



The year 2008 was dominated by the credit crisis and as a result, the willingness of banks to finance property transactions decreased significantly on an international scale. Consequently, the number of property transactions decreased considerably. In addition, sellers of property were generally not yet willing to accept lower prices in 2008, whereas buyers were waiting for the prices to come down further. The trend of lower property prices could therefore not yet be observed in all countries.

Key figures (in €)	2008	2007	Δ
Results			
Profit	8.8 mln	229.6 mln	-/- 96.15%
Direct result	109.4 mln	108.0 mln	1.34%
Indirect result	-/-100.6 mln	121.6 mln	-/-182.73%
Profit per share	0.02	10.42	-/- 99.81%
Direct result per share	4.92	4.88	0.82%
Equity			
	31-12-2008	31-12-2007	Δ
Investment portfolio	2,646.0 mln	2,668.0 mln	-/- 0.83%
Shareholders' equity	1,860.2 mln	1,973.3 mln	-/- 5.73%
Net asset value per share	83.74	89.06	-/- 5.97%

Proposed dividend € 4.65 per share, of which € 2.55 in cash and € 2.10 optionally in cash or in shares. The dividend is payable as from 24 April 2009.

Property purchases and disposals in 2008 (amounts at year end rates x € 1 mln)

Purchases		Disposals (Gross proceeds)			
San Diego, USA	offices	117.7	Rijswijk, NL	industrial	3.3
			London, UK	industrial	2.9
			London, UK	industrial	2.3

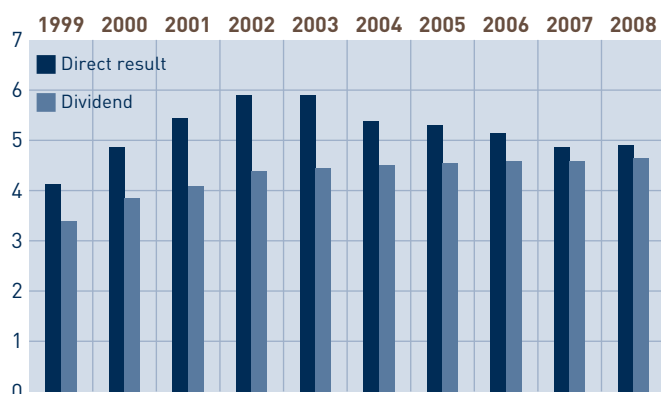
Wereldhave expects that property prices will remain under pressure during 2009. Wereldhave anticipated these developments by carrying out a substantial property disposal programme, which was completed in 2007. This disposal programme also contributed to Wereldhave's strong capital ratios. The existing credit facilities are sufficient for Wereldhave to be able to realise the property development programme up to and including 2010.

Key figures past 10 years¹⁾

	1999	2000	2001	2002	2003
Results					
<i>(x € 1 mln)</i>					
Net rental income ⁴⁾	93.9	112.8	124.9	147.8	146.6
Profit ⁸⁾	131.4	216.2	102.6	127.6	104.7
Direct result ²⁾⁸⁾	71.6	86.0	97.1	116.3	116.5
Indirect result ⁶⁾⁸⁾	74.3	140.1	17.8	./.	42.4
				46.4	./.
Balance sheet					
<i>(x € 1 mln)</i>					
Investments	1,316.8	1,517.5	1,623.2	1,830.5	1,844.0
Development projects	278.6	258.1	249.3	124.9	88.1
Equity ³⁾	968.1	1,156.6	1,203.0	1,322.7	1,310.0
Interest bearing debt	420.1	464.6	552.1	629.8	575.2
Number of shares					
At December 31	17,329,725	17,756,735	17,756,735	19,691,735	19,691,735
Average during the year	17,236,480	17,639,307	17,756,735	19,691,735	19,691,735
Share data⁵⁾					
<i>(x € 1)</i>					
Equity ⁹⁾	55.61	64.94	67.55	66.99	66.35
Direct result ²⁾	4.12	4.83	5.45	5.90	5.91
Indirect result ⁶⁾	4.50	7.86	1.01	./.	2.15
Dividend	3.40	3.85	4.10	4.40	4.45
Dividend choice	or 4.76%				
	and 1.00				
Pay-out	82.5%	79.7%	75.2%	74.6%	75.3%
Direct result per share⁷⁾	4.14	4.86	5.45	5.90	5.91
Profit per share⁷⁾	7.62	12.24	5.77	6.47	5.31

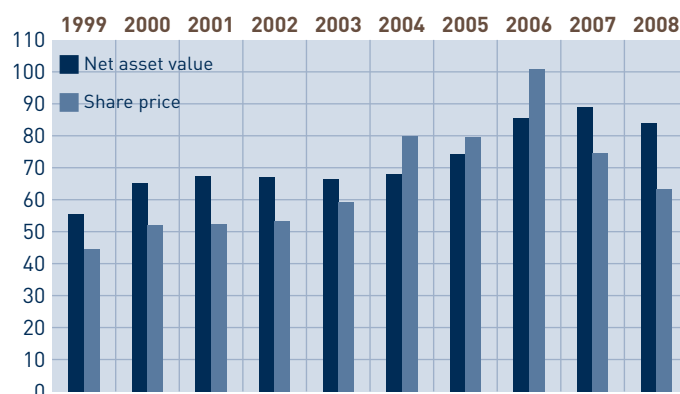
Direct result and dividend per share

(x € 1)



Net asset value and share price at December 31

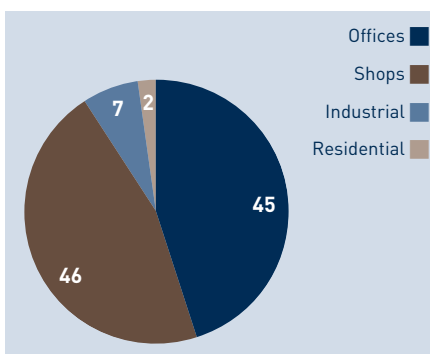
(before distribution of profit, x € 1)



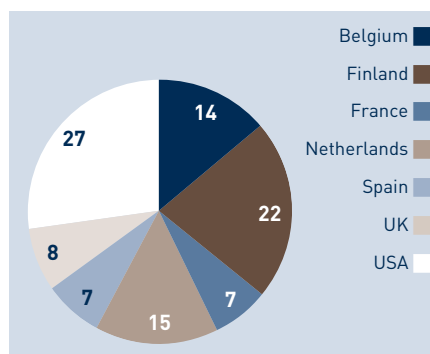
	2004	2005	2006	2007	2008
	147.5	151.8	151.2	147.5	148.6
	160.8	192.1	343.5	216.5	0.5
	110.9	110.1	106.9	101.3	102.3
	49.9	82.0	236.6	115.2	-/- 101.8
	2,015.1	2,288.8	2,521.5	2,668.0	2,646.0
	50.3	34.0	33.9	40.4	52.1
	1,414.8	1,542.2	1,776.0	1,850.8	1,740.3
	500.0	630.1	541.0	592.6	739.6
	20,781,735	20,781,735	20,781,735	20,781,735	20,781,735
	20,573,265	20,781,735	20,781,735	20,781,735	20,781,735
	68.08	74.21	85.46	89.06	83.74
	5.34	5.30	5.14	4.88	4.92
	2.40	3.94	11.39	5.54	-/- 4.90
	4.50	4.55	4.60	4.65	4.65
	84.3%	85.8%	89.5%	95.4%	94.5%
	5.39	5.30	5.14	4.88	4.92
	7.81	9.24	16.53	10.42	0.02

- 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 2008



Geographical distribution of investment properties at year-end 2008



Share price development 2004-2008 (x € 1)



Key information

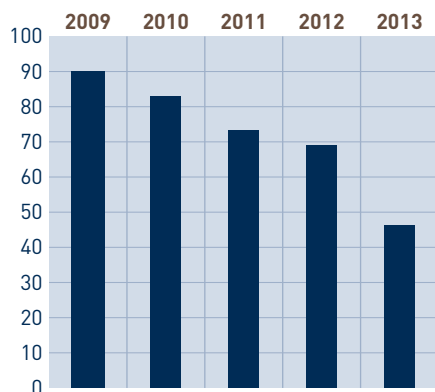
	2004	2005	2006	2007	2008
Share price at December 31	80.00	79.65	100.90	74.72	63.00
Price/DR at 31/12	14.8	15.0	19.6	15.3	12.80
avg. Transactionvolume/day	46,000	53,000	75,000	171,000	172,000
Marketcapitalisation at 31/12	1.7 mrd	1.7 mrd	2.1 mrd	1.6 mrd	1.3 mrd
NAV/share	69.40	74.21	85.48	89.06	83.74
Premium/discount	17.5%	7.3%	18.1%	-16.1%	-25.3%
Dividend	4.50	4.55	4.60	4.65	4.65
Dividendyield at 31-1	5.6%	5.7%	4.6%	6.2%	7.4%
Pay-out	84%	86%	89%	95%	95%
Free float	100%	100%	100%	100%	100%

Financial calendar

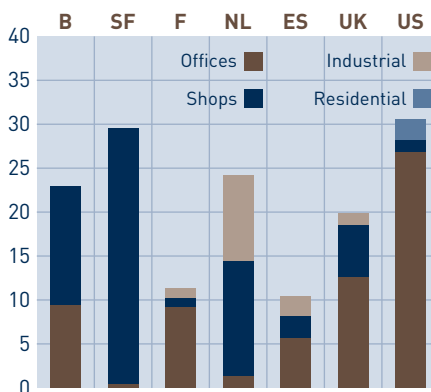
March 20, 2009	Record date Annual General Meeting of Shareholders
April 2, 2009	Annual General Meeting of Shareholders
April 6, 2009	Ex-dividend date
April 8, 2009	Dividend record date
April 24, 2009	Dividend payment date
May 12, 2009	First quarter results 2009
August 7, 2009	Interim statement 2009
November 9, 2009	Third quarter results 2009
March 2010	Annual Report 2009

Contracted rent

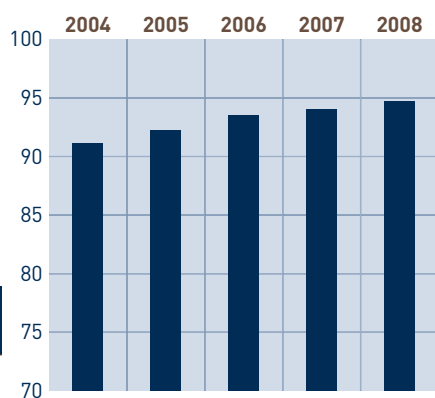
(as a % of contracted rent at December 31, 2008)



Net rental income per country (x € 1 mln)

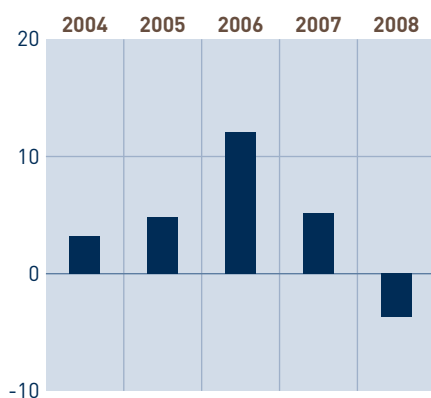


Occupancy (in %)



Property revaluation

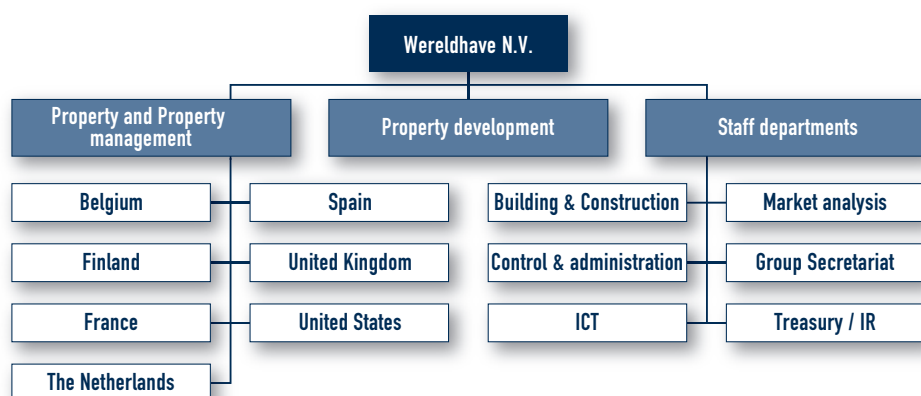
(at year-end, as a % of the previous year)



Wereldhave is listed at NYSE Euronext Amsterdam (AEX) 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

4



Board of Management

G.C.J. Verweij

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 69.3% 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).

Financial position

Wereldhave has a sound financial position. The next refinancing of loans is not scheduled until 2010. Furthermore, Wereldhave has not made use of capital market funding with underlying securities, such as mortgage-backed securities.

As Wereldhave finances approximately 75% of its funding requirement with variable-rate loans, the interest rate cuts by central banks resulted in a lower average interest rate on the loan portfolio. The average interest rate at year end decreased in 2008 from 5.4% to 3.7%.

In view of its sound balance sheet ratios with a Loan-To-Value ratio of 27% and an Equity-to-Total Assets ratio of 66%, Wereldhave is one of the most soundly capitalised stock-listed European property funds. The Wereldhave share is also listed in the top 5 most traded continental European property stocks with an average daily transaction volume of approximately € 12 million.

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

Under the current economic conditions, corporate strategies are being put to the test. The credit crisis that broke out in 2007 was followed by a banking crisis and subsequently by a global recession. Many companies are reluctant to issue turnover or earnings forecasts for 2009 due to the macro-economic instability and uncertainty. The property sector is also not immune to these economic developments.

Due to the credit crisis, the refinancing risk has also become significant for many property companies. Banks are working on improving their balance sheets and therefore, especially in the second half of 2008, banks have hardly provided any new loans. The capital markets, where many property companies procure funding in exchange for mortgages on their portfolios, had also practically dried up completely by the end of 2008. The margins for funding have risen substantially across the board. In the last quarter of 2008, a global recession started to set in. This will lead to a contracting economy, rising unemployment and less consumer spending in 2009. For the property sector, this means less demand for space, lower rents and the postponement of development projects.

In its 2007 annual report, Wereldhave forecast that initial yields for property would rise in 2008 and that property values would decrease. This has only become visible to a limited extent until now, but the trend towards lower property values is now much more apparent. Because of long-term leases, it often takes longer before negative developments in the economy become visible in the property sector. As there is not a single country or a sector that remains unaffected by the financial and economic crisis, Wereldhave is currently hardly experiencing any moderating effects from the geographical and sector diversification of the portfolio.

Nevertheless, Wereldhave's consistent strategy does have a number of advantages. As a result of the strategy of portfolio renewal that Wereldhave has been pursuing for many years, the company now has a portfolio of modern, competitive buildings with more favourable letting prospects and lower maintenance costs. Wereldhave has made use of the sellers' markets in recent years to sell the more high-risk properties. Wereldhave has the financial resources to accommodate the development portfolio. Wereldhave develops all projects for its own account and risk. This means that there are no purchase obligations vis-à-vis third parties, but that Wereldhave takes the decision itself when to start construction. The first stage of the mixed-use project San Antonio is proceeding according to plan whilst the planned expansions of a number of shopping centres have experienced some delay due to lengthy consent procedures. The development of energy saving and environmentally friendly buildings continues to be a priority, as this results in a competitive advantage.

Sustainability

Introduction

Corporate sustainability is a strategic priority for Wereldhave. Wereldhave's corporate sustainability policy is aimed at improving the quality of the portfolio and business operations through a more efficient use of all resources, ultimately resulting in lower costs. The importance of sustainability extends further than the responsible use of energy and raw materials. Improving quality is a continuous process of initiation, implementation and evaluation, involving all stakeholders.

Based on a stakeholder analysis, Wereldhave has drawn up an inventory of the measures that can be taken in order to increase the sustainability of its business operations.

Wereldhave's stakeholders are the providers of capital, employees, contractors, clients, the community and the government. Following its analysis, Wereldhave has defined four specific areas of focus for its policy: its own organisation, requirements for new investments, construction & property development and property management. Objectives and activities have been documented in a sustainability manual, which also aims to stimulate the ongoing debate on sustainability within the company.

Organisation

Wereldhave aims to be a good employer and therefore subscribes to the UN Global Compact 10 principles for companies with regard to human rights, employment conditions, the environment and the repudiation of corruption and bribery. Wereldhave will not discriminate on the basis of race, gender, religion or sexual preference. In addition to excellent primary and secondary employment conditions, Wereldhave also offers its employees a wide range of opportunities to follow courses for their personal development. The average duration of employment is 10 years and absenteeism has been below 3% for many 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. Furthermore, the company also has rules in place for the reporting of irregularities and misconduct. Wereldhave has drawn up a specification of the integrity-sensitive positions within its organisation. Special procedures are in place for hiring employees for such positions. Wereldhave regularly offers trainee posts to help students with the completion of their thesis or their studies.

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.

In 2008, Wereldhave carried out the digitalisation of incoming mail and invoice flows in the Netherlands, which has resulted in a huge reduction in the number of paper copies. A new company car arrangement has been introduced to positively encourage environmentally friendly choices. In order to limit travelling expenses and to reduce the pressure on the environment, a system of video conferencing will be installed in 2009. Company rules have also been drawn up for working from home.

Wereldhave provides its providers of capital (such as shareholders and banks) and other stakeholders with a transparent picture of the company's results and management structure as well as details of the company's business principles and codes of conduct with regard to the environment, integrity and the rights of employees. The dialogue with shareholders is primarily conducted at the Annual General Meeting of Shareholders. Furthermore, Wereldhave regularly organises presentations for institutional investors and analysts. These presentations are also published on the website. The website offers shareholders and interested parties the opportunity to ask the company questions directly. You will find more information on this subject in the Corporate Governance section (page 97).

New investments

Wereldhave acknowledges its responsibility for the consequences of its investment decisions. Consequently, Wereldhave assesses not only the yield and the risk of an investment but also the effects of this investment on the community and the environment. A building should provide added value to its surrounding area. This requires an assessment with a long-term horizon. In 2008, Wereldhave drew up an internal guideline for new investments, with criteria for design and construction, location, sustainability of the yield, funding and consequences for the surrounding area.

Wereldhave considers it important to involve the neighbouring 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 makes it possible to take the interests of third parties into account at an early stage. Issues such as public safety, the liveability of the area and the quality of the facilities and infrastructure play a role in this. As a property owner, Wereldhave wishes to be a part of the local community and therefore Wereldhave consequently supports a local charity with every new investment.

Local government plays an important role in the realisation of plans. Wereldhave seeks to maintain good relationships with local authorities in all projects, with the long-term commitment that is a natural characteristic of an investor. Corporate sustainability in all its aspects is a guiding principle in the cooperation with local authorities.

Construction and property development

Wereldhave aims for the optimal integration of sustainability in the design of a building and has a strong preference for mixed-use projects or projects in a mixed-use environment. Sustainability must be assessed in the first phase of the design process, in which the life-cycle costs are more important than the initial costs.

It is laid down in its Business Principles that Wereldhave concentrates on sustainable, innovative property products that lead to a higher use value, lower life-cycle costs and less pressure on the environment. Wereldhave has been taking the following issues into consideration since 1998: energy, water, materials, surrounding area, flexibility and interior environment ('healthy buildings'). Knowledge is acquired in actual projects, documented in standard schedules of requirements for the completion of buildings and subsequently applied to new projects.

Wereldhave has drawn up standard schedules of requirements for various types of buildings. Various measures have been laid down in these schedules to promote the reduction of CO₂ emissions over and above the legal requirements. This procedure is set out in the Sustainable Investment Procedure, which stipulates that, during the design and construction stages, an assessment is made of the sustainable quality in accordance with the strictest standards of the European Union. It is then also checked during the occupation of a building whether the building meets the expectations. This procedure is mandatory for all new investments made by the company. The performance of newly constructed buildings has been monitored carefully since 2002. The results of these tests are used to set standards for new buildings. In this manner, a continuous process of product improvement has been achieved.

Wereldhave strives to have the Energy Performance Coefficient determined for all buildings in the portfolio as from 2009, whereby C is the minimum acceptable score on a scale from A to G. In the event that the score of a building is D or lower, it will be examined what the costs would be to improve the score to C or higher.

Property management

An investor's responsibility for sustainability does not come to an end when a building is completed and accepted. A building has the largest effect on its environment during occupation. Here lies an important task for the owner, who should not only put the emphasis on his own activities but should also, where possible, stimulate the sustainable business practices of his tenants and users.

In the Netherlands, Wereldhave has centrally procured green energy for the entire Dutch portfolio. Wereldhave stimulates the use of daylight and motion-sensor switches and LED lighting in order to reduce energy consumption.

In 2009, it will be examined whether it is possible to procure green energy in all countries. Furthermore, an inventory will be carried out as to the investment that would be required to be able to use rainwater for irrigation or for flushing the toilets. Waste separation will be implemented as far as possible in all shopping centres.

Conclusion

The demand of tenants for sustainable accommodation is increasing. The lower service costs as a result of lower energy consumption are attractive for tenants. As a result, the owner not only has lower maintenance and operating costs, but also an investment that will retain its value. Through its sustainable business practices, Wereldhave is thus able to create shareholder value. The Wereldhave share has been included in the Dow Jones Sustainability Index since 2004.

Preliminary report of the Supervisory Board

To the Shareholders

Recommendation

We hereby present the 2008 Annual Accounts and the Report of the Board of Management. PricewaterhouseCoopers Accountants N.V. have audited and approved the annual accounts. We propose the approval of these annual accounts. We support the proposal of the Board of Management to pay a dividend of € 2.55 in cash and € 2.10 in cash or in shares at the option of the shareholder.

Composition of the Board of Management

During 2008, the Supervisory Board paid attention to the composition of the Board of management and the succession of Mr Verweij. Mr J. Buijs resigned from the Board of Management as of 31 May 2008 in due consultation with the Supervisory Board. The Supervisory Board and Board of Management are grateful for Mr Buijs' contribution to Wereldhave in the past years. In order to continue to comply with the statutory requirement of two managing directors, Mr J. Krant has acted as a temporary managing director in addition to Mr G.C.J. Verweij after the resignation of Mr Buijs until the end of 2008.

Mr J. Pars (46) has joined the Board of Management of Wereldhave N.V. as a managing director as from 1 January 2009. At the Annual General Meeting of Shareholders on 2 April 2009, it will be proposed to appoint Mr Pars as a managing director of Wereldhave N.V. in accordance with the articles of association. The appointment is for a period of four years with a maximum severance payment of one year.

In addition, the nomination of Mr D.J. Anbeek (45) as director is proposed as from June 1, 2009, under the rescinding condition that the Financial Markets Authority has approved the appointment before May 31, 2009. The appointment is for a period of three years and ten months, with a maximum severance payment of one year.

Proposed appointment

At the Annual General Meeting of Shareholders, Mr C. de Swart will resign in accordance with the retirement schedule. Mr De Swart is no longer available for reappointment due to having served the maximum term in office of eight years. The Supervisory Board and the Board of Management thank Mr De Swart for his contribution to the Supervisory Board. Mr J. Krant will succeed Mr De Swart as Chairman of the Supervisor Board. Mr J.A.P. van Oosten is nominated for appointment to the Supervisory Board. The reason for the nomination is Mr Van Oostens experience in managing an internationally active real estate company. The appointment is in line with the profile for members of the Supervisory Board.

Report of the Supervisory Board

The Supervisory Board convened six times in 2008. A detailed report of the activities of the Supervisory Board can be found on page 103 of this annual report.

The Hague, February 26, 2009

Supervisory Board Wereldhave N.V.

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

Report of the Board of Management

2008 in brief

Property markets

The credit crisis that began in August 2007, dominated the whole of 2008. The available funding for investors was reduced significantly or was only obtainable at considerably less attractive conditions, causing the number of property transactions to decrease considerably. The economy is faltering worldwide. This has an impact on prices in all sectors, including the property sector. The number of property transactions has decreased significantly worldwide since the middle of 2008. Sellers are usually not yet willing to accept lower prices, whereas buyers are waiting for prices to fall further. Consequently, Wereldhave expects that property prices will remain under pressure in 2009. Wereldhave anticipated these developments by carrying out a substantial property disposal programme, which was completed in 2007. As a result, Wereldhave has strong capital ratios. The existing credit facilities are sufficient for Wereldhave to be able to complete the property development programme up to and including 2010.

Acquisition in the United States

On 8 September 2008, Wereldhave purchased DiamondView, a recently built first-class office building with 15 floors in the centre of San Diego, California, in the United States. The building of 28,359 m² has 928 parking spaces and is 91% let under long-term leases. The purchase price was USD 161 million. The acquisition is Wereldhave's second property investment on the west coast of the United States. Wereldhave has decided to invest in the west coast of the United States because of the areas increasing economic activity. The acquisition is in line with Wereldhave's strategy to invest in recently built, first-class property in attractive, liquid markets in a mixed-use environment in knowledge-intensive areas.

Wereldhave decided in 2008 not to invest in Turkey, in view of the large drop in initial yields and the political instability.

Sales in the Netherlands and in the United Kingdom

In the Netherlands, Wereldhave sold a parking facility and a parcel of land, which were both situated adjacent to the office building Winston Churchill Tower in Rijswijk that was sold in 2007. Wereldhave sold two industrial buildings in the United Kingdom. The surplus on disposals amounted to in total € 4.3 million.

Development portfolio

The property development portfolio comprised five projects as at 31 December 2008, of which two are in Belgium, one in the Netherlands and two in the United States. The development projects in Belgium comprised a mixed-use development of retail, leisure, homes, offices and a hotel in Nivelles and the expansion of a shopping centre in Tournai. In the Netherlands, Wereldhave carried out the expansion of the shopping centre 'De Winkelhof' in Leiderdorp. In the United States, Wereldhave began the construction of the first stage of the project Éilan in San Antonio with 532 rental homes, 20,000 m² office space, a hotel with 165 rooms and 8,000 m² retail space and central facilities. The development of an apartment building in Frisco, close to Dallas, is being postponed for the time being to allow the American organisation to focus completely on the project in San Antonio. Further information about the development portfolio can be found on pages 38 and 39.

Results

Profit

The profit for 2008 – including minority interest – amounted to € 8.8 million (2007: € 229.6 million). The profit decreased due to a downward revaluation of the portfolio and due to lower profits on disposals than in 2007. The revaluation of the portfolio was negative in all countries, with the exception of Belgium and Finland. The value of the portfolio decreased by in total € 112.6 million. In particular with property disposals, a surplus on disposals of € 4.3 million was made. Profit per share, net of minority interests, amounted to € 0.02 per share (2007: € 10.42). The profit includes the direct result and the indirect result. A brief explanation is provided below. A detailed summary with comparative figures of the direct and indirect result is provided in the consolidated annual accounts on page 41 and following pages. We refer to page 112 for a specification of the revaluations.

Direct result

The direct result is the result generated from lettings net of costs. The direct result for 2008 (including minority interest) amounted to € 109.4 million and is thus € 1.4 million higher than in 2007. The increase was (including exchange-rate differences) the result of higher net rental income (€ 1.1 million), lower interest expenses (€ 2.3 million), lower other financial income and expenses (€ -0.5 million), higher management costs (€ -0.4 million), lower other income and expenses (€ -1.7 million) and lower taxes on the result (€ +0.6 million). Lower average exchange rates of the British Pound and the US dollar had a negative effect of € 2.5 million in total.

The decrease in interest expenses was due to lower interest rates, in particular in the United States. Lower interest rates are advantageous to Wereldhave because approximately 75% of its loans have been financed at variable interest rate. The average interest rate at year-end 2008 stood at 3.7% (2007: 5.4%). As a result of a non-recurring gain in 2007 in connection with the surrender of a lease, other income and expenses decreased in 2008 by € 1.7 million. The increase in the management costs can be attributed to the severance agreement concluded with Mr Buijs and higher licence costs in connection with the transition to a new information system. Financial income and expenses decreased by € 0.5 million, mainly due to higher interest additions to leasehold obligations. Taxes on the result decreased by € 0.6 million, mainly in Spain.

The occupancy rate increased compared to 2007 to 94.7%. By sector, occupancy rates during 2008 were as follows: offices 90.9%, retail 98.6%, industrial 97.2% and residential 92.1%.

Indirect result

The indirect result for 2008 (including minority interest) amounted to € -100.6 million (2007: € 121.6 million). The indirect result is the result that arises primarily from realised and unrealised increases in the value of the portfolio.

Price/DR Price (x€ 1)

	2008	2008	2007
highest	17.02	83.76	115.25
lowest	11.21	55.16	70.34
year-end	12.80	63.00	74.72

Key figures (x€ 1 mln)

Results	2008	2007	Δ
Profit	8.8	229.6	-/- 96.2%
Direct result	109.4	108.0	+ 1.3%
Indirect result	-/-100.6	121.6	-/-182.7%
Profit per share (x € 1)	0.02	10.42	-/- 99.8%
Direct result per share (x € 1)	4.92	4.88	+ 0.8%
Equity			
Investment portfolio	2,646.0	2,668.0	-/- 0.8%
Equity	1,860.2	1,973.3	-/- 5.7%
Net asset value per share (x € 1)	83.74	89.06	-/- 6.0%

The average yield on the portfolio used in the valuation increased by approximately 0.3% in 2008, whereby the weighted net initial yield of the portfolio amounted to approximately 6.2%. The rise in the initial yields has resulted in a negative revaluation of the property portfolio as at 31 December 2008. The negative effect of the increase in the yield (€ 174.4 mln) was partially set off by a valuation effect of higher market rents and by other effects (€ 62.1 mln), resulting in a negative revaluation of property of € -112.6 million. The revaluation of financial instruments (interest derivatives) amounted to € 4.7 million.

The surplus on disposals amounted to in total € 4.3 million in 2008 (2007: € 17.4 million). Lower property valuations resulted in a decrease in deferred taxes on the indirect result by € 10.0 million (2007: € -22.6 million). Interest expenses (€ 1.6 million) remained unchanged. Other income and expenses rose by € 0.6 million due to an insurance claim that was received. Other financial income and expense increased to € -5.9 million (2007: € -0.5 million). This comprises price differences on directly held assets and liabilities and € 2.2 million higher pension costs due to an extra payment to the pension fund and a downward revaluation of the pension assets.

Dividend

An optional dividend of € 4.65 will be proposed to the General Meeting of Shareholders for 2008, of which € 2.55 in cash in order to comply with the fiscal distribution obligation, after deducting withholding tax, and € 2.10 in cash or in shares, at the option of the shareholder. This last mentioned distribution will be charged to the reinvestment reserve and therefore no dividend tax will be due. The ratio of the dividend that is to be paid out in shares will be announced on March 20, 2009 after trading hours. Shareholders can make their choice between cash and shares from April 6 up to April 20. The dividend is payable as from April 24, 2009. With a dividend of € 4.65, the payout ratio amounts to 94.5%.

Stock market performance

In 2008, Wereldhave shareholders recorded a total return of -9.4% (2007: -21.4%). This return was 39.1% above the EPRA (European Public Real Estate Association) Return Index (€). The Wereldhave share is listed in Amsterdam and Paris and is included in the Amsterdam AEX Index (return 2008: -51.7%). Wereldhave is the only Dutch property investment fund that is included in the Dow Jones Sustainability Index (return 2008: 40%). The price/direct result ratio amounted to 12.8 at year-end 2008. The average trading volume amounted to approximately 172,000 shares a day. Options on the shares are traded on Euronext.Liffe.

Share price development 2008 (€)



Equity

Equity

The balance sheet total rose by € 20.1 million. An increase from the acquisition of the San Diego office building was offset by lower valuations and exchange rate effects. At the end of 2008, equity including minority interests before appropriation of the proposed dividend amounted to € 1,860.2 million. This represents 65.9% of the balance sheet total (2007: 70.4%). As a guideline for the long term, Wereldhave maintains a solvency ratio of 60%, with a range of approximately 10%. Strong capital ratios reduce the interest-rate sensitivity and increase the ability to make new investments. No new shares were issued during 2008. As at 31 December 2008, a total of 20,781,735 ordinary shares were in issue.

Wereldhave's shares are held by both institutional and retail investors in the Netherlands and abroad. As at 31 December 2008, Wereldhave had two shareholders with an interest of more than 5%: the Stichting Pensioenfonds Wereldhave [Wereldhave Pension Fund Foundation] with 5.8% preference shares and the ABP with 5.95%. The free float of the ordinary shares is 100%. The net asset value per share before profit appropriation as at 31 December 2008 was € 83.74 (2007: € 89.06).

Debt financing

At the end of December 2008, the interest-bearing loan capital amounted to € 739.6 million, of which 75% was at variable interest rates. Variable money market interest rates were at a lower level in 2008 than in previous years. The average interest percentage as at the end of 2008 amounted to 3.7%. The interest rate cuts, in particular in the United Kingdom and the United States, have had a positive effect.

As at 31 December 2008, Wereldhave had more than € 138 million available in committed credit lines, which represents ample funding for the development portfolio for the next years. The acquisition in San Diego was financed using the existing credit facilities. Loans in USD and GBP are part of the currency hedging policy.

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

	2008	2007
Net asset value before distribution of profit as at 01-01	89.06	85.50
less: dividend previous year	4.65	4.60
	84.41	80.90
Direct result	4.92	4.88
Indirect result	-/- 4.90	5.54
Other movements in equity	-/- 0.69	-/- 2.26
Net asset value before distribution of profit as at 31-12	83.74	89.06
less: proposed dividend	4.65	4.65
Net asset value after distribution of profit as at 31-12	79.09	84.41

As at 31 December 2008, Wereldhave had very strong capital ratios and a relatively limited debt position. With a Loan-to-Value ratio of 27.3%, Wereldhave is among the most soundly funded European stock-listed property funds. Wereldhave's interest-rate sensitivity is limited due to its high solvency. More information can be found on page 18. With regard to the loan portfolio, Wereldhave aims for a term to maturity that is spread evenly over the medium-long term. There are no loans that have to be refinanced in 2009. The funding of the group is provided by various international banks, in principle, based on balance sheet financing and without collateral. The notes to the consolidated annual accounts contain further information on the loan portfolio.

The convertible bond (2006-2011) with a nominal interest rate of 2.5% has a conversion rate of € 97.00. As at 31 December 2008, no bonds have been converted into Wereldhave shares.

Currency

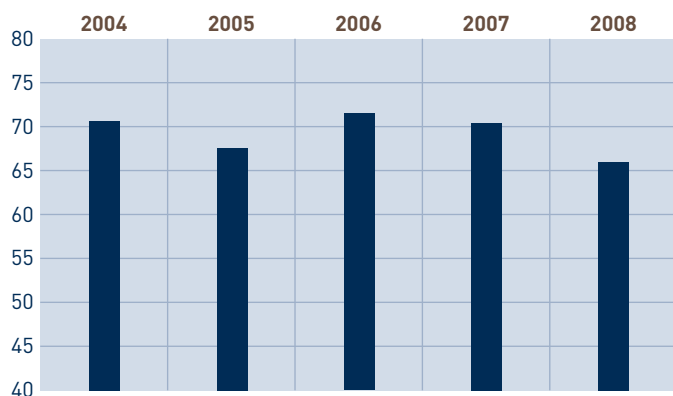
At the end of 2008, the USD exposure was hedged for 68% (2007: 64%) and the GBP exposure was hedged for 61% (2007: 59%). In 2008, Wereldhave utilised forward exchange transactions to hedge its USD and GBP positions. The net negative effect of exchange rate differences on equity amounted to € 13.3 million.

These hedge ratios represent the economic currency risk on the value of the property portfolio in the respective currencies. The guideline for hedging the USD and GBP risks on the property portfolio is a hedge ratio of 50%. Deviations from this targeted level are permitted within a hedging margin of 30% to 70%. Results in USD and GBP are not hedged separately, other than through interest expenses in the same currency.

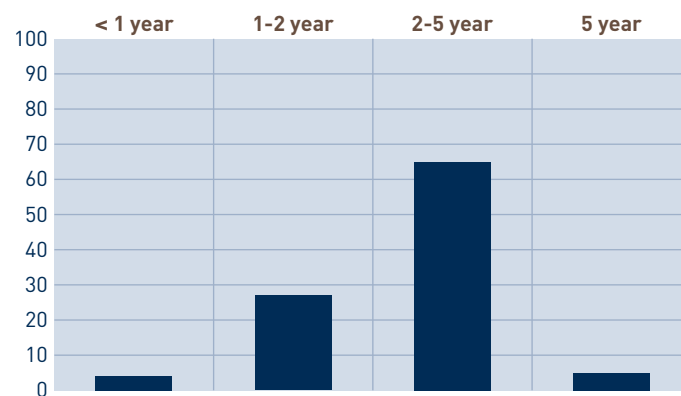
Derivatives

Wereldhave employs currency swaps and currency options and also uses financial instruments to control its interest expenses if necessary. These financial instruments are combined to manage the exchange rate sensitivity of the net asset value per share and the interest rate sensitivity of the profit per share. Wereldhave makes use of financial instruments such as interest rate and currency swaps in the execution of its interest rate and currency policy.

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



Maturity spread interest bearing debt (as a %)



Development of the portfolio

During 2008, Wereldhave purchased an office building in San Diego in the United States for USD 161 mln. Two industrial buildings in the United Kingdom and a parcel of land and a parking facility in the Netherlands were sold. The average occupancy rate for 2008 rose to 94.7% (2007: 94%).

The occupation rate of the portfolio increased in particular in Belgium as a result of the letting of offices in Berchem and Vilvoorde.

The investment portfolio suffered a downward revaluation of 3.7% or € -100.5 million at the year-end rates of 2008.

In particular in the United Kingdom the value decreased strongly (23%). The portfolio in France decreased by 11%, in Spain the value dropped 4%. Particularly in the shopping centres market rents rose, resulting in positive property revaluations in Finland and Belgium. At the end of 2008, the value of the development portfolio amounted to € 52.1 million and the value of the investment portfolio amounted to € 2,646.0 million. A table of revaluations can be found on page 112.

Information on the development portfolio is provided on pages 38 and 39.

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

	Netherlands	Belgium	Finland	France	Hungary	Spain	UK	USA	total
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
2008	–	–	–	–	–	–	6.2	–	6.2
total	116.4	93.2	–	288.6	2.8	–	238.1	94.3	833.4

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

	Netherlands	Belgium	Finland	France	Hungary	Spain	UK	USA	total
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
2008	–	–	–	–	–	–	153	–	153
avg.	104	160	–	123	105	–	118	102	119

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

Investment portfolio distribution (as a %) *)

	04	05	06	07	08
Offices	44	48	45	45	45
Shops	42	41	44	46	46
Industrial	12	9	9	7	7
Residential	2	2	2	2	2

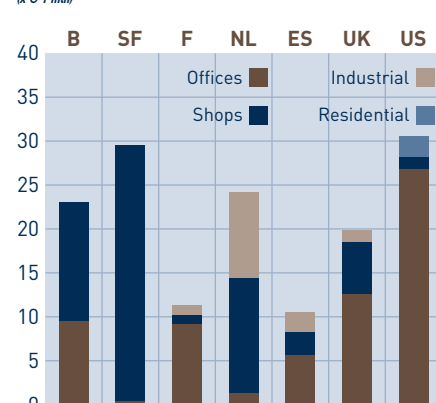
Investment portfolio geographical distribution (as a %) *)

	04	05	06	07	08
Belgium	16	15	14	14	14
Finland	19	19	21	22	22
France	10	9	7	7	7
Netherlands	18	16	16	15	15
Spain	5	5	5	7	7
UK	16	18	17	14	8
USA	16	18	20	21	27

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

	04	05	06	07	08
Belgium	13.6	14.2	14.5	15.2	15.4
Finland	18.3	17.9	18.5	19.6	19.9
France	11.0	11.3	9.0	7.7	7.6
Netherlands	17.2	17.0	17.5	17.9	16.3
Spain	5.0	4.8	5.5	6.4	7.0
UK	16.5	17.6	17.7	15.5	13.3
USA	18.4	17.2	17.3	17.7	20.5
Total	100	100	100	100	100

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



Staff and organisation

Mr J. Buijs resigned from the Board of Management of Wereldhave N.V. on 31 May 2008. At the Annual General Meeting of Shareholders on 2 April 2009, the proposal will be put forward to appoint Mr J. Pars and Mr D.J. Anbeek as managing directors in accordance with the articles of association.

The composition of the workforce did not undergo any other major changes in 2008. Wereldhave employed an average of

104 persons during 2008 (2007: 101), of which 62 (2007: 65) in the local offices. Of the total workforce, 46% was female and 54% was male. The average age of the employees amounted to 44, while the average employment duration was 10 years. Absence due to sick leave amounted to 2%.

We wish to express our gratitude to all our employees for their dedication and involvement.

Company risks and risk management

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

A description of the company's main risks, the specific measures to manage the risk in question and the influence that the risk could possibly have on Wereldhave's result and equity is provided below.

Main risks

Operational

The rental risk includes the risk of loss of rental income due to vacancies, the lettability of space and movements in market rents. The economic crisis could result in it taking longer to let property that has become vacant due to companies postponing their relocation decisions. The probability that tenants will no longer be able to meet their obligations is also increasing.

With its strategy of portfolio renewal, Wereldhave has built up a portfolio of modern, first class properties with good letting prospects. The local management organisations maintain direct contacts with the tenants and report monthly on all relevant market developments. In addition, Wereldhave has a Market Analysis department that closely monitors the developments in the various markets and reports these developments to the Board of Management. Rents are generally paid in advance. Furthermore, payment guarantees are a fixed component of Wereldhave's standard lease agreements. A 0.5% change in the occupancy rate has an effect of € 0.9 million on the direct result (€ 0.04 per share).

The value development of the portfolio is influenced, on the one hand, by the rental markets and, on the other hand, by the financial markets. A lower value has consequences for the capital ratios and the net asset value of the shares.

Portfolio renewal ensures an attractive portfolio with good letting prospects. However, the value of first class property can also decrease. The value development of the portfolio is monitored closely. Wereldhave values its property at market value, purchasing costs payable by the purchaser. Valuations take place half yearly on 30 June and 31 December, whereby independent registered valuers appraise half of the portfolio each time. Internal valuations are performed four times a year. In view of the volatility of the markets, the Board of Management has decided to have the external valuer also check the net yields and market rents of the internally appraised properties as at 31 December 2008. With its strong capital ratios, Wereldhave is well able to absorb possible decreases in property values. A 0.25% change in the average initial yield has an effect of € 92 mln in equity (€ 4.43 per share).

Financial

Changes in the GBP and USD exchange rates can affect the results and the value of the investments outside of the Eurozone. This effect is limited by financing in the same currency and by hedging with currency swaps and forward transactions.

The hedging policy is determined by the Board of Management. Exchange rate developments are monitored continuously. The guideline for hedging the USD and GBP risks on the property portfolio is a hedge ratio of 50% with a range of 30% to 70%. At the end of 2008, the USD exposure was hedged for 68% (2007: 64%) and the GBP exposure was hedged for 61% (2007: 59%). The risks of lower exchange rates on the direct result are not hedged. The currency risk on the value of the portfolio is partially hedged. A 5% change in the year-end exchange rates has an effect of € 17.1 million in shareholders' equity and € 0.83 on the net asset value per share. A 5% change in the average exchange rates results in a change of € 1.7 mln in the direct result (€ 0.08 per share).

Movements in interest rates may affect results, returns and the value of the property portfolio. The Board of Management determines the interest rate policy.

Inflation rates, in combination with both interest rates and exchange rates, are included in the management information and in the parameters set by the Board of Management for the projections and forecasts that are used when determining the policy. Wereldhave has interest rate consolidation possibilities at its disposal in the form of interest rate swaps and drawings on committed fixed-interest facilities and it maintains strong capital ratios. With a Loan-to-Value ratio of 27% at year-end 2008, Wereldhave is one of the most soundly funded European stock-listed property funds. A 0.5% change in the money market rate has an effect of € 2.8 million on the direct result and equity (€ 0.13 per share).

Other risks

Operational

The debtor risk is the risk of default of a counterparty on payments to Wereldhave. If 1% of the debtors were to default, this would affect the direct result by € 0.01 million (€ nil per share). Wereldhave uses an on-line application to monitor the outstanding receivables and to assess the adequacy of the provision for doubtful debts on a monthly basis. In addition, it is stipulated in the standard terms and conditions of the lease that the rent must be paid in advance. Furthermore, the creditworthiness of each tenant is assessed prior to entering into a new lease agreement. The risk is further limited by means of bank guarantees provided by the tenants.

Development risk

The risk that the ultimate project costs deviate from the original budget is controlled by means of clearly defined budgeting and highly disciplined project management. In addition, Wereldhave strives to be able to determine itself whether and when the various project phases should begin. Completion and purchase obligations are only entered into upon an explicit decision of the Board of Management.

Financial

The refinancing risk concerns the risk that credit agreements cannot be renewed or can only be renewed on less favourable conditions. This risk is limited by maintaining strong capital ratios, maintaining relationships with various international banks and maintaining sufficient credit facilities (committed and uncommitted). The Board of Management assesses the cash flow forecasts and the resulting funding requirements on a regular basis.

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

Strategic

Wereldhave must comply with the statutory requirements to maintain its fiscal status. The maintaining of Wereldhave's fiscal status is a matter that has the ongoing attention of the Board of Management. The distribution obligation and the funding limits are calculated periodically and ad hoc in connection with refinancing, investments and preparing the dividend proposal. Wereldhave satisfied the requirements for the fiscal status of investment institution during 2008.

Changes in the geographical distribution and the distribution of activities Entering countries and entering markets in which Wereldhave was not previously active, starting up new activities, or adjusting the existing mix of activities, entail risks. Having one's own local management company is a precondition for entering new countries, providing the necessary knowledge of local regulations and local culture. In its local management companies, Wereldhave employs personnel who are from the country in question, who have ties with the local culture and who are directly committed to Wereldhave's performance.

Risk management

The Board of Management is responsible for the organisation, implementation and functioning of the risk management and risk control systems that are geared to Wereldhave's business activities. The Board of Management is aware that no single risk management and control system can provide an absolute guarantee for the realisation of the company's objectives and the prevention of fundamental errors, losses, fraud or the violation of laws and regulations.

The tailored administrative organisation, the annual investment plan that is prepared by the Board of Management and submitted to the Supervisory Board for approval and the Business Principles and the Code of Conduct form the instruments for internal control and risk management. Wereldhave has rules in place for reporting irregularities and misconduct. A specification has been made of the integrity-sensitive positions. Special procedures are in place for hiring employees for such positions.

Wereldhave has set up its own tailor-made administrative organisation in which internal control is embedded. The business processes have been documented in a database that is available on line for all employees. This system serves not only to guarantee the continuity of business processes, but also records and disseminates the knowledge present in the company. The business processes are further elaborated in task descriptions for each function. The system of Administrative Organisation / Internal Control is based on the segregation of functions to the greatest extent possible. This system also comprises a computerised information system the access to which is based on the task descriptions. Contracting and payment both take place based on a strict division between preparing and approving. The managing directors of Wereldhave N.V. are also the directors of the local property holding companies. This ensures that property transactions cannot be entered into locally that have not explicitly been approved by Wereldhave's Board of Management.

Wereldhave has strict procedures in place for the periodic preparation of quarterly and annual financial statements based on approved accounting principles. The internal management reports are designed to immediately signal developments in the value of investment and in the results per share. The reporting system makes use of electronic data processing in a computerised integrated central information system to which all domestic and international business units are linked directly.

Wereldhave aims to guarantee the reliability and continuity of the computerised organisation and computerised data processing with a system of preventive and repressive measures. This system is aimed at ensuring the integrity, exclusivity, availability and verifiability of the computerised data processing and data storage. Back ups of the data files are made daily. The back-up files are stored externally in a safe every week. A fallback agreement has been concluded with IBM.

The existing information system is a central, internationally integrated property and financial information system. This system will be replaced at the beginning of 2009 by a new system that has also been developed in-house by Wereldhave called AREMIS (Adaptable Real Estate Management Information System).

The Board of Management has assessed the organisation and functioning of the internal risk management and control systems. The outcome of this assessment and any significant modifications have been discussed with the Supervisory Board at the same time as the strategy and the risks. The assessment does not contain any observations based on which it would have to be concluded that the description of the administrative organisation and internal control system does not satisfy the requirements as stipulated in the Dutch Financial Supervision Act (Wft) and the regulations related to the Wft.

Statement by the Board of Management

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

1. that based on the assessment that has been carried out and taking into account the relevant recommendations of the Monitoring Committee Corporate Governance, the internal risk management and control systems of Wereldhave are adequate and provide a reasonable degree of certainty that the financial reporting as included in this annual report is free of material misstatement. The Board of Management has no evidence that this risk management and control system would not have functioned in accordance with the description, nor that this system would not have functioned properly in the current year;
2. that the annual accounts present a true and fair view of Wereldhave's assets, liabilities, financial position and profit of the companies included in the consolidation; and
3. that the annual report provides a true and fair view of the situation on the balance sheet date, the course of business during the financial year of Wereldhave N.V. and the companies affiliated with Wereldhave of which the figures have been included in its annual accounts; and
4. that the main risks with which Wereldhave and its affiliated companies are confronted have been described in this annual report.

Information per country

The key economic figures per country have been drawn from the December 2008 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

Belgian economic growth slowed down in 2008. In the first half of 2008, unemployment decreased further to 6.8% and inflation peaked at 5.9%. In the second half, the situation began to change and unemployment began to increase and inflation started to drop. The growth slowdown was noticeable in various sectors, but above all in the financial sector. Retail sales initially continued to grow slightly, but then levelled off towards the end of the year. Construction activity and industrial production embarked upon a downward trend.

Investments in Belgian commercial property have practically come to a standstill since the summer. There were few transactions. It is generally assumed that the yields on office property have increased to approximately 6.3%. Absorption on the office market in Brussels (5%) decreased for the second consecutive year, while absorption on the office market in Antwerp (30%) increased again considerably. Rents are also decreasing in Brussels as a result of the lower absorption rates. The average rent was 4% lower than in 2007. Due to the lower absorption and the large pipeline of – mainly speculative – construction projects, vacancies and yields will continue to increase, while rents will come under further pressure. The combination of higher yield requirements and lower rents will result in a further decrease in property values.

The Belgian retail market is characterised by a large supply of individual retail properties and relatively few shopping centres. The number of square shopping centre meters per inhabitant in Belgium is roughly half of the European average and only one quarter of the level in the Netherlands. In an international perspective, Belgian shopping centres have relatively high rents and low initial yields. Average rents lie between € 550 and € 650 per square meter and the yields lie between 4.7% and 5.4%. The absorption of retail property rose in 2008 by 20%

to 300,000 m². The pipeline of development projects currently amounts to approximately 2.1 million m², of which half concerns shopping centres, but at present only a small percentage of these projects have actually been implemented.

The Belgian economy will contract in the coming year; a recovery will not start before 2010. The degree of contraction depends heavily on the developments in the rest of the world. The contraction will lead to higher unemployment. Jobs will be lost in the industrial and services sector causing the demand for office space and industrial properties to decrease. This will have serious consequences for the absorption of office space, in particular in the centre of Brussels. Rising unemployment also has negative consequences for consumer spending, causing the increase in rents in the retail market to level off.

Wereldhave has not made any changes in the composition of the portfolio in Belgium in 2008. The renovation of the shopping centre in Nivelles was completed in 2008 and the extension of ca. 12,000 m² will probably commence in the second half of 2009. It is anticipated that the extension of the shopping centre in Tournai can be started in 2010. The average occupancy rate for 2008 rose to 91.7% (2007: 86.6%). As at 31 December 2008, the value of the Belgian portfolio amounted to € 381.1 million, after a revaluation by 1.2%. The value of the development portfolio amounted to € 9.6 million. Wereldhave has increased its interest in Wereldhave Belgium in 2008 to 69.3% at year-end 2008.

Prospects

The retail market is still developing favourably. In view of the relative scarcity of shopping centres, the extension plans for the shopping centres in Nivelles and Tournai will be carried out. The letting of the offices in the portfolio will require attention.

OECD Economic Outlook

	07	08	09	10
Economic growth	2.6	1.5	-0.1	1.3
Average growth EU zone	2.6	1.0	-0.6	1.2
Inflation	2.4	2.1	2.3	1.8
Growth private consumption	2.0	0.9	0.4	1.4
Growth corporate investment	6.1	4.9	0.1	3.0
Growth in employment	1.8	1.5	-0.2	0.2
Unemployment rate	7.4	6.8	7.4	7.8

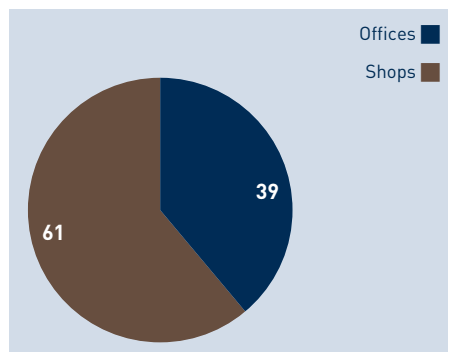
Annual rent and market value

(x € 1 mln as at December 31, 2008, assuming no vacancies)



Distribution of investments

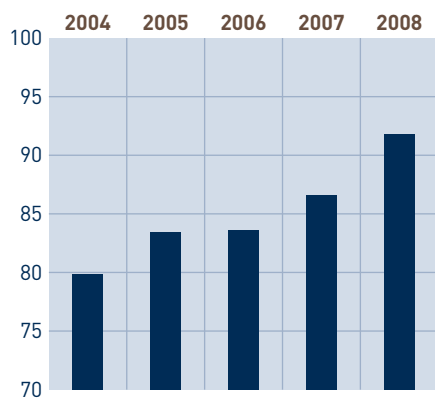
(as a % of market value)



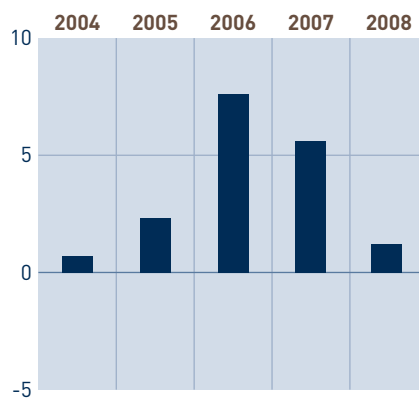


Nivelles shopping centre, Nivelles

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.

In the first half of 2008, consumption and investments increased and exports also contributed to a strong economic growth. In the second half of the year, investments decreased due to the deteriorating economic prospects and lack of funding and exports decreased due to a lower demand for electronics and higher Russian import duties on wood. Inflation increased during the year and reached a peak of 4.7% in the third quarter. These developments did not negatively affect the total economic growth for 2008, but will lead to a significant cooling down of the economy in the coming year.

In recent years, prices of Finnish commercial property have risen strongly. However, prices also decreased in 2008 due to the higher yield requirements of investors. For instance, the initial yield for the best office buildings in the centre of Helsinki rose to 5.8%, whereas a year earlier this was still 4.8%. At the same time, many owners are not willing to sell at the prices that buyers are willing to offer. As a result, many transactions are not completing and investments in property have decreased from € 5.9 billion to € 4.0 billion in 2008. In particular, the demand from foreign investors has decreased sharply.

The office market experienced the consequences of the lower employment growth. As a result, users have become more cautious about renting office space. Consequently, the absorption of office space decreased and vacancies increased. The prime rental rates are around € 370 per m². Rents have remained unchanged, except in Espoo (a suburb of Helsinki), where rents have started to decrease due to the strongly increased supply. In combination with the initial yields that have risen to 5.5%, this results in a decrease of property values.

The vacancy levels of retail properties remain at a low level (approximately 3%). It is practically impossible to find vacant retail properties in the best locations, while the supply of retail properties in secondary locations is increasing slightly. The growth of retail rents is levelling off and as a result, market rents are no longer rising in line with inflation in all sectors. Of course, this is not the case for contract rents that are indexed in line with the inflation rate. The value of retail properties has decreased slightly.

In the near future, approximately 250,000 m² extra office space will be available in and around Helsinki. In view of the fact that the average yearly absorption amounts to 80,000 m², this will irrevocably lead to a considerable increase in vacancy levels and a decrease in market rents. Wereldhave expects that property values will continue to decrease. In view of the fact that a number of tax measures are advantageous for consumers, the negative consumer sentiment will not necessarily result in lower consumer spending. However, the total retail surface area is still growing. This can result in a decrease in the average turnover per square meter of retail floor space. The decrease in retail property values will be the greatest in rural areas and the smallest in the cities where the population is still growing.

The Finnish property portfolio remained unchanged in 2008. The occupation rate amounted to 99.2% (2007: 99.5%). The value of the investment property portfolio amounted to € 590.0 million as at 31 December 2008. The portfolio was revalued 0.9%. The portfolio does not include any development projects.

Prospects

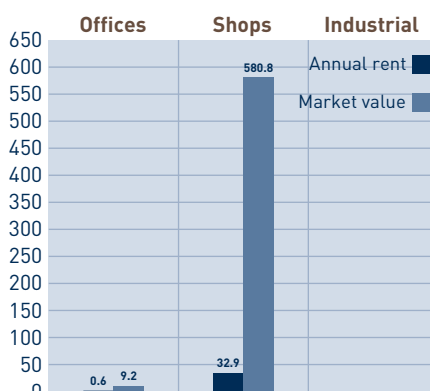
The Board of Management expects that the high occupancy rate of the Finnish portfolio can be maintained in 2009.

OECD Economic Outlook

	07	08	09	10
Economic growth	4.4	2.1	0.6	1.8
Average growth EU zone	2.6	1.0	-0.6	1.2
Inflation	2.8	3.3	3.3	2.1
Growth private consumption	3.2	3.3	1.9	1.8
Growth corporate investment	8.4	0.0	-1.9	1.7
Growth in employment	2.0	2.0	1.2	0.1
Unemployment rate	6.9	6.2	6.5	6.8

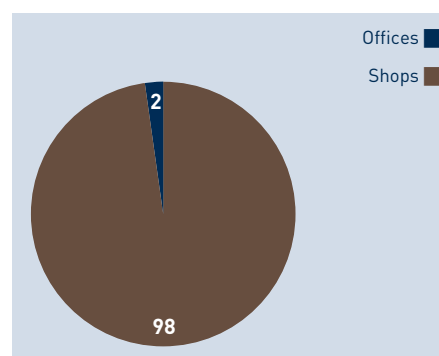
Annual rent and market value

(x € 1 mln as at December 31, 2008, assuming no vacancies)



Distribution of investments

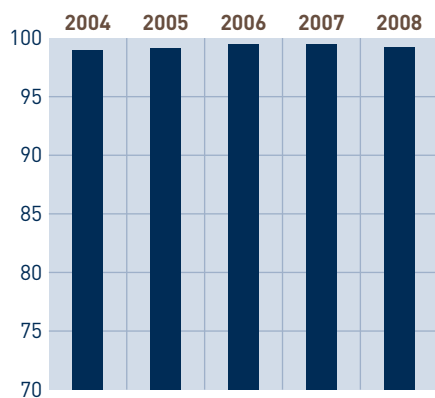
(as a % of market value)



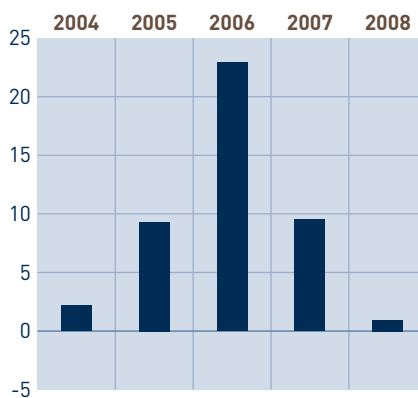


Itäkeskus shopping centre, Helsinki

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 Diego, California

San Diego is a large port city in Southern California with 1.3 million inhabitants.

Large port cities on the west coast of the United States profit from the expanding trade with emerging countries in Asia. The business climate is very attractive for both companies and employees. San Diego is a knowledge centre for the biotech industry and houses a large navy base. San Diego's strongly diversified economy ranks 30th according to size in the world league table.

Downtown San Diego underwent a true metamorphosis in recent years as the result of an extensive revitalisation programme. Substantial amounts have been invested in particular in the Ballpark District near the PETCO baseball stadium and the San Diego Harbour. It has become a mixed-use area for living, working and relaxing. The accessibility by both car and public transport is excellent. San Diego International Airport Lindbergh Field is located at a distance of approximately 5 kilometres.

Wereldhave purchased DiamondView on 8 September 2008. DiamondView is a first class office building with 15 floors in the Ballpark district with a view of the PETCO stadium. The office building of 28,359 m² has 928 parking spaces. The purchase price was USD 161 million.

The degree of the finish of the building is unequalled. The lowest two floors offer a wide range of facilities, such as restaurants, fitness center, spa, sports bar and coffee shop. The penthouse on the 15th floor, "The Ultimate Skybox", can be rented for conferences or receptions. The Athletic Club, a sports club, rents 3,500 m² with state-of-the-art facilities and an outdoor pool on the second floor.



The penthouse on the 15th floor, "The Ultimate Skybox", can be rented for conferences or receptions.

The office building is 91% let with long-term leases and a strongly diversified pool of tenants. The net initial yield is 6.25%. The acquisition makes an immediate contribution to the direct result per share.



DiamondView, with state-of-the-art facilities

DiamondView and Broadway 655, which was purchased by Wereldhave in 2007, are the only two new first class office buildings that have been built in Downtown San Diego in the past eighteen years. There are no other large office projects under construction. Wereldhave was able to purchase the building at an attractive price. Due to the rising construction costs, the difference between the acquisition price and the cost price of comparable to be built new office properties is very small.

This acquisition is Wereldhave's second property investment on the west coast of the United States. Wereldhave has decided to invest here because of the areas increasing economic activity. The acquisition is in line with Wereldhave's strategy to invest in recently built first class properties in knowledge intensive markets.



DIAMONDVIEW TOWER
AT THE BALLPARK

France

The French economy has grown strongly in recent years, mainly due to higher consumer spending. At present, the automobile industry and the construction sector are particularly experiencing the negative effects of a cyclical slowdown of the economy. The budget deficit has risen strongly due to the government support provided to the banking industry and to strategic French industries and companies. The budget deficit was already high over the last decade, mainly the impact of higher wage costs, high government pensions and high healthcare costs. Nevertheless, France did not enter into a recession in 2008 and inflation pressure has decreased. The inflation rate was 2.3% in 2008 and will be considerably lower in 2009. Unemployment has been increasing since May 2008, especially among young people.

The number of property transactions has decreased significantly in the past year, particularly in the Paris area (-62%). The presence of the financial sector in Paris is less dominant than in London. The absorption rate in the office market has therefore suffered less than in London, decreasing by 15% to 2.3 million m². Although vacancy levels are rising, the supply in the Paris area remains low (5%). There is even scarcity in the centre of Paris. The main office areas are the 2nd Periphery, the Western business district and the centre of Paris. Prime rents decreased by approximately 10% in the past year to below € 700 per m², but the average annual rents only decreased slightly to € 330 per m². The increase in rent-free periods is an indication that the rents are under downward pressure. Initial yields rose slightly in 2008 and now amount to approximately 5% in the centre, whilst increasing to a greater extent in the other Parisian sub-markets. The office space absorption rate has decreased and the supply has increased in most other large cities. The number of projects under development still remains high. Rents in the provincial cities have remained at the same level and it is only in Lyon and Lille that annual rents are higher than € 200 per m².

In spite of lower consumer spending, the demand for retail units of 200-500 m² in the main shopping streets remains strong, but the supply is extremely limited. On the Champs Elysees in Paris, prime rents stand at € 10,000 per m², whereas the average rents in the main French shopping streets stand at € 680 per m². The demand for retail units in the main shopping centres remains strong, continuing the upward pressure on rents. The rents in shopping centres vary from € 600-1,500 per m² in the regional centres to € 700-1,800 per m² in the Paris region.

The changed economic climate is clearly noticeable in the market for industrial property. The supply of industrial buildings has increased significantly in the past year, particularly in the Paris region, whilst the pipeline of new development projects has decreased considerably. Rents have remained more or less unchanged, although decreasing in the Paris region by 5%. Initial yields increased by approximately 1%.

No changes have been made in the composition of the French portfolio in 2008. The occupancy rate of the French portfolio amounted to 96.0% in 2008 (2007: 96.0%). The value of the investment property portfolio amounted to € 176.0 million as at 31 December 2008. The portfolio was revalued downwards by 11.1%. Wereldhave's French portfolio does not contain any development projects.

Prospects

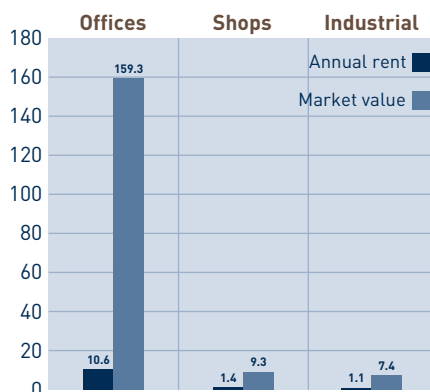
After the expiration of the nine-year lease at the end of December 2008, the "Carré Vert" office building in Levallois Perret will be upgraded in order to meet the most recent sustainability requirements. The efforts of the French organisation in 2009 will mainly focus on finding tenants for this property.

OECD Economic Outlook

	07	08	09	10
Economic growth	2.1	0.9	-0.4	1.5
Average growth EU zone	2.6	1.0	-0.6	1.2
Inflation	2.5	2.3	1.7	1.1
Growth private consumption	2.4	0.9	0.3	1.8
Growth corporate investment	4.9	0.3	-3.6	2.1
Growth in employment	1.8	1.4	-0.6	0.1
Unemployment rate	8.0	7.3	8.2	8.7

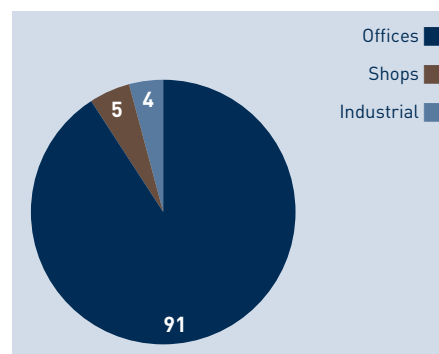
Annual rent and market value

(x € 1 mln as at December 31, 2008, assuming no vacancies)



Distribution of investments

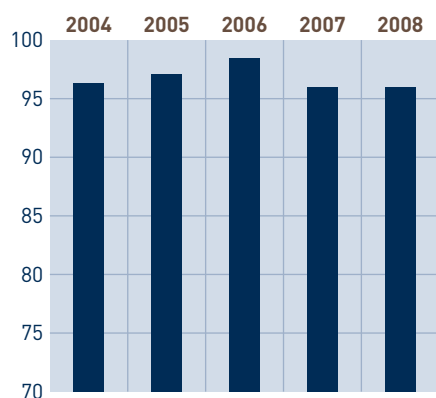
(as a % of market value)



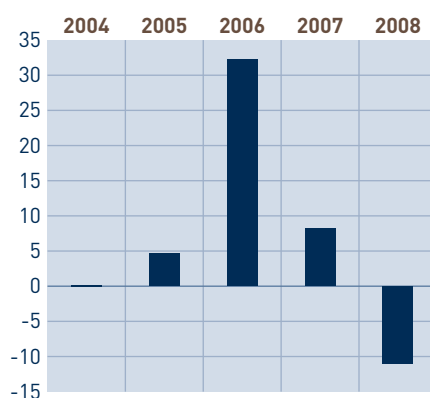


45-49 Rue Kléber, Levallois-Perret, Paris

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

The Dutch economy grew in the past year by 2.2%, which is considerably higher than the average of the Eurozone. The inflation rate was also favourable in comparison to the Eurozone. Unemployment decreased to the lowest level since 2002. Nevertheless, the consequences of the financial crisis have also become more noticeable in the Netherlands in the second half of the year. Consumers and companies have kept a tight grip on their purses, causing consumption and investments to come under pressure. At the same time, exports also decreased. As a result, the economic cycle has entered into a downward phase. All sectors of the economy were affected. The decrease in the unemployment rate came to a halt in December; it has now become difficult, especially for young people, to find work.

The deteriorating economic conditions also have an impact on the property markets. For instance, investments in commercial property have halved compared to 2007. The absorption rate of property was also lower in 2008 than in the previous year. The absorption of office space amounted to 1.3 million m² in 2008, a 40% decrease compared to 2007. The average market rent has decreased by over 5% during the course of the year. Vacancy levels decreased by 6% to 5.2 million m². Initial yields stand at approximately 6%.

Almost 30% less industrial space was absorbed in 2008 than in 2007, although regional differences were very large. For instance, vacancy levels of industrial properties in the regions The Hague and Arnhem increased considerably, whereas the vacancy levels in Eindhoven and Tilburg decreased considerably. The picture is influenced strongly by incidental large absorptions. At € 63 per m², average market rents remained almost unchanged during the course of 2008.

The absorption decreased by 25% in the retail market, whereas supply increased by 1.2%. As a result, vacancy levels rose to 2.1 million m². Vacancy levels are increasing rapidly mainly

in the secondary locations. There is still a strong demand for good locations. This explains why the prime rents in the best shopping streets and the best shopping centres continue to move upward – although less rapidly than previously.

As existing projects are being completed, a lot of new property will come on the market in 2009. As a result, vacancy levels will rise, in particular for older buildings and periphery locations, but prime locations will not remain unaffected. Incentives, such as rent-free periods, are increasing again. The aforementioned rental risks and higher funding costs have already partially been translated into higher initial yields. Nevertheless, it can be expected that initial yields will increase further in 2009.

Wereldhave sold a parcel of land and a parking facility in Rijswijk adjacent to the office building Winston Churchill Tower that Wereldhave sold in 2007. The composition of the portfolio has not changed any further in 2008. Wereldhave has succeeded in letting 2,534 m² office space and 1,595 m² industrial space in the business park Ypenburg. In Etten-Leur, 1,200 m² office space was let above the shopping centre. Only a limited number of retail units became vacant in the shopping centres but those that became available could generate higher rents. Agreement has been reached with the municipality of Leiderdorp on the expansion of the shopping centre Leiderdorp with 7,000 m² on the location of the old municipal hall. It is expected that construction can begin when the municipal hall is vacated in 2012.

The occupancy rate of the Dutch portfolio improved in 2008 to 98.0% (2007: 97.2%). As at 31 December 2008, the value of the investment portfolio amounted to € 396.2 million and the value of development portfolio amounted to € 0.6 million.

The portfolio was revalued by -0.5%.

Prospects

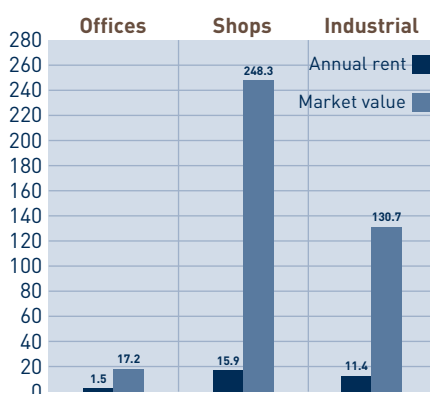
The emphasis in 2009 will be on maintaining the occupancy rate of the portfolio. The Board of Management expects that opportunities for new investments will be limited certainly in the first half of 2009.

OECD Economic Outlook

	07	08	09	10
Economic growth	3.5	2.2	-0.2	0.8
Average growth EU zone	2.6	1.0	-0.6	1.2
Inflation	1.5	1.8	1.5	1.5
Growth private consumption	2.1	1.9	0.0	0.4
Growth corporate investment	4.9	6.3	-1.5	1.2
Growth in employment	2.5	1.5	0.0	0.1
Unemployment rate	3.3	3.1	3.7	4.1

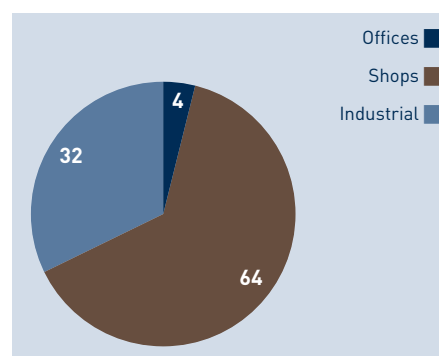
Annual rent and market value

(x € 1 mln as at December 31, 2008, assuming no vacancies)



Distribution of investments

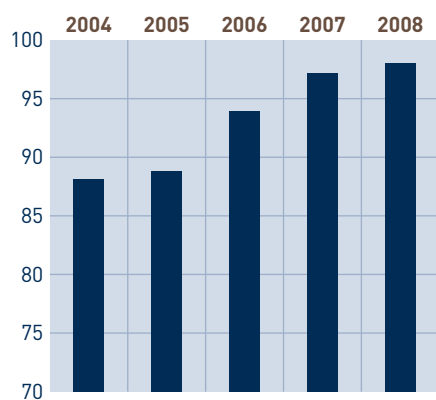
(as a % of market value)



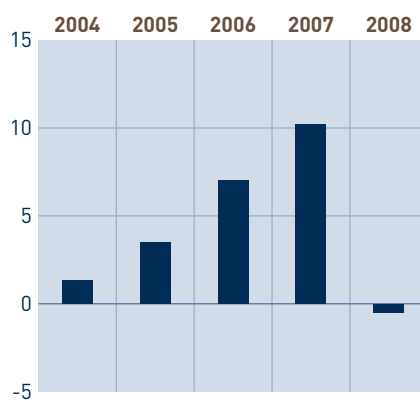


Ypenburg industrial estate, The Hague

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.

The collapse of the Spanish housing market in 2007 triggered a chain reaction in the Spanish economy in the past year. As many households saw their savings evaporate, consumer spending decreased. As a result, the economy entered into a recession in the last quarter of 2008 and unemployment rose rapidly. A positive development is that the inflation rate has decreased. The inflation rate is now close to the average of the Eurozone. The cooling down of the economy has had consequences for all market sectors: construction, industry, logistics, services and trade. In 2008, retail sales were approximately 10% lower than in 2007. Furniture and car sales were even 40% to 50% lower. The tourist sector, which accounts for around 12% of the economy, was confronted with fewer reservations.

Against this backdrop, the use of office space in Madrid had decreased slightly during the past year. The absorption rate of office space has even decreased by approximately 50% to a little less than 500,000 m². In other cities, where the demand for offices is more stable, absorption rates decreased less. Vacancy levels have risen to over 7% in Madrid. The prime rents in the centre of Madrid have stabilised around € 480 per m², whereas the rents outside the centre decreased slightly. The yield requirements of investors have increased. The sharpest yield requirements were around 6% at the end of 2008, whereas this was still 4% a year and a half ago. In the case of stable office rents, this implies a substantial drop in property values. As a result of the completion of new offices in 2009, a decrease in rent levels can be expected.

The size of the Spanish shopping centre market has increased in recent years by 1.2 million m² to 14.2 million m². This is due to the fact that retail chains demand large surfaces that they cannot find in the traditional city centres. Retailers have now become more cautious and have postponed their expansion plans. Many new shopping centres will be opened in the

coming period and consumer spending is decreasing. This results in a lower sales turnover per square meter. On one hand, a large number of shops will have to close their doors, but on the other, this will also result in a moderation in the growth of rents. The average retail rents decreased in Madrid by 5%. The yield requirements of investors are increasing. As a result, property values will decrease further.

The industrial property market was also confronted with a declining demand in 2008. Property values decreased by approximately 15%. The first vacancies have now arisen in this market segment. Until recently, vacant industrial space was an unknown phenomenon in Spain. Due to the extensive investments in infrastructure, logistic service providers can optimise their networks. This leads to shifts in and an increase in scale of the logistic property market. In addition to the dominant axis of Madrid – Zaragoza – Barcelona, alternative axes are gaining in importance, such as Vitoria – Zaragoza – Valencia and Seville – Malaga.

No changes were made in the composition of the Spanish portfolio in 2008. The average occupation rate of the portfolio during the year under review amounted to 94.9% (2007: 98.8%). As at 31 December 2008, the value of the investment property portfolio amounted to € 172.3 million. Wereldhave does not have any development projects in Spain. The Spanish portfolio was revalued by -4.3%.

Prospects

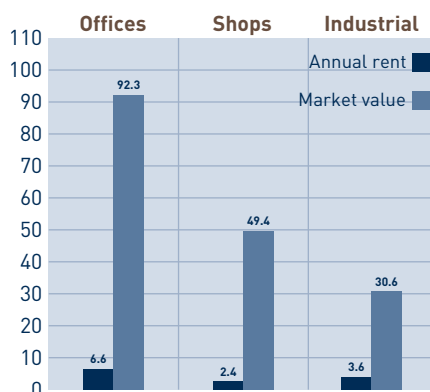
In the short term, the deteriorating economic situation will lead to a larger rental risk and a higher probability of vacancy. The Spanish portfolio contains relatively few leases that are due to expire in the short term. The Spanish management organisation will mainly focus on maintaining occupancy rates at the current level. The shopping centre Planetocio will be upgraded in order to further improve the lay out and the variety of shops.

OECD Economic Outlook

	07	08	09	10
Economic growth	3.7	1.3	-0.9	0.8
Average growth EU zone	2.6	1.0	-0.6	1.2
Inflation	3.2	3.4	2.5	1.1
Growth private consumption	3.5	1.2	-0.4	0.2
Growth corporate investment	5.3	-2.0	-9.2	-2.7
Growth in employment	3.1	-0.1	-2.3	-0.6
Unemployment rate	8.3	10.9	14.2	14.8

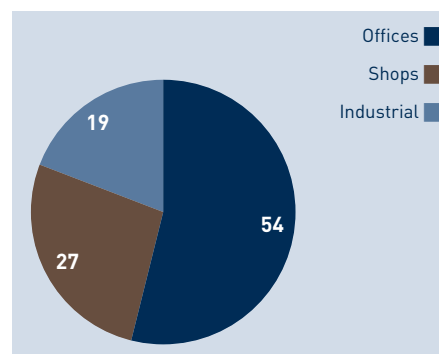
Annual rent and market value

(x € 1 mln as at December 31, 2008, assuming no vacancies)



Distribution of investments

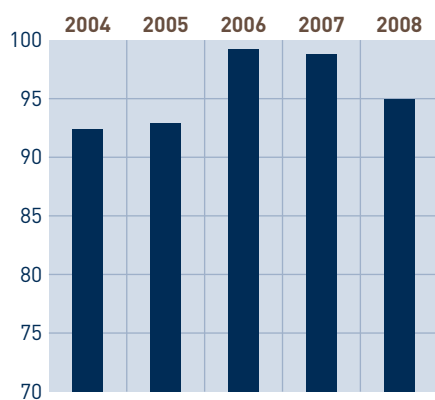
(as a % of market value)



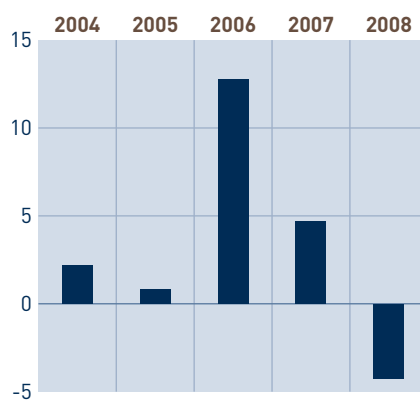


15 Avenida de la Vega, Alcobendas, Madrid

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

Economic growth in the UK came to an abrupt halt in 2008. In recent years, consumer spending fuelled economic growth. House prices have dropped in 2008 by on average 16% and unemployment has risen sharply. As a result, consumer spending has decreased causing one of the strong drivers of the British economy to disappear. The British government has rushed to the aid of the financial sector with huge capital injections. The Bank of England cut interest rates drastically to stimulate the economy. Additional interest rate cuts are only possible to a limited degree. The British government is attempting to turn the tide with other measures such as a temporary decrease in the VAT rate and higher government spending. Economic growth in 2008 amounted to 0.8% and the expectation for 2009 is that the economy will contract by a few percent. Inflation peaked in September but has come down since. Unemployment has risen to 6% and the British pound depreciated significantly in value. The expectation is that the present recession will certainly last for more than a year.

The gross absorption rate of office space in London dropped in 2008 by 16%. All office markets in London were affected by the financial crisis, but the lower absorption rate was most apparent in the City and the West End, only increasing in Docklands by 280,000 m². As a result of several large speculative developments the vacancy rate in the centre of London has risen to 5.3%. This explains the sharp drop in rents in the City and the West End of approximately 18% since the peak in 2007. The initial yields in both the City and the West End have risen (6.6% and 5.5% respectively). Due to the negative economic prospects and the large potential supply, vacancy levels will increase further and rents will decrease across the board. The other British cities reacted in a delayed manner to the current economic downturn. Although investments in the regional cities have decreased, office rent levels still increased slightly or remained unchanged. Initial yields have risen.

The British retail landscape is undergoing major changes. Retail sales are decreasing, in spite of clearance sales and the temporary VAT reduction. On the other hand, turnover through the Internet is increasing. At the end of the year, retail rent levels in the main shopping streets in London were under downward pressure, whereas rents were still increasing slightly in other areas. Initial yields are rising more rapidly in the centre of London than on a national level. The number of development projects and the number of planned extensions has decreased sharply.

Rents for industrial property continued to increase this year in London and in the North of England, but decreased in all other regions. Initial yields have risen by over 2% in the last one and half years.

A book profit of € 1.8 million was realised on the disposal of two industrial properties. The average occupation rate of the portfolio during the year under review amounted to 91.2% (2007: 92.3%). The value of the investment property portfolio amounted to € 219.5 million as at 31 December 2008. The British property portfolio was revalued downwards by 22.6%.

Prospects

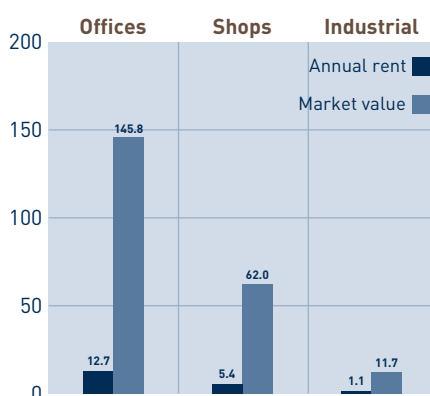
The highest priority will be given to the improvement of the occupation rate and retaining existing tenants. The vacancies in the office park in Manchester have not been solved yet, partly due to the large supply of office space in the centre of Manchester. In 2009, Wereldhave will invest in the expansion and improvement of the facilities in order to increase the attractiveness of the office park for tenants.

OECD Economic Outlook

	07	08	09	10
Economic growth	3.0	0.8	-1.1	0.9
Average growth EU zone	2.6	1.0	-0.6	1.2
Inflation	2.9	3.3	2.5	1.5
Growth private consumption	3.0	1.8	-1.0	0.7
Growth corporate investment	7.1	-5.3	-9.0	0.5
Growth in employment	0.7	0.8	-1.8	-1.9
Unemployment rate	5.4	5.5	6.8	8.2

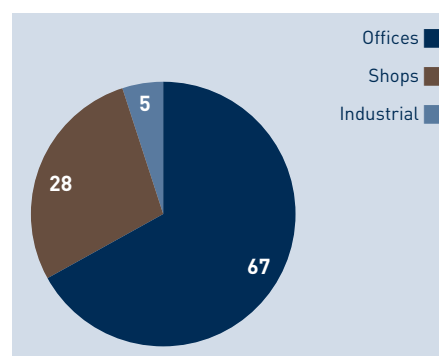
Annual rent and market value

(x € 1 mln as at December 31, 2008, assuming no vacancies)



Distribution of investments

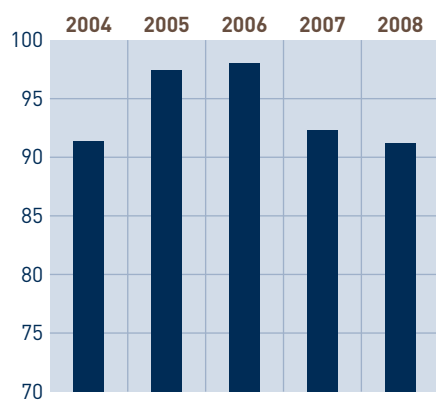
(as a % of market value)



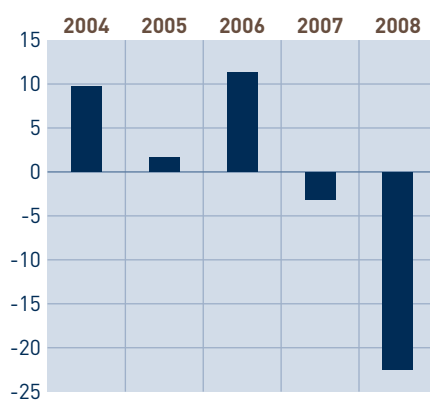


Towers Business Park, Manchester

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

Due to the collapse of the US housing market and the subsequent financial crisis, the demand for consumer goods has decreased significantly. The Federal Reserve lowered interest rates to 0.5% to rescue the economy but as yet without any result. The budget deficit is rising further as a result of the billion-dollar support packages provided to banks and to car manufacturers. The US economy has now entered the worst downward spiral since the 1980s. The retail sector experienced the worst Christmas season in the past forty years. In the past year, 2.6 million people lost their jobs, mainly in the industrial, construction and service sectors. Unemployment rose rapidly to 7.2% at the end of the year. An additional 2.5 million jobs are expected to disappear in 2009, causing unemployment to rise to well over 9%.

In particular, the absorption of office space in the Central Business Districts has decreased strongly. More than 60% of the decrease in absorption of office space in New York arises in Midtown Manhattan where the financial sector is strongly represented. While the rents in Midtown Manhattan decreased by almost 14%, elsewhere in Manhattan they continued to increase by a few percent. Vacancy levels are increasing in Washington DC, San Diego, Dallas/Fort Worth and Austin due to the decreasing demand and the completion of new developments. The vacancy rate on the US office market has risen to 14.2% in the past year. Average rents have decreased slightly in the past year to USD 490 per m² in the Central Business Districts and to USD 300 per m² in the suburban markets. Initial yields are rising with the lowest in the CBD of Los Angeles.

The retail market reacted immediately to the declining consumer confidence. The demand for retail space in the past year was less than 25% of that of the previous year and the number of construction projects has dropped by 50%. Vacancy levels are increasing and rents are under downward pressure. Only the lower market segments, including discount stores, are still growing.

The US housing market has still not recovered after one and half years. This varies in different parts of the country. The number of unsold homes is rising and the average house price dropped by 13.2% in 2008. Prices fell in California and Florida by more than 30%. The housing market in Texas held up well for quite some time. The number of jobs in Texas increased in 2008 by 230,000. In the mean time, the first signs of lower prices can also be observed here. The supply of rented homes has increased in the past year and the rental market shows weak growth.

On 8 September 2008, Wereldhave purchased DiamondView, an office building of 28,359 m² in San Diego, California. The purchase price was USD 161 million. The renovation of the façade of 1401 NY Ave in Washington, an investment of approximately USD 10 million, was completed in January 2008. After the completion of the site works, the construction of two office buildings in San Antonio was started in August 2008.

The average occupation rate of the portfolio amounted to 92.7% (2007: 91.5%). As at 31 December 2008, the value of the investment property portfolio amounted to € 710.9 million and the value of the development portfolio amounted to € 41.7 million. The investment property portfolio was revalued downwards by 2.0%.

Prospects

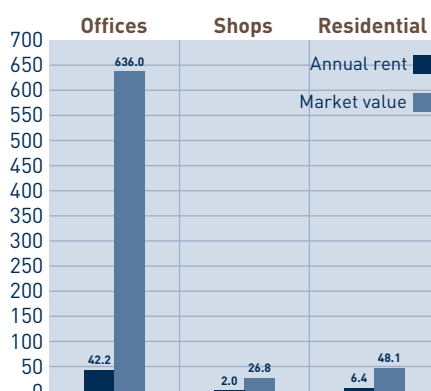
Maintaining the occupation rate is the main priority for 2009. At the end of 2008, a tenant in the office building 701 8th street in Washington D.C. ran into financial difficulties. The lease has been terminated and the bank guarantee has been collected. Since the beginning of 2009, the Company has been successful in leasing 1,000 m² at Plaza on the Lake, Austin, Texas. In the project Éilan in San Antonio, construction of a hotel with 165 rooms and the first homes will commence in the first half of 2009. The two office buildings in Éilan will be completed at the end of 2009. More information can be found on page 39.

OECD Economic Outlook

	07	08	09	10
Economic growth	2.0	1.4	-0.9	1.6
Average growth EU zone	2.6	1.0	-0.6	1.2
Inflation	2.7	2.2	1.8	1.5
Growth private consumption	2.8	0.4	-1.2	1.2
Growth corporate investment	-2.0	-3.1	-7.3	1.4
Growth in employment	1.1	-0.3	-0.7	0.7
Unemployment rate	4.6	5.7	7.3	7.5

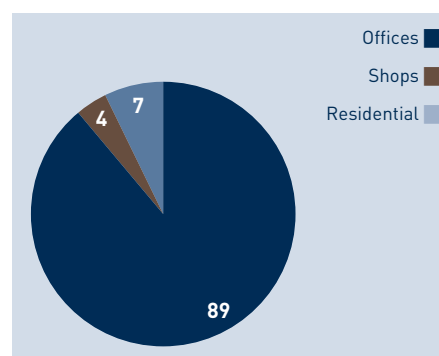
Annual rent and market value

(x € 1 mln as at December 31, 2008, assuming no vacancies)



Distribution of investments

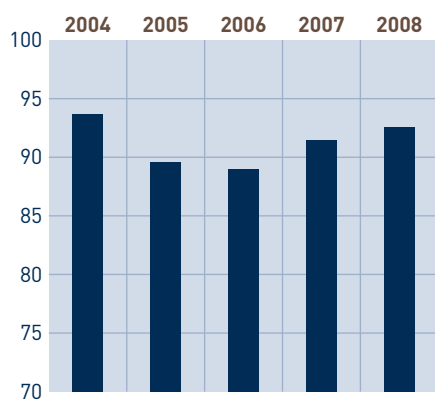
(as a % of market value)



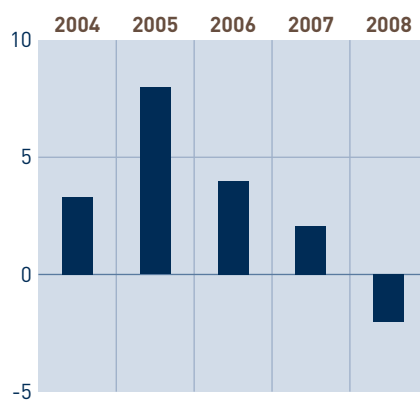


701 8th street, Washington DC

Gemiddelde bezettingsgraad (in %)



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” shopping centre, Nivelles

Description	The shopping complex ‘Nivelles’ is situated in Nijvel between Brussels and Charleroi, along the motorway A7/E19. The existing shopping centre underwent a comprehensive upgrade last year. The expansion and the construction of a retail park will be commenced at the end of 2009. A project is being developed in the vicinity of the shopping centre consisting of a hotel, offices and apartment buildings.
Scope	Phase 1: expansion of existing shopping centre of 16,143 m ² by 12,000 m ² shops and a retail park of 11,500 m ² . Phase 2: a multifunctional building of 12,500 m ² for leisure, wining and dining and offices, a hotel and apartments.
Sustainable items	Buildings phase 1: Energy saving by raising insulation value of building, use of solar energy and maximum use of natural light, natural ventilation and use of gas as energy source, optimal HVAC installations with cooling towers and no polluting fluids, rational use of water and use of rainwater, use of sustainable materials, water harvesting in basins against flooding, green parking zones and planting of trees along entrance road. Separate road for deliveries.
Investment	The expansion of the shopping centre and the retail park are budgeted at € 62 million. The development of the multifunctional building, the hotel and apartments is estimated at € 83 million.
Timescale	Shopping centre and retail park: 2009-2011 Offices: 2011-2012 Apartments and hotel: 2012-2015

Shopping Centre “Les Bastions”, Tournai



Description	Wereldhave purchased a plot of land of 28,000 m ² across from the shopping centre and as a result, the existing shopping centre could be expanded by approximately 4,500 m ² . On the plot that has been purchased, a project for the expansion of the parking capacity is planned in combination with shops and a number of apartments.
Scope	Existing shopping centre 14,178 m ² , expansion by approximately 4,500 m ² on existing parking lot, 10,000 m ² retail, 500 parking spaces and approximately 26 homes.
Sustainable items	In the further planning, attention will be paid to energy-saving measures, sustainable use of materials and a natural transition to the adjacent woodland.
Investment	€ 34 million.
Timescale	Retail park phase 1: 2010-2011 Shopping centre expansion: 2011-2012 Retail park phase 2: 2012 Apartments: 2012

The Netherlands



Shopping Centre 'De Winkelhof' Leiderdorp

Description

The existing shopping centre currently covers a surface area of 17,310 m². The proposed expansion amounts to over 7,000 m² lettable floor surface and a parking garage. In addition, the adjacent Statendaalderplein will be transformed into a square that is suitable for multi-functional purposes. The planning takes place in close consultation with all interested parties.

Scope

Addition of over 7,000 m² and approximately 375 covered parking spaces upgrading existing Statendaalderplein.

Sustainable items

In the preparation of the project, much attention is being paid to the relationship with the built-up surroundings, public safety and routes for slow traffic. In addition, attention will be paid to energy, water and material use, the interior environment and the flexibility of the complex.

Investment

€ 35 million.

Timescale

Project preparation 2010, realisation 2012-2014.

United States



Eilan, San Antonio, Texas

Description

Mixed development of homes, 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, in total
 1,400 homes
 20,000 m² office space
 Hotel with 165 rooms
 8,000 m² retail and central facilities
 Amphitheatre with 1,000 seats
 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 the use of sustainable, local materials and a historical trolley fuelled by solar energy.

Investment

First phase USD 190 million; total project USD 330 million.

Timescale

The first phase comprises 532 homes, 8,000 m² retail space and central facilities, 20,000 m² office space and a hotel. Ground works commenced in November 2007, completion of first part of project (two offices) at the end of 2009, completion of first phase at the end of 2010.



Prospects

The economy is cooling down rapidly worldwide. The prospects for 2009 have deteriorated again considerably. This is also the case for the countries in which Wereldhave is active. It is becoming increasingly difficult for companies and consumers to obtain funding and consequently, investments and consumer spending will decrease in 2009. As a result, companies in all sectors will be confronted with lower turnovers and will start to monitor their costs more carefully. Some companies will have difficulty meeting their financial obligations. These tumultuous economic developments have not left Wereldhave completely unaffected.

Wereldhave has a strong financial position. In recent years, Wereldhave deliberately made conservative use of funding with loan capital and therefore Wereldhave has a strong financial base. Wereldhave has no refinancing obligations in 2009. The existing credit facilities are sufficient for Wereldhave to be able to complete its property development programme up to and including 2010. As these projects are carried out for Wereldhave's own account and risk, Wereldhave has no obligations to third parties to complete or purchase. Wereldhave is able to profit from lower interest rates as approximately 75% of its loans are at variable interest rates.

The occupation rate is under pressure on the rental market for commercial property. Corporate investments are postponed. Some users will postpone their plans, while others will have to reduce or terminate their activities. At the end of 2008, vacancies arose in the portfolio. Although Wereldhave is doing everything possible to let the vacant space, a lower occupation rate will have to be taken into account for 2009. Given the quality of the portfolio, Wereldhave is convinced that it will be able to find new tenants as soon as corporate investments recover.

The number of transactions in investment markets has decreased significantly mainly due to the limited available funding. In addition, buyers demand a return in which the property risk is discounted. The initial investment and the initial yield will become less important, calculating life cycle costs however will gain importance. Wereldhave expects that property values will continue to decrease in 2009. It is exactly for this reason that it is important to have strong capital ratios. The completion of Wereldhave's own development programme in the United States and in Belgium will be continued.

The Hague, February 26, 2009

Board of Management
Wereldhave N.V.

G.C.J. Verweij



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Consolidated balance sheet at December 31, 2008

(amounts x € 1,000)

	Notes	December 31, 2008	December 31, 2007
Assets			
Non-current assets			
Investment properties	5	2,645,969	2,668,032
Development projects	6	52,056	40,430
Property and equipment	7	6,359	6,531
Intangible assets	8	1,652	844
Financial assets	9	50,758	21,787
Other long term assets	10	24,861	25,355
		2,781,655	2,762,979
Current assets			
Trade and other receivables	11	12,376	10,840
Tax receivables	12	4,411	12,456
Cash and cash equivalents	13	24,743	16,803
		41,530	40,099
		2,823,185	2,803,078
Equity and Liabilities			
Equity			
Share capital	14	207,817	207,817
Share premium	15	763,809	763,809
General reserve	16	836,811	932,952
Revaluation reserve	17	399	1,287
Exchange rate differences reserve	18	-/- 68,553	-/- 55,098
		1,740,283	1,850,767
Minority interest		119,889	122,545
		1,860,172	1,973,312
Long term liabilities			
Interest bearing liabilities	19	715,586	535,906
Deferred tax liabilities	20	151,800	163,219
Other long term liabilities	21	21,347	23,541
		888,733	722,666
Short term liabilities			
Trade payables		3,470	4,229
Taxes	22	3,339	5,649
Interest bearing liabilities	19	24,000	56,691
Other short term liabilities	23	43,471	40,531
		74,280	107,100
		2,823,185	2,803,078
Net asset value per share (x € 1)	35	83.74	89.06
Diluted net asset value per share (x € 1)	35	84.72	89.46

Consolidated income statement for 2008

(amounts x € 1,000)

	Notes	2008	2007
Gross rental income	26	168,332	166,551
Service costs charged		<u>42,603</u>	<u>39,050</u>
Total revenues		210,935	205,601
Service costs paid		-/- 48,244	-/- 45,180
Property expenses	27	<u>-/- 14,136</u>	<u>-/- 12,962</u>
		<u>-/- 62,380</u>	<u>-/- 58,142</u>
Net rental income		148,555	147,459
Valuation results	28	-/- 107,952	129,043
Results on disposals	29	4,273	17,372
General costs	30	-/- 14,495	-/- 14,133
Other income and expense	31	<u>4,036</u>	<u>5,131</u>
Operational result		34,417	284,872
Interest charges	32	-/- 33,758	-/- 32,846
Interest income	32	<u>8,529</u>	<u>5,265</u>
Net interest		-/- 25,229	-/- 27,581
Other financial income and expense	33	<u>-/- 7,648</u>	<u>-/- 1,735</u>
Result before tax		1,540	255,556
Taxes on result	34	<u>7,292</u>	<u>-/- 25,908</u>
Profit		<u>8,832</u>	<u>229,648</u>
Shareholders		493	216,484
Minority interest		<u>8,339</u>	<u>13,164</u>
Profit		<u>8,832</u>	<u>229,648</u>
Earnings per share (x € 1)	35	0.02	10.42
Diluted earnings per share (x € 1)	35	0.34	9.79

Direct and indirect result for 2008 *)

(amounts x € 1,000)

	2008		2007	
	direct result	indirect result	direct result	indirect result
Gross rental income	168,332		166,551	
Service costs charged	42,603		39,050	
Total revenues	210,935		205,601	
Service costs paid	-/- 48,244		-/- 45,180	
Property expenses	-/- 14,136		-/- 12,962	
	-/- 62,380		-/- 58,142	
Net rental income	148,555		147,459	
Valuation results		-/- 107,952		129,043
Results on disposals		4,273		17,372
General costs	-/- 14,495		-/- 14,133	
Other income and expense	3,426	610	5,131	
Operating result	137,486	-/- 103,069	138,457	146,415
Interest charges	-/- 32,146	-/- 1,612	-/- 31,227	-/- 1,619
Interest income	8,529		5,265	
Net interest	-/- 23,617	-/- 1,612	-/- 25,962	-/- 1,619
Other financial income and expense	-/- 1,703	-/- 5,945	-/- 1,195	-/- 540
Results before tax	112,166	-/- 110,626	111,300	144,256
Taxes on result	-/- 2,751	10,043	-/- 3,330	-/- 22,578
Profit	109,415	-/- 100,583	107,970	121,678
Shareholders	102,326	-/- 101,833	101,319	115,165
Minority interest	7,089	1,250	6,651	6,513
Profit	109,415	-/- 100,583	107,970	121,678
Earnings per share (x € 1)	4.92	-/- 4.90	4.88	5.54
Diluted earnings per share (x € 1)	4.73	-/- 4.39	4.68	5.11

*) This overview contains additional information which is not part of the primary statements and the current IFRS regulations.

Consolidated statement of movements in equity for 2008

(amounts x € 1,000)

	Notes	Attributable to shareholders of the Company					Minority interest	Total
		Share capital	Share premium	General reserve h)	Revaluation reserve	Reserve for exchange rate differences		
Balance at December 31, 2006		207,817	763,809	811,565	1,875	-/- 9,060	113,996	1,890,002
Change in accounting principal	a	-	-	795	-	-	-	795
Balance at January 1, 2007		207,817	763,809	812,360	1,875	-/- 9,060	113,996	1,890,797
Exchange rate differences	b	-	-	-	-	-/- 46,038	-/- 4	-/- 46,042
Revaluation of financial assets available for sale		-	-	-	-/- 588	-	-/- 274	-/- 862
Other	c	-	-	-/- 296	-	-	2,021	1,725
Profit book year		-	-	216,484	-	-	13,164	229,648
		207,817	763,809	1,028,548	1,287	-/- 55,098	128,903	2,075,266
Dividend 2006	d	-	-	-/- 95,596	-	-	-/- 6,358	-/- 101,954
Balance at December 31, 2007		207,817	763,809	932,952	1,287	-/- 55,098	122,545	1,973,312
Exchange rate differences	e	-	-	-	-	-/- 13,455	119	-/- 13,336
Revaluation of financial assets available for sale		-	-	-	-/- 888	-	-/- 395	-/- 1,283
Other	f	-	-	-	-	-	-/- 4,188	-/- 4,188
Profit book year		-	-	493	-	-	8,339	8,832
		207,817	763,809	933,445	399	-/- 68,553	126,420	1,963,337
Dividend 2007	g	-	-	-/- 96,634	-	-	-/- 6,531	-/- 103,165
Balance at December 31, 2008		207,817	763,809	836,811	399	-/- 68,553	119,889	1,860,172

Notes to the consolidated statement of movements in equity

a	Change in accounting principal Effect of retrospective change in accounting principal on equity as per January 1, 2007 as a result of IFRIC 14		<u>795</u>
b	Exchange rate differences Exchange rate differences on net investments in foreign entities Hedges of net investments in foreign entities Exchange rate differences on results in foreign currencies (difference between year-end and average rates)	-/- 68,538 24,386 <u>-/- 1,886</u>	<u>-/- 46,038</u>
c	Other Non recoverable withholding tax Release of uncollected dividends from previous years Minority interest purchase Broadway	-/- 376 80 <u>2,021</u>	<u>1,725</u>
d	Dividend for 2006 Ordinary shares (€ 4.60 per share)		<u>-/- 95,596</u>
e	Exchange rate differences Exchange rate differences on net investments in foreign entities Hedges of net investments in foreign entities Exchange rate differences on results in foreign currencies (difference between year-end and average rates)	-/- 37,983 14,414 <u>10,114</u>	<u>-/- 13,455</u>
f	Other Reduction in minority interest due to increase share holdings Comm. VA Wereldhave Belgium SCA		<u>-/- 4,188</u>
g	Dividend for 2007 Ordinary shares (€ 4.65 per share)		<u>-/- 96,634</u>
h	General Reserve As at December 31, 2008, an amount of € 641.9 mln (2007: € 713.9 mln) is designated as a legal reserve related to unrealised revaluation reserve on investment properties. This reserve cannot be distributed		<u>836,811</u>

Consolidated cash flow statement for 2008

(amounts x € 1,000)

	Notes	2008	2007
Operating activities			
Profit		8,832	229,648
Exchange rate differences	a	175	-/- 1,541
		9,007	228,107
Adjustments:			
Non cash part of interest- and other financial income and expense	b	7,337	-/- 2,400
Valuation results	c	107,952	-/- 129,043
Results on disposals		-/- 3,004	-/- 17,372
Deferred taxes		-/- 10,349	22,578
Other movements in reserves		622	-/- 1,070
		102,558	-/- 127,307
		111,565	100,800
Movements in working capital	d	6,279	-/- 3,996
Cash flow from operating activities		117,844	96,804
Investment activities			
Proceeds from disposals	e	2,655	136,829
Investments in investment property, equipment and projects	f	-/- 146,320	-/- 233,513
Investments in financial assets		-/- 2,939	-/- 4,760
Investments in other long term assets		-/- 808	-/- 672
Cash flow from investment activities		-/- 147,412	-/- 102,116
Financing activities			
New loans interest bearing debts		346,603	262,446
Repayment interest bearing debts		-/- 192,932	-/- 182,591
Change other long term liabilities	g	-/- 3,438	-/- 1,067
Dividend paid		-/- 96,602	-/- 95,638
Dividend paid – minority interest		-/- 6,531	-/- 6,358
Cash part forward transactions		-/- 9,592	25,404
Cash flow from financing activities		37,508	2,196
Increase/decrease		7,940	-/- 3,116
Cash and bank balances at January 1		16,803	19,919
Increase/decrease		7,940	-/- 3,116
Cash and bank balances at December 31		24,743	16,803

Notes to the consolidated cash flow statement

	2008	2007
a Exchange rate differences		
Exchange rate differences in profit and loss (difference between year-end rates versus average exchange rates)	175	-/- 1,541
b Non cash part of interest- and other financial income and expense		
Capitalised interest	-/- 2,100	-/- 2,446
Movement in pension liabilities	2,069	-/- 89
Depreciation loans amortised cost	804	781
Rent up convertible loan	1,612	1,619
Exchange rate differences	3,876	-/- 3,093
Movement in leasehold liabilities	1,076	828
	<u>7,337</u>	<u>-/- 2,400</u>
c Valuation results		
Valuation results on investment properties	112,637	-/- 129,210
Valuation results on financial instruments	-/- 4,685	167
	<u>107,952</u>	<u>-/- 129,043</u>
d Movements in working capital		
Change in receivables	6,509	-/- 4,335
Change in short term liabilities	-/- 163	-/- 530
Exchange rate differences	-/- 67	869
	<u>6,279</u>	<u>-/- 3,996</u>
e Proceeds from disposals		
Net proceeds from investment property	1,717	135,800
Net proceeds from development projects	938	1,029
	<u>2,655</u>	<u>136,829</u>
f Investments in investment property, equipment and projects		
Investments in investment property	-/- 135,213	-/- 221,901
Investments in development projects	-/- 10,641	-/- 10,606
Investments in equipment	-/- 466	-/- 1,006
	<u>-/- 146,320</u>	<u>-/- 233,513</u>
g Change in other long term liabilities		
Drawings	582	184
Redemptions	-/- 4,020	-/- 1,251
	<u>-/- 3,438</u>	<u>-/- 1,067</u>

1. General information

Wereldhave N.V. (the company) is a property investment company. The property portfolio of Wereldhave and its subsidiaries (the group) are located in Europe and the United States. The group is principally involved in leasing out investment property under operating leases. The property management is performed by group property and 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 Exchange of Amsterdam and Paris. The consolidated financial statements for the year 2008 have been authorised for issue by the Supervisory Board on February 26, 2009 and will be presented to the shareholders for approval on April 2, 2009.

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 2008 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, 2008. The consolidated financial statements and the company financial statements have been prepared on historical cost basis, unless specified otherwise. The company has made use of the exemption referred to in article 402 Book 2.9 of the Dutch Civil Code.

The accounting policies below have been applied to the years presented, i.e. the reporting year and the preceding year, unless mentioned otherwise. The accounts have been prepared before distribution of profit.

In 2008 new IFRS standards or interpretations thereon became applicable. These new or adjusted standards and interpretations did not affect Wereldhave's reporting for the year 2008, with the exception of the introduction of IFRIC 14. This concerns the following standards and interpretations:

- IFRIC 13: 'Customer Loyalty Programmes'. This interpretation defines the accounting for customer loyalty programmes, where a company rewards its customers for (frequent) acquisitions of goods and services;
- Adjustments of the standards IAS 39 Financial instruments: recognition and measurement and IFRS 7 Financial instruments: Disclosures. These adjustments open the possibility to reclassify financial assets in certain occasions;
- IFRIC 14, 'IAS 19 – The limit of a defined benefit asset, minimum funding requirements and their interaction' has become applicable in 2008. This clarifies in which situations an pension asset can be recognized. As a result of IFRIC 14 an asset has been recognized for the English pension plan. Wereldhave has adopted this change in accounting principles retrospectively, which results in an increase of equity by € 0.8 mln as per January 1, 2007, the other long term assets increased by € 0.7 mln, the tax receivables and other long term debts both decreased by € 0.3 mln. The change in accounting principles did not have an effect on the result of 2007.

Wereldhave has early-adopted IFRS 8 'Operational Segments'. This only affects the disclosures on segment information. Furthermore IAS 1, 'Presentation of the financial statements', IFRS 2 'Share-based payment' and IAS 23 'Borrowing costs' have been adjusted. However, these adjustments become effective for annual statements covering periods beginning on or after January 1, 2009. IFRIC 15 'Agreements for the construction of real estate' and IFRIC 16 'Hedges of a Net Investment in a Foreign Operation' have been issued in 2008 but have not yet been endorsed by the European Union.

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. Unless impairment occurs, intra-group balances, transactions and unrealised gains and losses are eliminated. In case control is 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. 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 exchange rates. Assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates prevailing 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	
	2008	2007	2008	2007
GBP	1.25954	1.46048	1.04987	1.36351
USD	0.68413	0.73053	0.71855	0.67930
TRY	0.52659	0.56067	0.46538	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 effectiveness of the hedge is determined.

3.6 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 initially recognised at cost including transaction cost. Investment properties are subsequently stated at fair value at the balance sheet date.

The fair values are based on the estimated amount for which a property could be exchanged on the date of valuation in an at arm's length transaction.

Fair value is based on the capitalization of market rents 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 separately. Sale costs at the expense of the purchaser, including 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 fair value by independent external valuers, on 30 June and on 31 December. All properties are internally valued at fair value at the end of every quarter. Valuation differences and results on disposals are recognised in the income statement. 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.

3.7 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 and are not depreciated. 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 the effective interest up to the date of completion. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its fair value.

Development projects are transferred to investment properties on the date of technical completion.

3.8 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 in profit and loss for the amount by which the asset's carrying amount exceeds the higher of the recoverable amount less costs to sell or the value in use 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.

3.9 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 the cash generating units, being the group companies.

In case the fair value of an acquisition exceeds the acquisition cost including transaction cost the difference is directly taken to profit and loss as a result on disposal. Transaction costs are accounted for on the cost price of the acquisition.

Computer software

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

3.10 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 (see note 3.5) 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-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

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

Financial assets available for sale

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months 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. In case a decline of the fair values is significant and prolonged, impairments will be accounted for as revaluation result in the income statement. 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.

3.11 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, capped to the amount which can be obtained by means of premium discounts or unconditional repayments and considered as long term. Movements in the present value of the receivable are taken to the income statement as other financial income and expense. For further information, see note 3.18.

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.

3.12 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.

3.13 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. Indicators for such an event are among others significant financial difficulties of a debtor, non-compliance to payment conditions and bankruptcy. The amount of the provision is the difference between the asset's carrying amount and the 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.

3.14 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.

3.15 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.

3.16 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.

3.17 Long term debts

Interest bearing debts

On acquisition, interest bearing debts are recognised at fair value, minus transactions costs. Subsequently interest bearing debts are measured at amortised cost. Any difference between the 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

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

Applicable corporate tax rates are used to determine the deferred tax liabilities. Fiscal facilities and different tariffs applicable at the moment of sale are only taken into account if defined 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. In a number of cases, such as in the United Kingdom, fiscal investment facilities are considered to be a permanent difference between the commercial and fiscal measurement of investments. Therefore Wereldhave does not account for deferred tax liabilities on these facilities.

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 3.6) and employee benefits plans (see 3.18) are stated at present value.

3.18 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 3.11 for more information with regard to defined benefit plans with a net asset.

3.19 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.

3.20 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.

3.21 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.

3.22 Expenses

Service and operational costs

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

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 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.

3.24 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-deductible 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 receivables are only taken into account if it is reasonably expected that losses will be compensated.

3.25 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 on employee benefit 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, the movement in deferred tax liabilities and actuarial gains and losses on employee benefit plans. This presentation is not obligatory under IFRS.

3.26 Segment reporting

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

3.27 Estimates in the accounts

Investment property

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

A valuation based on fair value is a time- and place-based estimate. The estimate is based on a price level on which two well informed parties under normal market conditions would make a transaction for that specific property on the date of valuation. The fair value of a property in the market can only be determined with assurance at the moment of the actual sale of the property.

An external appraiser bases his fair value valuation on his own market knowledge and information, if necessary enriched with detailed information from Wereldhave. The valuation made by the appraiser is verified and approved by Wereldhave.

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

Apart from assumptions with regard to yields, costs for future maintenance investments are also taken into account in the valuation. Furthermore, explicit assumptions are made per lettable location and per tenant with regard to the possibility of (re)letting, the start date of such (re)letting and the costs related hereto. Finally, adjustments are made for expected costs of vacancy (present and future) and for differences between the market rent and contractual rent. Sales costs at the expense of the buyer, including transfer tax, are deducted from the market value.

Since the middle of 2008 the number of completed real estate transactions has significantly decreased worldwide, as a result of which there are less comparables available for the purpose of determining market yields. Due to the lack of clear comparables, the influence of assumptions on valuations has increased. Distressed sales cannot be fully used as reference value for the valuation of real estate based on a going concern company. Wereldhave has a solid financial position. Wereldhave does not have refinancing obligations in 2009 and complies with the covenants that have been agreed with banks. The fiscal financing capacity of Wereldhave is sufficient. Therefore Wereldhave is able to value her real estate on the basis of going concern.

Taxes

The Group is subject to income taxes in several 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.

Other

Furthermore, estimates have been applied for the recognition of deferred liabilities or claims.

4 Segment information (amounts x € 1,000)

Geographical segment information – 2008

	NL	BE	F	ES	SF	UK	USA	Total
Result								
Gross rental income	27,767	25,084	12,471	11,699	31,024	21,545	38,742	168,332
Service costs charged	3,888	6,170	3,236	2,671	6,338	956	19,344	42,603
Total revenues	31,655	31,254	15,707	14,370	37,362	22,501	58,086	210,935
Service costs paid	-/- 3,906	-/- 7,016	-/- 3,303	-/- 3,324	-/- 6,813	-/- 1,470	-/- 22,412	-/- 48,244
Property expenses	-/- 3,552	-/- 1,355	-/- 1,180	-/- 604	-/- 1,061	-/- 1,241	-/- 5,143	-/- 14,136
Valuation results	2,640	4,326	-/- 21,980	-/- 7,720	5,185	-/- 76,769	-/- 13,634	-/-107,952
Results on disposals	2,217	-	-	-	-/- 42	2,098	-	4,273
General costs	-/- 6,977	-/- 2,263	-/- 796	-/- 689	-/- 677	-/- 1,644	-/- 1,449	-/- 14,495
Other income and expense	1,074	978	222	379	818	166	399	4,036
Interest	19,110	9	-/- 4,107	-/- 6,538	-/- 16,306	-/- 9,429	-/- 7,968	-/- 25,229
Other financial income and expense	-/- 5,509	799	-/- 9	-/- 292	-/- 853	65	-/- 1,849	-/- 7,648
Taxes on results	-/- 8	-/- 61	-/- 46	1,325	-/- 4,655	11,087	-/- 350	7,292
Profit	36,744	26,671	-/- 15,492	-/- 3,093	12,958	-/- 54,636	5,680	8,832
Total assets								
Investment properties	396,191	381,095	176,000	172,341	589,948	219,481	710,913	2,645,969
Development projects	572	9,558	-	-	-	222	41,704	52,056
Other segment assets	447,149	24,322	3,897	5,689	2,181	19,127	22,897	525,262
minus: intercompany	-/-388,828	-	-	-	-	-/- 11,274	-	-/-400,102
	455,084	414,975	179,897	178,030	592,129	227,556	775,514	2,823,185
Total liabilities								
Segment liabilities	-/-281,537	-/- 29,486	-/- 76,754	-/-128,159	-/-388,611	-/- 98,054	-/-360,514	-/-1,363,115
minus: intercompany	11,274	-	70,805	67,750	211,967	32,558	5,748	400,102
	-/-270,263	-/- 29,486	-/- 5,949	-/- 60,409	-/-176,644	-/- 65,496	-/-354,766	-/-963,013
Investments in investment properties and development projects	-/- 523	6,885	239	276	4,049	-/- 2,229	132,158	140,855
Gross rental income by type of property								
Offices	1,391	11,161	10,009	6,123	539	13,498	31,352	74,073
Shops	15,502	13,923	1,366	3,226	30,485	6,662	1,811	72,975
Industrial	10,874	-	1,096	2,349	-	1,385	-	15,704
Residential	-	-	-	-	-	-	5,580	5,580
	27,767	25,084	12,471	11,698	31,024	21,545	38,743	168,332

In 2008 no tenant is responsible for more than 10% of the gross rental income. In The Netherlands the valuation results include € 4.7 mln of positive revaluations of financial instruments.

Geographical segment information – 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
Service costs charged	3,842	5,749	2,972	1,997	6,424	1,722	16,344	39,050
Total revenues	33,670	30,123	15,347	12,167	36,748	27,296	50,250	205,601
Service costs paid	-/- 3,934	-/- 6,492	-/- 3,031	-/- 2,387	-/- 6,830	-/- 3,302	-/- 19,204	-/- 45,180
Property expenses	-/- 3,325	-/- 1,231	-/- 961	-/- 320	-/- 963	-/- 1,146	-/- 5,016	-/- 12,962
Valuation results	36,682	19,525	15,015	8,039	50,234	-/- 12,898	12,446	129,043
Results on disposals	10,671	1,951	65	-	-	4,100	585	17,372
General costs	-/- 6,131	-/- 2,320	-/- 923	-/- 558	-/- 682	-/- 2,007	-/- 1,512	-/- 14,133
Other income and expense	2,260	866	281	324	726	251	423	5,131
Interest	19,355	-/- 26	-/- 3,466	-/- 4,554	-/- 16,318	-/- 11,788	-/- 10,784	-/- 27,581
Other financial income and expense	3,927	671	-/- 12	-/- 256	-/- 583	-/- 4,251	-/- 1,231	-/- 1,735
Taxes on results	-/- 9,667	-/- 139	-/- 89	-/- 3,034	-/- 15,952	3,007	-/- 34	-/- 25,908
Profit	83,508	42,928	22,226	9,421	46,380	-/- 738	25,923	229,648
Total assets								
Investment properties	397,091	370,361	197,741	179,784	580,715	371,054	571,286	2,668,032
Development projects	2,241	9,080	-	-	-	285	28,824	40,430
Other segment assets	496,804	18,616	2,044	11,779	3,675	24,541	21,630	579,089
minus: intercompany	-/-470,513	-	-	-	-	-/- 13,960	-	-/-484,473
	425,623	398,057	199,785	191,563	584,390	381,920	621,740	2,803,078
Total liabilities								
Segment liabilities	-/-252,152	-/- 17,771	-/- 77,059	-/-138,542	-/-393,088	-/-155,293	-/-280,334	-/-1,314,239
minus: intercompany	13,960	-	69,020	104,500	221,326	31,241	44,426	484,473
	-/-238,192	-/- 17,771	-/- 8,039	-/- 34,042	-/-171,762	-/-124,052	-/-235,908	-/-829,766
Investments in investment properties and development projects	-/- 41,308	-/- 9,046	266	54,071	5,869	-/- 4,218	110,258	115,892
Gross rental income by type of property								
Offices	3,869	9,637	9,987	6,501	502	16,001	25,959	72,456
Shops	15,181	13,782	1,325	1,365	29,822	7,698	2,109	71,282
Industrial	10,778	955	1,063	2,304	-	1,875	-	16,975
Residential	-	-	-	-	-	-	5,838	5,838
	29,828	24,374	12,375	10,170	30,324	25,574	33,906	166,551

In 2008 no tenant is responsible for more than 10% of the gross rental income.

5 Investment properties (x € 1,000)

	2008	2007
Balance at January 1	2,668,032	2,521,542
Exchange rate differences	-/- 52,348	-/- 89,519
	2,615,684	2,432,023
Purchases	117,700	203,930
Investments	16,487	22,906
Transfer from / to development projects	-	2,505
Disposals	-/- 3,359	-/- 122,525
Revaluations	-/- 100,543	129,193
	2,645,969	2,668,032
Balance at December 31	2,645,969	2,668,032

Wereldhave bought an office building in San Diego for an amount of USD 161 mln. The disposals consists of 2 properties. In the United Kingdom residential units were sold in the London and Winchester area for an amount of GBP 4.9 mln.

Investment properties to an amount of € 104 mln (2007: € 177 mln) are subject to mortgage. Mortgage has been given for English debentures for an amount of € 44 mln (2007: € 47 mln). The Belgian tax authorities have established a legal mortgage on four properties for an amount of € 51 mln, as security in a fiscal disagreement (see note 40). The market value of these properties amounts to € 60 mln (2007: € 67 mln).

The properties in the investment property portfolio were valued at December 31, 2008. External valuers involved in the valuation of properties in 2008 are Troostwijk Taxaties B.V., Amsterdam, Jones Lang LaSalle, London and Troostwijk-Roux Expertises cvba, Antwerp.

Due to the market volatility, the Board of management has decided to also have the net yields and market rents checked and approved by the external appraiser for all properties that have been appraised internally as per December 31, 2008. All appraisals have been confirmed by the external appraiser as per that date.

At December 31, 2008 the balance sheet valuation of investment properties valuation is as follows:

Total investment property values according to internal and external valuation reports	2,647,945
Add: present value of future ground rent payments (leasehold)	21,188
	2,669,133
Deduct: book value of rent free periods and other leasing expenses to be amortised	-/- 23,164
	2,645,969
Balance sheet valuation	2,645,969

Property expenses and service costs of unlet properties amount to € nil (2007: € nil).

6 Development projects *(x € 1,000)*

	2008	2007
Balance at January 1	40,430	33,889
Exchange rate differences	1,599	-/- 2,535
	42,029	31,354
Purchases	-	5,109
Investments	12,370	7,496
Transfer to investment properties	-	-/- 2,505
Disposals	-/- 2,343	-/- 1,024
Revaluations	-	-
Balance at December 31	52,056	40,430

Investments in existing development projects were mainly made in San Antonio, United States for the project Eilan.

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

	property in own use	office equipment	cars	Total
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
Balance at January 1, 2008	4,360	1,536	635	6,531
Exchange rate differences	-	8	-/- 17	-/- 9
	4,360	1,544	618	6,522
Investments/purchases	3	290	209	502
Disposals	-	-	-/- 36	-/- 36
Depreciation	-/- 67	-/- 345	-/- 217	-/- 629
Balance at December 31, 2008	4,296	1,489	574	6,359

	property in own use	office equipment	cars	Total
December 31, 2008				
Total acquisition at cost	4,630	3,400	1,240	9,270
Total depreciation	-/- 334	-/-1,911	-/- 666	-/-2,911
Net book value	4,296	1,489	574	6,359
	property in own use	office equipment	cars	Total
December 31, 2007				
Total acquisition at cost	4,627	3,333	1,131	9,091
Total depreciation	-/- 267	-/-1,797	-/- 496	-/-2,560
Net book value	4,360	1,536	635	6,531

8 Intangible assets (x € 1,000)

Intangible assets refer to capitalised cost of internally developed software.

	2008	2007
Balance at January 1	844	172
Investments	808	672
Balance at December 31	1,652	844

In 2008, as well as in 2007, only external costs have been capitalised. The intangible asset is not in use at balance sheet date and is therefore not yet subject to depreciation.

9 Financial assets (x € 1,000)

	IFRS Category	December 31, 2008	December 31, 2007
Loans	<i>Loans and receivables</i>	4,731	2,701
Deposits paid	<i>Loans and receivables</i>	1,609	1,630
Financial assets available for sale	<i>Available for sale</i>	9,723	9,986
Derivative financial instruments	<i>Hedging derivatives</i>	34,695	7,470
Total		50,758	21,787

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 fully collectible.

With respect to the financial assets available for sale, which consists of equity instruments, an amount of € -1.3 mln has been accounted for directly in equity (2007: € -0.9 mln). No financial assets available for sale have been sold in 2008 and 2007.

Part of the issued loans is a subordinated loan to the pension fund of the company for an amount of € 3 mln (nominal € 3.3 mln). The term of the loan is five years.

The fair value of financial assets has been obtained from quoted prices, banks and calculation models.

10 Other long term assets *(x € 1,000)*

	December 31, 2008	December 31, 2007
Pension plans	1,697	2,291
Capitalised expenses to be amortised	7,146	6,629
Capitalised agent fees	7,041	7,659
Capitalised rent free periods	8,977	8,776
	<hr/>	<hr/>
	24,861	25,355

Pension plans

The net asset from defined benefit plans of the Dutch and English group companies, based on final salaries, is composed as follows:

	December 31, 2008	December 31, 2007
Benefit obligations	39,568	45,359
Fair value of plan assets *	45,737	58,547
	<hr/>	<hr/>
	6,169	13,188
Past service costs	-/- 350	-/- 382
Unrecognised gains (-)/losses	1,873	-/- 8,384
Asset cap	-/- 5,995	-/- 2,131
	<hr/>	<hr/>
Net asset	1,697	2,291

The movement in the net asset is as follows:

	2008	2007
Net asset at January 1	2,291	2,479
Exchange rate differences	-/- 172	-/- 49
Employer contributions	2,344	787
Actuarial loss	-/- 2,766	-/- 926
	<hr/>	<hr/>
Net asset at December 31	1,697	2,291

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The assumptions used:

- discount rate obligations	5.6% - 6.3%	5.2% - 5.8%
- long term rate of return on plan assets	6.3% - 6.4%	6.3% - 6.6%
- rate of annual salary increases	2.0% - 2.6%	2.0% - 3.4%

* The fair value of the assets consists for 34% of shares (2007: 35%), 62% of bonds (2007: 60%) and 4% of index linked products (2007: 5%).

The mortality rates used for The Netherlands are obtained from the mortality tables: "Gehele bevolking mannen en vrouwen 2005-2050", published by the Dutch society of actuaries. For the UK the mortality rates are obtained from the 1992 series of the tables applicable to current experience. In 2008, as well in 2007, the plan assets do not include ordinary shares issued by the company. For employee benefit plans with a net liability, reference is made to note 21.

It is expected that the contribution of the employers will amount to € 0.7 mln in 2009. In order to strengthen equity an additional contribution of € 1.7 mln has been paid by Wereldhave to the Dutch pension fund of Wereldhave in 2008. Furthermore Wereldhave has issued a subordinated loan to the pension fund for the amount of € 3.3 mln.

Due to changes in accounting principles as a result of IFRIC 14 the figures of January 1, 2007 have been restated.

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

	December 31, 2008	December 31, 2007
Tenant receivables	5,501	3,146
Prepayments	3,008	2,165
Interest to be received	681	1,293
Other	3,186	4,236
	<hr/>	<hr/>
Total	12,376	10,840
	<hr/> <hr/>	<hr/> <hr/>

As in 2007, other receivables do not include amounts receivable and prepayments with a maturity 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 € 1,457,000 (2007: € 1,444,000). In 2008 an amount of € 0.7 mln (2007: € 0.5 mln) was added to the provision and an amount of € 0.7 mln (2007: € 0.2 mln) was withdrawn. The fair value of the trade and other receivables coincides with their balance sheet valuation.

Maturity of tenant receivables

	December 31, 2008	December 31, 2007
- up to 1 month	3,967	1,818
- between 1 and 3 months	605	292
- between 3 and 12 months	742	923
- more than 1 year	187	113
	<hr/>	<hr/>
	5,501	3,146
	<hr/> <hr/>	<hr/> <hr/>

12 Tax receivables *(x € 1,000)*

	December 31, 2008	December 31, 2007
Withholding tax	2,782	1,759
Dividend tax	–	2,598
Value added tax	528	8,064
Company tax	1,101	35
Total	4,411	12,456

The value added tax receivables as per December 31, 2007 primarily relates to the purchase of a retail- and leisure centre in Collaba Villalba in Spain. This amount was received by mid-2008. Dividend tax receivables relate to dividends from group companies.

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

	December 31, 2008	December 31, 2007
Bank balances	14,180	14,427
Deposits	10,563	2,376
Total	24,743	16,803

14 Share capital *(number of shares)*

The objective of Wereldhave, when managing capital (as presented in the annual accounts), is to safeguard the group's continuity, to provide returns for its shareholders, benefits for other stakeholders and to maintain a capital structure as to optimize the cost of capital. Furthermore, Wereldhave manages its fiscal capital to ensure that it meets the requirements from fiscal laws and regulations. Wereldhave has the possibility to adjust the amount of dividends, return capital to shareholders, issue new shares or sell assets in order to maintain or adjust the capital structure.

	Authorised share capital	Issued share capital
Ordinary shares		
Balance at January 1, 2007	40,000,000	20,781,735
Additions in 2007	–	–
Balance at December 31, 2007	40,000,000	20,781,735
Additions in 2008	–	–
Balance at December 31, 2008	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, 2007	10	10
Additions in 2007	-	-
Balance at December 31, 2007	10	10
Additions in 2008	-	-
Balance at December 31, 2008	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, 2007	19,999,990	-
Additions in 2007	-	-
Balance at December 31, 2007	19,999,990	-
Additions in 2008	-	-
Balance at December 31, 2008	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).

	2008	2007
Balance at January 1	763,809	763,809
Additions	-	-
Balance at December 31	763,809	763,809

16 General reserve (x € 1,000)

	2008	2007
Balance at January 1	932,952	812,360
Profit	493	216,484
Dividend previous year	-/- 96,634	-/- 95,596
Other	-	-/- 296
Balance at December 31	836,811	932,952

An amount of € 641.9 mln (2007: € 713.9 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 2008 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 the United States, United Kingdom 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 (page 45).

19 Interest bearing liabilities (x € 1,000)

Composition	December 31, 2008	December 31, 2007
Long term		
Bank debts and private loans	484,163	295,935
Debentures	36,421	47,223
Convertible bond	195,002	192,748
	715,586	535,906
Short term		
Interest bearing debt	24,000	56,691
Total interest bearing liabilities	739,586	592,597

Movements in interest bearing debt

Including short term portion of long term debt

The movement is as follows:	2008	2007
Balance at January 1	592,597	541,039
Exchange rate differences	-/- 8,931	-/- 30,834
	583,666	510,205
New loans	346,603	262,446
Repayments	-/- 192,932	-/- 182,591
Cost amortisation	626	918
Equity component convertible bond	1,623	1,619
Balance at December 31	739,586	592,597

Convertible bond

The Group issued a 2.5% convertible bond at a total nominal value of € 200 mln in 2006. The bonds mature in 2011, five years from the issue date at their nominal value of € 200 mln or can be converted into shares at the holder's option at the rate of € 97 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. 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	4,502
Valuation adjustment due to valuation at amortised costs	1,750
Interest bearing debt at December 31, 2008	195,002

In 2008 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 for which investment properties are secured. Unsecured interest bearing liabilities have financial covenants that include various clauses. As at December 31, 2008 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, 2008	December 31, 2007
- up to 12 months	24,000	56,691
- between 1 and 2 years	199,987	-
- between 2 and 5 years	484,391	496,085
- more than 5 years	36,798	47,791
	<hr/>	<hr/>
Total interest bearing debt	745,176	600,567

The difference between the sum of the nominal values and the balance sheet value of € 5.6 mln (2007: € 8.0 mln) is related to the equity component of the convertible bond for an amount of € 3.6 mln (2007: € 5.2 mln) and for an amount of € 2.0 mln (2007: € 2.8 mln) due to amortised cost.

Long term interest bearing debt as a percentage of total interest bearing debt:	96.8%	90.4%
Percentage of interest bearing debt at floating rates:	75.0%	65.0%

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 date is as follows:

	2008				2007			
	EUR	USD	GBP	total	EUR	USD	GBP	total
Short term interest bearing debt	5.8%	-	-	5.8%	5.6%	6.0%	-	5.7%
Long term interest bearing debt								
- unsecured								
• convertible bonds	3.6%	-	-	3.6%	3.6%	-	-	3.6%
• bank debt and other loans	3.7%	2.9%	2.8%	3.2%	5.2%	5.7%	7.1%	5.7%
- secured								
• debentures	-	-	10.5%	10.5%	-	-	10.5%	10.5%
• interest rate swaps	-	-	0.1%	0.1%	-	-	-	-
Average	3.8%	2.9%	8.6%	3.7%	4.3%	5.7%	8.9%	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, including a company specific surcharge. The market value of short term interest bearing debts is equal to the book value.

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

	December 31, 2008		December 31, 2007	
	book value	fair value	book value	fair value
Bank debt and other loans	484,163	484,378	295,935	296,085
Debentures	36,421	50,273	47,223	62,397
Convertible bond	195,002	157,676	192,748	191,420
	<u>715,586</u>	<u>692,327</u>	<u>535,906</u>	<u>549,902</u>

Currencies

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

	December 31, 2008		December 31, 2007	
	currency	EUR	currency	EUR
EUR	386,428	386,428	314,948	314,948
USD	424,000	304,664	281,000	190,884
GBP	46,191	48,494	63,634	86,765
		<u>739,586</u>		<u>592,597</u>

Hedges

Interest bearing debt instruments to the amount of € nil (2007: € nil) have been qualified as instruments of hedging net investments in foreign operations. Reference is made to note 24.

Financing arrangements

As at December 31, 2008, Wereldhave has unused committed loan facilities to the amount of € 138 mln (2007: € 305 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:

	2008	2007
Balance at January 1	163,219	147,806
Exchange rate difference	-/- 4,218	-/- 4,816
	159,001	142,990
Movements taken to the result	-/- 7,201	22,199
Movements relate to indirect disposal investment properties	-	-/- 1,970
Balance at December 31	151,800	163,219

The movement in deferred tax liabilities is primarily the result of revaluations. When tax rates and tax facilities would be used which are applicable to the sale of real estate, the amount would be € 13.0 mln (2007: € 15.4 mln) lower. This amount can be specified as follows:

	2008	2007
Adjustment for fiscal facilities en book values	4,465	3,984
Capital losses	6,226	3,946
Exemptions from capital gain tax	2,357	7,502
	13,048	15,432

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

	December 31, 2008	December 31, 2007
Leasehold liability	16,772	16,618
Pension plans	71	93
Tenants' deposits	4,331	3,739
Other	173	3,091
Total	21,347	23,541

Leasehold liabilities

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

	December 31, 2008		December 31, 2007	
	nominal value	present value	nominal value	present value
- up to 1 year	1,091	1,091	1,083	1,083
- between 2 and 5 years	4,362	3,736	4,333	3,709
- more than 5 years	70,621	11,945	71,699	11,826
	76,074	16,772	77,115	16,618

Pension plans

The net liability from the defined benefit plan in Belgium is composed as follows:

	December 31, 2008	December 31, 2007
Benefits obligations	616	486
Fair value of plan assets *	510	414
	106	72
Unrecognised gains (-)/losses	-/- 35	21
Net obligation	71	93

The movement of the net liability is as follows:

	2008	2007
Net liability at January 1	93	104
Employer contributions	-/- 94	-/- 88
Net movement	72	77
Net liability at December 31	71	93

The assumptions used are:

- discount rate obligations	5.60%	5.80%
- long term rate of return on plan assets	5.00%	6.58%
- rate of annual salary increases	2.00%	3.40%

* The fair value of the assets consists, as in 2007, for 100% of insurance contracts.

The mortality rates used for Belgium are the MR/FR series. For the above mentioned pension plan the expected employers contribution is € 0.1 mln for 2009. Reference is made to note 10 for employee benefits plans with a net asset.

Due to changes in accounting principles as a result of IFRIC 14 the figures of January 1, 2007 have been adjusted.

22 Taxes (x € 1,000)

	December 31, 2008	December 31, 2007
Social security tax	510	541
Value added tax	1,747	1,915
Dividend tax	-	2,614
Company tax	1,073	561
Other	9	18
	<hr/>	<hr/>
	3,339	5,649
	<hr/> <hr/>	<hr/> <hr/>

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

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

	December 31, 2008	December 31, 2007
Deferred rents	15,405	16,844
Property expenses	10,305	10,923
Interest	5,231	5,254
General costs	2,789	2,069
Investment commitments	5,134	2,578
Other short term liabilities	4,607	2,863
	<hr/>	<hr/>
Total	43,471	40,531
	<hr/> <hr/>	<hr/> <hr/>

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, 2008		December, 31 2007	
	assets	liabilities	assets	liabilities
Forward foreign exchange contracts	27,217	-	3,211	-
Loans	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total hedging instruments for net investment hedging	27,217	-	3,211	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2008 and 2007 year-end, all derivative financial instruments are non-current.

The notional amounts of outstanding forward exchange contracts at December 31, 2008, amounts to € 250.3 mln (2007: € 264.4 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 2008 as well in 2007 no loans in the Netherlands in foreign currency qualified as net investment hedge.

Net investment hedges

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

	December 31, 2008			December, 31 2007		
	USD	GBP	Total in €	USD	GBP	Total in €
Net investment in foreign subsidiaries before hedging	624,221	81,837	534,450	606,539	125,182	582,710
Hedging:						
– derivatives	238,701	75,000	250,258	238,701	75,000	264,413
– interest bearing debt	–	–	–	–	–	–
Net investment hedge	238,701	75,000	250,258	238,701	75,000	264,413
Net investment	385,520	6,837	284,192	367,838	50,182	318,297

Derivative financial instruments for interest conversion (swaps)

The fair value of interest rate swaps as at December 31, 2008, amount to € 7.5 mln (2007: € 4.2 mln). The notional principal amounts of the outstanding interest rate swaps at December, 31 2008 amounts to € 46 mln (2007: € 60 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, 2008	December 31, 2007
– up to one year	–	–
– between 2 and 5 years	–	–
– more than 5 years	46,194	59,995
Total	46,194	59,995

The derivative financial instruments for interest conversion are accounted for as financial assets at fair value through profit and loss. During 2008 an amount of € 5 mln has been added to the valuation results (2007: € 0.2 mln) relating to these financial assets. In addition, an amount of € 0.1 mln has been added to the interest cost (2007: € 0.4 mln).

Credit risk

During 2008 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:

Derivative financial instrument	2008		2007	
	Counter party credit risk	Amount (€ x 1,000)	Counter party credit risk	Amount (€ x 1,000)
Forward foreign exchange contracts	F1 / F1+	27,217	F1 / F1+	3,211
Derivative financial instruments for interest conversion (swaps)	AA-	7,478	AA- / AA+	4,259
		<u>34,695</u>		<u>7,470</u>

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

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

Financial risks

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

Interest risk

Changes in interest rates may affect the results, the yield and the value of the property. The interest rate policy is determined by the Board of Management. Wereldhave keeps solid capital ratios and has options for interest rate consolidation via interest rate swaps and drawings on committed fixed interest facilities, which can be used as soon as a clear upward trend in interest rates is visible. Wereldhave strives to a long term percentage of fixed rated financing of 50% or more with regard to the total interest bearing debt. The actual percentage amounts to 25%. The Board of Management is informed on a periodical basis about the interest forecasts, the actual percentage of fixed interest financing and, if needed, the possibilities to adjust this percentage.

When the money market interest rates change by 0.5%, direct result and equity will change with € 2.8 mln (2007: € 1.9 mln). This would result in a change of direct result and net asset value per share of € 0.13 (2007: € 0.09). The Treasury department periodically monitors the debt covenants.

Currency risk

Wereldhave owns property investments in USD and GBP areas. Lower exchange rates of GBP and USD compared to the EUR could have a negative impact on the results and on the value of the property investments. That effect can be mitigated by financing in local currency and hedge possibilities in foreign currency swaps and forward transactions. The hedging policy is determined by the Board of management, making use of the forecasted rates. Exchange rate developments are continually monitored. The rate of inflation, which has an indirect effect on interest and currency rates, is one of the parameters established by the Board of Management and is used in determining its policy. Information on the actual inflation figures is included in the monthly management reports. The guideline for covering the USD and GBP risk for the portfolio is a covering percentage of 70%, allowing for deviations from 50% to 90%. The risks of lower exchange rates on results are not covered.

When the average exchange rates for USD or GBP change by 5% in respect of the EUR, the direct result and equity will change with € 1.7 mln (2007: € 1.3 mln). This would result in a change of direct result per share of € 0.08 (2007: € 0.06). A 5% change of the year-end exchange rates would have a € 0.83 impact on the net asset value per share and € 17.1 mln on equity .

Liquidity risk

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

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

Credit risk

Credit risk is the risk of default of a contracting party on payments to Wereldhave. If 1% of debtors would default on payment, this would impact direct results by € 0.1 mln (2007: € nil). As a result of such default, direct result per share would change by € nil (2007: € nil). On a monthly basis Wereldhave monitors this creditworthiness per debtor and determines via monthly management reports the adequacy of the provision for doubtful debtors. Furthermore, standard lease terms include that rent has to be paid upfront and every tenant's creditworthiness is verified before entering a new lease. The credit risk is furthermore mitigated by bank warranties from tenants.

Concentration of risk

Under concentration of risk is understood that a single financial risk is for the larger part born by one party or that more financial risks are concentrated with one or a few parties. Wereldhave mitigates the concentration risk with regard to interest, currency and liquidity risk by concluding interest and currency derivatives and loans with several financial parties. Furthermore the credit risk is reduced by the size and diversification of the tenant portfolio as a result of which the concentration of risk does occur from one single tenant.

On balance financial assets and liabilities

The table below gives an overview of items previously mentioned in other notes.

On the horizontal axes the IFRS categories are shown and on the vertical axes the IFRS classes of financial instruments are shown.

December 31, 2008	Loans and receivables	Fair value through P&L	Hedging derivatives	Available for sale	Total	Note
Assets						
Financial assets	6,340	7,479	27,216	9,723	50,758	9
Trade and other receivables	12,376	-	-	-	12,376	11
Tax receivables	4,411	-	-	-	4,411	12
Cash and cash equivalents	24,743	-	-	-	24,743	13
	<u>47,870</u>	<u>7,479</u>	<u>27,216</u>	<u>9,723</u>	<u>92,288</u>	

	Hedging derivatives	Other financial liabilities	Total	Note
Liabilities				
Interest bearing debts	-	739,586	739,586	19
Creditors	-	3,470	3,470	
Taxes payable	-	3,339	3,339	22
Trade and other payables	-	43,471	43,471	23
	-	789,866	789,866	

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	12,456	-	-	-	12,456	12
Cash and cash equivalents	16,803	-	-	-	16,803	13
	44,430	4,259	3,211	9,986	61,886	

	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	

Fair values of financial assets and liabilities are equal to the carrying amounts, unless mentioned otherwise in the separate notes.

If applicable, specific risks and further distinctions of financial assets and liabilities are commented in the related notes.

Off balance assets and liabilities

The Group has provided guarantees to third parties to the amount of € 15.6 mln (2007: € 17.1 mln). The Group has capital commitments in the amount of € 43.7 mln (2007: € 13.9 mln). Furthermore, the Group has committed credit facilities to the amount of € 138 mln (2007: € 569 mln).

26 Gross rental income (x € 1,000)

Leases have various expiry terms. Rent indexation is agreed in countries where indexation is usual or legally permitted. The leases specify the rent, the other rights and obligations of the lessor and the lessee, including notice and renewal options as well as service and operating costs charges. Service and operating costs paid and received, as well as amounts paid by tenants as a one-off payment at early termination of a lease made are not included in gross rental income. Rental losses as a result of vacancy, expressed as a percentage of theoretical rent, amounted to 5.28% in 2008 (2007: 6.03%).

The future aggregate contractual rent for the next five years from leases as at December 31, 2008 is shown in the following table (turnover leases are accounted for at the minimum rent):

	2008	2007
- up to 1 year	149,766	157,426
- between 2 and 5 years	362,149	362,831
- more than 5 years	75,835	82,922
Total	587,750	603,179

27 Property expenses (x € 1,000)

	2008	2007
Property maintenance	3,643	2,982
Property taxes	2,153	2,532
Insurance premiums	583	675
Property management	1,936	2,080
Leasing expenses	4,403	3,591
Other operating costs	1,418	1,102
Total	14,136	12,962

Impairments of € 0.7 mln relate to debtors (2007: € 0.5 mln). These costs are accounted for in the other operating costs.

28 Valuation results (x € 1,000)

	2008	2007
Investment properties		
Valuation gains	9,510	142,108
Valuation losses	-/- 122,147	-/- 12,898
	-/- 112,637	129,210
Financial assets and liabilities		
Valuation gains	5,037	-
Valuation losses	-/- 352	-/- 167
	4,685	-/- 167
Total	-/- 107,952	129,043

29 Results on disposals (x € 1,000)

	2008	2007
Properties		
Proceeds from sales, gross	9,457	134,809
Selling costs	<u>-/- 29</u>	<u>-/- 4,459</u>
Proceeds from sales, net	9,428	130,350
Book value investment properties	-/-6,386	-/-115,397
Book value lease incentives	<u>-/- 38</u>	<u>-/- 2,775</u>
	<u>-/-6,424</u>	<u>-/-118,172</u>
Result on direct sales of properties	3,004	12,178
Result on indirect sales of properties		<u>5,194</u>
Result from sales	3,004	17,372
Results due to business combinations		
Fair value of the acquired assets and liabilities	4,237	-
Purchase price acquired assets and liabilities	-/-2,960	-
Acquisition cost	<u>-/- 8</u>	<u>-</u>
	<u>1,269</u>	<u>-</u>
Total	<u>4,273</u>	<u>17,372</u>

Gross proceeds from indirect sales of properties in 2007 amounts to € 19.5 mln.

During 2008 Wereldhave increased its stake in CVA Wereldhave Belgium from 68.2% to 69.31%. The increase was made by stock exchange transactions. The shares have been acquired at a cost price of € 48.57 per share. The net asset value per share amounted to € 70.68 on the transaction date. Due to the fact that the purchase price was lower than the net asset value per share, the positive difference has been accounted for directly in result. The assets of CVA Wereldhave Belgium exist mainly out of property investments. The result of Wereldhave increased by € 1.3 mln due to the transaction.

30 General costs (x € 1,000)

	2008	2007
Salaries and social security contributions	9,724	8,635
Pension costs	1,152	1,278
Audit fees	482	513
Advisory fees	777	790
Office costs	3,525	3,248
Other general costs	3,251	3,929
	<u>18,911</u>	<u>18,393</u>
Allocated to property expenses/service and operational costs	-/- 3,728	-/- 3,698
Allocated to investments and disposals	-/- 688	-/- 562
	<u>-/- 4,416</u>	<u>-/- 4,260</u>
Total	<u>14,495</u>	<u>14,133</u>

Pension costs

Pension costs consists of premiums relating to the employee pension plan. The actual employer contributions for the defined benefit plan amount to € 770,000 (2007: € 888,000) and for defined contribution plans to € 382,000 (2007: € 390,000).

Employees

During the year 2008 an average of 104 persons (2007: 101) were employed by the Group, of which 42 (2007: 43) in The Netherlands and 62 (2007: 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	2008	2007
C.J. de Swart	40	41
F.Th.J. Arp	27	27
P.H.J. Essers	27	27
J. Krant	62	27
Total	<u>156</u>	<u>122</u>

The amount paid to Mr Krant includes € 35,000 management remuneration for the period June 2008-December 2008. In this period Mr Krant acted as temporary managing director.

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

Board of Management	salary	short term bonus	single payment	pension- costs	social charges	total
2008						
G.C.J. Verweij	345	57	59	86	4	551
J. Buijs *)	103	-	400	26	6	535
Total	448	57	459	112	10	1,086
2007						
G.C.J. Verweij	339	69	-	86	7	501
J. Buijs	243	49	-	61	13	366
Total	582	118	-	147	20	867

*) Mr Buijs has left the Board of Management as per the end of May 2008.

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 financial guarantees to members of the Board. Shares or options on shares are not be granted to members of the Board.

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.

In 2008 a one-off payment of € 59,000 was done to Mr Verweij as a compensation for the temporary replacement of Mr Buijs. An amount of € 400,000 was paid to Mr Buijs when leaving the company. Reference is made to the remuneration report.

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, 2008 as closing date, the long term bonus for the period 2008-2010 would amount to € 93,517 for Mr Verweij. The long term bonus for the period 2005-2007 for Mr Verweij of € 52,325, was paid in 2008.

Audit fees

In 2008 Wereldhave has accounted for the following costs from the group auditor PricewaterhouseCoopers:

	2008	2007
Audit of the annual accounts	447	451
Other audit services	33	28
Tax advisory services	24	46
Other non audit services	28	13
	<hr/>	<hr/>
	532	538
	<hr/> <hr/>	<hr/> <hr/>

Of the total amount of accounted cost € 230,461 (2007: € 241,813) is related to The Netherlands. This consists of an amount of € 196,809 (2007: € 190,472) cost for the audit of annual accounts, € 8,524 (2007: € 17,355) for other audit activities, for tax advisors fees € 8,128 (2007: €33,986) whilst the remaining part relates to other non audit services.

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

	2008	2007
Direct result		
Premium for surrender of lease contracts	-	2,247
Service costs management fee and other	3,426	2,884
	<hr/>	<hr/>
	3,426	5,131
Indirect result		
Received indemnities	600	-
Other	10	-
	<hr/>	<hr/>
	610	-
Total other income and expense	<hr/> <hr/>	<hr/> <hr/>
	4,036	5,131

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 or premiums for the surrender of a lease.

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

	2008	2007
Interest charges		
<i>Direct result</i>		
Interest paid	-/-34,246	-/-33,673
Capitalised interest	2,100	2,446
	<u>-/-32,146</u>	<u>-/-31,227</u>
<i>Indirect result</i>		
Interest addition convertible bonds	-/- 1,623	-/- 1,619
Interest addition other loans and receivables	11	-
	<u>-/- 1,612</u>	<u>-/- 1,619</u>
Total interest charges	-/-33,758	-/-32,846
Interest income		
Interest received in direct result	8,529	5,265
Total interest charges and income	<u><u>-/-25,229</u></u>	<u><u>-/-27,581</u></u>

Capitalised interest in connection with developments is based on money market interest rates which are relevant for Wereldhave. During 2008, the range of average interest rates used was 3.75% – 6.2% (2007: 4.2% – 6.7%).

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

	2008	2007
Direct result		
Interest addition leasehold liabilities	-/- 1,076	-/- 828
Amortised costs loans	-/- 804	-/- 781
Dividend received	777	661
Other	-/- 600	-/- 247
	<u>-/- 1,703</u>	<u>-/- 1,195</u>
Indirect result		
Exchange rate differences	-/- 3,876	3,743
Movement in pension liabilities	-/- 2,069	89
Repayment premium debentures	-	-/- 4,372
	<u>-/- 5,945</u>	<u>-/- 540</u>
Total	<u><u>-/- 7,648</u></u>	<u><u>-/- 1,735</u></u>

The item "other" includes costs related to fees paid for undrawn parts of committed financing facilities amounted to € 0.4 mln (2007: € 0.2 mln). The repayment premium debentures in 2007 relates to the repurchase of debentures. The premium is the surplus above nominal value and other costs. Exchange rate differences refer to exchange differences on directly held assets and liabilities in foreign currency.

34 Taxes on result (x € 1,000)

	2008			2007		
	Direct result	Indirect result	Total	Direct result	Indirect result	Total
Profit before tax	112,166	-/- 110,626	1,540	111,300	144,256	255,556
Tax charges according to applicable tax rates	33,204	-/- 31,054	2,150	32,615	41,672	74,287
Tax-exempt income based on fiscal status	-/- 26,766	8,478	-/- 18,288	-/- 25,170	-/- 26,835	-/- 52,005
Deductible costs	-/- 4,241	6,739	2,498	-/- 4,221	5,338	1,117
Fiscal compensatable losses		-/- 681	-/- 681		-/- 1,810	-/- 1,810
Release of deferred tax		-/- 974	-/- 974		-	-
Revaluation on properties with a cumulative negative capital gain		7,463	7,463		745	745
Changes in rates		-/- 632	-/- 632		2,563	2,563
Other	554	618	1,172	106	905	1,011
Taxes on result	2,751	-/- 10,043	-/- 7,292	3,330	22,578	25,908
Weighted average tax rate	2.5%	9.1%		3.0%	15.7%	

The applicable tax rates vary from 0% for tax-exempt entities, based on their fiscal status, upto 35%. With regard to a branch in the United Kingdom the tax rate has decreased from 22% to 20%.

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

In case there is no sale plan for owned properties a deferred tax liability is accounted for the unrealised positive revaluation results, using the tax rates that are applicable for operational results. In 2008 an entity that is exempt for capital gain tax, but that is liable for income tax, has sold an object to a group company. Therefore the deferred tax liability that was accounted for this object was released in 2008.

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, 2008	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.

	2008	2007
Result per share	0.02	10.42
Add: costs and interest relating to the convertible bond, charged to the direct result	0.35	0.35
Result per share, excluding costs of the convertible bonds	0.37	10.77
Diluted result per share	0.34	9.79

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 no part of IFRS, but gives additional information.

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.

	2008	2007
EPRA profit per share (equals direct result per share)	4.92	4.88
Add: costs and interest relating to the convertible bond, charged to the direct result	0.27	0.27
Result per share excluding costs of the convertible bonds	5.19	5.15
Effect of conversion of convertible bond	-/- 0.46	-/- 0.46
EPRA diluted profit per share	4.73	4.69

	December 31, 2008	December 31, 2007
Equity component per share	83.74	89.06
Effect of conversion of convertible bond	0.98	0.40
<hr/>		
Diluted net asset value per share upon full conversion	84.72	89.46
Adjustment to value loans	1.02	-/- 0.61
Adjustments deferred taxes	0.57	0.68
<hr/>		
EPRA net asset value per share upon full conversion	86.31	89.53
<hr/> <hr/>		

36 Dividend

The Board of Management proposes a dividend per ordinary share of € 4.65 (2007: € 4.65), of which € 2.55 in cash and a dividend per ordinary share of € 2.10 in cash or in shares at the option of the shareholder, totalling to € 96.6 mln (2007: € 96.6 mln).

37 Expense ratio

The expense ratio for the year 2008, based on the Financial Supervision Act, amounts to 1.80% (2007: 1.75%). 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 Related parties

The Board of Management, the Supervisory Board, subsidiaries and the pension fund of Wereldhave are considered to be related parties. The members of the Supervisory Board and of the Board of Management had no personal interest in any of the company's investments during the year. For information about the directors' remuneration reference is made to note 30. With regard to transactions with the pension fund reference is made to note 10. 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.

40 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 owners 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 € 60.3 mln at December 31, 2008 (2007: € 66.9 mln). Wereldhave maintains that the tax claims are not justified and has filed objections against these claims. For this reason there has not been accounted for a provision for this claim.

In 1999, judicial proceedings were started against Wereldhave Belgium, relating to the sale of a cash-company in 1993. The Chamber of the Court has referred the legal proceeding against Wereldhave Belgium for treatment in first instance. Wereldhave Belgium 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 and therefore there has not been accounted for a provision for this claim.

Company balance sheet at December 31, 2008

(amounts x € 1,000)

Assets	Notes	December 31, 2008		December 31, 2007	
Investments					
Property investments	2	396,191		397,090	
Investments in group companies	3	1,285,922		1,336,629	
Other investments	4	378,548		470,072	
			2,060,661		2,203,791
Receivables					
	5				
Receivables on subsidiaries		9,589		15,267	
Tax receivables		48		2,969	
Accruals		1,638		1,614	
Other receivables		27,803		4,664	
			39,078		24,514
Other assets					
Property & Equipment		4,297		4,360	
Cash and bank		17		17	
			4,314		4,377
			2,104,053		2,232,682
Equity and liabilities					
Equity					
	6				
Share capital		207,817		207,817	
Share premium		763,809		763,809	
General reserve		195,286		220,362	
Revaluation reserve		641,924		713,877	
Reserve for exchange rate differences		-/- 68,553		-/- 55,098	
			1,740,283		1,850,767
Long term liabilities					
Loans	7	280,328		192,748	
Other debt	8	6,859		6,874	
			287,187		199,622
Short term liabilities					
	9		76,583		182,293
			2,104,053		2,232,682

Company income statement for 2008

(amounts x € 1,000)

		2008		2007	
Result from group companies after tax	3	-/- 26,024		145,255	
Other gains and losses after tax		26,517		71,229	
Profit		493		216,484	

Notes to the company balance sheet and income statement

1 General

1.1 Principles for the presentation of the company accounts

The company accounts have been made up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code. Use has been made of the option provided by article 2:362 paragraph 8 of the Civil Code to apply the same principles for determining profit and loss and balance sheet items (including the principles of accounting for financial instruments under shareholders' equity or interest bearing liabilities) as are applied in the consolidated accounts. The company has prepared the consolidated annual accounts in accordance to International Financial Reporting Standards as endorsed in the European Union. 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 <small>(x € 1,000)</small>	2008	2007
Balance at January 1	397,090	364,522
Investments	1,146	3,668
Disposals	-	-/- 7,950
Revaluation	-/- 2,045	36,850
Balance at December 31	<u>396,191</u>	<u>397,090</u>

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:

	2008	2007
Rental income	27,767	27,334
Property expenses relating to income generating investments	-/- 4,028	-/- 3,475
Property expenses relating to non-income generating investments	-	-/- 12

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

Movements are as follows:	2008	2007
Balance at December 31	1,336,629	1,323,079
Change in accounting policy	-	795
Balance at January 1	1,336,629	1,323,874
Exchange rate differences	-/- 36,227	-/- 66,167
Investments / divestments	33,560	-
Revaluation of financial assets held for sale	-/- 888	-/- 589
Withholding tax not recoverable	-	-/- 377
Result group companies	-/- 26,024	145,255
Dividends	-/- 21,128	-/- 65,367
Balance at December 31	1,285,922	1,336,629

List of group companies

At December 31, 2008, the Company had direct shareholdings in the following companies:

	Shareholding (%)
C.V.A. Belgium S.C.A. *)	39.10
Wereldhave Finland Oy	100
Ilot Kleber S.A.S.	100
Clichy Investissements S.A.S.	100
Espace Saint Denis S.A.S.	100
Marine de Dunkerque S.A.S.	100
N.V. Wereldhave International	100
Wereldhave Management Holding B.V.	100
Wereldhave Development B.V.	100
West World Holding N.V.	100
Relovast B.V.	100
Espamad S.L.	100
Wereldhave U.K. Holdings Ltd.	100

*) Including direct holdings 69.31%.

4 Other investments <i>(x € 1,000)</i>	Receivables from group companies	Other financial assets	Total
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
Exchange rate differences	313	-	313
Investments	154,902	3,461	158,363
Disinvestments	-/-249,630	-/- 570	-/-250,200
Balance at December 31, 2008	368,918	9,630	378,548

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

5 Receivables *(x € 1,000)*

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

6 Equity

Share capital

The share capital of the company at December 31, 2008 amounted to € 600,000,000 dividend over 40,000,000 ordinary shares of € 10 and 20,000,000 priority shares of € 10.00 each. The issued and paid up share capital amounts to € 207,817,350, formed by 20,781,735 ordinary shares and 10 priority shares of € 10 each.

During 2008, there have been no changes in share capital. In accordance with the IFRS principles for accounting the preference share capital is treated as short-term liabilities, see note 9.

The movements in equity during 2007 and 2008 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, 2006	207,817	763,809	216,833	107,037	489,570	-/- 9,060	1,776,006
Change in accounting policies	-	-	795	-	-	-	795
Balance at January 1, 2007	207,817	763,809	217,628	107,037	489,570	-/- 9,060	1,776,801
Exchange rate differences of foreign participations	-	-	-	-	-	-/- 46,038	-/- 46,038
Movement in reserves	-	-	-/- 296	-	-/- 588	-	-/- 884
Revaluation realised	-	-	7,600	-/- 1,296	-/- 6,304	-	-
Dividend payment over 2006	-	-	-/- 95,596	-	-	-	-/- 95,596
Profit for the year **)	-	-	91,026	37,442	88,016	-	216,484
Balance at December 31, 2007	207,817	763,809	220,362	143,183	570,694	-/- 55,098	1,850,767
Exchange rate differences of foreign participations	-	-	-	-	-	-/- 13,455	-/- 13,455
Movement in reserves	-	-	-	-	-/- 888	-	-/- 888
Revaluation realised	-	-	5,606	-	-/- 5,606	-	-
Dividend payment over 2007	-	-	-/- 96,634	-	-	-	-/- 96,634
Profit for the year **)	-	-	65,952	346	-/- 65,805	-	493
Balance at December 31, 2008	207,817	763,809	195,286	143,529	498,395	-/- 68,553	1,740,283

*) 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 (2007: € 741.4 mln).

General reserve

Allocation of profit over 2007

The General Meeting of Shareholders on March 27, 2008 determined the following allocation of the profit over 2007 (amounts x € 1,000):

Distributed to holders of ordinary shares	96,634
Added/withdrawn:	
- Property revaluation reserve	37,442
- Revaluation reserve participations	88,016
- General reserve	-/- 5,608
Result after tax	216,484

Change in accounting principle

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

Dividend 2008

A cash dividend of € 4.65 per ordinary share will be proposed to the General Meeting of Shareholders for 2008, of which € 2.55 in cash in order to comply with the fiscal distribution obligation, subject to dividend tax, and € 2.10 in cash or in shares, at the option of the shareholder.

The dividend on preference shares of 6.233% (2007: 5.533%) 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 cumulative 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 cumulative positive valuation results on property investments in subsidiaries are kept.

7	Loans <i>(x € 1,000)</i>	December 31, 2008			December 31, 2007	
		Maturity 1 – 2 year	Maturity 2 – 5 year	Maturity > 5 year	Total	Total
	Debts to group companies	-	22,451	6,000	28,451	-
	Convertible bond	-	195,002	-	195,002	192,748
	Debt to financial institutions	-	56,875	-	56,875	-
	Total	-	274,328	6,000	280,328	192,748

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

	2008			2007		
	EUR	GBP	total	EUR	GBP	total
Short term interest bearing debt	-	3.05%	3.05%	5.88%	-	5.88%
Long term interest bearing debt						
- unsecured						
• Debts to subsidiaries	3.73%	-	3.73%	-	-	-
• Convertible bond	3.60%	-	3.60%	3.60%	-	3.60%
• Bank debts and other loans	3.81%	-	3.81%	-	-	-
- secured						
• Interest rate swaps	-	0.10%	0.10%	-	-	-
Average	3.65%	3.15%	3.75%	3.86%	-	3.86%

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 interest bearing debts is as follows:

	December 31, 2008		December 31, 2007	
	book value	fair value	book value	fair value
Debt to group companies	28,451	28,451	-	-
Bank debts and other loans	56,875	56,875	-	-
Convertible bond	195,002	157,676	192,748	191,420
	280,328	243,002	192,748	191,420

Currencies

All interest bearing liabilities are denominated in euros.

8 Other debt (x € 1,000)

	December 31, 2008	December 31, 2007
Leasehold liabilities	6,828	6,841
Received deposits	31	33
	6,859	6,874

9 Short term debt (x € 1,000)

	December 31, 2008	December 31, 2007
Debt to financial institutions	49,854	103,511
Short term portion of long term debt	–	24,850
Creditors	443	323
Preference shares	3,405	3,405
Debt to group companies	15,934	42,771
Taxes on profit	80	90
Dividend preference shares	214	190
Other debts	6,653	7,153
	<hr/>	<hr/>
	76,583	182,293
	<hr/> <hr/>	<hr/> <hr/>

Preference shares

The preference shares are classified as short-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.

10 Staff

During 2008 the legal entity employed an average of 1 person (2007: 2), who worked in The Netherlands.

11 Management and members of the Supervisory Board

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

12 Related parties

All group entities are treated as related parties. Reference is made to note 39 to the consolidated accounts.

13 Contingencies

The company has given guarantees to third parties for group companies totalling € 478.7 mln (2007: € 366.1 mln). Capital commitments amount to € 0.5 mln as per December 31, 2008 (2007: € 0.4 mln).

The Hague, February 26, 2009

Supervisory Board

C.J. de Swart

J. Krant

F.Th.J. Arp

P.H.J. Essers

Board of Management

G.C.J. Verweij

Other information

Other information

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

Proposed distribution of profits

In addition to the statutory cash dividend of 6.233% 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 € 2.55 in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax. In addition, € 2.10 will be paid out in cash or in shares at the option of the shareholder. This distribution will be charged to the fiscal reinvestment reserve and therefore no dividend tax will be due.

(amounts x € 1 mln)

	2008	2007
Profit	0.5	216.5
Payment to holders of ordinary shares	96.6	96.6
Added/withdrawn:		
• Property revaluation reserve	0.3	37.4
• Revaluations reserve participations	-/-65.8	88.0
• General Reserve	-/-30.6	-/- 5.5
	0.5	216.5

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 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. 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.

The Board of Management's remuneration is determined in line with the policy set out in the remuneration report. Changes to the remuneration of the Board of Management will be submitted by Wereldhave to the shareholders for their approval. 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 2008. The Supervisory Board drew up a new remuneration report regarding 2008. 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.

F.Th.J. Arp (Chairman) and P.H.J. Essers are members of the audit committee. In November 2008, the audit committee held a meeting with the auditor to discuss the audit plan 2008 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. 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 anti-takeover measures consist of the possibility to issue preference shares, priority shares A and priority shares B. These shares are all registered shares. The priority shares A must be fully paid up; the preference shares and priority shares B must be paid-up for 25%. The authorised share capital provides for the issue of preference and priority shares up to 50% of the issued ordinary share capital. The total issued capital of preference and priority shares amounted to € 13,620,100 as at 31 December 2007. 1,500,000 preference shares and 10 priority shares A have been issued. No priority shares B have been issued.

The priority shares A are held by the Foundation for the holding of priority shares in the public limited liability company Wereldhave N.V. [Stichting tot het houden van prioriteitsaandelen van de naamloze vennootschap: Wereldhave N.V.] . The board of the foundation is comprised of the members of the Board of Management and the members of the Supervisory Board. In addition to the profit rights, the determination of the number of members of the Board of Management and the Supervisory Board of the company and the binding nomination for their appointment are the most important rights connected to the priority shares A and B. Other than with the consent of the holders of priority shares, the General Meeting of Shareholders can only take the decision to dismiss or suspend board members with two-thirds of the votes cast, representing more than half of the issued share capital.

The objective of the Foundation for the holding of Preference and Priority shares B Wereldhave [Stichting tot het houden van Preferente en Prioriteitsaandelen B Wereldhave], in accordance with article 2 paragraph 1 of its articles of association, is to promote the interests of Wereldhave, of the companies affiliated to Wereldhave and all stakeholders, whereby the foundation also takes into account maintaining the independence, continuity and identity of the company. The Board of the Foundation is comprised of Messrs H.J.A.F. Meertents (Chairman), M.W. den Boogert and P.C. Neervoort. The Foundation does not hold any shares in Wereldhave N.V. at present.

The preference shares Wereldhave are listed on the NYSE Euronext in Amsterdam. In addition to voting rights, the holders of preference shares are also entitled to a preferred dividend out of the profit. In the event of liquidation, that which remains after all debts have been paid will be transferred to the shareholders in proportion to their shareholding with the exception that the holders of preference shares receive no further payment than the amount paid-up on these shares and the holders of priority shares A and B receive no further payment than the nominal paid-up amount on those shares. Preference shares and priority shares A and B are not entitled to the company's reserves. The stipulations for withdrawal are mentioned below.

Of the 1,500,000 preference shares, 1,436,531 are held by the Wereldhave Pension Fund Foundation [Stichting Pensioenfonds Wereldhave]. The withdrawal of the currently outstanding preference shares will be placed on the agenda of the Annual General Meeting of Shareholders on 2 April 2009.

After the withdrawal, the nominal value of the preference shares to be issued in the future will be increased to € 10. The reasons for the proposed withdrawal are the following:

- the fact that a stock listing is no longer obligatory for preference shares of an investment company with variable capital;
- the fact that the preference shares are registered shares and are also not fully paid up, thus requiring a number of formalities for the transfer of these shares causing the liquidity to be very limited;
- the currently outstanding preference shares have a lower nominal value than the ordinary shares, thus making it very difficult to determine the voting rights at the meeting; and
- an optimisation of the anti-takeover function of the preference shares – the actual reason for which the preference shares were established –, such in connection with the Dutch Public Offers of Securities Act (OBE).

The articles of association stipulate that upon withdrawal, the fully paid-up part of the nominal value, or in other words € 2.27 per share, will be reimbursed. In addition, the reimbursement upon withdrawal also includes the dividend stipulated in the articles of association over the part of the year that has already passed up to the withdrawal. The dividend is stipulated in the articles of association as a percentage that is 1.5% higher than the 12-month money market interest rate (EURIBOR) that applies on the first trading day of the financial year in question. This percentage amounts to 6.233% for the year 2008. Over the part of the year that has already passed from 2009 until the date of withdrawal, a percentage of 4.525% will be paid out.

Based on an agreement concluded in 1992, the employees of the local management organisations work exclusively for Wereldhave. The agreement contains provisions concerning the continuity of employee interests in the event of a change of control over Wereldhave.

Complaints procedure

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

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 2008. 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 2008 of Wereldhave N.V., The Hague as set out on pages 41 to 96. 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 31 December 2008, 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 31 December 2008, 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 judgement, 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 31 December 2008, 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 31 December 2008, 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 f 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 26, 2009
PricewaterhouseCoopers Accountants N.V.

R. Dekkers RA

Supervisory Board

C.J. de Swart

(m, 67)

Member of the Supervisory Board since 2001; reappointed in 2006.

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, 60)

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.
AFC Ajax N.V.
Stadion Amsterdam N.V.

Board positions:

Chairman Jewish Historical Museum
Foundation "Hollandsche Schouwburg"
AFC Ajax club

F.Th.J. Arp

(m, 55)

Member of the Supervisory Board since 2005; reappointed in 2008.

Retires by rotation in 2011.

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

Positions in Supervisory Boards:

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, 51)

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 C.J. de Swart will retire at the General Meeting of Shareholders, to be held on April 2, 2009. Having reached the maximum term of 8 year in office, he is not available for re-election.

Board

G.C.J. Verweij

(m, 63)

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)

Other positions:

By decree of the Dutch Commercial Chamber dated November 21, 2008, Mr Verweij has been appointed Director of Living City Property Performance B.V. in Amsterdam

Report of the Supervisory Board

The Supervisory Board convened six times in 2008. Items on the agenda were the development of the results and the capital, the developments on the relevant property markets, investments and disposals, the funding policy, the currency and dividend policy and fiscal matters.

The most important issue in 2008 was the composition of the Board of Management and the succession of Mr Verweij. Mr J. Buijs has resigned from the Board of Management of Wereldhave as of 31 May 2008 in close consultation with the Supervisory Board. The Supervisory Board members are grateful for Mr Buijs' contribution to Wereldhave in the past years. Mr J. Krant has acted as temporary managing director from 1 June 2008 up to and including 31 December 2008, thus Wereldhave continued to comply with the statutory requirement of two managing directors. The recruitment and selection of a new managing director was prepared by the Chairman and Vice-Chairman of the Supervisory Board. All members of the Supervisory Board were present during the interviews that were held with the candidates.

By a press release dated October 6, 2008, Wereldhave announced that the nomination of Mr J. Pars as a Director will be proposed to the Annual General Meeting of Shareholders on 2 April 2009. Mr Pars has extensive international property experience. It is the intention that Mr Pars will succeed Mr G.C.J. Verweij as the chairman of the Board of Management when the new composition of the Board of Management has been finalised, which is expected to take place mid-2009.

In addition, the nomination of Mr D.J. Anbeek as director is proposed as from June 1, 2009, under the rescinding condition that the Financial Markets Authority has approved the appointment before May 31, 2009. The appointment is for a period of three years and ten months, with a maximum severance payment of one year.

In August 2008, the Board of Management, in consultation with the Supervisory Board, decided not to invest in Turkey in view of the strongly decreased initial yields and the political instability. Also in August 2008, the Supervisory Board approved the purchase of the office building DiamondView in San Diego for USD 161 million. The acquisition is in line with Wereldhave's strategy to invest in recently built properties in knowledge-intensive areas, preferably in a mixed-use environment in city centres. The acquisition contributes directly to Wereldhave's direct result.

The Supervisory Board discussed the updated investment plan for 2009 with the Board of Management in November. The investment plan provides an up-to-date description of the prospects of the property markets in the countries in which Wereldhave is active. Furthermore, the plan contains the forecasted development of the results, the funding policy, the organisation and information systems, the fiscal situation and the investment volumes for each country. The plan is based on an extensive set of assumptions for the preparation of the result forecasts, such as interest rates, inflation rates and economic growth.

The state of affairs regarding the Belgian tax claim was discussed regularly (you will find more information on page 88). There have been no new developments in this case in 2008.

Composition and method of operation

The Supervisory Board comprises four members, who are independent in respect of each other, the Board of Management of Wereldhave and whatever possible subsidiary interest. None of the Supervisory Board members have been absent frequently. No business transactions have taken place between the Supervisory Board members and the company in 2008.

The Supervisory Board convenes at least once a year without the presence of the Board of Management. In this meeting, the composition and the functioning of the Supervisory Board and the functioning and the remuneration of the Board of Management are discussed.

The Supervisory Board has appointed an Audit Committee. A remuneration committee has not been appointed in view of the limited size of the Supervisory Board. The remuneration policy is determined in accordance with the recommendations of the Tabaksblat Committee by the plenary Supervisory Board, but prepared by the Chairman and Vice-Chairman of the Supervisory Board.

Audit committee

The audit committee comprises Mr F.Th.J. Arp (chairman) and Mr P.H.J. Essers. The audit committee met with the auditor in February 2008 and November 2008 without the presence of the Board of Management to discuss the relationship between the auditor and Wereldhave, the objectivity of the auditor, the application of ICT and internal risk management and controls. In addition, the audit committee examined the compliance within Wereldhave. The minutes of the meeting of the audit committee were discussed and approved in the meeting of the Supervisory Board.

The audit committee performed a thorough analysis of the functioning of the external auditor during 2008. The reason for this is the requirement in the Tabaksblat Code that the Supervisory Board perform an analysis of the functioning of the external auditor once every four years. In this analysis, use was also made of questionnaires that were put before all of the local branches of Wereldhave. The overall assessment of the auditor is more than satisfactory. In the assessment of the organisation and the functioning of the internal risk management and controls, no issues have come up that require adjustment or realignment.

Remuneration report

The remuneration report that was prepared by the Supervisory Board was published on www.wereldhave.com and will be sent upon request free of charge. The main features of the report are outlined below.

Board of Management

The Supervisory Board made a change in the reference group in 2008, whereby Rodamco and Eurocommercial Properties were removed from the reference group. The removal of Rodamco from the reference group is related to the merger between Rodamco and Unibail as a result of which the comparability with Wereldhave had decreased.

Eurocommercial Properties was removed from the reference group because the remuneration policy differs significantly from the policy of the other members of the reference group. Cofinimmo (Belgium), Citycon and Sponda (Finland) were added to the reference group. These companies were added to the reference group because they are comparable to Wereldhave in size and similar to Wereldhave they are internationally operating property companies that operate from relatively small home markets. No changes have been made in the remuneration of the Board of Management in 2008, with the exception of indexation. For a complete overview of the employment conditions of the Board of Management, reference is made to the remuneration report that was prepared by the Supervisory Board, which can be found on www.wereldhave.com.

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 company's website www.wereldhave.com.

On behalf of the Supervisory Board,

C.J. de Swart, Chairman

The Hague, February 26, 2009



801 9th Street



Property portfolio

Investment properties at December 31, 2008

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

location	offices m ² n.l.a.	shops m ² n.l.a.	industrial m ² n.l.a.	residential	number of parking spaces	year of acqui- sition	year of construc- tion or renovation	annual rent 2009 (x € 1 mln)
Belgium *)								
Berchem								
76-78 Berchemstationstraat	11,416				217	1999	2002	1.5
1-2 Roderveldlaan	12,344				238	1999	2001	1.9
3-4-5 Roderveldlaan	17,139				316	1999	2001	2.0
Brussels								
1-8 Boulevard Bischoffsheim	12,666				150	1988	2002	2.2
22-25 Boulevard Bischoffsheim	5,730				64	1990	1990	1.1
Tournai								
22 Boulevard Walter de Marvis		14,178			1,260	1988	1996	2.5
Liege								
1 Quai des Vennes		31,252			2,200	1994	1994	8.8
Nivelles								
18 Chaussée de Mons		16,143			802	1984	1995	2.8
Vilvoorde								
28 Mediaalaan	12,989				305	1998	2002	1.8
30 Mediaalaan	5,696				178	1999	2001	0.9
32 Mediaalaan	4,052				123	1999	2001	0.8
other properties	6,336				114			0.6
	88,368	61,573	-					26.9
Finland								
Espoo								
5 Lansituulentie		12,117			234	2003	1998	3.6
4 Tyrskyvuori		3,444			80	2007	2007	0.3
Helsinki								
Itäkeskus	9,537	85,009			3,000	2002	2001	29.6
	9,537	100,570	-					33.5
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	7.9
	30,653	9,895	7,944					13.1

location	offices m ² n.l.a.	shops m ² n.l.a.	industrial m ² n.l.a.	residential	number of parking spaces	year of acqui- sition	year of construc- tion or renovation	annual rent 2009 (x € 1 mln)
Netherlands								
Alphen aan den Rijn								
2 J. Keplerweg			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	0.7
Arnhem								
Shopping Center Kronenburg (leasehold till 2110)		31,752			1,000	1988	1985	7.5
Best								
4 Brem			11,283		690	1977	1971	0.9
The Hague								
20-160 Laan van Ypenburg			47,179		155	1996	1993	2.9
Etten-Leur								
Shopping Center Etten-Leur		22,146				1991	1995	3.5
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			2.1
	10,499	76,292	175,983					28.8

Spain

Madrid

15 Avenida de la Vega, Alcobendas	22,676				421	1999	2000	4.5
15 Calle Fernando el Santo	3,254				39	1991	1993	1.0
1-2 Calle Mariano Benlliure, Rivas-Vaciamadrid			35,248		351	2001	2002	2.4
2 Plaza de la Lealtad	3,012					1989	1999	1.1
46 Avenida Juan Carlos I, Collado Villalba		15,186	7,480		980	2007	2001	3.6
	28,942	15,186	42,728					12.6

location	offices m ² n.l.a.	shops m ² n.l.a.	industrial m ² n.l.a.	residential	number of parking spaces	year of acqui- sition	year of construc- tion or renovation	annual rent 2009 (x € 1 mln)
United Kingdom								
Burton-Upon-Trent								
Horninglow Street		2,765			140	1988	1986	0.3
Guildford								
73-75 North Street	1,085	357				1988	1976	0.5
London and environs								
126-134 Baker Street, W1	934	605				1988	1999	0.7
326-334 Chiswick High Road, W4		2,307				1988	1974	0.6
72-74 Dean Street, Royalty House, W1	2,648				12	1988	1999	1.0
14-18 Eastcheap, EC3	3,630					1988	1991	1.5
31-36 Foley Street, W1	3,155				10	1988	1993	0.2
186-188 Fulham Road		1,048			7	1988	1979	0.5
26-28 Great Portland Street, W1 (leasehold till 2105)	1,290					1988	1990	0.5
1-5 Lower George Street and 1 Eton Street, Richmond upon Thames		2,864			10	1988	1963	0.7
56-70 Putney High Street, SW15		4,369			44	1988	1971	0.8
10-12A Thames Street and 1, 2 and 5 Curfew Yard, Windsor	932	464			62	1988	1972	0.5
Manchester								
Wilmslow Road	27,084				927	2005	2003	5.1
Northampton								
100 Pavillion Drive	11,051				510	1998	1991	1.7
Redhill								
Grosvenor House, 65/71 London Road	4,652				150	1989	1986	1.3
Rickmansworth								
1 Tolpits Lane, Olds Approach			7,334		165	1988	1993	0.5
Sheffield								
Penistone Road		3,918			163	1988	1986	0.5
Yeovil								
Bay 6, Lynx Trading Estate		3,218			207	1994	1986	0.4
other properties		10,289	10,238		202			1.9
	56,461	32,204	17,572					19.2

location	offices m ² n.l.a.	shops m ² n.l.a.	industrial m ² n.l.a.	residential	number of parking spaces	year of acqui- sition	year of construc- tion or renovation	annual rent 2009 (x € 1 mln)
United States								
Austin, Texas								
3801 Cap, of Texas Highway North		11,891			550	2004	2002	2.0
6801 Cap, of Texas Highway North	8,568				344	1999	1999	1.1
8300 Mopac Expressway	8,669				431	1998	2000	1.0
4801 Plaza on the Lake Drive	10,363				491	1999	1999	1.2
5001 Plaza on the Lake Drive	11,383				539	1999	1999	1.3
Dallas and environs, Texas								
805 Central Expressway, Allen	10,702				737	1999	1999	1.1
161 Corporate Center, Irving	9,737				465	1998	1998	0.9
411 East Buckingham Road, Richardson				338	648	1999	1999	2.6
4490 Eldorado Parkway, McKinney				525	880	2000	2004	3.8
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	9.2
10th & J Streets	28,359			1	928	2008	2007	8.2
Washington D.C. and environs								
701 8th Street	12,465				101	2005	2005	3.5
801 9th Street	21,930				190	2006	1999	4.3
13600 Dulles Technology Drive, Herndon	10,507				531	1999	2000	1.7
13650 Dulles Technology Drive, Herndon	10,507				531	1999	2000	1.4
1401 New York Avenue	17,646				165	1988	1984	3.9
21660 Ridgetop Circle, Sterling	11,681					1999	2002	1.5
	228,071	13,291	-					50.6
Total	452,531	309,011	244,227					184.7

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 69.3% interest in the properties in Belgium.

Independent valuers

Jones Lang La Salle,
London

Troostwijk Taxaties B.V.,
Amsterdam

Troostwijk-Roux Expertises cvba,
Antwerp

Summary of investment properties

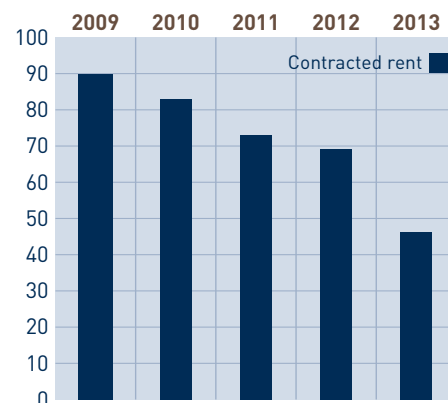
(amounts x € 1 mln)

The following is a summary of the open market value of the Group's investment properties at December 31, 2008. Foreign currencies have been converted at rates of exchange ruling at December 31, 2008. 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	149.5	12.8	231.6	14.1	-	-	-	-	381.1	26.9
Finland	9.2	0.6	580.8	32.9	-	-	-	-	590.0	33.5
France	159.3	10.6	9.3	1.4	7.4	1.1	-	-	176.0	13.1
The Netherlands	17.2	1.5	248.3	15.9	130.7	11.4	-	-	396.2	28.8
Spain	92.3	6.6	49.4	2.4	30.6	3.6	-	-	172.3	12.6
United Kingdom	145.8	12.7	62.0	5.4	11.7	1.1	-	-	219.5	19.2
United States	636.0	42.2	26.8	2.0	-	-	48.1	6.4	710.9	50.6
Total	1,209.3	87.0	1,208.2	74.1	180.4	17.2	48.1	6.4	2,646.0	184.7

Contracted rent

(in % of the contracted rent at December 31, 2008)



Summary of revaluations of the investment properties

(x € 1 mln)

This summary shows the revaluation in 2008 of investment properties by country and sector.

	value at December 31, 2008	revaluation in 2008	as a % of the value before revaluation				
			offices	shops	industrial	residential	total
Belgium	381.1	4.3	-/- 2.1	3.4	-	-	1.2
Finland	590.0	5.2	7.1	0.8	-	-	0.9
France	176.0	-/- 22.0	-/- 11.4	-/- 8.6	-/- 8.6	-	-/- 11.1
The Netherlands	396.2	-/- 2.0	-/- 2.4	0.6	-/- 2.3	-	-/- 0.5
Spain	172.3	-/- 7.7	-/- 1.1	-/- 8.0	-/- 7.2	-	-/- 4.3
United Kingdom	219.5	-/- 64.0	-/- 21.6	-/- 24.7	-/- 23.1	-	-/- 22.6
United States	710.9	-/- 14.3	-/- 1.9	-/- 7.0	-	0.3	-/- 2.0
Total	2,646.0	-/-100.5	-/- 6.0	-/- 1.1	-/- 5.1	0.3	-/- 3.7