statement. Subsequent expenditures are recognised in the income statement unless it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the expenditure can be measured reliably. In that case costs are capitalised to the carrying amount of the asset.

3.10 Development projects

Property that is being constructed or developed for future use as investment property is classified as a development project. Development projects are initially valued at historical cost, and subsequently at cost less impairment. Cost includes the (estimated) works performed, the costs of staff directly related to technical supervision, project management on the basis of time spent and capitalised interest costs on the basis of amounts spent and money market rates plus margin up to the date of completion. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of value in use and the fair value less cost to sell. Impairment losses are recognised in the income statement. Development projects are transferred to investment properties on the date of technical completion.

3.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group company will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying amount and the estimated future cash flows. The movement in the provision is recognised as property expenses in the income statement. When trade receivables are uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against property expenses in the income statement.

3.12 Financial assets

Financial assets will include items due after more than twelve months, unless mentioned otherwise. Capital gains on disposals are accounted for under results on disposals. Acquisitions and sales are accounted for based upon trade date. Wereldhave classifies its financial assets in the following categories:

- at fair value through profit or loss;
- loans and receivables; and
- available for sale.

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

Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit and loss are initially and subsequently valued at fair value. The fair values are current bid prices in case these are available. In case an open market value is not available, the fair value is based on information of well respected parties. Realised and unrealised results on derivatives are taken to equity with regard to the effective portion of net investment hedges and in all other cases, as all other financial assets at fair value through profit and loss, to the income statement under valuation results.

Loans and receivables

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

Loans issued and other receivables are taken into account, initially at fair value plus transaction costs directly attributable to the loan and subsequently at an amortised cost basis. Movements are taken to the income statement under financial income and expenditure.

Financial assets available for sale

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

Financial assets available for sale are initially recognised at fair value plus acquisition costs and subsequently valued at market value. Valuation results are directly taken to the equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as results on disposal.

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

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

3.13 Other long term assets

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

Pension plans

The capitalised net receivable from defined benefit plans is accounted for at present value, caped to the amount which can be obtained by means of premium discounts or unconditional repayments and considered as long term. Movements in the present value are taken to the income statement. For further information, see note 3.19.

Deferred tax receivables

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

3.14 Non-current assets held for sale

Non-current assets (or a disposal group) are held for sale in case its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition. Further the sale must be highly probable, management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated. The sale should be completed in one year from the date of classification.

Non-current assets (or disposal group) classified as held for sale shall be measured at the lower of its carrying amount and fair value less costs to sell. No remeasurement takes place when the assets are already measured at fair value. Non-current assets held for sale or the assets from a disposal group shall be presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale shall be presented separately from the other liabilities. Those assets and liabilities that are held for sale shall not be offset.

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

3.15 Cash and cash equivalents

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

3.16 Share capital

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

3.17 Provisions

A provision is recognised in the balance sheet when a legal or constructive obligation would exist, as a result of a past event, the obligation can be measured reliably and when it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.18 Long term debts

Interest bearing debts

On acquisition, interest bearing debts are recognised at fair value, minus transactions costs directly attributable to the loan. Subsequently interest bearing debts are measured at amortised cost. Any difference between the nominal value and the book value is recognised in the income statement over the period of the interest bearing liabilities on the basis of the effective interest per loan. The short term portion of loans outstanding to be repaid within twelve months is shown under current liabilities.

Convertible bonds

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

Deferred tax liabilities

Deferred tax liabilities are determined at, as per balance sheet date, enacted or substantially enacted tax rates that are expected to apply to the period when the liability is settled and are not discounted. The deferred tax liabilities are based on the temporary differences between the book value of assets and liabilities and their fiscal book value for tax purposes and are considered to be long term. Applicable corporate tax rates are used to determine the deferred tax liabilities. Fiscal facilities and different tariffs applicable at the moment of sale are only taken into account if clear plans for sale are available. Deferred tax assets and liabilities are only netted in case a legal right for compensation exists and if there is an intention to settle on a net basis.

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

Other long term liabilities

Long term debts from leasehold liabilities (see 3.8) and employee benefits plans (see 3.19) are stated at present value.

3.19 Pension plans

Defined contribution plans

Defined contribution plans are pension schemes to which a group company makes a fixed annual contribution and where the company does not have a legal or constructive obligation to make further payments if the pension fund of pension scheme does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The movement in obligations for defined contribution pension plans are recognised as an expense in the income statement.

Defined benefit plans

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

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. In markets where there is no deep market in such bonds, the market yields (at the balance sheet date) on government bonds are used.

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

3.20 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently at amortised cost basis using the effective interest method.

3.21 Leases

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

Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Leases of assets, where the group company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding obligations, net of finance charges, are included in long term liabilities. The interest element of the finance cost is charged to the income statement over the lease period. Investment properties acquired under finance leases are carried at their fair value.

3.22 Revenue

Rental income

Rental income from investment properties leased out under operating lease is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives having the nature of rent free periods are recognised as an integral part of the rental income. The incentives are amortised over the minimum term of the lease. Amortizations are charged to rental income. Rental income does not include value added tax or amounts charged to tenants in respect of service and operating costs. Rental income is shown on an accrual basis.

Service and operational income

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

3.23 Expenses

Service and operational costs

Service and operational costs are shown on a gross basis when the property owner acts as a principal. In the presentation on a gross basis, costs and charges are shown separately. In case the property owner acts as an agent only the non recoverable amount of the service and operational costs are shown. Costs and charges are shown on an accrual basis.

Property expenses

Property expenses consist of operational cost for the account of the owner attributable to the accounting period, such as:

- maintenance
- property tax
- insurance premiums
- property management
- letting expenses

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

General costs

The amount comprises general costs attributable to the accounting period. Direct staff costs relating to property management are included in property expenses. Direct staff costs relating to supervising and monitoring investment and disposal projects are capitalised on the basis of time spent.

3.24 Interest

Interest comprises the total of interest attributable to the accounting period on loans, other debts, accounts receivable and cash and bank balances. Due to the amortised cost valuation of interest bearing debts as well as amortization of the liability portion of convertible bonds, interest will include interest addition to interest bearing debts on the basis of the effective interest rate per loan.

3.25 Tax charges

Tax charges on profit and loss for a year comprises current and deferred tax and is calculated on results before taxes, taking into account any tax-exempt components of profit and non-deductable costs. Losses to be compensated are recognised as deferred tax receivables. Current tax is the expected tax payable or receivable on the taxable income or loss for the period. Deferred tax consists of the expected tax payable or receivable on changes in the value of assets or liabilities which will be realized at the moment of sale. Tax is calculated using tax rates prevailing at the balance sheet date. Tax receivable is only taken into account if it is reasonably expected that losses will be compensated.

3.26 Direct and indirect result

In the notes to the consolidated financial statements Wereldhave presents results as direct and indirect results, enabling a better understanding of results. The direct result consists of net rental income, general costs, other gains and losses (other than exchange rate differences), financial income and expense (other than the interest addition to leasehold obligations, the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on repurchased interest bearing debt and actuarial gains and losses from pension plans) and tax charges. The indirect result consists of valuation results, exchange rate differences that are accounted for under other financial income and expense, the interest addition to leasehold obligations, the real value of the conversion rights on convertible bonds, actuarial gains and losses from pension plans and the movement in deferred tax liabilities. This presentation is not obligatory under IFRS.

3.27 Segment reporting

A segment consists of assets and activities with specific risks and results, with differences per sector. Segment reporting presents results, assets and liabilities primarily per country and secondarily per sector. The geographical segmentation presents the countries in which the Group is active. The segmentation by sector consists of offices, shops, industrial and residential property. Results, assets and liabilities by segment contain items that can be directly attributed to that sector. This attribution is determined on a property basis.

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

Primary segmentation (geographical)
The segmentation of gross rental income and assets and liabilities is shown as follows:

2007	**NL**	**BE**	**F**	**ES**	**SF**	**UK**	**USA**	**Total**
Result								
Gross rental income	29,828	24,374	12,375	10,170	30,324	25,574	33,906	166,551
Net rental income	26,416	22,397	11,355	9,459	28,956	22,848	26,028	147,459
Investment portfolio								
Balance at 01/01	401,658	362,115	182,460	117,675	523,827	423,034	510,773	2,521,542
Adjustment for exchange rate differences at 01/01	–	–	–	–	–	-/- 35,705	-/- 53,814	-/- 89,519
	401,658	362,115	182,460	117,675	523,827	387,329	456,959	2,432,023
Purchases/investments	3,671	6,744	266	54,071	2,260	3,161	156,663	226,836
Disposals	-/- 45,088	-/- 16,134	–	–	–	-/- 7,394	-/- 53,909	-/-122,525
From developments	–	-/- 1,889	–	–	4,394	–	–	2,505
Revaluation	36,850	19,525	15,015	8,038	50,234	-/- 12,042	11,573	129,193
Balance at 31/12	397,091	370,361	197,741	179,784	580,715	371,054	571,286	2,668,032
Other assets	28,532	27,696	2,044	11,779	3,675	10,425	50,454	134,605
Total assets *)	425,623	398,057	199,785	191,563	584,390	381,479	621,740	2,802,637
Liabilities	-/-238,192	-/- 17,771	-/- 8,039	-/- 34,042	-/-171,762	-/-124,313	-/-235,908	-/-830,027

2006	**NL**	**BE**	**F**	**ES**	**SF**	**UK**	**USA**	**Total**
Result								
Gross rental income	30,105	23,632	14,678	8,822	29,279	28,284	33,733	168,533
Net rental income	26,455	21,889	13,605	8,324	28,019	26,813	26,139	151,244
Investment portfolio								
Balance at 01/01	375,373	331,198	211,405	104,081	423,611	421,548	421,603	2,288,819
Adjustment for exchange rate differences at 01/01	–	–	–	–	–	8,663	-/- 43,953	-/- 35,290
	375,373	331,198	211,405	104,081	423,611	430,211	377,650	2,253,529
Purchases/investments	5,728	5,389	97	205	2,582	2,292	102,868	119,161
Disposals	-/- 5,825	–	-/- 73,447	–	–	-/- 52,375	–	-/-131,647
From developments	–	–	–	–	–	–	10,415	10,415
Revaluation	26,382	25,528	44,405	13,389	97,634	42,906	19,840	270,084
Balance at 31/12	401,658	362,115	182,460	117,675	523,827	423,034	510,773	2,521,542
Other assets	33,610	23,357	3,680	3,105	4,193	11,597	48,886	128,428
Total assets *)	435,268	385,472	186,140	120,780	528,020	434,631	559,659	2,649,970
Liabilities	-/-261,072	-/- 14,012	-/- 10,875	-/- 12,598	-/- 91,286	-/-167,006	-/-203,119	-/-759,968

**) This primary segmentation includes the office building used by Wereldhave as headquarters to the amount of € 4.4 mln (2006: € 4.3 mln) under the segment Netherlands (NL). In addition, derivative financial instruments, used for the coverage of financial risks of the Group, to the amount of € 7.5 mln (2006: € 8.8 mln) have been included in this segment.*

Secundary segmentation (per sector)

Rental income and investments are segmentated to the following sectors:

2007	**Offices**	**Shops**	**Industrial**	**Residential**	**Total**
Rental income					
Gross rental income	72,456	71,282	16,975	5,838	166,551
Net rental income	63,044	66,041	15,911	2,463	147,459
Investment portfolio					
Balance at 01/01	1,156,692	1,097,804	216,666	50,380	2,521,542
Exchange rate differences 01/01	-/- 67,815	-/- 13,767	-/- 2,629	-/- 5,308	-/- 89,519
	1,088,877	1,084,037	214,037	45,072	2,432,023
Purchases/investments	160,136	63,603	3,084	14	226,837
Disposals	-/- 91,047	-/- 7,958	-/- 23,520	–	-/- 122,525
From developments	–	2,505	–	–	2,505
Revaluation	32,831	91,541	4,545	275	129,192
Balance at 31/12	1,190,797	1,233,728	198,146	45,361	2,668,032

2006	**Offices**	**Shops**	**Industrial**	**Residential**	**Total**
Rental income					
Gross rental income	76,455	68,766	17,263	6,049	168,533
Net rental income	68,537	64,524	15,821	2,362	151,244
Investment portfolio					
Balance at 01/01	1,104,092	927,500	205,180	52,047	2,288,819
Exchange rate differences 01/01	-/- 28,914	-/- 1,506	556	-/- 5,426	-/- 35,290
	1,075,178	925,994	205,736	46,621	2,253,529
Purchases/investments	105,548	11,708	1,905	–	119,161
Disposals	-/- 125,822	–	-/- 5,825	–	-/- 131,647
From developments	10,415	–	–	–	10,415
Revaluation	91,373	160,102	14,850	3,759	270,084
Balance at 31/12	1,156,692	1,097,804	216,666	50,380	2,521,542

5 Intangible assets *(x € 1,000)*

Intangible assets refer to capitalised cost of internally developed software.

	2007	2006
Balance at January 1	172	–
Investments	672	172
Balance at December 31	844	172

In 2007, as well as in 2006, only external costs have been capitalised.

6 Investment properties *(x € 1,000)*

	2007	2006
Balance at January 1	2,521,542	2,288,819
Exchange rate differences	-/- 89,519	-/- 35,290
	2,432,023	2,253,529
Purchases	203,930	105,296
Investments	22,906	13,865
Transfer from/to development projects	2,505	10,415
Disposals	-/- 122,525	-/- 131,647
Revaluations	129,193	270,084
Balance at December 31	2,668,032	2,521,542

Wereldhave purchased an office building in San Diego for an amount of USD 210 mln and a retail- and leisure centre in Collado Villalba, Spain for € 53.9 mln. 11 Properties were sold. In the United States Wereldhave sold office buildings in Pittsburgh and Philadelphia for the amount of USD 86.4. In the United Kingdom, industrial units and retail units, both in the London area, were sold for GBP 8.7 mln. In the Netherlands Wereldhave sold two industrial buildings, one in Deventer and one in Amsterdam, for a total of € 10.6 mln and one office building in Rijswijk for € 43.6 mln. In Belgium, 3 industrial properties were sold for € 19.5 mln by way of indirect sale and a retail center was sold for an amount of € 3.7 mln. The transfer from development projects relates to the Congress Center project in Meripuisto, Finland which was transferred for an amount of € 4.4 mln on October 1. In addition a parcel of land in Belgium has been splitted from investment property for an amount of € 1.9 mln and transferred to development projects.

Investment properties to an amount of € 114 mln (2006: € 132 mln) are subject to mortgage. Mortgage has been charged for English debentures for an amount of € 47 mln (2006: 65 mln). The Belgian tax authorities have established a legal mortgage on four properties for an amount of € 50.9 mln, as security in a fiscal disagreement (see note 42). The market value of these properties amounts to € 66.9 mln (2006: 66.7 mln).

The properties in the investment property portfolio were valued at December 31, 2007. External valuers involved in the valuation of properties in 2007 are Troostwijk Taxaties B.V., Amsterdam, Jones Lang LaSalle, London and Troostwijk-Roux Expertises cvba, Antwerp.

At December 31, 2007 the balance sheet valuation of investment properties valuation is as follows:

Total investment property values according to internal and external valuation reports	2,669,273
Add: present value of future ground rent payments (leasehold)	21,823
	2,691,096
Deduct: book value of rent free periods and other leasing expenses to be amortised	-/- 23,064
Balance sheet valuation	2,668,032

Property expenses and service costs of unlet properties amount to nil (2006: € 249,000).

7 Development projects *(x € 1,000)*

	2007	2006
Balance at January 1	33,889	34,031
Exchange rate differences	-/- 2,535	-/- 3,300
	31,354	30,731
Purchases	5,109	7,562
Investments	7,496	6,011
Transfer to investment properties	-/- 2,505	-/- 10,415
Disposals	-/- 1,024	–
Revaluations	–	–
Balance at December 31	40,430	33,889

In Frisco, United States, Wereldhave acquired a plot of land. Investments in existing development projects took place in San Antonio, United States and in Finland. As per October 1, 2007 the Meripuisto Congress Center development in Finland has been transferred to investment property for an amount of € 4.4 mln. In addition a parcel of land in Belgium has been transferred from investment property to development projects for an amount of € 1.9 mln. In the United States a plot of land was sold for USD 1.6 mln.

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

	property in own use	office equipment	cars	Total
Balance at January 1, 2006	4,313	1,116	540	5,969
Exchange rate differences	–	-/- 41	1	-/- 40
	4,313	1,075	541	5,929
Investments/purchases	86	393	397	876
Disposals	–	-/- 2	-/- 63	-/- 65
Depreciation	-/- 67	-/- 381	-/- 188	-/- 636
Balance at December 31, 2006	4,332	1,085	687	6,104
Balance at January 1, 2007	4,332	1,085	687	6,104
Exchange rate differences	–	-/- 38	-/- 10	-/- 48
	4,332	1,047	677	6,056
Investments/purchases	94	740	325	1,159
Disposals	–	-/- 3	-/- 150	-/- 153
Depreciation	-/- 66	-/- 248	-/- 217	-/- 531
Balance at December 31, 2007	4,360	1,536	635	6,531

	property in own use	office equipment	cars	Total
December 31, 2007				
Total acquisition at cost	4,627	7,817	1,774	14,218
Total depreciation	-/- 267	-/- 6,281	-/- 1,139	-/- 7,687
Net book value	4,360	1,536	635	6,531

	property in own use	office equipment	cars	Total
December 31, 2006				
Total acquisition at cost	4,532	7,120	1,608	13,260
Total depreciation	-/- 200	-/- 6,035	-/- 921	-/- 7,156
Net book value	4,332	1,085	687	6,104

9 Financial assets *(x € 1,000)*

	IFRS Category	December 31, 2007	December 31, 2006
Loans	*Loans and receivables*	2,701	3,494
Deposits paid	*Loans and receivables*	1,630	1,131
Financial assets available for sale	*Available for sale*	9,986	8,936
Derivative financial instruments	*Hedging derivatives*	7,470	9,052
Total		21,787	22,613

The fair value of financial assets coincides with their balance sheet valuation. For a detailed explanation on derivative financial instruments, reference is made to note 24. All financial assets are collectible.

With respect to the financial assets available for sale, which exists out of equity instruments, an amount of € –0.9 mln has been accounted for directly in equity (2006: € 0.5 mln). No financial assets available for sale have been sold in 2007 and 2006.

10 Other long term assets *(x € 1,000)*	**December 31, 2007**	**December 31, 2006**
Pension plans	1,542	1,700
Capitalised expenses to be amortised	6,629	8,008
Capitalised agent fees	7,659	8,235
Capitalised rent free periods	8,776	8,519
	24,606	26,462

Pension plans

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

	December 31, 2007	**December 31, 2006**
Benefit obligations	28,769	30,036
Fair value of plan assets	41,575	41,488
	12,806	11,452
Past service costs	-/- 382	-/- 414
Unrecognised gains (–)/losses	-/- 8,751	-/- 9,135
Asset cap	-/- 2,131	-/- 203
Net asset	1,542	1,700

The movement in the net asset is as follows:	**2007**	**2006**
Net asset at January 1	1,700	1,110
Employer contributions	606	602
Net movement	-/- 764	-/- 12
Net asset at December 31	1,542	1,700

The assumptions used:		
– discount rate obligations	5.20%	4.50%
– long term rate of return on plan assets	6.40%	5.37%
– rate of annual salary increases	2.00%	2.00%

The mortality rates used are obtained from the mortality tables. "Gehele bevolking mannen en vrouwen 2005-2050", published by the Dutch society of actuaries. As in 2006, the plan assets do not include ordinary shares issued by the company.
For employee benefit plans with a net liability, reference is made to note 21.

Due to changes in accounting principles as a result of a new interpretation of IFRS rules for employee benefit plans (IAS 19) the figures of January 1, 2006 have been adjusted. The net asset has been maximized to the amount recoverable.

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

	December 31, 2007	December 31, 2006
Tenant receivables	3,146	5,615
Prepayments	2,165	2,103
Interest to be received	1,293	1,400
Other	4,236	8,176
Total	10,840	17,294

As in 2006, other receivables do not include amounts receivable and prepaid with a remaining term of more than twelve months. The tenant receivables are receivables past due date and are shown after deduction of a provision for doubtful debts in the amount of € 1,444,000 (2006: € 1,180,000). In 2007 an amount of € 0.5 mln (2006: € 0.2 mln) has been added to the provision and an amount of € 0.2 mln (2006: € 0.2 mln) has been withdrawn. The fair value of the trade and other receivables coincides with their balance sheet valuation.

Maturity of tenant receivables	December 31, 2007	December 31, 2006
– up to 1 month	1,818	3,950
– between 1 and 3 months	292	339
– between 3 and twelve months	923	755
– more than 1 year	113	571
	3,146	5,615

12 Tax receivables *(x € 1,000)*

	December 31, 2007	December 31, 2006
Withholding tax	1,759	1,289
Dividend tax	2,598	–
Value added tax	8,064	–
Company tax	343	686
Total	12,764	1,975

The value added tax receivable relates primarily to the purchase of a retail- and leisure centre in Collaba Villalba, Spain. This amount is expected to be reimbursed mid-2008. Dividend tax receivable relate to dividends from group companies.

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

	December 31, 2007	December 31, 2006
Bank balances	14,427	16,234
Deposits	2,376	3,685
Total	16,803	19,919

14 Share capital *(number of shares)*

	Authorised share capital	Issued share capital
Ordinary shares		
Balance at January 1, 2006	40,000,000	20,781,735
Additions in 2006	–	–
Balance at December 31, 2006	40,000,000	20,781,735
Additions in 2007	–	–
Balance at December 31, 2007	40,000,000	20,781,735

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

	Authorised share capital	Issued share capital
Priority shares A		
Balance at January 1, 2006	10	10
Additions in 2006	–	–
Balance at December 31, 2006	10	10
Additions in 2007	–	–
Balance at December 31, 2007	10	10

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

The principal rights attached to the A priority shares are, in addition to entitlement to profit, the determination of the number of Managing Directors and Supervisory Directors of the company and the drawing up of a nomination for their appointment.

	Authorised share capital	Issued share capital
Priority shares B		
Balance at January 1, 2006	19,999,990	–
Additions in 2006	–	–
Balance at December 31, 2006	19,999,990	–
Additions in 2007	–	–
Balance at December 31, 2007	19,999,990	–

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

15 Share premium *(x € 1,000)*

Share premium is paid up share capital in excess of nominal value. The share premium is exempted from tax to the amount of € 741.4 mln (2006: € 741.4 mln).

	2007	**2006**
Balance at January 1	763,809	755,707
Additions	–	8,102
Balance at December 31	763,809	763,809

The addition in 2006 relates to the equity component of the convertible bond issue in 2006.

16 General reserve *(x € 1,000)*

	2007	**2006**
Balance at January 1	811,565	563,010
Profit	216,484	343,487
Dividend previous year	-/- 95,596	-/- 94,557
Other	-/- 296	-/- 375
At December 31	932,157	811,565

An amount of € 713.9 mln (2006: € 596.6 mln) is designated as a legal reserve, relating to the unrealised revaluation of investment properties, and can not be distributed.

17 Revaluation reserve

The revaluation reserve relates to the unrealised valuation results of financial assets available for sale. During 2007 there were no releases from the revaluation reserve into the profit and loss account.

18 Reserve for exchange rate differences

The exchange rate differences reserve comprises the exchange differences arising from the translation of the income statements of foreign subsidiaries denominated in USD, GBP and TRY as well as from the translation of liabilities and transactions designated as hedges for the exchange rate differences from the net investment in US, UK and Turkey based subsidiaries and the translation differences on results in foreign currencies (difference between year-end and average rates). The movements in the reserve for exchange rate differences are specified in the consolidated statement of movements in equity on page 42.

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

Composition	**December 31, 2007**	**December 31, 2006**
Long term		
Bank debts and private loans	295,935	251,084
Debentures	47,223	65,138
Convertible bond	192,748	190,500
	535,906	506,722
Short term		
Interest bearing debt	56,691	34,317
Total interest bearing liabilities	592,597	541,039

Loans to the amount of € 47.2 mln (2006: € 65.1 mln) have been secured by way of mortgage.

Movements in interest bearing debt

Including short term portion of long term debt

The movement is as follows:		**2007**		**2006**
Balance at January 1		541,039		630,100
Exchange rate differences		-/- 30,834		-/- 10,931
		510,205		619,169
New loans		262,446		293,621
Repayments		-/-182,591		-/-365,662
Cost amortisation		918		753
Equity component convertible bond	–		-/-8,102	
Interest addition equity component	1,619		1,260	
		1,619		-/- 6,842
Balance at December 31		592,597		541,039

Wereldhave has repurchased debentures for an amount of € 16.7 mln. This purchase accounted for under the repayments for an amount of € 12.6 mln. The remainder represents the premium above nominal value and other costs. The premium is accounted for as other financial income and expense in the indirect result (see note 33).

Convertible bond

The Group issued a 2.5% convertible bond at a total nominal value of € 200 million in 2006. The bonds mature in 2011, five years from the issue date at their nominal value of € 200 million or can be converted into shares at the holder's option at the rate of 97 euro per share for maximum 2,061,856 shares. The convertible bond is treated as a compound financial instrument.
The value of the liability component and the equity conversion component were determined at issuance of the bond. The fair value of the liability component included in long-term borrowings was calculated using a market interest rate for equivalent non-convertible bonds. This amount is set at initial value minus transaction costs and added interest directly attributable to the loan. Transaction costs are amortised over the term of the loan, until the moment of conversion or redemption of the loan. This amounted has been accounted for at initial value less attributable transaction cost and is amortised until conversion or repayment of the loan. The residual amount, representing the value of the equity conversion component, is included in the share premium.

Nominal value convertible bond	200,000
Equity component	-/- 8,102
Transaction costs	-/- 3,148
Interest bearing debt at initial entry	188,750
Interest addition	2,879
Valuation adjustment due to valuation at amortised costs	1,119
Interest bearing debt at December 31, 2007	192,748

In 2007 no convertible bonds have been converted.

Significant terms and conditions

Secured interest bearing liabilities consist of two GBP mortgage debentures from 1985 and 1987 until 2015. Unsecured interest bearing liabilities have financial covenants that include various clauses. As at December 31, 2007 Wereldhave complies with these clauses.

Maturity and interest rate sensitivity

The maturity of the nominal principal amounts of interest bearing debt is as follows:

	December 31, 2007	December 31, 2006
– up to 12 months	56,691	34,317
– between 1 and 2 years	–	45,501
– between 2 and 5 years	496,085	405,793
– more than 5 years	47,791	66,009
Total interest bearing debt	600,567	551,620

The difference between the sum of the nominal values and the balance sheet value of € 8.0 mln (2006: € 10.6 mln) is related to the equity component of the convertible bond for an amount of € 5.2 mln (2006: € 6.8 mln) and for an amount of € 2.8 mln (2006: € 3.8 mln) due to amortised cost.

Long term interest bearing debt as a percentage of total interest bearing debt:	90.4%	93.7%
Percentage of interest bearing debt at floating rates:	65.0%	54.0%

Average effective interest rate

The effective interest is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net book value of the financial asset or financial liability. Differences to the nominal interest rate may occur because of the amortization of interest charges of a loan over the remaining duration of the instrument, or as a consequence of the addition of interest to the equity component of the convertible bonds.

The average effective interest rate (in %) at the balance sheet dates is as follows:

	2007				2006			
	EUR	USD	GBP	total	EUR	USD	GBP	total
Short term interest bearing debt	5.6%	6.0%	–	5.7%	4.1%	5.7%	–	5.3%
Long term interest bearing debt								
– unsecured								
• convertible bonds	3.6%	–	–	3.6%	3.6%	–	–	3.6%
• bank debt and other loans	5.2%	5.7%	7.1%	5.7%	5.9%	5.8%	5.6%	5.8%
– secured								
• debentures	–	–	10.5%	10.5%	–	–	10.5%	10.5%
• interest rate swaps	–	–	–	–	–	–	-/-1.0%	-/-1.0%
Average	4.3%	5.7%	8.9%	5.4%	3.9%	5.8%	7.7%	5.4%

Market value

Book- and market value of interest bearing debts may differ as a result of accounting adjustments, such as amortised costs and the equity component of the convertible bond, or as a result of differences in coupon interest versus market interest. Such differences do not occur in the case of floating interest bearing debts.

The market value of long term interest bearing debts is, preferably, based on prices of these instruments available in the open market. In absence of these available market prices the market value is calculated as the present value of cash flows discounted with the relevant market interest percentages included a company specific surcharge. The market value of short term bearing interest debts is assumed to be equivalent to the book value.

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

	December 31, 2007		**December 31, 2006**	
	book value	fair value	book value	fair value
Bank debt and other loans	295,935	296,085	251,084	251,294
Debentures	47,223	62,397	65,138	87,253
Convertible bond	192,748	191,420	190,500	224,982
	535,906	549,902	506,722	563,529

Currencies

The book value of interest bearing debt of the group (short- and long term) are denominated in the following currencies:

	December 31, 2007		**December 31, 2006**	
	currency	EUR	currency	EUR
EUR	314,948	314,948	224,170	224,170
USD	281,000	190,884	257,000	195,141
GBP	63,634	86,765	81,740	121,728
		592,597		541,039

Hedges

Interest bearing debt instruments to the amount of nil (2006: € 25.4 mln) have been qualified as instruments of hedging net investments in foreign operations. Reference is made to note 21.

Financing arrangements

As at December 31, 2007, Wereldhave has unused committed loan facilities to the amount of € 305 mln (2006: € 153 mln).

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

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

	2007	**2006**
Balance at January 1	147,806	84,491
Exchange rate difference	-/- 4,816	-/- 1,745
	142,990	82,746
Movements taken to the result	22,199	65,060
Movements relate to indirect disposal investment properties	-/- 1,970	–
Balance at December 31	163,219	147,806

The movement of deferred tax liabilities is primarily the result of revaluations. When tax rates and tax facilities were used that are applicable to the sale of real estate, the amount would be € 15.4 mln (2006 € 18.4 mln) lower. This amount can be specified as follows:

	2007	2006
Adjustment for fiscal facilities and book values	3,984	3,848
Capital losses	3,946	7,758
Exemptions from capital gain tax	7,502	6,787
	15,432	18,393

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

	December 31, 2007	December 31, 2006
Leasehold liability	16,618	12,012
Pension plans	354	630
Tenants' deposits	3,739	3,677
Taxes payable	–	626
Other	3,091	3,197
Total	23,802	20,142

The increase of the leasehold liabilities mainly relate to the purchase of the office building in San Diego.

Leasehold liabilities

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

	December 31, 2007		December 31, 2006	
	nominal value	present value	nominal value	present value
– up to 1 year	1,083	1,083	845	845
– between 2 and 5 years	4,333	3,709	3,380	2,868
– more than 5 years	71,699	11,826	61,940	8,299
	77,115	16,618	66,165	12,012

Pension plans

The net liability from defined benefit plans in the United Kingdom and in Belgium is composed as follows:

	December 31, 2007	December 31, 2006
Benefits obligations	17,076	19,356
Fair value of plan assets	17,386	18,726
	-/- 310	630
Unrecognised gains (–)/losses	664	0
Net obligation	354	630

The movement of the net liability is as follows:

	2007	2006
Net liability at January 1	630	4,246
Exchange rate differences	-/- 44	86
Funding pension deficit	0	-/- 2,681
Employer contributions	-/- 269	-/- 360
Net movement	37	436
Actuarial gains (–)/losses	0	-/- 1,097
Net liability at December 31	354	630

The assumptions used:		
– discount rate obligations	5.80%	5.10%
– long term rate of return on plan assets	6.58%	6.58%
– rate of annual salary increases	3.40%	3.00%

The mortality rates used for the UK are obtained from the 1992 series of the tables applicable to current experience with allowance for medium cohort mortality improvements. For Belgium the mortality rates used are the MR/FR series. Reference is made to note 10 for employee benefits plans with a net asset.

22 Taxes

	December 31, 2007	December 31, 2006
Social security tax	541	392
Value added tax	1,915	1,901
Dividend tax	2,614	16
Exit tax	–	1,814
Company tax	561	1,563
Other	18	172
	5,649	5,858

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

The duration of short term liabilities is less than 12 months.

	December 31, 2007	December 31, 2006
Deferred income	16,844	18,127
Other short term liabilities	23,687	23,103
Total	40,531	41,230

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

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

Hedge of net investments in foreign subsidiaries

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

	December 31, 2007		December 31, 2006	
	assets	liabilities	assets	liabilities
Forward foreign exchange contracts	3,211	–	4,229	292
Loans	–	–	–	25,437
Total hedging instruments for net investment hedging	3,211	–	4,229	25,729

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.
At 2007 and 2006 year-end, all derivate financial instruments are non-current.

The notional amounts of outstanding forward exchange contracts at December 31, 2007, amounts to € 264.4 mln (2006: € 292.9 mln). Gains and losses on forward foreign exchange contracts, used for net investment hedging, have been recognised in the reserve for exchange rate differences.

In addition to the use of derivatives for net investment hedging in 2007 no loans in local currency qualify as net investment hedge. (2006: € 25.4 mln)

Net investment hedges

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

	December 31, 2007			December 31, 2006		
	USD	GBP	Total in €	USD	GBP	Total in €
Net investment in foreign subsidiaries before hedging	606,539	125,182	582,710	496,432	124,387	562,178
Hedging:						
– derivatives	238,701	75,000	264,413	238,701	75,000	292,936
– interest bearing debt	–	–	–	33,500	–	25,437
Net investment hedge	238,701	75,000	264,413	272,201	75,000	318,373
Net investment	367,838	50,182	318,297	224,231	49,387	243,805

Derivative financial instruments for interest conversion (swaps)

The fair value of interest rate swaps as at December 31, 2007, amount to € 4.2 mln (2006: € 4.8 mln). The notional principal amounts of the outstanding interest rate swaps at December, 31 2007 amounts to € 60 mln (2006: € 65.5 mln) and consists of GBP denominated interest rate swaps. This amount is considered to be of a long term nature.

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

	December 31, 2007	December 31, 2006
– up to one year	–	–
– between 2 and 5 years	–	–
– more than 5 years	59,995	65,525
Total	59,995	65,525

The derivative financial instruments for interest conversion are accounted for as financial assets at fair value through profit and loss. During 2007 an amount of € 0.2 mln has been added to the valuation results (2006: € 4.3 mln) relating to these financial assets. In addition, an amount of € 0.4 mln has been added to the interest cost (2006: € 1.0 mln).

Credit risk

During 2007 the market value of the interest swaps has changed as a result of movement in underlying interest rates. The full value of the derivative financial instruments is exposed to credit risk and is not mitigated by other instruments. The creditworthiness of the counter parties is based on Fitch ratings and is presented as follows:

	2007		2006	
Derivative financial instrument	**Counter party credit risk**	**Amount (€ x 1,000)**	**Counter party credit risk**	**Amount (€ x 1,000)**
Forward foreign exchange contracts	F1 / F1+	3,211	F1 / F1+	4,229
Derivative financial instruments for interest conversion (swaps)	AA– / AA+	4,259	AA– / AA+	4,823

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

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

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

On balance financial assets and liabilities

December 31, 2007	Loans and receivables	Fair value through P&L	Hedging derivatives	Available for sale	Total	Note
Assets						
Financial assets	4,331	4,259	3,211	9,986	21,787	9
Trade and other receivables	10,840	–	–	–	10,840	11
Tax receivables	12,764	–	–	–	12,764	12
Cash and cash equivalents	16,803	–	–	–	16,803	13
	44,738	4,259	3,211	9,986	62,194	

	Hedging derivatives	Other financial liabilities	Total	Note
Liabilities				
Interest bearing debts	–	592,597	592,597	19
Creditors	–	4,229	4,229	
Taxes payable		5,649	5,649	22
Trade and other payables	–	40,531	40,531	23
	–	643,006	643,006	

December 31, 2006	Loans and receivables	Fair value through P&L	Hedging derivatives	Available for sale	Total	Note
Assets						
Financial assets	4,625	4,823	4,229	8,936	22,613	9
Trade and other receivables	17,294	–	–	–	17,294	11
Tax receivables	1,975	–	–	–	1,975	12
Cash and cash equivalents	19,919	–	–	–	19,919	13
	43,813	4,823	4,229	8,936	61,801	

	Hedging derivatives	Other financial liabilities	Total	Note
Liabilities				
Interest bearing debts	–	541,039	541,039	19
Creditors	–	3,893	3,893	
Taxes payable	–	5,858	5,858	22
Trade and other payables	292	40,938	41,230	23
	292	591,728	592,020	

Fair values of financial assets and liabilties have been included in the separate notes, unless they are equal to the carrying amounts.

If applicable specific risks of financial assets and liabilities are commented in the related notes. General financial risks have been commented in note 41.

Off balance assets and liabilities

The Group has provided guarantees to third parties to the amount of € 17.1 mln (2006: € 17.2 mln). The Group has capital commitments in the amount of € 13.9 mln (2006: € 13.7 mln). Further the Group has committed credit facilities to the amount of € 569 mln (2006: € 384 mln).

26 Gross rental income *(x € 1,000)*

Spaces are leased out under leases of various expiry terms. Rent indexation is agreed in countries where indexation is usual or legally permitted. The leases specify the rent, the other rights and obligations of the lessor and the lessee, including notice and renewal options as well as service and operating costs changes. Service and operating costs paid and received, as well as amounts paid by tenants as an one-off payment at early termination of a lease made are not included in gross rental income. Rent loss as a result of vacancy, expressed as a percentage of theoretical rent amounted to 6.03% in 2007 (2006: 6.54%).

The future aggregate contractual rent for the next five years from leases as at December 31, 2007 is shown in the following table (turnover leases are accounted for at the minimum rent):

	2007	**2006**
– up to 1 year	157,426	160,040
– between 2 and 5 years	362,831	359,084
– more than 5 years	82,922	79,351
Total	603,179	598,475

27 Property expenses *(x € 1,000)*

	2007	**2006**
Property maintenance	2,982	2,933
Property taxes	2,532	2,667
Insurance premiums	675	692
Property management	2,080	2,237
Leasing expenses	3,591	3,391
Other operating costs	1,102	927
Total	12,962	12,847

Impairments of € 0.5 mln relate to debtors (2006: € 0.2 mln). These costs are accounted for in the other operating costs.

28 Valuation results *(x € 1,000)*

	2007		2006	
Investment properties				
Valuation gains	142,108		270,426	
Valuation losses	-/- 12,898		–	
		129,210		270,426
Financial instruments				
Valuation gains	–		–	
Valuation losses	-/- 167		-/- 4,284	
		-/- 167		-/- 4,284
Total		129,043		266,142

29 Results on disposals *(x € 1,000)*

	2007		2006	
Properties				
Proceeds from sales, gross	134,809		172,517	
Selling costs	-/- 4,459		-/- 1,468	
Proceeds from sales, net		130,350		171,049
Book value investment properties	-/- 115,397		-/- 130,881	
Book value lease incentives	-/- 2,775		-/- 249	
		-/- 118,172		-/- 131,130
Result on direct sales of properties		12,178		39,919
Result on indirect sales of properties		5,194		–
		17,372		39,919

Gross proceeds from indirect sales of properties amounts to € 19.5 mln.

30 General costs *(x € 1,000)*

	2007		2006	
Salaries and social security contributions	8,635		8,976	
Pension costs	1,278		1,377	
Audit fees	513		607	
Advisory fees	790		711	
Office costs	3,248		3,580	
Other general costs	3,929		3,344	
		18,393		18,595
Allocated to property expenses/service and operational costs	-/- 3,698		-/- 3,804	
Allocated to investments and disposals	-/- 562		-/- 789	
		-/- 4,260		-/- 4,593
Total		14,133		14,002

Pension costs

Pension costs consists of premiums relating to the employee pension plan. The actual employer contributions for the defined benefit plan amount to € 888,000 (2006: € 1,016,000) and for defined contribution plans to € 390,000 (2006: € 360,000).

Employees

During the year 2007 an average of 101 persons (2006: 99) were employed by the Group, of which 43 in The Netherlands and 58 abroad.

The profit share, paid to employees, is based on four indicators. These are the occupancy rate, property expenses, general costs and the size of the portfolio. For each indicator, a target has been set. The score against the target determines the final result. The maximum profit share is a one month's salary.

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

Supervisory Board	2007	2006
C.J. de Swart	41	40
F.Th.J. Arp	27	27
P.H.J. Essers	27	27
J. Krant	27	27
Total	122	121

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

Board of management

	salary	short term bonus	single bonus	pension-costs	social charges	total
2007						
G.C.J. Verweij	339	69	–	86	7	501
J. Buijs	243	49	–	61	13	366
Total	582	118	–	147	20	867

	salary	short term bonus	single bonus	pension-costs	social charges	total
2006						
G.C.J. Verweij	336	108	22	84	9	559
J. Buijs*	163	71	–	41	10	285
Total	499	179	22	125	19	844

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

* Mr Buijs joined the Board of Management as per the end of March 2006.

The short-term bonus that may be awarded on the basis of an average-to-high performance level (the so-called 'at target' level) can add up to 33% of the annual salary. The bonus granted on the basis of an outstanding performance level may increase to 1.5 times the 'at target' level. The short-term bonus depends for 70% on the annual profit objectives and for 30% on objectives that may be readily assessed on an individual basis.
The 'at target' level of the long-term bonus is equivalent to 33% of the annual income and will be allocated in cash after a period of three years. The bonus granted on the basis of an outstanding performance level may also increase to 1.5 times the 'at target' level. Of the long-term bonus, 70% is based on strategic objectives and 30% on long-term personal targets. Calculated at December 31, 2007 as closing date, the long term bonus would amount to € 44,779 for Mr Buijs. A long term bonus for Mr Verweij of € 52,325, will be paid in 2008.

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

	2007	2006
Premium for surrender of lease contracts	2,247	585
Service costs management fee and other	2,884	3,311
Total	5,131	3,896

The premium for surrender of lease contracts in 2007 relates primarily to the surrender of a lease contract on a business park Ypenburg, The Hague. The item service costs management fee and other refers to revenues that are not rent and premiums for the surrender of lease contracts.

32 Interest *(x € 1,000)*

	2007	2006
Direct result		
Interest received	5,265	5,671
Capitalised interest	2,446	1,803
	7,711	7,474
Interest paid	-/- 33,673	-/- 29,911
	-/- 25,962	-/- 22,437
Indirect result		
Interest addition convertible bonds	-/- 1,619	-/- 1,260
Total	-/- 27,581	-/- 23,697

Capitalised interest in connection with developments is based on money market interest rates which are relevant for Wereldhave. During 2007, the range of average interest rates used was 4.2% - 6.7% (2006: 3.6% - 6.6%).

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

	2007		2006	
Direct result				
Interest addition leasehold liabilities	-/- 828		-/- 830	
Amortised costs loans	-/- 781		-/- 754	
Dividend received	661		494	
Other	-/- 247		-/- 251	
		-/- 1,195		-/- 1,341
Indirect result				
Exchange rate differences	3,743		792	
Movement in pension liabilities	89		1,614	
Repayment premium debentures	-/- 4,372		–	
Other	–		1,004	
		-/- 540		3,410
Total		-/- 1,735		2,069

Costs related to fees paid for undrawn parts of committed financing facilities amounted to € 0.2 mln (2006: € 0.2 mln). For the repayment premium debentures reference is made to note 19. Exchange rate differences refer to exchange differences on directly held assets and liabilities in foreign currency.

34 Taxes on result *(x € 1,000)*

	2007	2006
Profit before tax	255,556	425,571
Deduct: tax-exempt income based on fiscal status and fiscal adjustments	-/- 182,270	-/- 216,719
Taxable profit	73,286	208,852
Taxes on direct result	3,330	4,035
Taxes on indirect result	22,578	64,027
Total taxes	25,908	68,062
Weighted average tax rate	10.1%	16.0%

The change of the weighted average tax rate is related to:

- a one-off charge of € 18.1 mln in 2006 related to the non application of tax rates and facilities that are applicable in the event of sale. Excluding the impact of these fiscal facilities, the weighted average tax rate for 2006 amounts to 11.7%;
- relatively more positive revaluations in 2007 than in 2006 in non taxable countries;
- changes of tax rates in 2007 with a negative impact on the tax amount of € 2.6 mln (2006: € 0.4 mln);
- compensation of results on disposal of properties with negative capital results from previous years. These negative capital results were not capitalised in the past.

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

Number of shares

The 2006 convertible bond is exchangeable into shares of Wereldhave NV at a conversion rate of € 97 per share. The movement of the number of shares upon full conversion of the convertible bonds is as follows:

Number of shares at December 31, 2007	20,781,735
Add: maximum convertible shares	2,061,856
Maximum number of shares after conversion	22,843,591

Calculation method

The results per share are calculated based on the total profit after tax, attributable to holders of ordinary shares, and the average number of ordinary shares in issue during the year. Net asset value per share is calculated based on equity as presented in the balance sheet as at December 31 and the number of shares in issue as at that date. The diluted result per share upon full conversion is calculated, based on the total profit after tax, adjusted for costs relating to the convertible bonds that are charged to the direct result, and the average number of ordinary shares during the year, including the maximum number of shares that could be converted during the year.

	2007	2006
Result per share	10.42	16.53
Add: costs and interest relating to the convertible bond, charged to the direct result	0.35	0.27
Result per share, excluding costs of the convertible bonds	10.77	16.80
Diluted result per share	9.79	15.60

EPRA

For information purposes the amounts per share are shown as calculated according to the recommendations of the European Public Real Estate Association (EPRA). This note is not mandatory under IFRS.

In order to calculate the EPRA diluted net asset value per share, the diluted net asset value is adjusted for the difference between the fair value and the balance sheet value of loans. The adjustment for deferred tax obligations relates to the taking into account of tax rates and allowances which are applicable on the disposal of properties. These effects are ignored under IFRS.

	December 31, 2007	December 31, 2006
EPRA profit per share (equals direct result per share)	4.88	5.14
Add: costs and interest relating to the convertible bond, charged to the direct result	0.27	0.21
Result per share excluding costs of the convertible bonds	5.15	5.35
Effect of conversion of convertible bond	-/- 0.46	-/- 0.38
EPRA diluted profit per share	4.69	4.97

	2007	2006
Equity component per share	89.02	85.47
Effect of conversion of convertible bond	0.41	0.62
Diluted net asset value per share upon full conversion	89.43	86.09
Adjustment to value loans	-/- 0.61	-/- 2.49
Adjustments deferred taxes	0.68	0.81
EPRA net asset value per share upon full conversion	89.50	84.41

36 Dividend

The Board of Management proposes a dividend per ordinary share of € 4.65 (2006: € 4.60), totalling to € 96.6 mln (2006: € 95.6 mln).

37 Expense ratio

The expense ratio for the year 2007, based on the Act on Financial Supervision, amounts to 1.75% (2006: 1.84%).
The percentage is calculated as the quotient of property expenses, general costs and the average of shareholders' equity at the beginning and the end of the year and the end of each quarter in between.

38 Events after balance sheet date

No material events took place after balance sheet date.

39 Estimates in the accounts

The assets of the Company and its subsidiaries mainly consist of the property portfolio. The market value of these assets can not be assessed using official quotations or listings. The value of the assets is based on the Company policy for the valuation of property (valuation method) and on the estimates from internal and external experts regarding some elements needed to value property. These elements mainly consist of the yield for the property, the market rent for surfaces to be let and the expenditures that are needed to maintain the property in the condition on which market rents are based. Furthermore, estimates have been applied for the measurement of derivative financial instruments and the recognition of deferred liabilities or claims.

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates whether taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liabilities in the period in which such determination is made.

40 Related parties

The subsidiaries and the pension fund Wereldhave are considered to be related parties. The members of the Supervisory Board and of the Board of Management had no personal interest in any of the company's investments during the year. For information about the directors' remuneration reference is made to note 30. The Company has no knowledge of any transactions having taken place in the year under review between the Company and persons or institutions which can be considered to stand in a direct relationship to the Company.

41 Risks

Wereldhave recognises business, financial, operational and strategic risks. Below mentioned risks are consistent with internally recognized risks of Wereldhave's activities by its management.

Business risks

These comprise the risks that Wereldhave considers that it incurs as part of its ordinary business operations, in particular on the field of rental market developments and the developments in the value of property.

The development in the rental market, such as loss of rental income owing to vacancy, lettability and market changes are closely followed. An 0.5% change of the occupancy rate has an impact of € 0.9 mln on direct result. As a consequence the direct result would change by € 0.04 per share. The risk of a decrease in value of property relates to its negative impact on Wereldhave's capital position. The market value is calculated at the end of every quarter and assessed once a year for each property by external advisors. If the net initial yield would increase by 0.25% the net asset value would decrease by approximately € 94 mln (€ 4.50 per share).

The risk of the technical condition of the buildings relates to the whole of partial loss of buildings, the risk of hidden shortcomings and the risk of soil pollution. Wereldhave's property is covered by buildings insurance with umbrella coverage. Terrorism has been excluded from coverage by the insurers, with the exception of the UK, where terrorism is covered. Any costs by soil pollution are recovered from the tenant if at all possible. If it becomes apparent that the soil or groundwater is polluted, land will not be purchased, or only after the soil has been thoroughly decontaminated (at the seller's expense).

Technological developments may cause property to become obsolete before its time, which will have a negative effect on the lettability and the value of the property. Wereldhave's knowledge center for technological developments reports regularly on these matters to the Board of Management.

In the countries in which Wereldhave operates and owns investments, it is subject to local, regional and national regulations. Wereldhave's local management companies offer early access to relevant information on proposed or actual changes to laws or regulations. An internal compliance officer is charged with supervision on compliance with regulations.

The internal administrative organisation and internal control, as well as the financial system and its planning. have specifically been developed to comply with all legal and regulatory requirements regarding the timing and contents of the financial and non financial information.

The tenant performance risk consists of the risk of rents not being paid and the possibilities for recovering damages to leased property at the end of the lease. Prospective tenants are examined for their creditworthiness and reliability. Wereldhave's tenancy agreements stipulate payment guarantees. The local management companies submit monthly statements of debtors, which are used to detect arrears in payments. Wereldhave has a strict debt management and collection policy.

The supplier performance risk relates to the risk of the non-fulfillment of outsourced activities. Wereldhave's model agreements include extensive warranty and completion clauses.

Financial risks

These risks contain not only economic risks such as interest rate developments, foreign currency developments and inflation but also refinancing risks, risks related to financial transactions and credit risk.

The *market risk* can be devided in interest risk and currency risk.

Changes in interest rates may affect the results, the yield and the value of the property. The interest rate policy is determined by the Board of management based on parameters. Wereldhave has options for interest rate consolidation, which will be used as soon as interest rates show a clear upward trend.

Wereldhave strives to a long term percentage of fixed rated financing of 50% or more with regard to the total interest bearing debt.

When the money market interest rates change by 0.5%, direct result will change with € 1.9 mln (2006: € 1.5 mln). This would result in a change of direct result per share of € 0.09 (2006: € 0.07).

The Treasury department monitors periodically the debt covenants.

Wereldhave owns property investments in USD and GBP areas. Lower exchange rates of GBP and USD compared to the Euro could have a negative impact on the results and on the value of the property investments. The hedging policy is determined using the forecasted rates (parameters). Foreign currency developments are continually monitored. The risks of lower exchange rates on results are not covered. The guideline for covering the USD and GBP risk for the portfolio is a covering percentage of 70%, allowing for deviations from 50% to 90%.

When the average exchange rates for USD or GBP change by 5% in respect of the EUR, the direct result will change with € 1.3 mln (2006: € 1.7 mln). This would result in a change of direct result per share of € 0.06 (2006: € 0.08). A 5% change of the year-end exchange rates would have a € 1.55 impact on the net asset value per share.

The rate of inflation is one of the parameters established by the Board of Management and is used in determining its policy. Information on the actual inflation figures is included in the monthly management reports.

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

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

Credit risk is the risk of default of a contracting party on payments to Wereldhave. If 1% of debtors would default in payment, this would impact direct results by € 0.3 mln (2006: € 0.6 mln). As a result of such default, direct result per share would change by € 0.01 (2006: € 0.03). Wereldhave monitors this risk via management reports on a monthly basis and determines the adequacy of the provision for doubtfull debtors.

Operational risks

These risks originate from the fact that a business is a collaborative venture between people, in which fallability and vulnerability cannot be excluded from the processes. The risks related to people can be broken into continuity and conduct. Succession for positions that are scheduled to become vacant within 5 years owing to retirement is considered in the annual business plan.

The conduct risks concern primarily errors, fraud, embezzlement etc. Wereldhave has designed and implemented its own specific accounting organisation with internal controls built in. The business processes and connected controls have been described and approved by the Board of Management and are detailed in job descriptions for each job.

The accounting system and its related internal controls are based on the greatest possible separation of jobs, and includes an automated information system whose access is based on the job descriptions referred to above. It is based on a strict separation of investment and management positions and accounting and payment positions. The Board of Management's external power of authorisation is unlimited and independent, except for investments above € 50 million. Other holders of powers of attorney are only jointly authorised and within certain limits. Internally, a principle of two signatures and four eyes applies in all instances. In 2003 The Board of Management adopted a Code of Conduct, laying down the principles for conducting business and for behaviour of the Company's Board and employees. In December 2003, regulations for "notification of abuse" were adopted. These regualtions contain procedures for employees to properly and safely report any suspicions the may have of abuse within the Group.

With respect to the risk of unsufficient availability and reliability of the information system, Wereldhave has its own Information Systems Department. Back-ups are made on the data files on a daily basis. These back-up files are stored every week in a safe. An agreement has been concluded with IBM for back-up systems.

Strategic risks
These risks are attached to the Company's strategic choices. Wereldhave distinguishes the risk of the loss of the status of a fiscal collective investment scheme under section 28 of the Dutch Corporation Tax Act and the risk of entry into new countries.
To maintain the special fiscal status, certain legal conditions must be met. Retention of the tax status is a matter of continuous attention for the Board of Management. The distribution requirements and the fiscal financing limits are discussed regularly and specifically, when entering into refinancing arrangements or drafting a dividend proposal. During 2007 Wereldhave met all requirements with regard to the status of a fiscal collective investment scheme.

Changing the geographical spread by entering into new countries in which Wereldhave has not previously deployed activities, is subject to risks. Being able to call on a local management company is a prerequisite for entering into new countries, to be closely connected to local legislation and culture. Wereldhave's local management companies employ staff from the respective countries, who are integrated within the local culture and are directly involved with Wereldhave's results.

42 Claims

In November 1996 the Belgian subsidiary N.V. VastgoedMaatschappij België (VMB) received a tax assessment to the amount of BEF 1.4 bln (€ 35.9 mln). This assessment relates to the split-up of M.L.O. Ltd in N.V. M.L.O. and N.V. Seceurimmo invest, followed by the disposal of property by the new owned and the sale of the company as a cash company. The Belgian tax administration does not accept the split-up and claims that these transactions should be considered as a hidden distribution of dividends to the shareholders. In 1999, the Belgian tax administration filed a second assessment to the amount of BEF 0.6 bln (€ 15.0 mln). This supplementary assessment, which is based on the first assessment, relates to withholding tax. This assessment is secured, for preservation purposes, by a legal mortgage imposed by the Belgian tax administration on four properties.
The market value of these properties amounted to € 66.9 mln at December 31, 2007 (2006: € 66.7 mln). Wereldhave maintains that the tax claims are not justified and has filed objections against these claims.

In 1999, judicial proceedings were started against Wereldhave Belgium, relating to the sale of a cash-company in 1993. The Chamber of the Court has referred the legal proceeding against Wereldhave Belgium for treatment in first instance. Wereldhave Belgium has made appeal against this decision. A date for the treatment of appeal has not been determined yet. Wereldhave Belgium is convinced that they have met all relevant law and regulations.

Company balance sheet at December 31, 2007

(amounts x € 1,000)

Assets	**Notes**	**December 31, 2007**		**December 31, 2006**	
Investments					
Property investments	2	397,090		364,522	
Investments in group companies	3	1,335,927		1,323,079	
Other investments	4	470,072		514,271	
			2,203,089		2,201,872
Receivables	5				
Receivables on subsidiaries		15,267		3,317	
Tax receivables		2,969		361	
Accruals		1,614		2,230	
Other receivables		4,664		5,112	
			24,514		11,020
Other assets					
Property & Equipment		4,360		4,333	
Cash and bank		17		3,011	
			4,377		7,344
			2,231,980		2,220,236
Equity and liabilities					
Equity	6				
Share capital		207,817		207,817	
Share premium		763,809		763,809	
General reserve		219,568		216,833	
Revaluation reserve		713,876		596,607	
Reserve for exchange rate differences		-/- 55,005		-/- 9,060	
			1,850,065		1,776,006
Long term liabilities					
Loans	7	192,748		298,992	
Other debt	8	10,279		10,291	
			203,027		309,283
Short term liabilities	9		178,888		134,947
			2,231,980		2,220,236

Company income statement for 2007

(amounts x € 1,000)

		2007	**2006**
Result form group companies after tax	3	145,255	294,228
Other gains and losses after tax		71,230	49,259
Profit		216,485	343,487

Notes to the company balance sheet and income statement

1 General

1.1 Priciples for the presentation of the company accounts

The company accounts have been made up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code. Use has been made of the option provided by article 2:362 paragraph 8 of the Civil Code to apply the same principles for determining profit and loss and balance sheet items (including the principles of accounting for financial instruments under shareholders' equity or interest bearing liabilities) as are applied in the consolidated accounts. Reference is made to the notes to the consolidated financial statements.

The annual accounts have been prepared before distribution of profit with the exception of those parts for which the distribution is determined by law.

1.2 Investments in group companies

Investments in group companies and other entities in which the Group either exercises voting control or effective management responsibility are valued at net asset value. The initial processing in the accounts and valuations at balance sheet dates is made at the net asset value. The value is adjusted with the share of the Company in the results of the subsidiary, based on the principles for determining results as applied in the consolidated accounts and with the share in the other movements in equity of the subsidiary as from the date of acquisition, which are attributable to the Company. The net asset value is determined by valuing assets, provisions and liabilities and by determining results according to the principles which have been used in the consolidated accounts.

2 Investment properties *(x € 1,000)*

	2007	2006
Balance at January 1	364,522	339,900
Investments	3,668	5,440
Disposals	-/- 7,950	-/- 5,825
Revaluation	36,850	25,007
Balance at December 31	397,090	364,522

The investment properties are all owned by Group legal entities for the purpose of earning rental income or capital appreciation. Group companies do not utilize these properties to produce goods or services or for any other corporate purpose. The fair value of investment properties is assessed four times per year. External valuers assess the portfolio twice per year. When assessing the fair value, the size, nature and use of the property is taken into account.
The following amounts were charged to the profit and loss account in respect of the investment properties:

	2007	2006
Rental income	27,334	26,961
Property expenses relating to income generating investments	-/- 3,475	-/- 3,563
Property expenses relating to non-income generating investments	-/- 12	-/- 34

3 Investments in group companies *(x € 1,000)*

Movements are as follows:	2007	2006
Balance at January 1	1,323,079	1,020,204
Exchange rate differences	-/- 66,074	-/- 24,095
Investments	–	89,380
Revaluation of financial assets held for sale	-/- 589	348
Withholding tax not recoverable	-/- 377	-/- 375
Result group companies	145,255	294,228
Dividends	-/- 65,367	-/- 56,611
Balance at December 31	1,335,927	1,323,079

List of group companies

At December 31, 2007, the Company had direct shareholdings in the following companies:

	Shareholding (%)
C.V.A. Belgium S.C.A. *)	37,99
Wereldhave Finland Oy	100
Kleber Investissements S.A.S.	100
Clichy Investissements S.A.S.	100
Plaine Investissements S.A.S.	100
Bollaert Investissements S.A.S.	100
Marine de Dunkerque S.A.S.	100
N.V. Wereldhave International	100
Wereldhave Management Holding B.V.	100
West World Holding N.V.	100
Relovast B.V.	100
Espamad S.L.	100
Wereldhave U.K. Holdings Ltd.	100

**) Including direct holdings 68.2%*

4 Other investments *(x € 1,000)*

	Receivables from group companies	Other financial assets	Total
Balance at December 31, 2005	485,721	11,016	496,737
Change in accounting policy	–	-/- 203	-/- 203
Balance at January 1, 2006	485,721	10,813	496,534
Exchange rate differences	-/- 7,370	–	-/- 7,370
Investments	195,243	–	195,243
Disinvestments	-/-166,795	-/- 3,341	-/-170,136
Balance at December 31, 2006	506,799	7,472	514,271
Exchange rate differences	-/- 5,232	–	-/- 5,232
Investments	137,718	–	137,718
Disinvestments	-/-175,952	-/- 733	-/-176,685
Balance at December 31, 2007	463,333	6,739	470,072

With regard to the change in accounting policy we refer to note 3.1 and 10 of the consolidated accounts.
The fair value of the other investments coinsides with the balance sheet valuation.

5 Receivables *(x € 1,000)*

The receivables are due in less than one year. The fair value of the receivables coinsides with the balance sheet valuation.

6 Equity

Share capital
The share capital of the company (excluding preference shares, see note 8) at December 31, 2007 amounted to € 400,000,000 dividend over 40,000,000 ordinary shares of € 10 and 20,000,000 priority shares of € 9.08 each.
The issued and paid up share capital amounts to € 207,817,350, formed by 20,781,735 ordinary shares of € 10 each.

During 2007, there have been no changes in share capital. In accordance with the IFRS principles for accounting the preference share capital is treated as long-term interest bearing liabilities.

The movements in equity during 2006 and 2007 were as follows (amounts x € 1,000) **):

	Share capital	Share premium reserve	General reserve	Property revaluation reserve*)	Revaluation reserve subsidiaries*)	Reserve for exchange rate differences*)	Total
Balance at December 31, 2005	207,817	755,707	207,353	83,439	273,948	13,898	1,542,162
Change in accounting policies	–	–	-/- 203	–	–	–	-/- 203
Balance at December 31, 2005	207,817	755,707	207,150	83,439	273,948	13,898	1,541,959
Exchange rate differences of foreign participations	–	–	–	–	–	-/- 22,958	-/- 22,958
Movement in reserves	–	–	-/- 375	–	348	–	-/- 27
Equity component convertible bond	–	8,102	–	–	–	–	8,102
Revaluation realised	–	–	11,653	–	-/- 11,653	–	–
Dividend payment over 2005	–	–	-/- 94,557	–	–	–	-/- 94,557
Profit for the year **)	–	–	92,962	23,598	226,927	–	343,487
Balance at December 31, 2006	207,817	763,809	216,833	107,037	489,570	-/- 9,060	1,776,006
Exchange rate differences of foreign participations	–	–	–	–	–	-/- 45,945	-/- 45,945
Movement in reserves	–	–	-/- 296	–	-/- 589	–	-/- 885
Equity component convertible bond	–	–	–	–	–	–	–
Revaluation realised	–	–	7,600	-/- 1,296	-/- 6,304	–	–
Dividend payment over 2006	–	–	-/- 95,596	–	–	–	-/- 95,596
Profit for the year **)	–	–	91,027	37,442	88,016	–	216,485
Balance at December 31, 2007	207,817	763,809	219,568	143,183	570,693	-/- 55,005	1,850,065

*) *Legal reserve*

**) *The annual accounts have been prepared before distribution of profit with the exception of those parts for which the distribution is determined by law.*

Share premium

Share premium is paid up share capital in excess of nominal value. The share premium is exempted from tax to the amount of € 741.4 mln (2006: € 741.4 mln).

General reserve

Allocation of profit over 2006

The General Meeting of Shareholders on March 31, 2007 determined the following allocation of the profit over 2006 (amounts x € 1,000):

Distributed to holders of ordinary shares	95,596
Added to:	
– Propery revaluation reserve	23,598
– Revaluation reserve participations	226,927
– General reserve	-/- 2,634
Result after tax	343,487

Change in accounting principal

With regard to the change in accounting principal reference is made to notes 3.1 and 10 of the consolidated accounts.

Dividend 2007
The proposed dividend amounts to € 4.65 per ordinary share, totalling to € 96.6 mln.

The preferred dividend of 5.533% (2006: 4.335%) is included in the income statement under (interest) costs, in line with the accounting principles for valuation and determining the results.

Property revaluation reserve
Revaluation reserves are maintained with respect to the following unrealized profits on revaluation:
– Revaluations of assets, changes in the value of which are accounted for in the profit and loss account;
– Revaluations of assets which are taken directly to shareholders' equity.

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

7 Loans *(x € 1,000)*

	December 31, 2007				December 31, 2006
	Maturity 1 – 2 year	Maturity 2 – 5 year	Maturity > 5 year	Total	Total
Debts to group companies	–	–	–	–	83,492
Convertible bond	–	192,748	–	192,748	190,500
Debt to financial institutions	–	–	–	–	25,000
Total	–	192,748	–	192,748	298,992

Capital repayments due within 12 months from the end of the financial year are included under short-term interest bearing liabilities. With regard to the conversion terms of the convertible bond reference is made to the notes of the consolidated accounts.

Average effective interest

	2007			2006		
	EUR	GBP	total	EUR	GBP	total
Short term interest bearing deb	5.88%	–	5.88%	4.10%	–	4.10%
Long term interest bearing debt						
– unsecured						
• Debts to subsidiaries	–	–	–	4.15%	–	4.15%
• Convertible bond	3.60%	–	3.60%	3.60%	–	3.60%
• Bank debts and other loans	–	–	–	5.88%	–	5.88%
– secured						
• Interest rate swaps	–	–	–	–	-/- 1.00%	-/- 1.00%
Average	3.86%	–	3.86%	3.96%	-/- 1.00%	3.17%

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

Market value

The book value and the market value of long term interst bearing debts is as follows:

	December 31, 2007		December 31, 2006	
	book value	market value	book value	market value
Debt to group companies	–	–	83,492	83,492
Bank debts and other loans	–	–	25,000	25,000
Convertible bond	192,748	191,420	190,500	224,982
	192,748	191,420	298,992	333,474

Currencies

All interest bearing liabilities are denominated in euros, except for a loan of GBP 11,538,474 (€ 17,183,130).

8 Other debt *(x € 1,000)*

	December 31, 2007	December 31, 2006
Preference shares	6,841	6,855
Received deposits	33	31
Leasehold liabilities	3,405	3,405
	10,279	10,291

Preference shares

The preference shares are classified as long-term debt in accordance with the principles applied in the consolidated accounts. The authorised capital with regard to preference shares amounts to € 181,600,000 and is divided over 20,000,000 shares with a par value of € 9.08. The number of preference shares amounts to 1,500,000 on which 25% has been paid. There have been no changes during 2006 and 2007 in the number of shares. Separate from voting rights, preference shares are also entitled to a preferred dividend from the profit.

9 Short term debt *(x € 1,000)*

	December 31, 2007	December 31, 2006
Debt to financial institutions	103,511	73,423
Short term portion of long term debt	24,850	39,924
Creditors	323	1,372
Debt to group companies	42,771	12,718
Taxes on profit	90	138
Dividend preference shares	190	149
Other debts	7,153	7,223
	178,888	134,947

10 Staff

During 2007 the legal entity employed an average of 2 persons (2006: 2).

11 Management and members of the Supervisory Board

For the remuneration of the members of the Board of Management and Supervisory Board reference is made to the notes to the consolidated annual account.

12 Related parties

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

13 Contingencies

The company has given guarantees to third parties for group companies totalling € 366.1 mln (2006: € 278.0 mln). Capital commitments amount to € 0.4 mln as per December 31, 2007 (2006: € 1.5 mln).

The Hague, February 21, 2008

Supervisory Board
C.J. de Swart
J. Krant
F.Th.J. Arp
P.H.J. Essers

Board of Management
G.C.J. Verweij
J. Buijs

Rules for the distribution of profits are set out in Article 25 of the Company's Articles of Association. The preference shareholders have a first call on profits in the form of a dividend distribution on the paid-up nominal share value at a percentage rate equal to the twelve-month money market rate (European Interbank Offered Rates), valid for the first exchange day of the financial year concerned plus a surcharge of 1.5%, or so much less as is available from the distributable profit. Holders of 'A' priority shares are entitled to a dividend distribution at a 5% rate on the paid-up nominal share value from the remainder. Distribution of the balance then outstanding is determined by the Annual General Meeting of Shareholders.

Proposed distribution of profits

In addition to the statutory cash dividend of 5.530% on the preference shares in issue and 5% on the priority 'A' shares in issue, it is proposed to distribute to holders of ordinary shares a dividend of € 4.65 in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax.

(amounts x € 1 mln)	**2007**	**2006**
Profit	216.5	343.5
Payment to holders of ordinary shares	96.6	95.6
Added to:		
• Property revaluation reserve	37.4	23.6
• Revaluations reserve participations	88.0	226.9
Drawn from General Reserve	-/- 5.5	-/- 2.6
	216.5	343.5

Corporate Governance

Wereldhave attaches great importance to achieving a balance between the interests of the providers of risk-bearing capital and those of other stakeholders in the company. Matters such as openness, the adequate provision of forward-looking information and business ethics form a part of this philosophy. The company's business ethics are embedded in the Business Principles and the Code of Conduct for employees which were adopted by the Board of Management in May 2003 and are published on our website www.wereldhave.com. The recommendations of the Tabaksblat Committee were implemented early in 2004. The Annual Meeting of Shareholders granted its approval to the implementation of the Tabaksblat recommendations on March 24, 2004. The statutory possibility of binding nominations will then remain the only deviation from the Code.

Board of Management

The Board of Management is appointed and dismissed by the Annual General Meeting of Shareholders, from a nomination to be drawn up by the Meeting of Holders of Priority Shares. At the General Meeting of Shareholders on March 30, 2006, the members of the Board of Management have been appointed for a period of four years. The agreements contain a break option with a maximum termination fee of one year's salary. A resolution by the General Meeting of Shareholders to dismiss or suspend a Managing Director, other than with the consent of the Meeting of Holders of Priority Shares, can only be passed with two thirds of the votes cast, representing more than half the issued capital. The system of nominations deviates from the best practice provisions of the Tabaksblat Committee. At first instance the nomination is not binding and can be cast by simple majority, but the second round offers the possibility for a binding nomination by the holders of Priority shares, which can only be rejected with two thirds of the votes cast, representing more than half the issued capital.

The Board of Management and Supervisory Board are of the opinion that they cannot function without the confidence of the General Meeting of Shareholders. Account will be taken of this principle in the exercise of the special powers associated with anti-takeover measures.

Changes to the remuneration of the Board of Management will be submitted by Wereldhave to the shareholders for their approval. The Board of Management's remuneration is determined in line with the policy set out in the remuneration report. Material changes in the remuneration policy will be submitted to the General Meeting of Shareholders. The Supervisory Board compares the remuneration of Managing Directors from time to time with the market. This last happened in 2004. The Supervisory Board drew up a new remuneration report regarding 2007. The report is posted on Wereldhave's website.

The Regulations of the Board of Management and the Supervisory Board of Wereldhave prohibit Managing Directors and Supervisory Directors from investing in shares of their own company. This avoids the company running the risk of its name being damaged as a result of any actions of a Managing Director or Supervisory Director. Regulations for trading in shares by Board of Management members and Supervisory Board members were adopted in February 2004.

Supervisory Board

The members of the Supervisory Board are appointed and dismissed by the General Meeting of Shareholders, from a nomination to be drawn up by the Meeting of Holders of Priority Shares. The General Meeting of Shareholders determines the remuneration of members of the Supervisory Board. The amount of this remuneration was determined in 1999 and is index-linked annually. The members of the Supervisory Board are independent of one another, the Board of Management and any particular interest. Pursuant to the Articles of Association, one of the Supervisory Directors retires each year. Any proposal for appointment or reappointment to the General Meeting of Shareholders shall be properly explained. In the case of a reappointment, account will be taken of the candidate's performance and ability as a Supervisory Director. The Regulations of the Supervisory Board stipulate that the maximum term of office is 8 years, unless there are weighty interests (for which the reasons must be expressly given) to justify a longer term.

Mrs F.Th.J. Arp (Chairman) and P.H.J. Essers are members of the audit committee. In November 2007, the audit committee held a meeting with the auditor to discuss the audit plan 2007 and Wereldhave's compliance. In February 2008, the audit committee held a meeting in preparation for the meeting of the Supervisory Board, and discussed the report of the Board of Management, the Annual Accounts 2007 and the auditor's report, without the presence of the Board of Management.

The Supervisory Board does not have other committees. The Supervisory Board meets according to a fixed schedule of meetings, and at least six times a year. One of these meetings is dedicated to a discussion – without the Board of Management being present – of the Supervisory Board's own functioning, the relationship to the Board of Management and the composition, assessment and remuneration of the Board of Management. The Profile which the members of the Supervisory Board are expected to comply with is evaluated annually and, where necessary, revised. Such a revision last happened in 2003. The Supervisory Board is supported by the Company Secretary.

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

General Meeting of Shareholders

The General Meeting of Shareholders is usually held in the last week of March each year. The voting right on the shares is determined by the nominal value of the shares. The preference shares have a nominal value of € 9.08; the priority shares and ordinary shares have a nominal value of € 10. The law provides that where the authorised share capital is subdivided into shares with varying nominal values, the voting right of each shareholder is equal to the number of times that the amount of the smallest share contributes to the joint nominal amount of his shares; partial votes are disregarded.

Requests of investors who solely or jointly represent 1% of the issued capital to place items on the agenda of the General Meeting of Shareholders shall be honoured if such requests are submitted to the Board of Management or the Supervisory Board at least 60 days before the scheduled date of the Meeting, unless, in the opinion of the Supervisory Board and the Board of Management, there are vital interests of the company opposing the inclusion of such item or items in the agenda. The resulting discussion in the General Meeting should not affect the orderly course of the Meeting. The secretary of the company will take minutes of the proceedings at the Meeting. The minutes will be signed by the Chairman of the Meeting and by the secretary. In principle, the minutes will be published on the Wereldhave website within one month after the Meeting and copies of such minutes are available free of charge on request.

Anti-takeover measures

The protection of the company against hostile takeovers comprises the possibility to issue preference shares, A priority shares and B priority shares. All such shares are registered. The A priority shares should be fully paid up; for the preference shares and B priority shares there is a paying-up commitment of 25%. The authorised share capital provides for the issue of preference and priority shares up to no more than 50% of the share capital issued as ordinary shares. On 31 December 2006, the total issued capital in the form of preference and priority shares amounted to € 13,620,100. A total of 1,500,000 preference shares and 10 A priority shares have been issued. There are no outstanding B priority shares.

The priority A shares are held by the 'Stichting tot het houden van prioriteitsaandelen van de naamloze vennootschap' *(Foundation for holding of priority shares of the public limited company):* 'Wereldhave N.V.'. The Board of Management of this Foundation comprises the Board of Management members and the Supervisory Board members. In addition to entitlements to profit, the determination of the number of Managing Directors and Supervisory Directors of the company and the possibility of drawing up of a binding nomination for their appointment are the principal rights attached to the A and B priority shares. A resolution by the General Meeting of Shareholders to dismiss or suspend, other than with the consent of the Holders of Priority Shares, can only be passed with two thirds of the votes cast, representing more than half the issued capital.

Of the preference shares, 1,350,000 shares are held by the 'Stichting tot het houden van Preferente en Prioriteitsaandelen B Wereldhave' *(Foundation for holding Wereldhave Preference and B Priority Shares).* The board of the Stichting comprises Messrs. H.J.A.F. Meertens (Chairman), Prof. M.W. den Boogert and P.C. Neervoort. Wereldhave preference shares are listed on the NYSE Euronext Amsterdam stock exchange in Amsterdam. The price of Wereldhave preference shares at 31 December 2007 was € 1.90. In addition to a voting right, the preference shares give an entitlement to a preferential dividend from the profit. In the event of liquidation, what is remaining after settlement of the debts is transferred to the shareholders in proportion to the shareholding of each of them, with the exception that no further disbursements will be made to the holders of preference shares than the amount paid up on those shares and that no further disbursements will be made to holders of A and B priority shares than the nominal amount paid up on those shares.

Preference shares and A and B priority shares carry no entitlement to the company's reserves. Article 2, paragraph 1 of the articles of association of the 'Stichting tot het houden van Preferente en Prioriteitsaandelen B Wereldhave' states that the object of the Stichting is to promote the interests of Wereldhave, its affiliated enterprise and all parties involved, and that in so doing the Stichting shall take into account, amongst other things, the preservation of the independence, continuity and identity of the company and the enterprise The Stichting has an interest in Wereldhave of 6.06% of the number of outstanding shares, entitling it to 5.5% of the votes.

Based on an agreement that was concluded in 1992, the staff of the various local management organisations works exclusively for Wereldhave. The agreement contains clauses regarding the continuity of the interests of employees in case of a change of control of Wereldhave.

Internal risk management and monitoring systems

The Board of Management is responsible for the design, implementation and functioning of the internal risk control and monitoring system, tailored to the activities of Wereldhave. The systems are, with an acceptable level of certainty, aimed at the timely recognition of significant risks and at controlling these risks in the best way possible. The systems provide a view on how strategic, operational and financial objectives are met and on the reliability of financial reporting. The systems support the compliance with relevant laws and regulations. The Board of Management acknowledges that no risk management and monitoring system can provide absolute guarantees to achieving business objectives or that any material mistakes, losses, fraud or non-compliance with laws and regulations will not occur.
Wereldhave disposes of a description of the administrative organisation and internal control, which meets the criteria of the Act on Financial Supervision and additional regulations.

The main elements of the internal risk management and monitoring system are:

- the documented administrative organization and internal control (AO/IC) in which detailed descriptions of procedures are incorporated with regard to business processes, accounting, controls, internal reporting, documentation and manuals regarding the structure of financial reporting;
- an automated, integrated and central information system with which all domestic and foreign operations are directly connected;
- an internal management reporting aimed at immediate detection of developments with regard to the value of the portfolio and the result per share;
- the annually updated five-year strategic plan, including an analysis of all operational and financial objectives;
- Wereldhave's 'Business Principles' and 'Code of Conduct', applicable throughout the Wereldhave organization.

For a description of the most important business, financial, operational and strategic risk control measures, we refer to note 41 of the consolidated annual accounts. The results of the assessment by the Board of Management of the design and functioning of the internal risk management and control systems, as well as any significant changes in these, have been discussed with the Supervisory Board in conjunction with the company's strategy and risks. The results did not lead to the conclusion that the system of the administrative organisaton and internal control is not compliant with the Act on Financial Supervision and its additional regulations.
In addition, the administrative organisation and internal control have not proven to be ineffective or deviant from its description.

On the basis of the assessment performed and taking into account the recommendations of the Monitoring commission for Corporate Governance (December 2007) to this respect, the Board of Management deems the design of Wereldhave's internal risk management and control systems to be adequate and believes these systems provide a reasonable level of certainty that the financial statements as incorporated in this annual report does not contain any material errors. The Board of Management does not have any indication that the risk and monitoring system should not have functioned according to its specifications nor that it would function inadequately during the current year. The Board of Management aims to further improve and optimize the internal risk management and control procedures.

Complaints procedure

Complaints about the financial reporting, internal risk management, control systems and the audit must be submitted to the secretary of the company, who will then inform the Supervisory Board of the complaints. The secretary is responsible for ensuring complaints are registered. He will notify the complainant that his complaint has been received and give him an indication of when a decision is expected to be taken in respect of the claim. The Supervisory Board will notify its decision to the complainant within 12 weeks after receiving the complaint.

Transactions with direct related parties

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

Auditor

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

Investor relations

You may put your questions about Wereldhave stock using our website www.wereldhave.com. This website also contains the most recent PowerPoint slide shows of the presentations to be given to investors and analysts.

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

Auditors Report

Report on the financial statements

We have audited the accompanying financial statements 2007 of Wereldhave N.V., The Hague as set out on pages 37 to 91. The financial statements consist of the consolidated financial statements and the company financial statements.
The consolidated financial statements comprise the consolidated balance sheet as at December 31, 2007, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at December 31, 2007, the company profit and loss account for the year then ended and the notes.

The directors' responsibility

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code and the Financial Supervision Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Wereldhave N.V. as at December 31, 2007, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code and the Financial Supervision Act.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Wereldhave N.V. as at December 31, 2007, and of its result in accordance with Part 9 of Book 2 of the Netherlands Civil Code and the Financial Supervision Act.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, February 21, 2008
PricewaterhouseCoopers Accountants N.V.

R.A.J. Swaak RA

Supervisory Board

C.J. de Swart
(m, 66)
Member of the Supervisory Board since 2001; reappointed in 2003.
Retires by rotation in 2009.

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

Positions in Supervisory Boards:
Stadion Feyenoord N.V.
Hogeschool Rotterdam
Daf Trucks N.V.
Ordina N.V.
Ruwaard van Putten Ziekenhuis
UVIT
Wealth Management Partners N.V.

Board positions:
Foundation Administration office Heijmans

J. Krant
(m, 59)
Member of the Supervisory Board since 2003. Reappointed in 2007. Retires by rotation in 2011.

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

Positions in Supervisory Boards:
Chairman of the Supervisory Board of Kardan N.V

Board positions:
Chairman Jewish Historical Museum
Foundation "Hollandsche Schouwburg"

F.Th.J. Arp
(m, 54)
Member of the Supervisory Board since 2005.
Retires by rotation in 2008.

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

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

Board positions:
World Association of Newspapers
Foundation Africa Interactive Media

P.H.J. Essers
(m, 50)
Member of the Supervisory Board since 2005.
Retires by rotation in 2010.

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

Positions in Supervisory Boards:
none

Other positions:
Chairman committee of Finance of the Upper Chamber
Guest professor at the University of Bologna
Editor of the Weekly magazine for fiscal law
Board member of the Center for Company Law
Board member European Tax College

General

All members of the Supervisory Board are Dutch nationals. Mr F.Th.J Arp will retire by rotation at the General Meeting of Shareholders, to be held on March 27, 2008. He will be nominated for re-election.

Board

G.C.J. Verweij
(m, 62)

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 March 1994)

J. Buijs
(m, 42)

Employed by Wereldhave as Manager Building Staff department since 2000
Director Wereldhave Management Holding B.V. from 2005
Director Wereldhave N.V. from March 2006

Report of the Supervisory Board

The Supervisory Board met six times during 2007. Regular items on the agenda were the developments of results and equity, the developments on the relevant property markets, investments and disposals, the financial policy, currency and dividend policies and tax issues.

In February, the Supervisory Board and the Board of Directors discussed the design and operation of the internal risk management and control systems. No issues were identified that require changing or adjusting. The Supervisory Board endorses the description provided by the Board of Directors of the principal business risks, as set out on page 17 of the Directors' Report. During its meeting in February, the Supervisory Board devoted a great deal of attention to a second opinion submitted about the Belgian tax claim (for further information, please refer to page 83). That second opinion supports the point of view of the Board of Management with respect to the claim and has therefore not given any ground for re-evaluation. The situation concerning the proceedings is discussed at every meeting of the Supervisory Board.

In April, one of the members of the Supervisory Board visited Wereldhave's property investments in Dallas and in Washington, in the company of the Board of Directors, and reported to the Supervisory Board. During the visit, Wereldhave's director in the United States gave a detailed presentation concerning the San Antonio development plans, Wereldhave's largest development project. More detailed information about that prominent project can be found on pages 22 and 23. In July, the Supervisory Board visited the Itäkeskus shopping centre in Helsinki in Finland, Wereldhave's largest property investment. The visit offered the Supervisory Board the opportunity to learn about the operational property management operations of Wereldhave's Finnish organisation. The Board of Directors also provided the Supervisory Board with a detailed explanation of the Finnish property market.

In June, the Supervisory Board approved the acquisition of an office block in San Diego for USD 210 million. The purchase marked the entry of the property markets of the United States West Coast. The Supervisory Board also approved the acquisition of the Planetocio shopping centre in Spain for € 53.9 mln. Although the Supervisory Board discussed several Turkish investment files with the Board of Management, this has not led to investments on the Turkish property market. The efforts will continue in 2008. The Board of Directors has announced that it will reassess its position toward the end of 2008.

In November, the Supervisory Board discussed the five-year investment plan prepared by the Board of Directors. That plan is updated annually, and is accompanied by analyses and explanations of the differences compared with the previous year. The investment plan includes the investment strategy and an update on the property markets in the countries in which Wereldhave has operations. Furthermore, the plan contains a forecast of results, the financing policy, the organisation and the information systems, the fiscal regime and the investment volumes per country. The plan is based on a detailed list of assumptions used in the preparation of the result projections, e.g. for interest rates, inflation and economic growth.

During 2007, Wereldhave sold property in the United States, the United Kingdom, the Netherlands and Belgium. The Supervisory Board and the Board of Directors together considered the impact of those sales on the direct results at great length. The Supervisory Board endorses the decisions to sell the property, against the background of the sharp increases in the values of the property sold, its risk profiles and the € 17.4 million profit realised on the sales during 2007.

Composition and working methods

The Supervisory Board is made up of four members, who are all independent from one another, Wereldhave's Board of Directors and any other subsidiary interests. No members of the Supervisory Board are frequently absent. No business transactions were conducted between the members of the Supervisory Board and the company during 2007.

The Supervisory Board meets at least once every year without the Board of Directors, to discuss the performance of the Supervisory Board, the performance of the Board of Directors and the remuneration of the Board of Directors.

The Supervisory Board has appointed an Audit Committee. No Remuneration Committee has been set up, in light of the small size of the Supervisory Board. The remuneration policy is approved by the full Supervisory Board in accordance with the recommendations of the Tabaksblat Committee, although it is prepared by the Chairman and Vice Chairman of the Supervisory Board.

Audit Committee

The Audit Committee is made up of Mr F.Th.J. Arp (chair) and Mr P.H.J. Essers. The Audit Committee met with Wereldhave's auditor, and without the Board of Directors, in February 2007 and in August 2007, to discuss the auditor's independence, the use of ICT and the internal risk management and control systems. The Audit Committee also considered compliance within Wereldhave. The minutes of the meetings of the Audit Committee were discussed and approved during meetings of the Supervisory Board.

Remuneration Report

The Remuneration Report prepared by the Supervisory Board is published at www.wereldhave.com, and is sent free of charge to any party that so requests. The report is summarised in general terms below.

Board of Directors

The performance of the Board of Directors is reviewed annually by the Supervisory Board. No extraordinary matters were identified during the reviews of the members of the Board of Directors that require specific mention.

The Supervisory Board commissioned a study in 2007, to determine the extent to which the remuneration of the Board of Directors corresponds to the market. The Supervisory Board did not note any reasons to alter the employment conditions of the members of the Board of Directors, besides for indexation. The salaries of the two Directors were indexed by 2% as at January 1, 2008. For a complete breakdown of the remuneration of the Board of Directors, please refer to the Remuneration Report prepared by the Supervisory Board, which is available at www.wereldhave.com.

Members of the Board of Directors do not benefit from Wereldhave's activities or those of its affiliates in any other fashion. Wereldhave offers a final pay pension scheme, under which the members retire at the age of 65. The members of the Board of Directors do not hold any shares or option rights in Wereldhave NV. No loans, advances or guarantees have been extended to the members of the Board of Directors.

Regulations

The regulations of the Board of Directors and the Supervisory Board, the recommended profile of the Supervisory Board and a detailed response to all recommendations and best practices are available on the website www.wereldhave.com.

On behalf of the Supervisory Board,

C.J. de Swart, Chairman

The Hague, February 21, 2008

1401 NY Ave, Washington, before and after renovation of the façade

Property portfolio

Investment properties at December 31, 2007

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

location	offices m² n.l.a.	shops m² n.l.a.	industrial m² n.l.a.	residential	number of parking spaces	year of acqui-sition	year of construc-tion or renovation	annual rent 2008 (x € 1 mln)
Belgium *)								
Berchem								
76-78 Berchemstadionstraat	11,416				217	1999	2002	1.5
1-2 Roderveldlaan	12,344				238	1999	2001	1.7
3-4-5 Roderveldlaan	17,139				316	1999	2001	2.0
Brussels								
1-8 Boulevard Bischoffsheim	12,666				150	1988	2002	2.8
22-25 Boulevard Bischoffsheim	5,730				64	1990	1990	1.2
Tournai								
22 Boulevard Walter de Marvis		14,178			1,260	1988	1996	2.2
Liege								
1 Quai des Vennes		31,252			2,200	1994	1994	8.7
Nivelles								
18 Chaussée de Mons		19,501			802	1984	1995	2.6
Vilvoorde								
28 Medialaan	12,989				305	1998	2002	1.6
30 Medialaan	5,696				178	1999	2001	0.8
32 Medialaan	4,052				123	1999	2001	0.8
other properties	6,336				114			0.8
	88,368	**64,931**	**–**					**26.7**
Finland								
Espoo								
5 Lansituulentie		12,117			234	2003	1998	3.4
4 Tyrskyvuori		3,444			80	2007	2007	0.3
Helsinki								
Itäkeskus	9,537	85,009			3,000	2002	2001	27.6
	9,537	**100,570**	**–**					**31.3**
France								
Dunkirk								
Quai des Fusiliers Marins		9,895	7,944		600	1999	1999	2.5
Paris and environs								
Avenue Jules Rimet, Saint-Denis	10,993				121	1999	2001	2.7
45-49 Rue Kléber, Levallois-Perret	19,660				350	1999	1999	7.6
	30,653	**9,895**	**7,944**					**12.8**

location	offices m² n.l.a.	shops m² n.l.a.	industrial m² n.l.a.	residential	number of parking spaces	year of acqui-sition	year of construc-tion or renovation	annual rent 2008 (x € 1 mln)
Netherlands								
Alphen aan den Rijn								
2 J. Keplerweg 2			14,698		50	1997	2005	0.8
21-37 R. Wallenbergplein	6,177				108	1999	2002	0.9
Amersfoort								
1-3 Basicweg			11,377		96	1997	1993	0.7
Amsterdam								
64 Hornweg			12,457		117	1997	1991	0.8
Arnhem								
Shopping Center Kronenburg (leasehold till 2110)		31,752			1,000	1988	1985	7.3
Best								
4 Brem			11,283		690	1977	1971	0.9
The Hague								
20-160 Laan van Ypenburg			47,179		155	1996	1993	2.5
Etten-Leur								
Shopping Center Etten-Leur		22,146				1991	1995	3.3
Geldrop								
62-89A Heuvel and 1, 3, 5 and 15 Achter de Kerk		4,537		30		1978	1996	1.0
Leiderdorp								
Shopping Center Winkelhof		17,857			830	1993	1999	3.9
Moerdijk								
6 Middenweg			8,779		126	1997	1988	1.2
Nuth								
15 Thermiekstraat			18,066		690	1977	1987	1.3
Roosendaal								
23 Borchwerf			15,378		126	1997	1994	0.7
Utrecht								
1 Rutherfordweg			12,876		100	1997	1994	0.7
other properties	4,322		23,890		151			2.0
	10,499	**76,292**	**175,983**					**28.0**
Spain								
Madrid								
15 Avenida de la Vega, Alcobendas	22,676				421	1999	2000	4.4
15 Calle Fernando el Santo	3,254				39	1991	1993	0.8
1-2 Calle Mariano Benlliure, Rivas-Vaciamadrid			35,248		351	2001	2002	2.4
2 Plaza de la Lealtad	3,012					1989	1999	1.0
46 Avenida Juan Carlos I, Collado Villalba		15,186	7,480		980	2007	2001	3.6
	28,942	**15,186**	**42,728**					**12.2**

location	offices m² n.l.a.	shops m² n.l.a.	industrial m² n.l.a.	residential	number of parking spaces	year of acqui-sition	year of construc-tion or renovation	annual rent 2008 (x € 1 mln)
United Kingdom								
Burton-Upon-Trent								
Horninglow Street		2,765			140	1988	1986	0.4
Guildford								
73-75 North Street	1,085	357				1988	1976	0.5
London and environs								
126-134 Baker Street, W1	934	605				1988	1999	0.8
326-334 Chiswick High Road, W4		2,307				1988	1974	0.8
72-74 Dean Street, Royalty House, W1	2,648				12	1988	1999	1.1
14-18 Eastcheap, EC3	3,630					1988	1991	1.8
31-36 Foley Street, W1	3,155				10	1988	1993	1.2
186-188 Fulham Road		1,048			7	1988	1979	0.4
26-28 Great Portland Street, W1 (leasehold till 2105)	1,290					1988	1990	0.6
1-5 Lower George Street and 1 Eton Street, Richmond upon Thames		2,864			10	1988	1963	0.9
56-70 Putney High Street, SW15		4,369			44	1988	1971	1.0
10-12A Thames Street and 1, 2 and 5 Curfew Yard, Windsor	932	464			62	1988	1972	0.7
Manchester								
Wilmslow Road	27,084				927	2005	2003	6.9
Northampton								
100 Pavillion Drive	11,051				510	1998	1991	2.1
Redhill								
Grosvenor House, 65/71 London Road	4,652				150	1989	1986	1.7
Rickmansworth								
1 Tolpits Lane, Olds Approach			7,334		165	1988	1993	0.7
Sheffield								
Penistone Road		3,918			163	1988	1986	0.7
Yeovil								
Bay 6, Lynx Trading Estate		3,218			207	1994	1986	0.6
other properties		10,289	13,372		202			2.8
	56,461	**32,204**	**20,706**					**25.7**

location	offices m² n.l.a.	shops m² n.l.a.	industrial m² n.l.a.	residential	number of parking spaces	year of acqui-sition	year of construc-tion or renovation	annual rent 2008 (x € 1 mln)
United States								
Austin, Texas								
3801 Cap. of Texas Highway North		11,891			550	2004	2002	1.8
6801 Cap. of Texas Highway North	8,568				344	1999	1999	0.8
8300 Mopac Expressway	8,669				431	1998	2000	0.8
4801 Plaza on the Lake Drive	10,363				491	1999	1999	1.0
5001 Plaza on the Lake Drive	11,383				539	1999	1999	1.0
Dallas and environs, Texas								
805 Central Expressway, Allen	10,702				737	1999	1999	1.0
161 Corporate Center, Irving	9,737				465	1998	1998	0.8
411 East Buckingham Road, Richardson				338	648	1999	1999	2.4
4490 Eldorado Parkway, McKinney				525	880	2000	2004	3.6
4500 Eldorado Parkway, McKinney	5,490				188	2006	2006	0.6
4600 Regent Boulevard, Irving	7,432				479	1998	1998	0.6
4650 Regent Boulevard, Irving	7,432				479	1999	1999	0.7
San Diego, California								
655 West Broadway (leasehold till 2058)	35,200	1,400		12	752	2007	2005	8.4
Washington D.C. and environs								
701 8th Street	12,465				101	2005	2005	3.3
801 9th Street	21,930				190	2006	1999	4.0
13600 Dulles Technology Drive, Herndon	10,507				531	1999	2000	1.5
13650 Dulles Technology Drive, Herndon	10,507				531	1999	2000	1.3
1401 New York Avenue	17,646				165	1988	1984	3.6
21660 Ridgetop Circle, Sterling	11,681					1999	2002	1.4
	199,712	**13,291**	**–**					**38.6**
Total	**424,172**	**312,369**	**247,361**					**175.3**

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

*) Wereldhave has a 68.2% interest in the properties in Belgium.

Independent valuers

Jones Lang La Salle,
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Troostwijk Taxaties B.V.,
Amsterdam

Troostwijk-Roux Expertises cvba,
Antwerp

Summary of investment properties

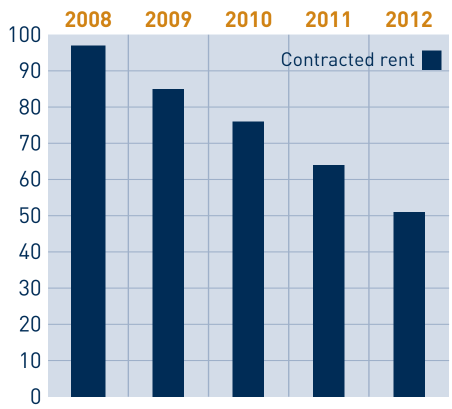
(amounts x € 1 mln)

The following is a summary of the open market value of the Group's investment properties at December 31, 2007. Foreign currencies have been converted at rates of exchange ruling at December 31, 2007. The annual rent is shown on the assumption that the buildings are fully let and before deduction of property expenses

	offices		shops		industrial		residential		total	
	market value	annual rent	market value	annual rent	market value	annual rent	market value	annual rent	market value	annual rent
Belgium	152.5	13.1	217.9	13.6	–	–	–	–	370.4	26.7
Finland	8.5	0.6	572.2	30.7	–	–	–	–	580.7	31.3
France	179.5	10.3	10.1	1.4	8.1	1.1	–	–	197.7	12.8
The Netherlands	17.6	1.5	246.3	15.5	133.2	11.0	–	–	397.1	28.0
Spain	93.4	6.2	53.6	2.4	32.8	3.6	–	–	179.8	12.2
United Kingdom	240.7	17.1	106.3	6.8	24.0	1.8	–	–	371.0	25.7
United States	498.6	30.8	27.3	1.8	–	–	45.4	6.0	571.3	38.6
Total	1,190.8	79.6	1,233.7	72.2	198.1	17.5	45.4	6.0	2,668.0	175.3

Contracted rent

(in % of the contracted rent at December 31, 2007)



Summary of revaluations of the investment properties

(x € 1 mln)

This summary shows the revaluation in 2007 of investment properties by country and sector.

	value at December 31, 2007	revaluation in 2007	as a % of the value before revaluation				
			offices	shops	industrial	residential	total
Belgium	370.4	19.5	4.0	6.7	–	–	5.6
Finland	580.7	50.2	1.2	9.6	–	–	9.5
France	197.7	15.0	9.4	-/- 2.4	-/- 2.4	–	8.2
The Netherlands	397.1	36.9	-/- 2.2	14.7	4.5	–	10.2
Spain	179.8	8.0	8.4	-/- 0.9	4.0	–	4.7
United Kingdom	371.0	-/- 12.0	-/- 2.9	-/- 2.3	-/- 8.6	–	-/- 3.1
United States	571.3	11.6	2.4	-/- 2.0	–	0.6	2.1
Total	2,668.0	129.2	2.8	8.0	2.4	0.6	5.1

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