The year 2011 was largely marked by the further enhancement of focus per country. In the United Kingdom the composition of the portfolio changed radically with the acquisitions of shopping centres and the divestments of non-strategic property. Also in the Netherlands large steps were made to increase focus of the portfolio. With acquisitions in the Netherlands and the United Kingdom, Wereldhave added a total of € 202.9 mln to the investment portfolio. In addition, Wereldhave purchased an office development in Paris, to be completed in 2014.
In the Netherlands, Belgium, Finland and the United Kingdom property was sold for a total consideration of € 217.0 mln.

Key figures (in €)	2011	2010
Results		
Result	63.0 mln	95.1 mln
Direct result	113.4 mln	115.9 mln
Indirect result	-/- 50.4 mln	-/- 20.8 mln
Result per share	2.38	4.15
Direct result per share	4.93	5.10
Equity	31-12-2011	31-12-2010
Property investment portfolio	2,862.5 mln	2,860.1 mln
Shareholders' equity	1,714.0 mln	1,728.1 mln
Net asset value per share	73.44	75.12

Proposed dividend: € 4.70 per share in cash, equal to the 2010 level.
The dividend is payable as from May 2, 2012.

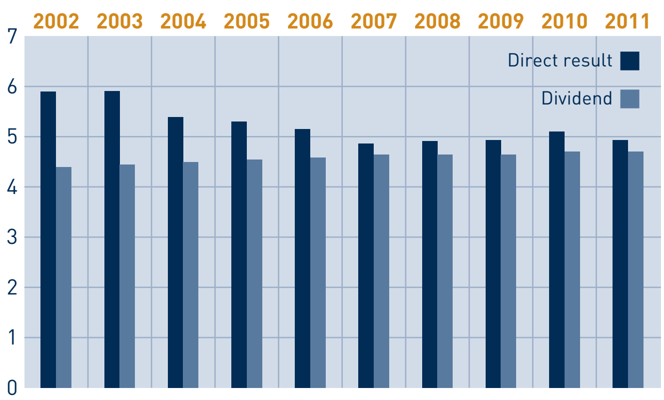
Property purchases and disposals in 2011
(investment properties, amounts at transaction rates x € 1 mln)

Purchases (Including acquisition cost)			**Disposals** (Gross proceeds)		
Netherlands	offices (for retail)	3.9	Netherlands	several properties	63.5
UK	retail	12.4	Belgium	offices	2.8
UK	retail	186.6	Finland	retail	47.2
			UK	several properties	80.8
			USA	several properties	22.7
Total		202.9			217.0

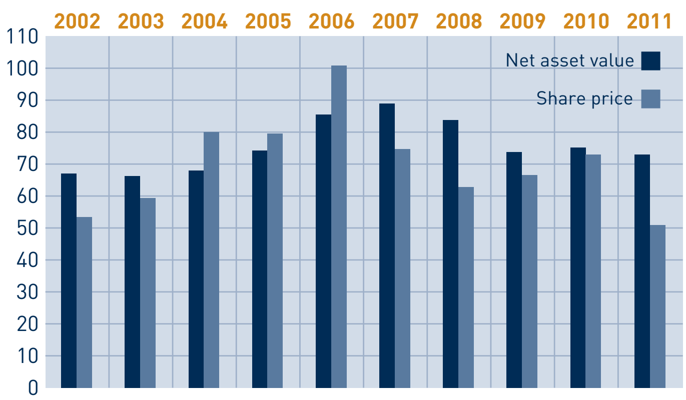
Key figures past 10 years[1]

	2002	2003	2004	2005	2006
Results					
(x € 1 mln)					
Net rental income [3]	147.8	146.6	147.5	151.8	151.2
Profit [7]	127.6	104.7	160.8	192.1	343.5
Direct result [7]	116.3	116.5	110.9	110.1	106.9
Indirect result [5] [7]	./. 46.4	./. 42.4	49.9	82.0	236.6
Balance sheet					
(x € 1 mln)					
Investments	1,830.5	1,844.0	2,015.1	2,288.8	2,521.5
Development projects	124.9	88.1	50.3	34.0	33.9
Equity [2]	1,322.7	1,310.0	1,414.8	1,542.2	1,776.0
Interest bearing debt	629.8	575.2	500.0	630.1	541.0
Number of shares					
At December 31	19,691,735	19,691,735	20,781,735	20,781,735	20,781,735
Average during the year	19,691,735	19,691,735	20,573,265	20,781,735	20,781,735
Share data [4]					
(x € 1)					
Equity [8]	66.99	66.35	68.08	74.21	85.46
Direct result	5.90	5.91	5.34	5.30	5.14
Indirect result [5]	./. 2.36	./. 2.15	2.40	3.94	11.39
Dividend	4.40	4.45	4.50	4.55	4.60
Pay-out	74.6%	75.3%	84.3%	85.8%	89.5%
Direct result per share [6]	5.90	5.91	5.39	5.30	5.14
Profit per share [6]	6.47	5.31	7.81	9.24	16.53

Direct result and dividend per share
(x € 1)



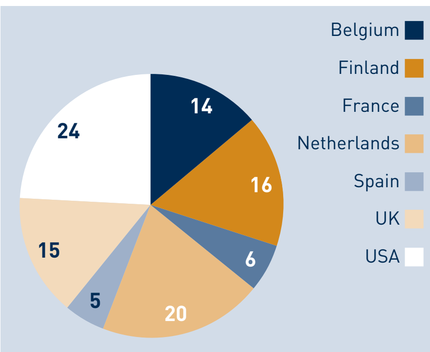
Net asset value and share price at December 31
(before distribution of profit, x € 1)



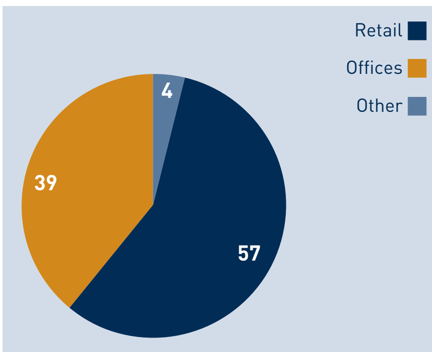
	2007	2008	2009	2010	**2011**
	147.5	149.0	143.1	160.2	**163.6**
	216.5	0.5	·/· 107.1	88.7	**51.3**
	101.3	102.3	104.0	109.0	**106.4**
	115.2	·/· 101.8	·/· 211.1	·/· 20.3	**·/· 55.1**
	2,668.0	2,646.0	2,418.2	2,860.1	**2,862.5**
	40.4	52.1	81.6	134.5	**227.9**
	1,850.8	1,740.3	1,569.6	1,611.2	**1,591.9**
	592.6	739.6	712.8	1,148.0	**1,289.1**
	20,781,735	20,781,735	21,276,988	21,448,525	**21,679,608**
	20,781,735	20,781,735	21,123,663	21,389,310	**21,593,238**
	89.06	83.74	73.77	75.12	**73.44**
	4.88	4.92	4.93	5.10	**4.93**
	5.54	·/· 4.90	·/· 10.00	·/· 0.95	**·/· 2.55**
	4.65	4.65	4.65	4.70	**4.70**
	95.4%	94.5%	94.3%	92.2%	**95.3%**
	4.88	4.92	4.93	5.10	**4.93**
	10.42	0.02	·/· 5.07	4.15	**2.38**

1) the figures before 2004 are based on Dutch GAAP. As from 2004 the figures are based on IFRS; the figures 2002-2003 have been recalculated in view of the changes in accounting policies in 2004
2) excluding minority interest, before distribution of profit
3) as from 2004 including minority interest; as from 2008 other rent related income are accounted for in the gross rental income instead of the other income and expense
4) per ordinary share ranking for dividend and adjusted for bonus issue
5) up to and including 2003 other movements in equity are included
6) based on the average number of ordinary shares in issue
7) excluding minority interest
8) before distribution of profit

Geographical distribution of investment properties at year-end 2011



Distribution of investment properties by sector at year-end 2011

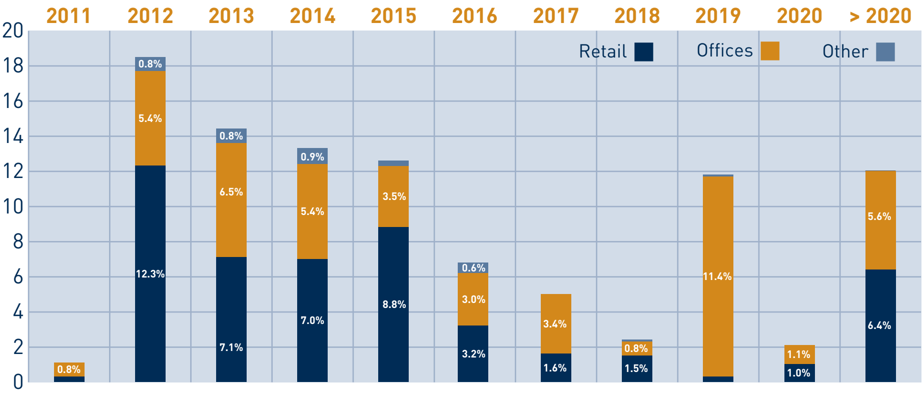


Share price 2007-2011 (x € 1)

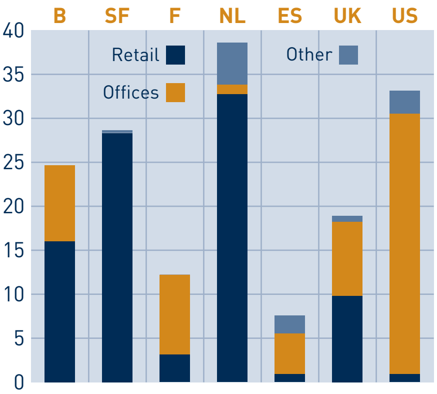
Key information

	2007	2008	2009	2010	2011
Share price at 31/12	74.72	63.00	66.70	73.06	51.31
Share price/DR at 31/12	15.3	12.8	13.5	14.3	10.4
Avg. transactionvolume/day	171,000	172,000	131,000	144,000	163,000
Marketcapitalisation at 31/12	1.6 bln	1.3 bln	1.4 bln	1.6 bln	1.1 bln
NAV/share	89.06	83.74	73.77	75.12	73.44
Premium/discount	-16.1%	-25.3%	-9.6%	-2.7%	-30.1%
Dividend	4.65	4.65	4.65	4.70	4.70
Dividendyield at 31/12	6.2%	7.4%	7.0%	6.4%	9.2%
Pay-out	95%	95%	94%	92%	95%
Free float	100%	100%	100%	100%	100%

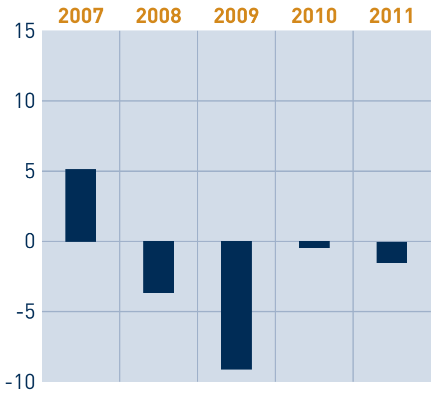
Lease expiries
(as a % of contracted rent as per December 31, 2011)



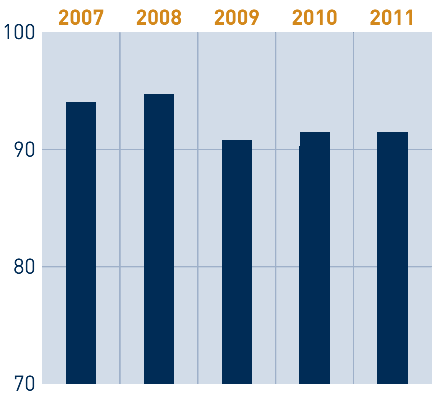
Net rental income per country (x € 1 mln)



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



Occupancy (in %)



Financial calendar

26 March 2012	Record date Annual General Meeting of Shareholders
23 April 2012	Annual General Meeting of Shareholders
25 April 2012	Listing ex-dividend
27 April 2012	Dividend record date
2 May 2012	Dividend payment date
10 May 2012	First quarter results 2012
2 August 2012	Interim statement 2012
1 November 2012	Third quarter results 2012
March 2013	Annual Report 2012

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

Tickercode: WHA
ISIN NL 0000289213

Board of Management
J. Pars
D.J. Anbeek

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

Introduction

Profile

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

Structure

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

Property valuation

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

Financial position

Wereldhave has a sound financial position. With a Loan-to-Value of 41% and 56% solvency, Wereldhave is one of the most solidly funded property funds listed in Europe.

The Wereldhave share is one of the top 10 most-traded continental European property stocks with an average daily transaction volume of some € 10.4 mln.

Other

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

Mission

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

Strategy

Value creation

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

- achieving rental growth through active management of shopping centres by in-house experts
- sound timing in the purchase and sale of offices by a thorough analysis of local markets, and
- developing property at cost, using in-house knowledge and experience.

Active management

There is a relation between the turnover of tenants and the value of a shopping centre. This enables value creation by active property management. As a result the turnover of the tenants may increase, which creates room for higher rents. Due to the strong relation between the tenant and the property the occupancy level of good shopping centres is at a very high level. This is why shopping centres contribute to the durability of the results. In house shopping centre management is a key element in the strategy of Wereldhave.

Sound timing

The office markets are dominated by tenants who regard property as a commodity and at the end of the lease, assess all the alternatives. Rental growth in these markets depends on fluctuations in supply and demand which cannot be controlled by owners. In general, office markets are volatile, which makes it important that the market is liquid and of sufficient size. Although active management is important for the operational result, but the critical success factor is the timing of purchases and sales. Next to the rental income, compelling returns on investments can be generated by utilising the economic cycles in the sale and purchase of offices. Local expertise and market analysis underpin this policy.

In-house development

The third method of value creation at Wereldhave's disposal is to develop property for its own portfolio. This enables Wereldhave to optimally gear the quality to user demands and the timing of the investment to market, whilst adding property to the portfolio at cost. With its in-house development Wereldhave thus acquires property at a competitive price, guarantees that the quality meets the latest user demands and gears the timing of the investment to market conditions.

Focus on Western-Europe

As from the year 2012, Wereldhave fully focuses on shopping centres which are dominant in their catchment area in the Netherlands, Belgium, Finland and the United Kingdom and on offices in Paris and Madrid. This strategic choice implies that Wereldhave will dispose of its property investments in the United States.

The shopping centre exposure of the total property portfolio will be increased to 60-80%. The office investments will amount to 15-30% of the portfolio and the development portfolio will move within a range of 5-10% of the property portfolio. By expanding the exposure in shopping centres the occupancy rate will become more stable and the investment result more steady.

Exit from the USA

Wereldhave is active in the United States since 1978 and is at present the only large European property investment company, which is active in both Europe and the United States. The American portfolio amounts to well over € 800 mln and primarily consists of office buildings in the regions of Washington DC, Texas and San Diego and apartments in Texas. According to American standards and given the spread of activities over three regions, Wereldhave lacks scale in the United States. Institutional investors also attach importance to making their own real estate asset-allocation.

The American property investments will be divested during the next two to three years. Some sales are already in progress for the 1st quarter of 2012. The proceeds from the divestment of US properties will be used for purchases and (re-)development projects in Western-Europe. Given the current market circumstances and the size of the development pipeline, Wereldhave sees sufficient investment opportunities in the six European countries in which it is active.

Dolphin shopping centre, Poole, UK

Distribution of risks

Wereldhave spreads the risks of real estate investment by dividing the portfolio over six countries in Western Europe and over two sectors (shopping centres and offices). Diversification of tenants adds to a further spread of risks. The coming years the American properties as well as non-strategic properties in other countries will be sold, which will improve the risk profile of Wereldhave.

Wereldhave invests in shopping centres which are dominant within their catchment area, in urban surroundings with adequate facilities nearby and with excellent accessibility, both by car as by public transport. Also for offices, Wereldhave focuses on high quality, sustainable buildings at locations that are readily accessible, which will also in the longer term remain attractive for tenants. By investing in high-quality, sustainable real estate at good locations, Wereldhave reduces risks.

Local expertise and presence

Real estate is a local business. Local expertise is of overriding importance for the success of an investment company. With its local employees Wereldhave is able to stay in direct contact with its tenants without having to bridge cultural differences. This way, Wereldhave is earlier aware of tenant's demands and has access to up-to-date market information. This knowledge of fast changing tenant demands is used for the in-house development.

Objectives

- Stable growth of direct result and dividend
- Pay-out ratio of 85-95% of the direct result
- Solid balance sheet ratio's: Loan to Value margin of 35-45%
- Further growth in shopping centre exposure to 60-80%
- Exposure in office buildings 15-30%
- Development portfolio 5-10%
- Minimal average size per country of € 500 million
- Exit from the US and sale of non-core European properties to a total volume of € 1.1 bln
- Dividend for 2012 and 2013 at € 4.70 per share during transitional phase

The financial year 2011

In almost every country in which Wereldhave is active, the economic growth has come to a standstill in 2011. Tightened funding regulations for banks have had a negative outcome on investments and consumer spending. In addition, many European countries had to take extra austerity measures, due to a declined trust in their creditworthiness. In spite of these difficult market circumstances, Wereldhave has succeeded in making important steps to implement its strategy, improved the occupancy rate of its offices portfolio and recorded a higher like-for-like rental income of its core shopping centres.

Meetings in 2011

The Supervisory Board convened eight times in 2011. Only one of the Supervisory Board members was absent during one meeting, which brings the attendance level to 97%. Regular items on the agenda were the operational developments of the portfolio, the development of results and capital, investments and disposals, the funding policy, the currency and dividend policy and fiscal matters.

In 2011 important steps were made in the further implementation of the strategy. With the acquisition of a shopping centre in the United Kingdom and an office development project in Paris, the pursued minimal portfolio size has been reached in nearly all countries. Given the short term economic forecasts, expansion of the Spanish portfolio is labeled as not-urgent. Divestments in the Netherlands, Belgium, Finland, the United Kingdom and the United States further enhanced the strategic focus per country. For the first quarter of 2012, the first sales in the United States are already in progress, thus providing adequate funding for the Company, whilst keeping the loan to value at a low level.

In 2011 specific attention was paid to the business plan for the forthcoming 5 years. The Board extensively discussed with the Board of Management the strategic choice to fully focus on Western Europe. The Supervisory Board subscribes the choice and therewith the exit from the United States, since this will in term contribute to the direct result and also because, by American standards, Wereldhave lacks scale in the United States. In January 2012 the Supervisory Board further discussed with the Board of Management the effects of the intended exit from the United States and the consequences for the organisation, after which the decision was made in February 2012.

In May 2010, the Supervisory Board visited Wereldhave Belgium, also to see the Nivelles shopping centre. At year end 2011, the extension of the shopping centre was nearly fully let, well over three months before completion. The positive revaluation at year end 2011 of well over 18%, clearly illustrates that value can be added with active shopping centre management.
In November, the Supervisory Board visited the Kronenburg shopping centre in Arnhem, where the new Dutch management organization presented its plans for the Dutch shopping centres. Furthermore, some members of the Board visited the country organisations of the United States, Finland and Spain.

The state of affairs of the Belgian tax claim was also a recurring item of discussions in 2011. In November 2010, the court ruled that the penal case was not admissible, a reasonable period for trial being exceeded. The appeal registered by the public prosecutor in Belgium was scheduled for a court hearing on February 7, 2012. The hearing will be continued on March 8, 2012. The ruling in appeal is not yet known.

In November 2011 the Supervisory Board convened without the presence of the Board of Management. In this meeting, the composition and the functioning of the Supervisory Board and the functioning and the remuneration of the Board of Management were discussed. The functioning of the Supervisory Board was assessed by questionnaires that have been submitted by its members.

The Supervisory Board has decided also for the year 2012 not to appoint an internal auditor for Wereldhave. The system of country reviews by the Group Control department, to be submitted to the Board of Management and the Supervisory Board, is satisfactory. In 2012, the Supervisory Board will reconsider its position regarding an internal auditor for the year 2013.

Composition of the Supervisory Board

The Supervisory Board comprises of Ir. J.A.P. van Oosten (Chairman), Drs. F.Th.J. Arp (Vice chairman), Prof. Dr. P.H.J. Essers and Drs. H.J. van Everdingen. The members of the Supervisory Board, who are independent in respect of each other, the Board of Management of Wereldhave and whatever possible subsidiary interest. No business transactions have taken place between the Supervisory Board members and the company in 2011. The maximum term of office is in principle eight years, divided over two or three terms, according to the schedule for rotation, published at the Company's website.

At the Annual Meeting of Shareholders to be held on April 23, 2012, Mr J.A.P. van Oosten will retire by rotation and is available for re-election. It is proposed to the Annual Meeting of Shareholders to re-appoint Mr Van Oosten for a 4-years term, thus until 2016. Based on the schedule, each year one of the members will step down. The term of Mr Essers expires in 2013, Mr Arp's term in 2014 and Mr Van Everdingen's term in 2015. The proposal to reappoint Mr Van Oosten is based on his broad experience in managing a listed international construction and real estate company and the way he has performed his tasks. The nomination matches the Board's member profile.

Committees

The Audit Committee's members are Mr F.Th.J. Arp (chairman) and Mr P.H.J. Essers. The committee convened in February, August and October 2011. During the February meeting the Auditor's report and the results 2010 were discussed in the presence of the Auditor, In August the Interim Results were on the agenda and in the October meeting the items on the agenda of the Audit Committee were the management letter and the relation with the external auditor, the independence of the auditor, the use of ICT systems and the internal risk management and control systems. The Audit Committee also paid attention to compliance at Wereldhave. In addition, the committee held a meeting with the auditors without the Board of Management present. The minutes of the meetings of the Audit Committee have been discussed by the Supervisory Board.

Wereldhave does not have a Remuneration Committee since the Supervisory Board comprises four members. In accordance with the Dutch Corporate Governance Code, the remuneration policy is determined by the full Supervisory Board, but prepared by the Chairman and Vice Chairman of the Board.

Remuneration

In accordance with the decision of the Annual General Meeting of Shareholders, held in 2010, the fixed remuneration of the Board of Management as of January 1, 2011 is set to € 381,000 per annum for Mr Pars and € 335,280 for Mr Anbeek. Except for the indexation of the fixed remuneration, no changes will be made in the fixed remuneration of the Board of Management. With the exception of a short term payment in relation to personal targets, no variable compensation is payable for the year 2011.

It is proposed to the Annual Meeting of Shareholders to be held on April 23, 2012, to amend the conditions of the variable remuneration of the Board as from January 2012.

The Supervisory Board is of the opinion that the long term conditions do no longer match the (revised) strategy, whereby the original method could lead to an unfair outcome. The maximum of the variable remuneration (85% of the fixed salary) will not change. The present variable remuneration is to a maximum of 70% of the fixed salary based on the (moving average of) the increase in direct result per share and consists of a short term incentive in cash or in shares and a long term remuneration only in shares. Furthermore, a variable remuneration of 15% of the fixed salary is based on personal targets.

The proposal aims to increase the weight of the personal targets to 25% of the fixed salary and also to base the variable remuneration, on the one hand, on the growth of the like-for-like net rental income (exclusive of the US portfolio) compared to the previous year (with a cap of 40% of the fixed salary) and on the other hand on the growth of the direct result per share compared to the previous year (with a cap of 20% of the fixed salary). For the financial years 2012 and 2013 it is proposed (in view of possible fluctuations in the direct result due to the sales volume) to use the total shareholder return for the year, compared to a peer group of six large property investment companies, awarding the first place with 20% and discounting 4% per lower rank. Furthermore, it is proposed to make the long term variable remuneration for the year 2010 unconditional in 2012.

In 2013 Mr Anbeek's term will expire. The Board intends to propose the reappointment of Mr Anbeek at the Annual Meeting of Shareholders in 2013. For a full summary 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.

Recommendation to shareholders

We hereby present the 2011 Annual Accounts and the report of the Board of Management. PricewaterhouseCoopers Accountants N.V. have audited and approved the annual accounts. We recommend that you approve these annual accounts. We support the proposal of the Board of Management to pay a dividend of € 4.70 in cash.

Finally

The Supervisory Board wishes to express its gratitude towards the Board of Management and the employees for their efforts and achievements in 2011.

The Hague, March 1, 2012
Supervisory Board Wereldhave N.V.

Supervisory Board

J.A.P. van Oosten
(m, 63)
Member of the Supervisory Board since 2009
Chairman since April 18, 2011
Retires by rotation in 2012
Proposed reappointment until 2016

Former Chairman Executive Board Koninklijke BAM Groep NV

Positions in Supervisory Boards:
Member Supervisory Board Staedion
Member Supervisory Board Royal Haskoning BV

Other Board positions:
Chairman Supervisory Board West-Holland Foreign Investment Agency
Treasurer Foundation Data Authority Nature
Treasurer Foundation The Hague Cultural Capital 2018

F.Th.J. Arp
(m, 58)
Member of the Supervisory Board since 2005
Chairman Audit Committee since November 9, 2005
Reappointed in 2008 and 2011
Retires by rotation in 2014

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

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

Other Board positions:
Foundation Africa Interactive Media

P.H.J. Essers
(m, 54)
Member of the Supervisory Board since 2005
Member Audit Committee since November 9, 2005
Reappointed in 2010
Retires by rotation in 2013

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

Positions in Supervisory Boards:
none

Other Board positions:
Member Dutch Senate, Chairman of the Finance committee
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

H.J. van Everdingen
(m, 56)
Member of the Supervisory Board since 2011
Retires by rotation in 2015

Director Catalyst Advisors

Positions in Supervisory Boards:
none

Other Board positions:
Director Berlage Winkelfonds Duitsland
Board Member Foundation Karel Doorman Fund

General

All members of the Supervisory Board are Dutch nationals.

Board of Management

J. Pars
(m, 49)
Term of appointment 2011-2015

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

D.J. Anbeek
(m, 48)
Term of appointment 2009-2013

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

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

The year 2011 in brief

Shopping centres

Wereldhave aims to realize rental growth by active shopping centre management and has set as objective to increase the share of shopping centres to 60-80% of the entire portfolio. Wereldhave focuses on shopping centres that are dominant in their catchment area and has a preference for centres that can be extended.

In the United Kingdom, Wereldhave made two acquisitions in 2011 for a total of € 199.0 mln. This consists of 4,307 m^2 retail space directly next to the Dolphin Shopping Centre in Poole and the Ealing Broadway Centre in London. The British portfolio now consists of more than 70% of shopping centres. The exposure of shopping centres of the total portfolio increased to 57% at the end of 2011, thus realising the strategic target that was set in 2009.

Offices

The critical success factor for office investments is the timing of purchases and sales. Compelling returns on investments can be generated by utilising the economic cycles in the purchase and sale. Wereldhave aims for an offices portfolio within 15-30% of the entire portfolio.

In France, Wereldhave purchased an office development of 22,123 m^2 in Issy-les-Moulineaux, Paris on December 21, 2011. The project with BREEAM excellent certificate will be delivered turn-key and Wereldhave will take the letting risk.
The investment volume amounts to approx. € 138 mln. Construction start is scheduled for the second quarter of 2012 with completion at the end of the second quarter of 2014.

Property development

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

As a result of the acquisition of the development project in France and the increase of the Dutch development projects, the total number of development projects rose to 16. In 2011 the renovation and internal expansion of the Itäkeskus shopping in Finland was started and in Spain, the Planetocio shopping centres refurbishment will be completed by mid 2012. The extension of shopping centre Nivelles is almost fully let and will become operational during the first quarter of 2012. The first phase of Eilan in San Antonio is nearing completion. It is expected that the first phase will be completed in the second quarter of 2012. All other projects are still in the initial phases. At year end 2011 the value of the development portfolio amounted to € 227.9 mln, or 7.4% of the entire portfolio. A review of developments can be found at page 46.

Restructuring of the portfolio

In 2011 Wereldhave purchased investment properties in the Netherlands and the United Kingdom for a total of € 202.9 mln. A total of € 217.0 mln of non-core properties was sold in the Netherlands, Belgium, Finland, United Kingdom and the United States in 2011, generating a result on disposals of € –4.1 mln, excluding a release of deferred taxes of approx. € 6 mln.

The US property investments (Washington DC, Texas and San Diego) will be sold. On February 29, 2012, Werelhave sold the US-Mint office building in Washington DC for $ 147.5 mln. Also non-core properties in Europe will be sold in order to enhance focus. In total, a volume of well over € 1.1 bln will be sold during two to three years. As from 2012, Wereldhave fully concentrates on shopping centres in the Netherlands, Belgium, Finland and the United Kingdom and offices in Paris and Madrid. Wereldhave pursues an average minimum size of the portfolio of € 500 mln per country.

Results

Profit/loss

Compared to the previous year, the profit for 2011 decreased by € 32.1 mln to € 63.0 mln, of which € 2.5 mln due to a lower direct result and € 29.6 mln due to a lower indirect result. The profit per share amounts to € 2.38 per share (2010: € 4.15 per share).

Direct result

The direct result for the financial year 2011 amounts to € 113.4 mln, a € 2.5 mln decrease compared to 2010. The lower direct result can largely be attributed to higher interest charges and negative exchange rate differences (€ –1.6 mln).

Net rental income rose by € 3.4 mln, of which a like for like rental growth of € 1.2 mln (+0.9%). The interest charges rose by € 8.1 mln. The increase is caused by a larger size of the loan portfolio and higher interest rates. Wereldhave has raised the average maturity of loans, as a result of which the number of expiries in 2012 and 2013 is very low. The average nominal interest rate as at December 31, 2011 rose to 3.0% (December 31, 2010: 2.6%). The general costs rose by € 1.0 mln in comparison with 2010, due to higher personnel expenses. Other income rose with € 0.9 mln. Taxes on direct result decreased by € 2.3 mln.

The direct result for 2011 amounts to € 4.93 per share, which represents a 3.3% or € 0.17 decrease compared to 2010. This includes a dilution of € 0.05 caused by the increased number of shares in connection with the optional dividend for the year 2010.

The EPRA occupancy rate as at December 31, 2011 amounts to 91.4%, equal to the previous year's figure. Broken down per sector, the EPRA occupancy rates as at December 31, 2011 (September 30, 2011) are: retail 95.1% (94.9%), offices 86.9% (85.8%) and other 94.4% (94.7%).

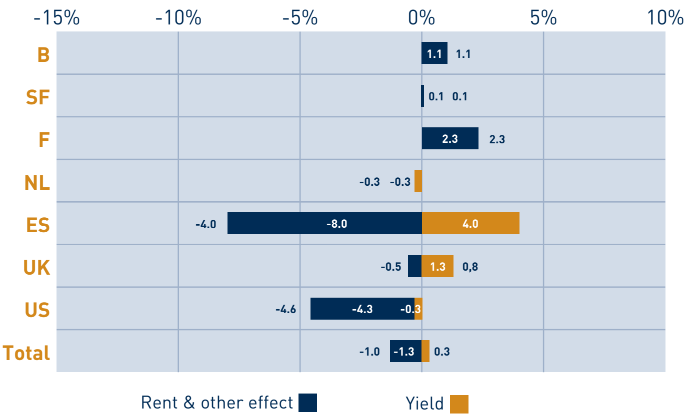
Indirect result

The indirect result for the financial year 2011 amounts to € –50.4 mln (2010: € –20.8 mln).

The total valuation result stood at € –51.4 mln, almost completely composed of a negative valuation result on the property portfolio of € –51.3 mln, or –1.6%. The operational property portfolio has been revalued downwards with € 26.5 mln, whereas the value of the development portfolio decreased with € 24.8 mln. There were positive revaluations of the operational portfolio in Belgium, France and the United Kingdom, the valuation remained more or less equal in the Netherlands and Finland and there were lower property values in Spain and primarily in the United States. Of the development portfolio, the Eilan project in San Antonio was impaired by € 38.1 mln. The development projects in Nivelles and Richmond underwent positive revaluations of € 10.6 mln and € 2.7 mln respectively.

Due to the larger share of shopping centres in the portfolio, the average cap rate for the valuation of the portfolio decreased from 6.5% to 6.3% during 2011. During the year, Wereldhave disposed of properties to a total sales volume of € 217.0 mln, generating a result on disposals of € –4.1 mln, 1.9% below book value. With the disposals of properties in Finland, a release of deferred tax of approx. € 6 mln was generated.

Revaluation as at December 31, 2011 (Yield effect – Rent & Other effects)
(at year-end rates)



Key figures (x € 1 mln)

	2011	2010
Results		
Result	63.0	95.1
Direct result	113.4	115.9
Indirect result	-/- 50.4	-/- 20.8
Profit per share *(x € 1)*	2.38	4.15
Direct result per share *(x € 1)*	4.93	5.10
Equity		
Investments	2,862.5	2,860.1
Equity	1,714.0	1,728.1
Net asset value per share *(x € 1)*	73.44	75.12

Medialaan, Vilvoorde, Belgium

Dividend

A dividend of € 4.70 in cash will be proposed to the General Meeting of Shareholders for 2011. The dividend is payable as from May 2, 2012.

Stock market performance

In 2011, Wereldhave shareholders realised a total return of –23.3% (2010: 16.5%). This return is below the EPRA (European Public Real Estate Association) Return Index (EUR) (yield 2011: –9.7%). The Wereldhave share is listed in Amsterdam and is included in the Amsterdam AMX Index (yield 2011: –24.5%). As at year-end 2011, the price/direct result ratio was 10.4. The daily trading volume averaged 163,000 shares. Options on the shares are traded on Euronext.Liffe.

Also due to the continuing financial and economical crisis and the associated stock exchange sentiment, the difference between the share price and the NAV for the Wereldhave share has increased during 2011. This discount is nearly sector wide and primarily relates to the fact that for real estate a longer term valuation is used than for daily share prices.

Share price development (€)

	Share price/DR	Price (x € 1)	
	2011	2011	2010
highest	15.4	76.11	75.01
lowest	9.6	47.20	56.00
year-end	10.4	51.31	73.06

Equity

Equity

At December 31, 2011 shareholders' equity, including minority interests amounted to € 1,714.0 mln (December 31, 2010: € 1,728.1 mln). The net asset value per share, including current profit, stood at € 73.44 at December 31, 2011 (December 31, 2010 € 75.12). During the fourth quarter, the solvency ratio decreased from 58% to 56% (December 31, 2010: 59%) due to the negative property revaluations; the (EPRA) Loan to Value increased in 2011 to 41% (December 31, 2010 37%). A total of 231,083 new shares were issued in 2011 in connection with the distribution of an optional dividend. As at December 31, 2011 there were 21,679,608 ordinary shares in issue.

Share ownership is spread among institutional and private investors, both in the Netherlands and abroad. As at December 31, 2011, Wereldhave had no shareholders with an interest of more than 5%. The free float of the ordinary shares is 100%.

Debt

Interest bearing debt as at year-end amounted to € 1,289.1 mln, 58% of which at variable interest rates. The average nominal interest rate at year-end stood at 3.0%.

In March 2011, Wereldhave issued a US Private Placement (senior unsecured notes) of USD 300 mln at an average initial interest of 3.5%. The loan, half of which was swapped to Euro, is in tranches of 5, 7 and 10 years. As a result of this private placement the spread of funding sources has improved, the average maturity of debt increased and the available resources were broadened. Also in March the 2006-2011 5 year € 200 mln convertible bond was fully repaid. No bonds opted for conversion. The € 230 mln convertible bond 2009-2014 at a nominal interest rate of 4.375% has a conversion price of € 72.18. The € 230 mln convertible bond 2010-2015 at a nominal interest rate of 2.875% has a conversion price of € 81.10. No bonds have been converted into Wereldhave shares as at December 31, 2011.

In spite of the increased size of the loan portfolio and a negative revaluation of the American portfolio, Wereldhave's equity ratios continue to be sound. With a Loan-to-Value ratio of 41%, Wereldhave still ranks amongst the most solidly funded property funds listed in Europe. Wereldhave's interest-rate sensitivity is limited by its high solvency ratio. Additional information can be found on page 57.

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

Net asset value before distribution	2011	2010
of profit as at 01-01	75.12	73.77
less: dividend previous year	4.70	4.65
	70.42	69.12
Direct result	4.93	5.10
Indirect result	-/- 2.55	-/- 0.95
Movements in equity	0.64	1.85
Net asset value before distribution of profit as at 31-12	73.44	75.12
less: proposed dividend	4.70	4.70
Net asset value after distribution of profit as at 31-12	68.74	70.42

Éilan, San Antonio, Texas, USA

Wereldhave aims for a diversified loan portfolio with a term to maturity that is evenly spread across the medium term. In principle, the funding of the Company is provided by various banks on the basis of balance sheet financing without collateral.

The notes to the consolidated annual accounts contain further information on the loan portfolio. For the years 2012 and 2013, there will be nearly no expiring maturities of loans, with the 2012 refinancing already arranged. The first important refinancing will be in 2014.

Currency

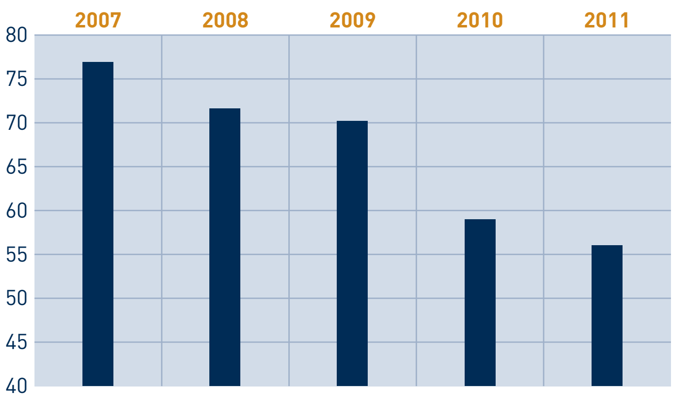
As at year-end 2011 the USD exposure was hedged for 54% (2010: 45%) and the GBP exposure was hedged for 58% (2010: 70%). Forward exchange options and debt in local currency were applied in 2011 to hedge the USD and GBP positions. The net positive effect of exchange rate differences on equity amounted to € 13.6 mln (2010: € 28.3 mln).

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

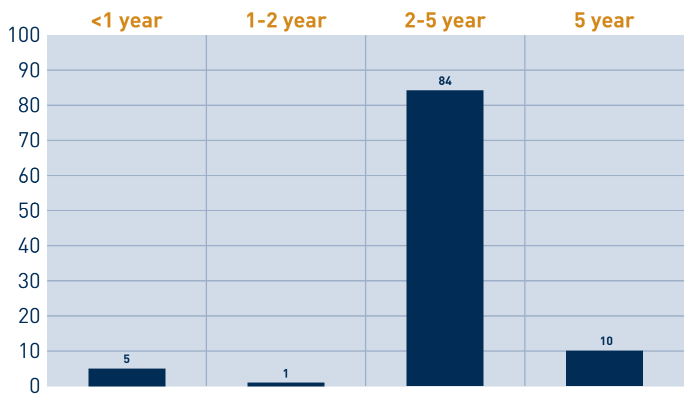
Derivatives

Wereldhave employs currency swaps and currency options, and also uses financial instruments as necessary to control its interest expenses. These financial instruments are combined to manage the exchange rate sensitivity of the net asset value per share and the interest rate sensitivity of the earnings per share. The use of financial instruments like interest rate and currency swaps accordingly serves the interest rate and currency policies referred to above. Derivatives will only be used in combination with the underlying loan portfolio.

Solvency rate (as a %)



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



Composition of the portfolio

During 2011 Wereldhave acquired properties in the Netherlands and the United Kingdom for a total of € 202.9 mln, and sold non core, older and more risky properties in the Netherlands, Belgium, Finland, the United Kingdom and the United States for a gross total sales volume of € 217.0 mln, bringing the share of shopping centres in the total portfolio to 57%. In France, Wereldhave bought an office development in Issy-les-Moulineaux, to be completed in 2014.

As at December 31, 2010, EPRA occupancy stood at 91.4% (2010: 91.4%).

The investment portfolio underwent a negative revaluation of 0.9%. There were positive revaluations in Belgium, France and the United Kingdom, the valuation remained more or less equal in the Netherlands and Finland and slightly dropped in Spain. In the United States the investment portfolio was impaired with € 30.7 mln. The negative revaluation relates to adjusted letting expectations for the portfolio. The development portfolio was devaluated by € 24.8 mln, especially the Eilan project in San Antonio. At year-end 2011, the value of the development portfolio amounted to € 227.9 mln; the value of the investment portfolio stood at € 2,862.5 mln. The table of revaluations can be found at page 72. Information on the development portfolio can be found on pages 46-50.

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

	2007	2008	2009	2010	2011
Netherlands	52.3	–	–	6.6	62.4
Belgium	22.2	–	–	–	2.7
Finland	–	–	–	–	47.2
France	0.1	–	–	–	–
Spain	–	–	–	–	–
UK	12.6	6.2	2.7	38.4	82.9
USA	60.6	–	–	–	23.8
Total	147.8	6.2	2.7	45.0	219.0

Net purchases of investment properties (x € 1 mln)
(against year end rates)

	2007	2008	2009	2010	2011
Netherlands	–	–	–	265.0	3.9
Belgium	–	–	5.6	11.1	–
Finland	–	–	–	–	–
France	–	–	–	–	–
Spain	53.9	–	–	–	–
UK	–	–	–	98.8	199.0
USA	150.0	117.7	–	–	–
Total	203.9	117.7	5.6	374.9	202.9

Investment portfolio distribution (as a %)

	07	08	09	10	11
Offices	45	45	45	41	39
Retail	46	46	46	52	57
Other	9	9	9	7	4

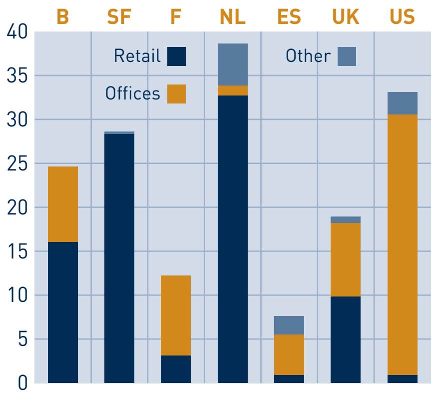
Investment portfolio geographical distribution (as a %)

	07	08	09	10	11
Belgium	14	14	16	14	14
Finland	22	22	21	18	16
France	7	7	7	6	6
Netherlands	15	15	16	22	20
Spain	7	7	6	5	5
UK	14	8	9	10	15
USA	21	27	25	25	24

Net rental income per country (as a %)

	07	08	09	10	11
Belgium	15.2	15.4	16.8	14.7	15.0
Finland	19.6	19.9	20.1	18.4	17.5
France	7.7	7.6	2.1	5.2	7.4
Netherlands	17.9	16.3	18.0	23.8	23.6
Spain	6.4	7.0	6.8	5.4	4.7
UK	15.5	13.3	11.7	10.1	11.6
USA	17.7	20.5	24.5	22.4	20.2
Total	100	100	100	100	100

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



Staff and organisation

In 2011 further steps were taken to tailor the organisation for active shopping centre management and the (re)development of shopping centres. In the United Kingdom the organisation was strengthened for the asset management of the shopping centres that were bought in 2010 and 2011. In the Netherlands the management organisation was enhanced. In Finland a new country director was appointed in December 2011. Furthermore, in 2011 the financial and administrative positions in a number of countries were strengthened. The country director for France will also remain country director Spain. He has in depth knowledge of the Spanish real estate market, is fluent in Spanish and has been able to pick up his contacts from an earlier deployment rapidly.

During the last quarter, a start was made with the creation of a Group Human Resources department. In 2012 the department will focus on the harmonisation of employment conditions and setting up a performance assessment system, linked to an incentive scheme.

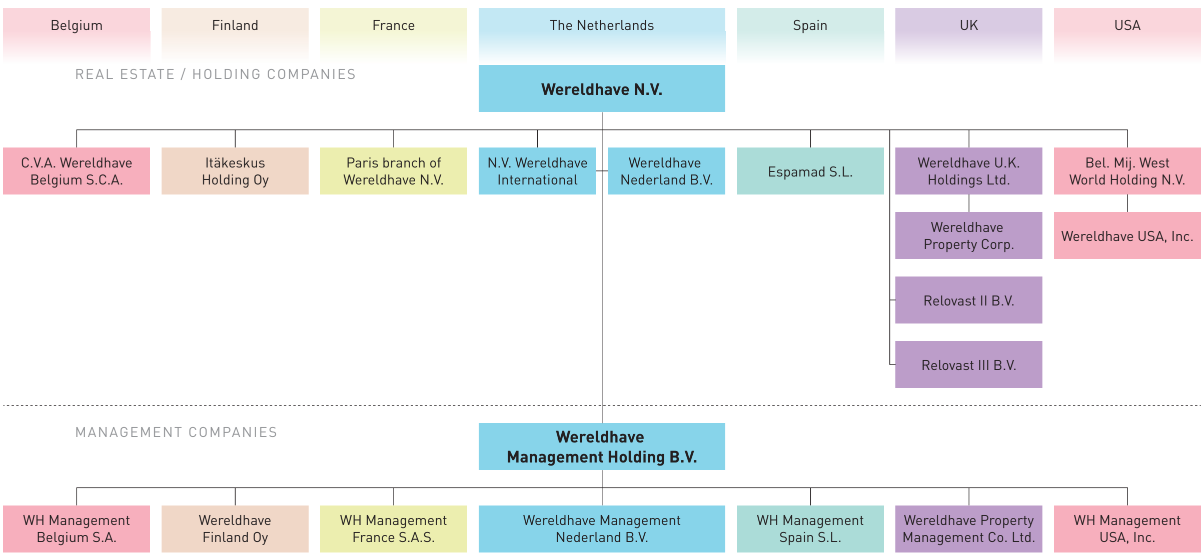
Wereldhave has adopted a new integrity policy in 2011. The policy includes a Business Integrity Policy and a Code of Ethics, which was signed by all employees. The Business Integrity Policy contains (tightened) measures, procedures and guarantees which are imbedded in the Administrative Organisation/Internal Control. During the second quarter of 2012, integrity meetings will be held in all countries, to discuss possible integrity problems with hypothetical cases.

The Wereldhave website was fully revamped in 2011 and the website of Wereldhave Belgium followed early in 2012. A revision of the Group's intranet is planned for 2012, as well as the implementation of an integrated document management system. The in house developed information system Aremis showed a stable performance in 2011. As from the summer of 2011, new management reports became available, thus further improving the internal distribution of information. Furthermore, the invoice approval system which was also developed in house, was implemented in several country organisations. The full IT-infrastructure will be evaluated in 2012, to set a new ICT strategy.

During the year, companies which were included in the consolidation, employed an average of 213 (2010: 194) persons, of whom 158 (2010: 146) abroad. This number also includes the employees of property companies, who are directly allocated to the property and whose salary expense is charged. Of the employees, 46% was female and 54% male. The average age of employees amounts to 43 year, whilst the average employment duration amounts to 8 years. The absence due to sickness amounted to 3.5% (2010: 3.5%).

We are well aware of the fact that due to the recent changes in the organisation and the adjustments to the portfolio, our employees have worked very hard and we have made an appeal to their flexibility. The exit from the United States will continue to require a lot effort and loyalty, especially from our American colleagues of whom we will have take leave in term. We thank all our employees for their effort and commitment and look back at a very productive year 2011.

Abbreviated organization chart



Major real estate and management companies

Retail markets

In four countries Wereldhave focuses on shopping centres: Belgium, Finland, the Netherlands and the United Kingdom. With the acquisition of the Ealing Broadway shopping centre in London the number of shopping centres Wereldhave held in these markets grew from 13 to 14. The shopping centre portfolio was also expanded with the acquisition of 4,307 m^2 retail space in Poole, adjoining the Dolphin Shopping Centre.

Wereldhave focuses on dominant shopping centres in countries with restricted retail planning. Actively managed shopping centres that are dominant in their catchment area pre-eminently offer possibilities for rental and value growth. In quality shopping centres, occupancy is generally high, while rents fluctuate less than in other segments.

Wereldhave has a preference for shopping centres where value can be added by redevelopment and extension. Refurbishment strategy aims to create more prime retail space and to optimise the tenant mix. Leading (inter)national retailers will be added to raise the attractiveness and competitiveness of the centres. As Wereldhave aims to provide a stable and growing direct result, the objective is to raise the exposure to good quality retail property in these countries to 60-80% of the total investment portfolio. At the end of the year the retail investments made up € 1,645.0 mln, or 57% of Wereldhave's investment properties.

Trends

In 2011, the conditions on the retail market remained difficult. Lower economic growth restrained purchasing power growth. Consumer confidence has suffered from negative news in the media, slow job markets and the prospect of further belt-tightening. Across the board, food stores (including supermarkets) continue to perform well but non-food sales are losing ground. In the Netherlands, where consumer purchasing power declined for the third year in a row, retail sales have not really recovered from the crisis and retail sales values entered on a downward track from the second quarter of 2011.
In Belgium and the United Kingdom declining confidence and moderate inflation translated into slower retail sales growth after the summer.

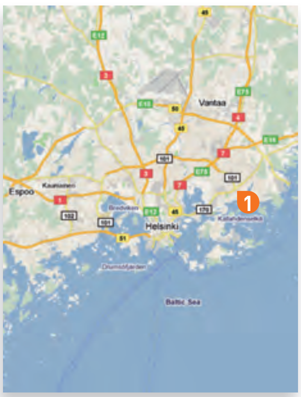
Demographic changes, such as migration, population ageing and ongoing urbanisation, are occurring in each of the four retail countries albeit regional differences exist within each country. In general, urban areas still experience population growth, while many rural and border regions see declining populations. This means that retail sales are more concentrated in central, urban areas. This effect is strongest in Finland and the Netherlands. Wereldhave's invests primarily in growth centres.

As customers increasingly incorporate internet in their purchasing behaviour, internet sales are gaining market share in the retail market. In 2011 internet commerce grew approximately 20%. It is estimated that in 2011, 7% of consumer purchases in Europe was made online ranging from 5% in the Netherlands to 12% in the United Kingdom. This puts pressure on turnovers and profit margins of physical stores. Wereldhave believes that the future of retailing is in cross-channelling, where the physical shops and websites re-enforce one another. This means that internet threatens low quality retail space, while it can re-enforce good retail space. The use and function of shops may change in the near future. Shops will function more like showrooms, brand profiling and pickup-and-return points,

Belgium

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

Finland



1 Shopping centre Itäkeskus, Helsinki

while the actual purchase will increasingly be made online or through terminals in the stores. In 2011 Wereldhave developed an inclusive internet and social media strategy to combine the best of offline and online retailing. This strategy aims to increase shopping centre footfall and turnover. In 2012 this strategy will be implemented, first in the Netherlands and later in other retail countries. During the first quarter of 2012, in the Netherlands, Wereldhave started with the renewal of shopping centre websites. On February 9, 2012 the Purmerend shopping centre website went live and the other centres will follow within two months. The new website is fully integrated with social media and interactive and offers tenants the infrastructure to communicate online optimally with their targeted customers.

Consumer shopping patterns are also changing. The shift from efficient 'convenience shopping' to leisurely 'experience shopping' is slowly progressing. Wereldhave anticipates this shift by expanding its conveniently located shopping centres, giving more room to leisure, fashion and experience shopping. This offers the possibility to add value through actively managing the retail environment, the retail mix and the marketing of a shopping centre. By changing the number and the selection of shops, the customer's shopping experience improves and the average duration of stay within the centre rises, enabling turnovers to rise.

Retail leasing markets

With slower turnover growth projected and increasing competition from the internet, retailers are looking for new ways to maintain their profit margins. A major element in their strategies is to focus strongly on sustainable good locations. As a result, demand for the best retail locations within a catchment area remained high. At the same time retailers are no longer expanding into secondary locations. Some retailers even actively terminated stores on secondary locations, such as access streets and neighbourhood centres. Consequently, retail vacancy is almost nonexistent on dominant locations, while it is rising on the less sought-after locations. Some old shops may never be leased again and the conversion of obsolete retail space to other uses is becoming more and more apparent. Wereldhave is well prepared because it invests in shopping centres which are dominant within their catchment areas. The changes in the retail environment have influenced retail rents. Rents are at best stable, while effective rents are declining in many cases. However, Wereldhave's shopping centres still offer upside potential as leases that are coming up for renewal are often still below current-day market rents.

Shopping Centre Management

In 2011 Wereldhave stepped up its active shopping centre management. A steering committee which the four country directors has been installed, chaired by one of the Board members. International cooperation between the four countries is concentrated on development, leasing and mall management. Development plans are being made for most of the 14 shopping centres in our portfolio. There now are long-term refurbishment or extension plans for Wereldhave's Dutch and Belgian shopping centres, while the renovation of Itäkeskus is already well underway. These developments can lead to value creation, as illustrated by the case of Nivelles. Here, the extension of the shopping centre led to a positive revaluation of the total property (book value of the existing part plus the cost price of the extension) of well over 18%. The leasing departments were re-enforced in 2011 and first steps were taken to speed up tenant rotation. Outdated tenants were outplaced and desired retailers which are more attractive for the consumers were actively approached. This has led to several new leases, especially in Belgium and the Netherlands, often at substantially higher rent levels. Mall management has started developing management plans and has re-branded several Wereldhave centres.

The Netherlands

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

United Kingdom

1 The Dolphin Centre, Poole
2 Richmond upon Thames, London
3 Ealing Broadway Shopping Centre, London

Belgium

Wereldhave Belgium is a listed property Company in which Wereldhave N.V. holds nearly 70% of the issued shares. Wereldhave Belgium focuses on dominant shopping centres. The portfolio consists of shopping centres in Liege, Nivelles and Tournai worth € 257.0 mln (65% of Wereldhave Belgium's portfolio) office buildings in Antwerp and Brussels and a development portfolio of € 74.4 mln. The development portfolio consists of extensions in Nivelles and Tournai and the redevelopment of shopping centres in Genk and Waterloo.

OECD Economic Outlook	2010	2011	2012	2013
Economic growth	2.3	2.0	0.5	1.6
Average growth EU zone	1.8	1.6	0.2	1.4
Inflation	2.3	3.4	2.3	1.7
Growth private consumption	2.3	1.0	0.5	1.2
Growth corporate investment	-1.9	6.8	0.1	3.0
Growth in employment	0.8	1.3	0.1	0.2
Unemployment rate	8.3	7.0	7.3	7.6

With a 2.0% economic growth, the Belgian economy performed relatively well in 2011. Long lasting negotiations to form a new government delayed necessary budget changes and consumer purchasing power remained largely intact. Corporate investments rebounded strongly. Unemployment declined and remains markedly better than in the Euro zone as a whole. Towards the end of the year the economy decelerated, mainly as a result of slowing world trade. Inflation peaked at 3.9% in November but is expected to decline in 2012.

The uncertain economic situation, unusual weather conditions and high petrol prices negatively affected consumer confidence and shopping centre footfall, which declined about 5% on average in the whole country. Retail sales declined unexpectedly in the first quarter of 2011, but picked up quickly afterwards.

In the retail property markets, demand for prime space remains high as four out of five retailers are looking for expansion. Vacancy is almost absent in prime locations. Top shopping centre rents are roughly stable, ranging from € 800 to 1,400 per m^2 per year. The construction pipeline is limited in the short term, but from 2013 the number of shopping centre openings is expected to rise again. This includes some very large schemes which are mainly located in Brussels and the Walloon region. Prime shopping centre yields remain unchanged at just below 6%.

In 2011, the extension of the shopping centre Nivelles was mostly completed. The extension will open on March 30, 2012. The project successfully raised the value of the centre by well over 18%, thus illustrating the success of the shopping centre. In line with the strategy to focus Wereldhave Belgium's operations on shopping centres, the office building at Regentlaan 58 in Brussels was sold.

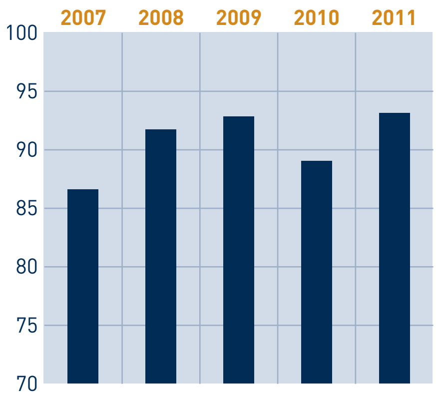
Wereldhave Belgium is in consultation with Redevco about the acquisition of the Shopping Center 1 and the Stadsplein - Sint-Martinusplein shopping centre in Genk, against the issue of new ordinary shares Wereldhave Belgium. The transaction value amounts to € 69 mln. Wereldhave NV intends to maintain its (direct and indirect) percentage stake in Wereldhave Belgium in term at about the current level.

During the year, the occupancy rate of the Belgian portfolio improved to 93.1% (2010: 89.0%). On December 31, 2011 Wereldhave Belgium's portfolio was valued at € 398.4 mln (2010: € 395.7 mln). The upward revaluation of 1.1% was the result of higher rents.

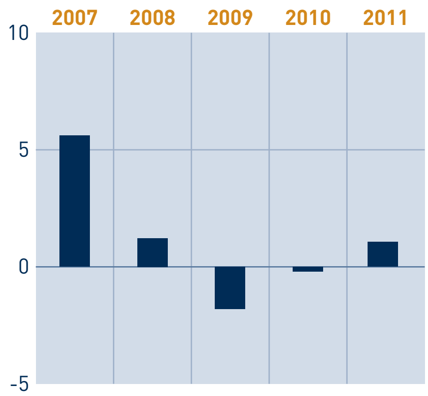
Prospects

The extension of the shopping centre in Nivelles will open at the end of the first quarter of 2012. Apart from the project in Nivelles, the total development pipeline largely consists of the expansions of the shopping centres in Tournai and Genk. Construction is expected to start in 2012. The gradual disposal of the office properties will be continued when sales opportunities occur.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

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

(as at December 31, 2011 based on the contracted annual rent in 2012)

Interview Evelyne Duchi about the Belgian retail market

Renovation and expansion Nivelles shopping centre nearly completed

The extensive renovation and expansion of our shopping centre in Nivelles, Belgium, is almost completed. The opening of the new part of the centre is envisaged on March 30, 2012. As a result of the expansion the lettable floor space in Nivelles has nearly doubled. In March this year commercialisation of the new part started. As of March 2012 Nivelles can boast well-known fashion tenants such as H&M, Esprit, A.S.Adventure, IKKS and JBC. Leasing Director Evelyne Duchi elaborates on this process and explains why Wereldhave was able to attract large and well-known tenants. "International chains didn't bother even to look at Nivelles in the old situation. We are now able to meet the requirements of these real crowd-pullers that are looking for bigger and modern spaces."

Evelyne Duchi, who joined Wereldhave with the acquisition of ING Real Estate Development Belgium, attributes the increased popularity to the expansion of the shopping centre from 16,000 m^2 to 28,000 m^2 resulting in the scale that the larger chains require these days. Delhaize, C&A, HEMA and Disport were already among the tenants of the centre, one of the three Wereldhave owns in Belgium, next to Liege and Tournai.

Higher prices

Even under today's challenging market conditions, Evelyne Duchi met quite some interest among retailers. "We noticed however that it takes longer to negotiate and to finalise a contract. The market knows us and is aware of what Nivelles has on offer regarding consumer population and the critical mass which has been reached by the expansion. Apart from that, many current tenants felt their shop space became too tight. With the enlargement and by replacing some of them to larger lots, we have solved their problems and were able to negotiate even slightly higher prices."

This resulted in a very successful commercialisation process. At the end of 2011 the centre was almost fully let. "Finally, I had to put some requests on hold as I'd rather want to attract other names to optimise the composition of the offer", she says.

Strong increase in number of visitors

Currently the Nivelles shopping centre has 64 shops. After completion of the expansion and relocation of a number of tenants the centre offers 66 shops in the renovated old part and about 40 shops in the new part. Among the new tenants will be retail sectors that were underrepresented until now such as fashion, shoes, toys, hobby, cookware and food.

Special attention has been paid to a natural flow from the old part to the new part. This has been done by creating uniformity with a new shop front design, light effects and colours. Of course parking facilities have been enlarged too, namely from 800 above ground only to 1,300, of which 650 underground. Parking is free.

As a result of the expansion Wereldhave expects a strong increase in the number of visitors to the centre. “We expect a growth in the number of visitors from 3 million now, to 4.5 - 5 million within the first years”, says Evelyne Duchi. “These will be new consumers, but also returning inhabitants of Nivelles, who turned to other, more modern shopping centres further away.”

Retail park to complete the offer

It doesn’t end with this expansion in Nivelles. Wereldhave Belgium has plans to add a retail park of 7,800 m^2 plus 306 parking lots next to the shopping centre in order to broaden the business mix with retailers that need volume, for instance electro and interior decoration. Construction of this retail park is expected to start early in 2013.

Evelyne Duchi,
Leasing Director

Shopping centre Nivelles

Finland

Wereldhave's Finnish portfolio consists of the 85,000 m^2 Itäkeskus shopping centre in Helsinki. To strengthen the market position of Itäkeskus the centre is being refurbished and floor space will be added internally. The project contains the replacement of some anchor tenants, especially the relocation of the Stockmann department store to the Piazza at the end of the shopping centre, and the expansion of shopping floor space with 11,000 m^2. The redevelopment will be completed in 2014.

OECD Economic Outlook	2010	2011	2012	2013
Economic growth	3.6	3.0	1.4	2.0
Average growth EU zone	1.8	1.6	0.2	1.4
Inflation	1.7	3.2	2.6	1.8
Growth private consumption	2.7	3.1	0.5	2.0
Growth corporate investment	-7.2	8.6	3.3	2.2
Growth in employment	-0.5	1.1	-0.1	0.4
Unemployment rate	8.4	7.9	8.0	7.7

The Finnish economy grew 3.0% in 2011. Growth was low in the first half of the year but picked up speed in the third quarter. There are signs that growth will fall back to 1.4% in 2012, which is still relatively good compared to other European economies. Unemployment will reach 8% in 2012 and gradually decline afterwards due to demographic changes.

Retail sales were up 5.3%, which had a positive effect on the retail property market. Many retailers are expanding at the moment. With low retail construction activity this resulted in very low retail vacancy rates which currently stood at 2.8% at year-end 2011. This has translated in upward pressure on rents.

Sellers' price expectations are higher than prospective buyers are willing to pay, therefore there have been very little investment transactions. Prime shopping centre yields are estimated to be around 5.5%.

In 2011 Wereldhave started with the revitalisation of the Itäkeskus shopping centre, to raise Itäkeskus' attractiveness, increase footfall and sales, and eventually raise the rental income. Due to the relocation of the Stockmann department store to the Piazza area, the internal floor space could be expanded by 11,000 m^2. This will benefit the entire scheme. The total cost of the works amount to € 90 mln with an estimated yield on cost of circa 6-6.5%. The works will be completed in 2014.

In 2011 Wereldhave sold the department store in Tapiola to a Finnish insurance company, which led to a release of ca. € 6 mln of deferred taxes. The Meripuisto conference centre was also sold. These disposals are in line with the strategy to focus the Finnish portfolio on shopping centres. The organisation was changed, a new country director was appointed and the financial organisation was strengthened. Together with renowned advisors, the Finnish organisation is well equipped to take up the modernisation of Itäkeskus.

The occupancy level of the Finnish portfolio decreased to 96.5% (2010: 98.1%). Some strategic vacancies for the refurbishment of Itäkeskus have been leased to temporary shops and pop-up entrepreneurs which provide additional footfall, turnover and rental income.

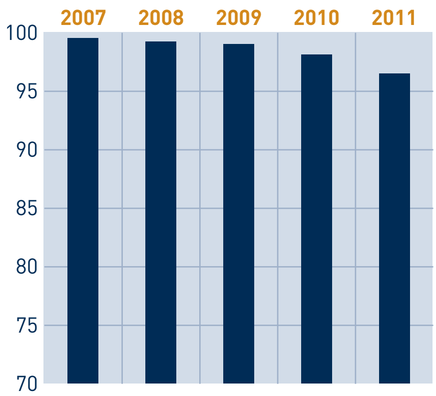
On December 31, 2011 Wereldhave's Finnish portfolio was valued at € 461.2 mln (2010: € 508.1 mln). The upward revaluation of 0.1% was the result of higher rents.

Prospects

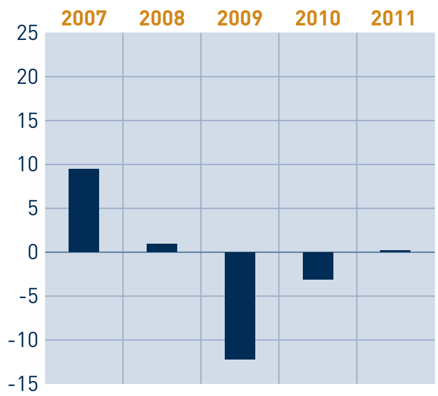
In 2012 Wereldhave will continue with the redevelopment of Itäkeskus. Tenants will be replaced within the centre and international brands will be added. Strategic vacancy for the revitalisation and the relocating of tenants will temporarily affect rental income until the revitalisation is completed in 2014.

Artist's impressions of shopping centre Itäkeskus after refurbishment

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

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

(as at December 31, 2011 based on the contracted annual rent in 2012)

Bringing Itäkeskus back on top

The year 2011 marked the official launch of the reconfiguration and refurbishment of the Itäkeskus shopping centre in Finland. Although Itäkeskus has always been doing well, the number of visitors decreased in recent years. "Our aim is to restore the centre to being the place to be in Helsinki. The new name 'Itis' reflects this", Risto Seppo, project manager at Wereldhave Finland, explains.

With well over 85,000 m^2 of net lettable floor space Itäkeskus is the largest shopping centre in the Wereldhave portfolio and one of the largest shopping centres in the nordic countries. It is located in the south-east of Helsinki, along the motorway, and right on top of a central metro interchange station. Apart from 220 stores, there are also two hypermarkets. The principal retail catchment area covers 250,000 inhabitants, a number increasing annually by around 10,000 due to urban expansion.

Wereldhave has been the owner of Itäkeskus since 2002. Business has been going well for years, so there was little need for large investments. "Tenants paid their rent on time, there were hardly any vacant premises. But the centre, the stores and the square in front of the centre are becoming outdated, so we risk that customers will prefer other, more fancy shopping centres", says Risto Seppo.

Tenant Engineering

In order to improve Itäkeskus' attractiveness and at the same time its value, a business plan was being developed to bring it up to date in a technical and commercial sense. "In 2011 the project team has been put in place and the first phases have been implemented.
The design has been done and we have renovated the first car park with 220 parking spaces. Customers and tenants have reacted really enthusiastic", says Risto Seppo.

Itäkeskus consists of three sections: the first arcade called Pasaasi, the middle and largest part Boulevardi and the latest developed phase Piazza. The business plan involves refurbishing and rearranging the passageway of the arcade to the boulevard, which now looks cluttered. Closer to the boulevard, the larger stores that have become outdated will be replaced by a wide range of new interesting fashion stores attracting more young, affluent people and families.

The most challenging part of the project is the redevelopment of the Piazza. Revision of the actual tenant mix (tenant engineering) was a major issue. The high building, consisting of two floors for retail and five floors for parking, currently accommodates around 25 stores. To increase attractiveness of the centre these shops will be replaced by the Stockmann department store, currently located in the middle of the centre.

"With Stockmann in the Piazza covering three floors including a grocery department on the former parking floor, the scope of the Piazza will be totally different and much more attractive. In addition, we will raise the net lettable shopping floor area by some 11,000 m^2 . The balance improves by placing the anchor tenant at the end of the shopping centre", says Risto Seppo.

Value creation

The reconfiguration and refurbishment of Itäkeskus are perfectly in line with Wereldhave's strategy of creating value through active management of shopping centres. The investment will amount to well over € 90 million with an expected return of 6-6.5%, of which € 30 million relates to the refreshment and € 60 million to the remodelling of the Piazza. But what is more important, it will re-establish Itäkeskus as the leading shopping centre of Helsinki.

Ambitious targets

The time schedule for implementing all phases of the project is ambitious. The refurbishment of the Piazza will be completed in September 2013 and the total project is expected to be finalized in 2014. Asked about the future number of visitors to Itäkeskus, which will be renamed to Itis this year, Risto Seppo is optimistic. "If we can beat the record number of 18 million visitors from 2006 in the coming years we have succeeded."

Risto Seppo,
Projectmanager

Artist's impressions Itis

The Netherlands

In the Netherlands Wereldhave focuses on shopping centres. The retail portfolio amounts to € 516.4 mln, or 89.8% of the total Dutch portfolio, with shopping centres in Arnhem, Capelle a/d IJssel, Maassluis, Leiderdorp, Eindhoven, Etten-Leur, Purmerend and Roosendaal. All eight centres offer extension possibilities, with major redevelopment works anticipated in the first four centres.

OECD Economic Outlook	2010	2011	2012	2013
Economic growth	1.6	1.4	0.3	1.5
Average growth EU zone	1.8	1.6	0.2	1.4
Inflation	0.9	2.5	2.2	1.8
Growth private consumption	0.4	-0.7	-0.5	0.6
Growth corporate investment	-0.9	6.5	1.1	4.8
Growth in employment	-0.3	0.3	-0.1	0.4
Unemployment rate	4.4	4.3	4.5	4.2

The Dutch economy grew 1.4% in 2011, but entered into a recession in the second half of the year. Consumer prices rose 2.5%, which is an increase on previous years but still lies below the European average. Employment increased while unemployment – which is among the lowest in the Euro zone – declined further.

Throughout 2011 consumers' purchasing power was under pressure from low wage growth and high inflation. Retail sales volumes declined. Turnovers increased in food stores – albeit slower than inflation. Non-food stores continued to show declining turnovers. Internet sales gained a 5% market share and are expected to increase. Retailers responded by concentrating outlets on good locations where footfall is consistently high. This results in strong demand and mostly stable rents for the scarce good retail space, while occupancy and rents declined on secondary and solitary spots. Overall, retail vacancy increased to some 6.5%. Shopping centre transactions amounted to only € 0.5 bln as little retail space came to the market and investors were reluctant to commit. Prime shopping centre yields remained stable at 5.5% - 6.0%.

In 2011 Wereldhave worked on the overall consumer focus, attractiveness and service level of the shopping centres. To optimise the retail mix, leasing activity was intensified. Several contracts were terminated and replaced by new, desirable tenants, particularly in shopping centre Kronenburg in Arnhem. The feasibility of a redevelopment of shopping centre Koningshoek in Maassluis will be studied in cooperation with the city of Maassluis. The standard lease agreement in the Netherlands have been amended, a.o. for turnover rent and termination, clauses which need prior approval of the district court. In Etten-Leur a successful test was run with free wifi and reading tables in the centre. After the test, Wereldhave decided to provide free wifi in all its other Dutch shopping centres in 2012.

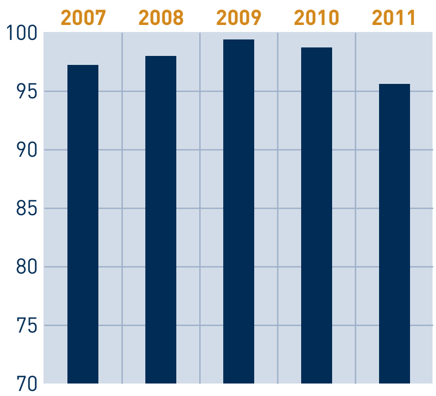
In 2011, Wereldhave Netherlands sold a logistic portfolio consisting of six properties and two Makro's. The sales are in line with the policy to concentrate on shopping centres. The return on sale of € 63.5 mln was marginally above book value. In Arnhem, a plot of 3,356 m^2 freehold land with two office buildings was bought. The office buildings will become vacant in the forthcoming years, allowing for the further expansion of the shopping centre Kronenburg.

The occupancy level of the Dutch portfolio decreased to 95.6% (2010: 98.7%). On December 31, 2011 Wereldhave's Dutch portfolio was valued at € 574.9 mln (2010: € 630.3 mln). The negative revaluation of –0.3% was the result of higher yields, particularly for the non-core properties.

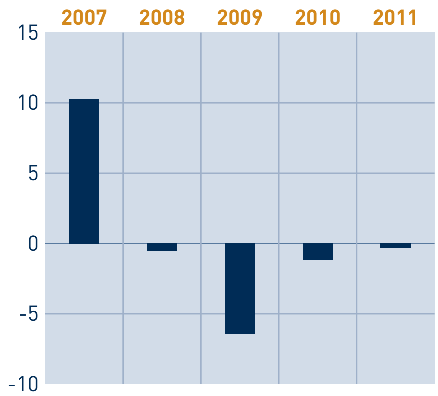
Prospects

In 2012 the focus will be on realising rental growth and implementing the refurbishment and extension plans. These plans are still in the initial stages.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. Ahold
2. Blokker
3. Excellent retail brands
4. Hennes & Mauritz
5. Hema

(as at December 31, 2011 based on the contracted annual rent in 2012)

Focus on growth by improving quality of the shopping centres

In the Netherlands Wereldhave focuses on shopping centres in line with the strategy launched at the end of 2009. Wereldhave aims to create value by active management and expansion of the shopping centres. "With making our shopping centres more consumer oriented and attractive we want to strengthen our market position, which will result in a higher rental income and more value for the shareholders" explains Hans Vermeeren, Managing Director of Wereldhave Netherlands.

Hans Vermeeren concludes that the retail market in the Netherlands is not easy at the moment. "The current economic circumstances result in pressure on the consumer spending and there is also competition from internet shopping. Moreover, consumers have become more inconstant. You have to adapt to these circumstances by constantly refreshing the offers at the shopping centres."

"There is a growing divide arising in the market", says Hans Vermeeren about the current market developments. "There are shopping centres with good service facilities and lower quality services and there are shopping centres in good locations and in bad locations. We have shopping centres on strong locations that can be made even better by working hard. One has to invest in improvement and renovation, especially with shopping centres, where stagnation leads to decline."

Improving quality

In 2011 Wereldhave Netherlands' management organisation was adjusted to manage the shopping centres as well as possible and monitor operations closely. The previous organisation consisted of project managers and now, specialised departments for leasing, development, shopping centre management and legal have been set up. Besides, we improved our relationships with all stakeholders such as shop-keepers, customers, local government, retail associations and neighbours.

"We want to improve quality as soon as possible by managing shopping centres as a department store", says Hans Vermeeren. "The service level will increase by improved parking facilities, better toilets, free WIFI, comfortable seats and lockers to store luggage. We will make event calendars for the centres and develop marketing initiatives to support the retailers. This process is set up for all our shopping centres."

Optimisation of the tenant mix

Active management is not limited to improving the service level. To increase the value of the shopping centres, an attractive shop offer is vital. "We aim to optimise the tenant mix in all shopping centres. Eventually we expect to replace a part of the shops this year by more attractive formulas, or by existing retailers who invest in a more attractive offer", says Hans Vermeeren.

Hans Vermeeren,
Managing Director

Wereldhave is not only looking for retail chains by refreshing the offer of shops. "We will always support strong and local retailers and try to give them a location in our shopping centres. Of course we cannot reverse the trend of a decreasing number of independent retailers, but we will continue to offer pure, honest and local products to consumers."

Growth by expansion and acquisitions

Next to improving service and creating an attractive shop offer, Wereldhave surveys the possibility of expansion for all its Dutch shopping centres. "We expect to realise an expansion of a total of 35,000 m^2 representing an investment of € 109 mln, starting in 2013. For the year 2012 our focus is to elaborate these plans", says Hans Vermeeren.

"And of course we are constantly alert for new prospects. We are looking for dominant shopping centres in strong and sizeable cities with a floor space of 15,000 - 40,000 m^2 with the possibility to add value with active management. Wereldhave has a strong financial position and the ambition to grow further, so if the opportunity occurs, we will certainly take it".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MISTER MINIT.
Service
KENT

United Kingdom

In the United Kingdom Wereldhave focuses on dominant shopping centres. After the acquisition of a second shopping centre in December 2011 the retail portfolio amounts to € 340.1 mln (79% of the total United Kingdom portfolio). The two shopping centres make up 69% of the British portfolio, with the remainder being mostly London offices. The development portfolio amounts to € 14.6 mln and primarily consists of the redevelopment of a mixed-use project in Richmond. The total investment of Richmond amounts to € 27 mln.

OECD Economic Outlook	2010	2011	2012	2013
Economic growth	1.8	0.9	0.5	1.8
Average growth EU zone	1.8	1.6	0.2	1.4
Inflation	3.3	4.5	2.7	1.3
Growth private consumption	1.1	-0.9	0.5	2.0
Growth corporate investment	0.8	0.4	4.7	8.0
Growth in employment	0.3	0.4	-0.7	0.2
Unemployment rate	7.9	8.1	8.8	9.1

The British economy grew a meagre 0.9% in 2011. Unemployment rose to the highest level since 1995. Wage growth is running at only half the level of the inflation. Private consumption and investments declined throughout the year. Economic growth will stay low throughout 2012 and recovery is not anticipated before 2013.

Many retailers are looking at reshaping their shop networks. They pursue sizeable stores on prime locations, rather than an extended retail network. Prime shopping centre rents are around € 1,900 per m^2 per year. Competition from retail parks has increased as these locations have become more sophisticated in their retail offering. With a market share of circa 12%, internet sales in United Kingdom are the highest in Europe.

Vacancy reached 15% in the middle of the year, which is three times the rate of 2007. Vacancy on prime retail locations, however, is at a 10-year low as a growing demand from international retailers focuses on an ever narrowing number of locations. Investor activity slowed down in the final quarter, and yields have seen an outward shift. Prime shopping centre yields are around 5.5-6%.

Wereldhave sold several non-core properties throughout the year for £ 70.1 mln (2.1% mln below book value). The sales included the disposal of five smaller properties and the Towers Business Park in Manchester.

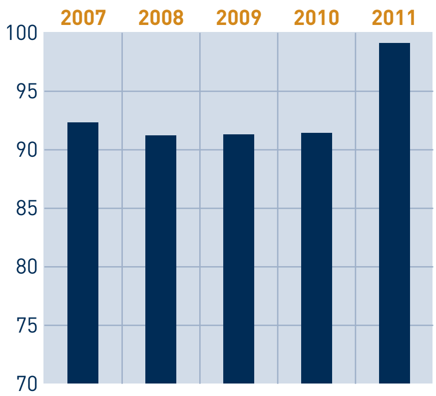
In June an additional 4,307 m^2 of retail space was purchased adjoining the Dolphin Shopping Centre in Poole. The acquisition gives Wereldhave greater control over the quality of the retail environment and the opportunity to optimise the retail mix and the attractiveness of the retail environment. In December, Wereldhave acquired the Ealing Broadway shopping centre in London. The centre is dominant in its catchment area. It has strong anchor tenants, excellent and improving transport accessibilities and a stable cash flow with upside potential. With the acquisition Wereldhave profited from a rare opportunity to buy a good shopping centre in London with possibilities to optimise. This acquisition brings the total United Kingdom portfolio to € 431.4 mln.

At the end of 2011 the occupancy of the retail portfolio was 99.1% (2010: 91.4%). On December 31, 2011 the portfolio was valued at € 431.4 mln (2010: € 308.0 mln) and consists mainly of shopping centres and core office properties in Central London. The upward revaluation of 0.8% was the result of lower yields (+1.3%) and lower rents (–0.5%).

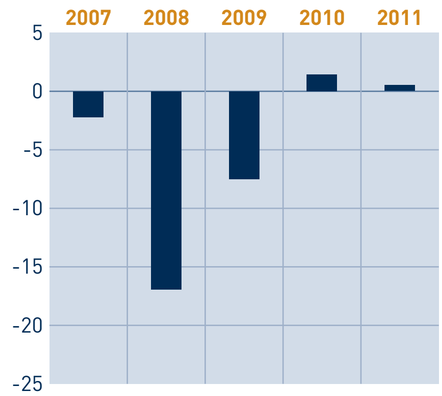
Prospects

In 2012 Wereldhave will continue to pursue its strategy to expand the British retail portfolio. Wereldhave aims to grow its portfolio size to € 500-750 million to create sufficient scale. For the acquisitions Wereldhave is strongly dependent from the availability of good investment opportunities. In the third quarter of 2012 the redevelopment project in Richmond-upon-Thames will be completed. The retail space in this project has been pre-let to Whole Foods, a US organic supermarket chain.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1.	Intelligent Processing Solutions
2.	Secretary of State for Communities
3.	2 Entertain
4.	Tesco
5.	New Look Retailers

(as at December 31, 2011 based on the contracted annual rent in 2012)

'Driving performance together with our tenants'

With the acquisition of the Ealing Broadway Shopping Centre in Ealing, West London for € 186.6 million Wereldhave has increased its portfolio size in the UK to € 431.4 million. Together with the acquisition of Ealing Wereldhave announced the sale of Towers Business Park in Manchester for € 55.1 million. "With this acquisition we have made an important step forward in realizing our strategy to create a UK portfolio of mid-sized shopping centres which are dominant in strong and sizeable catchments", says Andrew Turton, Managing Director of Wereldhave UK.

Ealing is a wealthy Borough of London situated 13 km west of Central London, with a population of 450,000 persons. The shopping centre's primary and secondary catchment areas amount to approximately 235,000 persons. The total retail space of the shopping centre, which was constructed in 1984, extends to some 35,000 m^2. Wereldhave has acquired the main part of the centre, consisting of 28,200 m^2 of retail space with 62 shops, parking facilities for over 600 cars and offices above the centre. Tenants include Tesco, Primark, Marks & Spencer, H&M, River Island and New Look.

From Shopping Centre Manager to Asset Manager

The Ealing Broadway centre offers ample room to increase the performance. This includes improving the tenants mix by attracting successful retailers creating a stronger overall attraction to the centre. For example, by putting spaces together Wereldhave could meet the increasing demand from retailers for large spaces. Another way of increasing the performance is by diversifying the offer. In the case of Ealing increasing the restaurant facilities should lead to people spending more time in the shopping centre.

These examples show that the role of the owner of a shopping centre has changed in the past years. "We have seen a shift from Shopping Centre Manager to Asset Manager", says Andrew Turton.

"The most important role for the owner of a shopping centre is now to take care of the total retail offer. Active management is crucial, it's a high level activity. We run a shopping centre as a business, working with our tenants to drive the performance, because after all the consumer is the ultimate stakeholder of a shopping centre."

Ambitions to grow

Ealing Broadway is a perfect example of the kind of shopping centre Wereldhave is looking for in the UK. It is a modern freehold shopping centre with a strong and sizeable catchment and an attractive initial yield of 6.5%. The centre has strong anchor tenants like Primark and H&M and has excellent and improving transport links.

And most important, the shopping centre has a stable cash flow with potential upsize due to asset management initiatives.

"Shopping centres drive the performance of Wereldhave", Andrew Turton says. "London is perceived as a leading destination by overseas retailers entering the European market.

Andrew Turton, Managing Director

And shopping centres in the UK have reinvented themselves. Primark, as an anchor tenant, is a good example of that, and we have a Primark in both our shopping centres in the UK."

Office markets

Wereldhave currently focuses on office buildings in France (Paris), Spain (Madrid) and the United States (Washington DC, Texas and San Diego).

Wereldhave concentrates its office investments in modern, sustainable buildings on well accessible locations in major metropolitan areas where buildable land is scarce and where service sector activity is expected to grow. Office markets are cyclical by nature. The key success factor for value creation is the timing of purchases and sales. Continuous portfolio renewal through active purchasing, developing and selling of office buildings is a key element of the office strategy. An attractive portfolio of modern, sustainable office buildings in core markets supports attractive occupancy levels in the long run and enhances the return on the portfolio. At the end of 2011 office investments made up € 1,104.5 mln, or 39% of Wereldhave's properties in operation (2010: 40%).

Wereldhave will fully focus on shopping centres in Western-Europe (in the Netherlands, Belgium, Finland and the United Kingdom) and offices in Paris and Madrid. This strategic choice implies that Wereldhave will divest its US property investments. The proceeds will be deployed for new investments and in-house (re)development projects in Western Europe.

Rental market

After a disappointing 2010, office markets around the world began 2011 on a positive note. However, the economic recovery hardly resulted in more jobs. Leasing was not driven by expansions, but rather by postponed demand, lease renewals and relocations. As the year progressed, the economic outlook deteriorated and demand for office space diminished. Leasing activity was especially strong in core cities in Western Europe and the US.

Positive net take-up in the first half of the year coincided with low, or even absent development activity in most markets. Office users focused on new office buildings with high sustainability standards. Sustainable office space of high quality – especially in large floor plates – is becoming scarce. This supported prime rents for an ever smaller number of available prime buildings which comply with the highest quality and sustainability requirements.

In Paris leasing activity partly shifted to suburban markets where large floor plates are still available at attractive rents. In Madrid, only declining effective rents supported take-up in central locations.

France

Paris

1 45-49 Rue Kléber, Levallois-Perret
2 Avenue Jules Rimet, Saint-Denis
3 Rue des pyramides, Joinville-le-Pont
4 179 Quai de la Bataille de Stalingrad, Issy-les-Moulineax (hauts de Seine)

Spain

Madrid

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

Investment market

Office investment activity has benefited from low interest rates (by historic standards), stable values (compared to equities) and attractive returns (compared to bonds). At the start of the year investors were still primarily focused on the best buildings in core markets. This led to tightening office yields. However, property owners were generally not willing to sell prime assets.

In the second quarter the scarcity of prime investment opportunities caused investors to move to alternative property sectors, such as hotels, car parks, wind farms, care facilities and even ski resorts. In the US, investors tentatively started to look for high quality assets in secondary markets. But as the economic uncertainty grew after the summer, investors returned to stabilised, prime office properties in the second half of the year.

Trends

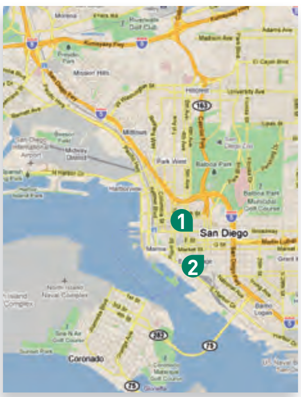
Increased uncertainty about the sovereign debt crisis in the Euro zone and the large divergence between Euro zone countries are mirrored in a two-speed European office market. Prime office rents continued to grow modestly in core cities across Northern Europe, while office markets in Southern Euro countries decreased. There is a healthy occupier demand in the Greater Parisian office market for efficient, energy conscious and well located large office spaces. Consequently, prime rents rose 4% in Paris, while they declined by 4% in Madrid.

The effect of economic prospects on rents is proliferated by the low volume of the development pipeline which made new office space on core locations increasingly scarce. During the first three quarters of 2011, only 2.3 mln m^2 of new office space was completed in Europe, about 45% below the long-term average. Shortages of good quality space continues to be an issue in many markets. For instance, the office construction pipeline in Paris is now some 25% below the long term average.

European vacancy rates are starting to show a diverse picture: vacancy declined in Brussels and Paris, while vacancy rates have started to rise in London (where construction activity is growing again) and Madrid. Demand is more and more focussed on sustainable, energy efficient buildings. Available space also increasingly concerns older buildings.

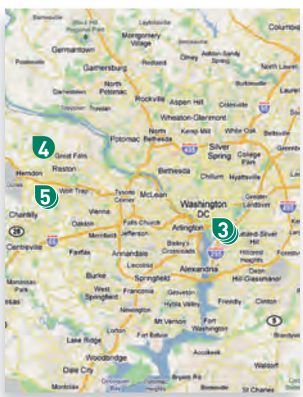
Wereldhave will benefit from these trends as its office strategy is to invest only in sustainable, energy-efficient office buildings with large floor-plates on well-accessible locations in core cities where the development pipeline is limited.

United States



San Diego
1 655 Broadway
2 10th & J Streets

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



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

France

In France, Wereldhave focuses on offices in the Paris region. The portfolio currently amounts to € 181.2 mln, of which 82% is in two office buildings in Saint Denis and Levallois-Perret. The French development portfolio amounts to € 3.5 mln. It contains two office developments on good, easily accessible locations in the inner suburbs of Paris and requires a total investment of € 209 mln.

OECD Economic Outlook	2010	2011	2012	2013
Economic growth	1.4	1.6	0.3	1.4
Average growth EU zone	1.8	1.6	0.2	1.4
Inflation	1.7	2.1	1.4	1.1
Growth private consumption	1.4	0.6	0.7	1.6
Growth corporate investment	1.2	3.7	0.7	4.6
Growth in employment	0.2	0.4	0.1	0.4
Unemployment rate	9.4	9.2	9.7	9.8

The French economy grew 1.6% in 2011. Economic conditions improved in the third quarter but consumption – the main driver of the French economy – declined unexpectedly in November. The economy ended the year in decline and is anticipated to contract into the first quarter of 2012. Unemployment is high and may increase further as the economic climate remains challenging.

Paris is one of the largest and most dynamic office markets in Europe. There is some 1 mln m^2 of office space under construction or renovation, which is 300,000 m^2 (25%) below the 10 year average. Only half of this new supply will become available in 2012 or 2013 and already 33% is pre-let. Demand for office space reached 2.4 mln m^2, an increase of 14% compared to 2010. Take-up included several very large transactions and exceeded the long term average by some 15%. The focus on new or renovated space is driving large tenants towards suburban markets. The overall vacancy rate for the whole of Paris is 6.6%. Prime rents in the city are stabilising at high levels, while suburban rents declined somewhat in the second half of the year. In 2011, some € 12 bln was invested in offices in Ile de France, a 49% increase to 2010. Prime office yields are around 4.5% in the Central Business District.

In October Wereldhave reached an agreement to purchase an office development project on a turnkey-basis in Issy-les-Moulineaux, in the Inner Rim of Paris. The development project is located on the river Seine and totals 22,123 m^2 of lettable space, has good public transport connections, direct access to the Boulevard Périphérique and will have a BREEAM 'Excellent' label. The total investment will amount to € 138 mln. Construction is expected to start in the second quarter of 2012 with completion scheduled for the third quarter of 2014.

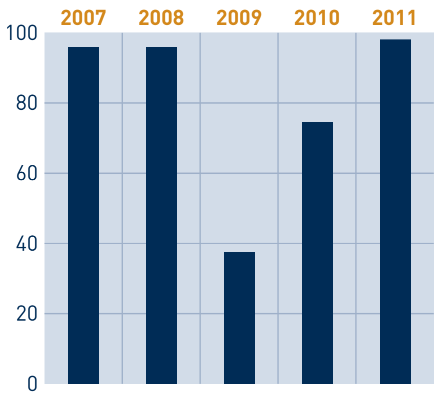
In Dunkirk a lease was terminated with a cinema operator as per the end of December 2011. At the same time a lease was signed at equal rental levels with a cinema operator who will invest in 3D technology.

During the year 2011 the occupancy of the French portfolio increased to 98.1% (2010: 74.7%). On December 31, 2011 the French portfolio was valued at € 181.2 mln (2010: € 176.3 mln). The upward revaluation of 2.3% was caused by higher market rents

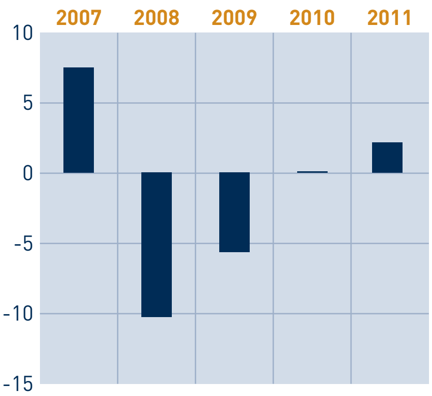
Prospects

The focus in France will be on maintaining the high occupancy rate of the office properties, on the successful start of the development projects and on the further renewal of the portfolio. Construction of the project in Joinville-le-Pont started in January 2012. The building is expected to be completed during the third quarter of 2013. Construction of the office building in Issy-les-Moulineaux is expected to start in the second quarter of 2012, with completion in the third quarter of 2014. Wereldhave aims to sell older and non-core properties in France, while adding new, sustainable office (development) projects on good locations in the greater Paris area with excellent public transport and car accessibility with the priority of letting at least one of the two development projects before expanding the development portfolio.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. Électricité de France
2. Groupe Canal+
3. Kohler
4. Go Sport France
5. Virgin Stores

(as at December 31, 2011 based on the contracted annual rent in 2012)

Two new projects in the attractive Paris office market

Within one year's time Wereldhave has acquired two development projects in the growing Paris office market. One office building will be built in Joinville-le-Pont in the Eastern periphery of Paris, and the other in the wealthy south-western Parisian suburb of Issy-les-Moulineaux. Michel Janet, managing director of Wereldhave France, explains why both investments perfectly fit in the strategy of Wereldhave to focus in France on high quality, sustainable office buildings on attractive and accessible locations in the Paris region.

The Paris region has 12 million inhabitants and represents 29% of the French GDP. The market for office buildings is huge with lettable office space amounting to 52 mln square meters. "Together with London, the Paris office market is one of the strongest in Europe, if not the strongest. The vacancy rate is 7% on average, far below the average in other Western European countries", says Michel Janet.

This is the reason Wereldhave France focuses on Paris and has a preference for development projects, where Wereldhave takes on the letting risk. "Our key selection criteria are sustainability, immediate access to major public transport routes, efficient floor plates enabling a modern and flexible office environment, location and vicinity", says Michel Janet.

Perfect fit

The office development project in Joinville-le-Pont called Urbagreen is facing Bois de Vincennes and has a Parisian address; it offers a net lettable area of 17,670 m^2 with large floor plates. The investment volume amounts to around € 71 mln, which is expected to produce a net yield of approximately 7.5-8%.

The second project, called NODA, is in Issy-les-Moulineaux and will offer 22,123 m^2 net lettable area. It is located on the Seine river banks and facing the Ile Saint Germain. The investment amounts to € 138 mln at an expected net initial yield of approximately 7.0-7.5%.

"These two investments perfectly fit in our strategy", says Michel Janet. "Both office buildings provide large floor plates and are easily accessible by public transport and by car. They will comply with the most recent criteria for sustainability, amongst which the BREEAM "Excellent" label. These properties will meet all the latest tenants requirements."

Single tenants

Construction of the office building in Joinville-le-Pont has started and completion is scheduled for the third quarter of 2013. The construction of the NODA building in Issy-les-Moulineaux will start this year and is expected to be completed in the third quarter of 2014. According to Michel Janet the next task will be to get the both buildings fully leased before completion.

Wereldhave is looking for single tenants for both properties. The building in Joinville-le-Pont is expected to be rented to a company back office, a company already located in this eastern part of Paris or a government body. The prestigious NODA building will most probably become the head office for a big French company or an international company. "For both properties we are targeting for a 9 year leasing contract with a financially solid company with a good solvency."

Foto's: NODA artist's impression

Joinville and NODA artist's impressions

Leading position

Speaking about good solvency Michel Janet stresses that this is not only important when looking for tenants but also for Wereldhave itself. "Tenants will certainly, and more than before, closely look at the solvency of a property company before signing a contract. Wereldhave has excellent tracks on the market, a very strong financial position with a healthy solvency rate and that provides us with a strong market position."

"With these two investments we have focused the French portfolio on offices in Paris and we are well under way to reach the required minimum size of operations", says Michel Janet. "We notice that some competitors are facing difficulties with their financial position and have to refinance. That could lead to new opportunities in the Central Business District but, at the moment, prices in the Paris centre are still too high, so we are taking our time."

Michel Janet,
Managing Director

Taking time doesn't mean that Michel Janet is resting on his laurels. "We are fully focused on making these two developments a success. We also plan to divest non-core assets, so the year 2012 will be a busy one."

Spain

In Spain Wereldhave focuses on offices in the Madrid region. The portfolio currently amounts to € 135.9 mln, of which 57% relates to three office buildings in Madrid. The redevelopment of the retail and leisure centre Planetocio in Collado Villalba will be completed in the middle of 2012. MediaMarkt, a large anchor tenant has committed to the centre.

OECD Economic Outlook	2010	2011	2012	2013
Economic growth	-0.1	0.7	0.3	1.3
Average growth EU zone	1.8	1.6	0.2	1.4
Inflation	2.0	3.0	1.4	0.9
Growth private consumption	0.8	0.0	-0.1	0.9
Growth corporate investment	0.1	0.0	-0.6	2.7
Growth in employment	-2.3	-1.7	-1.6	0.3
Unemployment rate	20.1	21.5	22.9	22.7

The Spanish economy started the year on a positive note, but after the summer growth evaporated and the final quarter of 2011 showed economic decline. Three and a half years of diminishing house values, topped by severe public austerity measures have reduced consumer confidence and trimmed disposable incomes. Stagnant consumption, stalling investment volumes and lower government expenditures were only just compensated by export growth. Employment continued to decline and consumer spending will remain low for the time being.

Demand for office space remained sluggish in 2011. Tenants favour rent reviews over relocating in order to avoid the cost of moving. Office take-up reached 340,000 m^2, which is only half the normal level. Net take-up was negative in 2011 as more occupiers were downsizing than were expanding. Companies wait for the economy to improve before considering moving to a new location. It is expected that take-up will stay low for some time ahead.

One third of office take-up took place in the Central Business District (CBD), where office space had become some 40% cheaper than before the crisis. This drove CBD vacancy rates down at the expense of peripheral locations. This trend may reverse next year, as several CBD-occupiers have signed pre-lease agreements for a combined total of 140,000 m^2 of new office space in the periphery. With vacancy rising, office rents continued to decline and rent concessions remained high throughout the year. Rent free periods can reach up to 20 months on 10-year contracts, with a further 12 months' rent worth of other incentives such as cash payments or inventory renewals. Office investment activity remained low throughout the year with € 0.6 bln and was dominated by the sale of Torre Picasso at the Paseo de la Castellana in the final days of 2011.

In 2011 the composition of Wereldhave's Spanish portfolio remained unchanged. The average occupancy rate declined to end the year at 76.9% (2010: 87.6%). Progress was made with the redevelopment of the retail and leisure centre Planetocio in Collado Villalba. The commercialisation of the centre accelerated after a lease was signed with MediaMarkt as anchor tenant in December. The redevelopment is expected to be completed in July 2012.

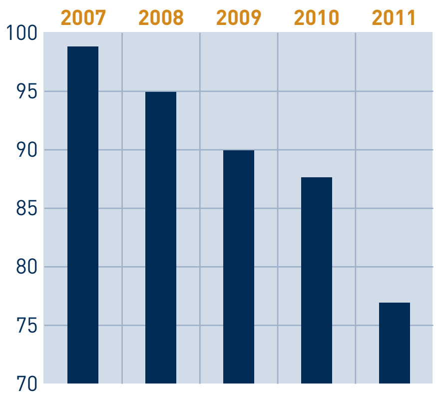
On December 31, 2011 the Spanish portfolio was valued at € 135.9 mln (2010: € 137.4 mln). The revaluation of –4.0% was caused by lower rents.

Prospects

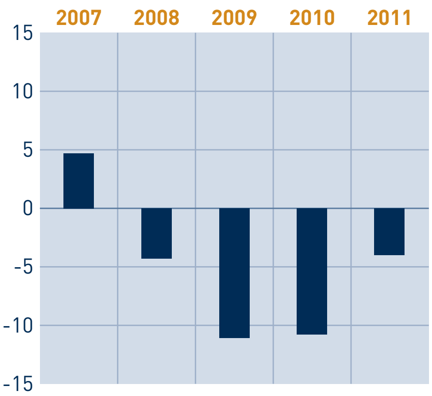
In 2012, the revitalisation of Planetocio will be completed. With the commitment of MediaMarkt as a new anchor tenant, Wereldhave is optimistic about a quick and adequate letting of the centre. For the expansion of the Spanish portfolio, Wereldhave focuses on high quality office buildings on good locations in Madrid with excellent accessibility by public transport. An active purchase and sale strategy will be worked during the coming year, taking careful consideration of the forecasts for the Spanish economy.

Artist's impressions of the Planetocio Shopping centre after refurbishment

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. Cisco Systems
2. Telia Sonera
3. Grandes Almacenes
4. Hay Group
5. Primera Linea Logistica

(as at December 31, 2011 based on the contracted annual rent in 2012)

United States

Wereldhave currently owns office buildings in Washington DC, Texas and San Diego, and residential properties in Texas. 93% of the US portfolio relates to office buildings. In 2011, a lease was signed in San Antonio for the hotel and leasing of the residential units begun towards the end of the year. Because Wereldhave will fully focus on Western Europe, its American property investments will be sold during the next few years.

OECD Economic Outlook	2010	2011	2012	2013
Economic growth	3.0	1.7	2.0	2.5
Average growth EU zone	1.8	1.6	0.2	1.4
Inflation	1.6	3.2	2.4	1.4
Growth private consumption	2.0	2.3	2.2	2.6
Growth corporate investment	4.4	8.4	4.9	6.4
Growth in employment	-0.6	0.5	1.2	1.5
Unemployment rate	9.6	9.0	8.9	8.6

The US economy grew by 1.7% in 2011 and created 1.9 mln private sector jobs. Private sector hiring was able to compensate for the public sector job losses. Unemployment declined to 8.5% at year end. Rising consumption and growing industrial production signal that confidence is building. Economic growth is expected to improve in 2012.

The most dynamic office markets are the East and West Coast primary markets and Texas metropolitan areas. In these areas, net demand for office space was positive and limited construction activity reduced office space availability. In the second half of the year rental rates profited from vivid demand from the IT technology and energy sectors. In most other cities, tenants remained cautious regarding new leases due to the uncertain domestic and foreign economy.

Apartment occupancy increased considerably in Texas, following strong job growth. Rents rose as construction activity dropped and demand remained strong. Investors were more active over the year and yields for prime residential complexes dropped below 6%. Commercial real estate investment volumes grew 44% compared to 2010 and yields came down. Yields for prime office assets declined and reached the lowest levels in downtown Washington DC at around 4.5%.

The Arboretum Estates residential complex in Dallas, Texas – which Wereldhave developed in 1999 – was sold above book value for $ 26.3 mln. The Corporate Centre office building, also in Dallas, was sold below book value for $ 5.4 mln. In February 2012 agreement was reached over the sale of the Mint Building. The transaction of $ 147.5 mln will be completed during the first quarter of 2012.

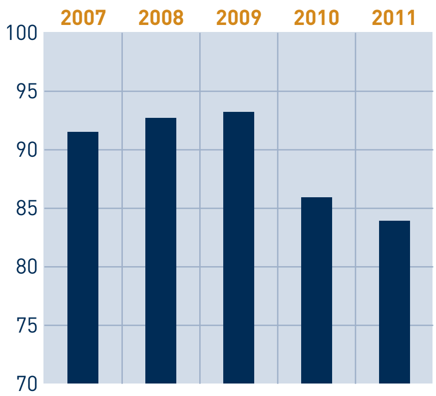
The construction of the San Antonio project is proceeding according to plan. Letting of the apartments started in the final quarter of the year. Completion of the last apartments is expected for the second quarter. The occupancy rate of the two office buildings in San Antonio increased to 27%. A 20-year lease agreement was signed for the hotel, which will open doors to the public in spring 2012. The hotel, exploited as a 'Luxury Hotel and Spa', will be managed by Interstate, with 350 hotels the biggest independent hotel operator in the US. As at December 31, 2012, the valuation of the project was adjusted downwards by € 38.1 mln. This scenario is calculated with a yield of 6.25% for the apartments, within a margin of 5.85%-6.75%. The value was influenced negatively by the absence of a stable rental income during the start-up phase of the project. In addition, the land for the yet undeveloped part of the project was impaired. Wereldhave anticipates a slow but steady letting pace of approximately 25 apartments per month, depending on the season.

In view of the difficult economic conditions, the occupancy of Wereldhave's office portfolio decreased to 83.9% (2010: 85.9%). On December 31, 2011 the American portfolio was valued at € 679.5 mln (2010: € 704.3 mln). The revaluation of € –30.7 mln (–4.6%) was the result of an increase in yields (–0.3%) and lower rents (–4.3%).

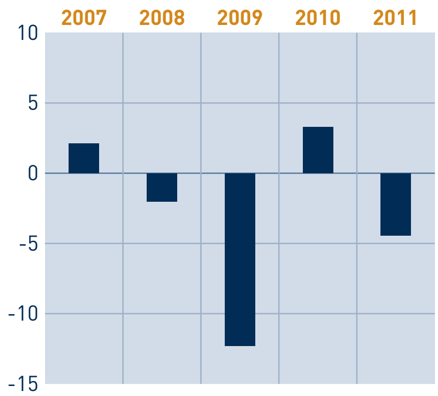
Prospects

In 2012 the focus will be on the completion of the first phase of the development in San Antonio in the second quarter of 2012, and a stable high occupancy rate of the project. The first sales of the American portfolio are progress for the first quarter of 2012. The unwinding of our American activities is scheduled within a timeframe of two to three years.

Average occupancy rate (as a %)



Property revaluation (as a %)



Top 5 tenants

1. United States Mint
2. Robbins, Geller, Rudman & Dowd
3. Farm Credit Bank of Texas
4. Cisco Systems
5. Cox Media Group

(as at December 31, 2011 based on the contracted annual rent in 2012)

Development projects

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

(amounts x 1 mln)	Number of m² new construction	Expense made	Estimated total cost	Estimate date of completion	Expected net yield
Belgium					
Nivelles I	12,500	€ 44	€ 44	Q1 2012	8.0%
Ghent	8,000	€ 2	€ 15	2013	6.75-7.0%
Tournai I	10,000	€ 3	€ 16	2014	7.0-7.25%
Nivelles II	8,000	€ 2	€ 12	2014	7.0-7.25%
Genk Shopping I (50%)	11,500	€ 2	€ 45 *	2014	6.75-7.25%
Tournai II	14,500	–	€ 65	2016	6.5-7.0%
Waterloo	10,000	€ 25 *	€ 55	2016	6.75-7.25%
Finland					
Itäkeskus redevelopment	11,000	€ 7	€ 90	2014	6.0-6.5%
France					
Joinville-le-Pont	17,670	€ 3	€ 71	2013	7.5-8.0%
Issy-les-Moulineaux	22,123	€ 0	€ 138	2014	7.0-7.5%
Netherlands					
Arnhem	12,000	€ 4	€ 34	2013-2016	7.5%
Leiderdorp	7,000	€ 1	€ 29	2014-2015	6.0-6.5%
Capelle a/d IJssel	5,000	€ 0	€ 14	2014-2016	7.5%
Maassluis	7,000	€ 0	€ 20	2015-2016	7.5%
United Kingdom					
Richmond	4,485	£ 10 (€ 11)	£ 23 (€ 27)	Q3 2012	6.25-6.75%
United States					
San Antonio, Eilan (phase 1) **	67,500	$ 161 (€ 123)	$ 203 (€ 157)	Q2 2012	6.75-7.25%
Total		€ 227	€ 832		

* Including cost of shopping centre investment property

** Excluding the already completed offices

Belgium

Nivelles I and II

sector: Retail

type: Extension

size: Nivelles I: 12,500 m²
Nivelles II: 8,000 m²

status: In 2008 the existing shopping centre was completely renovated. Mid 2010, construction of the extension started. Completion is scheduled for 2012 and the project is nearly fully let. The permit for an adjacent retail park (Nivelles II) has not yet been obtained.

Tournai I & II

sector: Retail and apartments
type: Extension
size: Tournai I: 10,000 m^2
Tournai II: 14,500 m^2
status: Tournai I consists of a retail park of 10,000 m^2 with 360 parking spaces and ca. 15 apartments on a plot of land opposite of the Les Bastions shopping centre. Tournai II relates to the extension of the existing centre with 14,500 m^2 on the current parking lot and an adjoining plot. About 1,085 parking spaces will be created underground. Both projects are still in the planning phase and the procedures for application of all permits were started in November 2011. Several sustainability items have been included in the design.

Waterloo

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

Genk Shopping I

sector: Retail
type: Redevelopment
size: 11,500 m^2
status: The project consists of the renovation and extension of Genk Shopping I, in the city centre of Genk. Wereldhave will acquire half of approximately 80% of the existing shopping centre and half of the expansion. Important tenants are Carrefour, Sportsdirect, M&S, WE, Vero Moda, Etam, America Today, and Hunkemöller. After completion the total floor space of the centre, including third party interests, will amount to ca. 27,000 m^2.

Ghent

sector: Retail and apartments
type: New development
size: 8,000 m^2
status: Ghent consists of a mixed-use project with shops, catering and student apartments above. The apartments will be let in a single transaction to a third party. Construction of the project will start shortly.

Finland

Itäkeskus

sector: Retail
type: Renovation and expansion
size: 11,000 m²
status: The shopping centre has not underwent any significant refurbishment the past years; the objective of the renovation is to restore the centre state-of-the-art and attractive for customers and tenants. The Piazza will be redesigned completely and fit to suit an anchor tenant. In total 11,000 m² retail floor will be added. The project, of which the total investment amounts to € 90 mln, will be completed by the end of 2014.

France

Joinville-le-Pont

sector: Offices
type: New development
size: 17,670 m²
status: This new office building of 17,670 m² net lettable floor space provides 7 large office floorplates and 208 parking spaces divided over two floors. The building will meet the BREEAM "Excellent" requirements. Construction was started the first quarter of 2012 with completion expected in the third quarter of 2013. Joinville-le-Pont is one of the most prosperous eastern suburbs of Paris. The development is located directly at the Bois de Vincennes and is easily accessible by public transport and car, as it is situated directly next to the RER A station and the A86 highway, the second ring road of Paris. The RER A is the most important public transport facility of Paris, connecting East- and West-Paris and annually carrying 290 mln passengers.

Issy-les-Moulineaux

sector: Offices
type: New development
size: 22,123 m²
status: This new office building of 22,123 m² provides 7 large office floors and a staff restaurant of 1,214 m² with the BREEAM "Excellent" label. Construction is expected to commence in the second quarter of 2012 with completion in the third quarter of 2014. The accessibility by public transport or car is excellent, as the building is situated near a station of RER C and at a two minutes walking distance from the tram with a direct connection to La Défense. Besides this the location offers a direct access to the Boulevard Périphérique.

The Netherlands

Arnhem

sector: Retail
type: Extension
size: 12,000 m^2
status: Since 1988 Wereldhave owns Kronenburg shopping centre in Arnhem. The lettable floor space owned by Wereldhave amounts to 31,752 m^2. Wereldhave aims to strengthen the centre's regional position with an extension of circa 12,000 m^2.

Leiderdorp

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

Maassluis

sector: Retail
type: Extension
size: 7,000 m^2
status: In Maassluis shopping centre De Koningshoek will be redeveloped. The existing centre will be modernised, in combination with an extension of the centre. The shopping centre was added to the investment portfolio in 2010. A letter of intent was signed by the City of Maassluis and Wereldhave to prepare detailed plans and study the feasibility.

Capelle a/d IJssel

sector: Retail
type: Extension
size: 5,000 m^2
status: In March 2010 Wereldhave acquired the southern part of shopping centre De koperwiek in Capelle. Wereldhave currently prepares plans for an extension with circa 5,000 m^2 of this part of the centre.

United Kingdom

Richmond

sector: Retail and offices
type: Redevelopment
size: 4,485 m^2
status: Development project of 1,870 m^2 retail floor space and 2,615 m^2 offices above. The retail space has been fully pre-let to the American Whole Foods group on a long lease. Completion is planned for September 2012.

United States

San Antonio

sector: Apartments, a hotel, offices and retail
type: New development
size: Phase I: 539 apartments, a hotel with 165 rooms, two offices totalling ca. 19,000 m^2 and 3,300 m^2 retail.
status: The two office buildings from the first phase of the Eilan project were completed during the third quarter of 2010. The remainder of the first phase will be completed from the fourth quarter 2011 till the second quarter of 2012. Completion is scheduled as from the last quarter of 2011. The entire project is designed as an attractive urban work/live environment with lots of sustainable items.

Prospects

The financial crisis which started in 2008 as a bank crisis, has evolved into a sovereign debt crisis. Austerity measures have depressed private consumption and public expenditure, therefore economic growth is likely to remain low in 2012. Banks are reluctant to provide financing and seek to reduce their real estate exposure, also in relation to the Basel III solvency requirements. During 2011, Wereldhave has issued a USD private placement at large institutional investors, which has lowered its dependency from bank financing.

On the real estate market a divide is appearing, where the best locations remain scarce and sought after, whilst the prices for property of lower quality are decreasing. This holds for shopping centres as well as for offices. Internet will pose a threat to lower quality retail space, but it will enforce the earning capacity of dominant shopping locations, especially with cross channelling, where the physical store and the website enforce each other. Sustainable offices of good quality at readily accessible locations remain scarce in many markets.

The past two years, Wereldhave has strengthened its organisation and tailored it for active shopping centre management. Starting in 2012, Wereldhave fully focuses on shopping centres in the Netherlands, Belgium, Finland and the United Kingdom and on offices in Paris and Madrid. The US property investments will be sold. Wereldhave will also continue to divest non-core assets in Europe. The proceeds from sales will be used for new acquisitions and (re)development projects in Western Europe. For the 1st quarter of 2012, some sales are already in progress. Wereldhave meanwhile assumes that the eurozone will continue.

The development pipeline is well filled with redevelopments of shopping centres in the Netherlands, Belgium and Finland and offices in Paris. During the first quarter of 2012, the expansion of the Nivelles shopping centre will become operational. For the year 2012, in Belgium a retailpark in Tournai and the expansion of Genk shopping I are scheduled, whilst in Finland the large-scale redevelopment of Itäkeskus is in progress. In the Netherlands the main focus will be on achieving a like-for-like rental growth in the eight Dutch shopping centres and the further preparation of plans to redevelop five of these centres. In Spain, the redevelopment of the Planetocio shopping centre is nearing completion and in France, the construction of two office developments in Paris will start in 2012.

In the United States, in 2012 the attention will on the one hand be at the completion of the Eilan development project and bringing the occupancy level of this project to a stable and high level. In addition, a start has already been made with the sale of the American property investments. The exit from the United States and the sale of non-core assets imply that the pace of sales will be high during the next two years. In term, our American subsidiary will be terminated and we will have to say goodbye to our American employees. In the meantime, an adequate retention scheme provides continuity. Since a suitable reinvestment opportunity may not always be immediately at hands, Wereldhave forecasts fluctuations of the direct result during the transition phase. Wereldhave aims to keep the dividend for the years 2012 and 2013 at € 4.70.

The Hague, March 1, 2012

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

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

Introduction

Wereldhave is strongly convinced that sustainability is not at odds with commercial management. Both are based on making sound investment decisions, in selecting buildings in which people feel comfortable, which provide in a need (of society) and remain to do so. The various sustainability needs and requirements of stakeholders require careful consideration. This is why Wereldhave has conducted a stakeholder analysis to define four specific areas of attention: its own organisation, new investments, construction and property development, and property management.

Within these themes Wereldhave annually sets targets and initiatives. For the year 2011 the following initiatives were formulated: the implementation of an energy-management system, the procurement of green energy, the certification of buildings with BREEAM/LEED, the start of a pilot to make the shopping centres more sustainable and the implementing of green leases for retail property.

Organisation

Sustainability is a process of continuous improvement. For this reason Wereldhave is convinced that sustainability needs to form an integral part of its business. Chaired by the CEO, a sustainability task force meets every month to initiate new sustainability programmes and to evaluate current programmes. In order to increase sustainability awareness within the organisation, the achievement of sustainability objectives has been set as an indicator for the profit sharing scheme of the employees, starting in 2011.

In 2011, sustainability pages were placed on the Company's intranet, where employees can find information with respect to sustainability, varying from lists with sustainable materials to a greenlease toolkit. Sustainability is a recurring item in the internal Wereldhave newsletter, informing employees about initiatives and progress made. Finally, presentations were given in all country organisations regarding sustainability issues, like BREEAM requirements, energy management and targets for the coming year.

Wereldhave subscribes to the UN Global Compact 10 principles. Besides this, Wereldhave United Kingdom formulated a formal 'environmental policy statement' last year, to express that Wereldhave United Kingdom will do its best to keep the negative impact on the environment as small as possible. In 2012 it will be considered whether this initiative will be followed by the other countries. The policy statement is a first step towards the final goal of a full environmental management system.

In 2011 Wereldhave started using sustainability contracts for service providers. Wereldhave furthermore shares knowledge for sustainability cooperation projects. Wereldhave participates in the Dutch Green Building Counsel and Wereldhave employees participate in working committees to increase real estate sustainability.

New investments

In the future Wereldhave shall assess the quality of prospect buildings with the BREEAM in use guideline. This guideline is not yet in use for retail and further elaboration will have to prove whether this methodology will indeed become the standard for standing investments. For the time being Wereldhave applies its own criteria for standing investments. A good location with a range of facilities and access to good public transport are part of these criteria. The Ealing Broadway shopping centre, acquired in 2011, has excellent accessibilities such as bus, train and underground and the accessibility will improve even more with the opening of the 'Crossrail station' in 2018. In the due diligence process for the acquisition a sustainability assessment report was made, assessing several sustainability aspects such as energy labels (especially C labels and some D labels), present waste-management plans and the energy and water metering.

Construction and property development

Wereldhave's principle with regard to new developments is to achieve at least a BREEAM 'Good' rating, but preferably a BREEAM 'Very Good' rating. The 'NODA' building in Issy-les-Moulineaux (France), which was purchased in 2011 and is to be completed in 2014, will even comply with the BREEAM 'Excellent' rating when completed. Energy and water reducing measures, attention for a healthy indoor environment and excellent accessibility by public transport make this score possible.

The Nivelles shopping centre was awarded the 'Very Good' BREEAM design certificate in 2011. Examples of certain components of this certificate are: sustainable construction site management, solar panels and energy reducing measures, a healthy indoor lighting plan and water reducing measures. In order to achieve the BREEAM certificate in retail, cooperation with tenants is essential. Retailers set their own requirements when it comes to finishing and furnishing their shop (also called the 'fitting out'). To provide a broader base for sustainability in the shopping centres, (light) greenleases were concluded with new tenants. More about green leases can be found in the paragraph 'property management'.

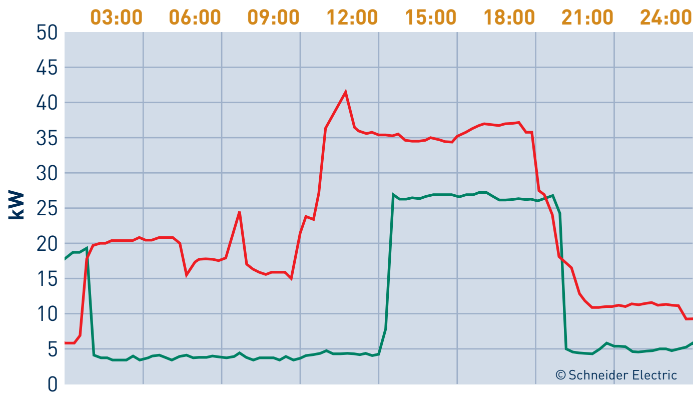
For the development in Richmond upon Thames (United Kingdom), Wereldhave aims to achieve a BREEAM 'Excellent' rating. Energy and water reducing measures and the creation of a healthy indoor environment form part of the rating. From 2012 onwards all investment proposals of Wereldhave Netherlands for renovations, adjustments or maintenance shall contain a sustainability paragraph. This will not only apply for large-scale renovations but also for regular maintenance.

Although Wereldhave already applies a material checklist since the end of the nineties, this item can still be seen as one of its biggest challenges for the future. Shortage of raw materials for building materials will increase the coming decades. Careful consideration of materials and (construction) waste management are items in the internal materials checklist, the requirements for new projects and sustainability contracts with construction companies.

In addition, during the previous year Wereldhave has taken measures for the safety of people who work in, for or at Wereldhave properties. Examples are roof safety and the installing of camera's and dna-spray in shopping centres.

Property management

Tenants increasingly attach importance to sustainability and now also take initiatives themselves. Wereldhave is pleased with these developments and encourages sustainability suggestions from its tenants. Active shopping centre management provides opportunities to improve the sustainability of the retail portfolio. In 2011, Wereldhave connected energy meters to an energy management system for a substantial part of the portfolio. 'Measuring is knowledge' and therewith the start of active energy management.
The platform registers 15 minute energy-use values, which are used to distinguish the various energy consumption profiles and to analyse energy consumption during the course of the day. The system became operational during the third quarter of 2011, but the first analyses already show interesting results.



The picture above shows the energy use of a shopping Sunday (green line) and a Monday (red line) in a shopping centre. The table shows that during the night energy use is higher during the week than in the weekends. On a Sunday night, the energy use peaks at 1.15 h and on Monday at 06.45 h.
These peaks appear to be structural over e period of several weeks. Analysis of these profiles may lead to savings, e.g. by fine tuning the installations.

Of the 75 properties, Wereldhave procures (a part of) the energy for about 60. Of these 60 properties, circa 65% is connected to the platform per January 1, 2012 (in as far as Wereldhave procures the energy). During the first quarter of 2012 this percentage will rise to 75%, since part of the portfolio could not be connected earlier, e.g. the Ealing Broadway shopping centre was acquired in December 2011. The 25% objects which are not connected can be divided as follows:

- about 10% is not connected since the user profiles which can be generated will provide insufficient relevant insight or reducing options for Wereldhave. For industrial objects the energy consumption of production processes is a multiple of the housing consumption. For residents measuring consumption profiles may be sensitive in view of privacy.

- the final 15% consists of non-strategic property which will be sold in term. These objects have not been connected since the investment in technology will only repay when data can be collected and analysed over a longer period.

As from the end of 2012, it will become possible to determine a carbon footprint of all energy procured by Wereldhave using the energy management system, since the data is based on the actual energy use. Wereldhave procures 100% green energy in the Netherlands, Belgium, Finland, the United Kingdom and the United States. With the procurement of green energy and the installation of sustainable energy sources, Wereldhave already pushed back its carbon footprint considerably, even before the metering has started.

In 2011 Wereldhave made a first step in the field of waste management of shopping centres. Staring on January 1, 2012, the Eggert shopping centre in Purmerend applies a new waste separation system. Tenants will separate waste in 5 flows (paper, glass, folio, plastics and other). Consumers will also be involved in the waste segregation. New bins were placed in the centre wfor the separation of waste in three flows. If the pilot will be successful, the example will be followed in other centres.

The waste management pilot is part of a larger pilot project 'creating a more sustainable shopping centre', with 9 sustainability themes (the 9 themes of BREEAM: management, health, energy, water, transportation, pollution, waste, materials and ecology). Especially the analysis of the current energy consumption of a centre learned that cooperation with tenants is essential. For example the heat which is produced by lighting of all tenants is about four times higher than the heat which is generated with Wereldhave's central heating installation of the centre. Not only due to lighting itself, but also because the generated heat by lighting leads to a cooling request in summer. When all tenants would collectively decide to replace their lighting with more sustainable lights (with equal brightness) this would result in a A-label for the entire shopping centre in comparison to the present E-label. As are result of the purchase of green energy is the carbon footprint (electricity and gas) of the centre 90% lower compared to grey energy.

Retailers will be confronted actively with the analysis of energy consumption, aiming for cooperation. Greenleases will be applied, including a sustainable fitting out. All the new tenants of the extension of the Nivelles shopping centre signed a (light) greenlease in 2011. Wereldhave Netherlands finalised a greenlease appendix to its lease agreements in 2011, which appendix will become part of the new standard lease agreement from the first quarter of 2012 onwards.

More improvement items were found with the pilot 'creating a more sustainable shopping centre'. Especially communication towards consumers regarding public transport accessibility, the availability of a (secured) bicycle storage and a recharging station for electric cars are measures which are scheduled for 2012 in all 8 Dutch shopping centres. Furthermore, a number of promotional activities were organised in 2011, for example the sustainability day in shopping centre Kronenburg. Although over the last few years a lot of progress has been achieved, further improvement will always remain possible. 'Value for tomorrow' starts with taking responsibility today.


TWICE
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Introduction

Wereldhave attaches great importance to achieving a balance between the interest of providers of risk-bearing capital and those of other stakeholders in the company. Matters such as transparency, the adequate provision of forward-looking information and business ethics form a part of this philosophy. The company's business ethics are embedded in the in 2011 newly determined Business Integrity Policy and the Code of Ethics for employees, which is published on our website www.wereldhave.com.

Comply or explain

Wereldhave is compliant to the Dutch Corporate Governance Code. Where deviated from the code, the principle 'comply or explain' is applied. The statutory possibility of binding nominations of members of the Board of Management by the Meeting of Holders of Priority Shares is the only deviation from the Code. The deviation, which relates to the anti-takeover protection, has been approved by the General Meeting of Shareholders.

Company risks and risks management

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

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

Main risks

Operational

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

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

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

Delft, The Netherlands

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

Wereldhave's strategy safeguards a portfolio of attractive properties with excellent letting prospects. However, even the value of first-class property can decrease. The portfolio's value development is monitored closely. Wereldhave values its properties at market value, less transaction costs. The entire portfolio is appraised each quarter. External appraisals by independent appraisers are performed as at June 30, and December 31, in principle by two different valuers per country. The portfolio is also internally appraised as at March 31, and September 30. Every quarter, a stress test is made to analyse the potential impact of value changes in relation to financing covenants. With its solid capital ratios, Wereldhave is well able to absorb any decreases in property values. A change in the average initial yield of 0.25% has an effect of € 95.8 mln on equity (€ 4.42 per share). A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholder's equity of € 175.4 mln (€ 8.09 per share).

Financial

Fluctuations in the exchange rates for the GBP and the USD can affect the result and the value of investments outside of the Euro zone. This affect is minimised through financing in the relevant currency and hedging with currency swaps and forward transactions. Wereldhave anticipates that the euro countries in which it invests, will remain within the euro.

The hedge policy is determined by the Board of Management. Exchange rate developments are monitored continuously. The currency risk to the value of the portfolio is partially hedged. The risks of lower exchange rates to the direct result are not hedged, except for financing in local currency. The guideline for hedging the property portfolio value exposure to the USD and GBP is a hedge ratio of 50%, with a range of 40% to 70%. As at year-end 2011, the USD exposure was hedged for 54% (2010: 45%) and the GBP exposure was hedged for 58% (2010: 70%). A 5% change in the year-end exchange rates has an effect of € 29.6 mln on equity and € 1.36 on the net asset value per share. A change of 5% in the average exchange rates has an effect of € 2.0 mln on the direct result (€ 0.09 per share).

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

Of the interest-bearing debt of € 1,289.1 mln, 58% was borrowed at variable interest rates as at December 31, 2011. Inflation rates, in combination with both interest rates and exchange rates, are included in the management information and in the parameters set by the Board of Management for the projections and forecasts that are used in determining policy. Wereldhave has interest rate consolidation possibilities at its disposal in the form of interest rate swaps and drawings on committed facilities, and it maintains strong capital ratios. Derivatives will only be used in combination with the underlying loan portfolio. With a Loan-to-Value ratio of 41% as at year-end 2011, Wereldhave ranks amongst the most soundly funded property funds listed in Europe. A change of 0.5% in the money market interest rate has an effect of € 3.7 mln on the direct result and equity (€ 0.17 per share).

Other risks

Operational

The bad debtor risk is the risk of a contract party defaulting on payments to Wereldhave. If 10% of the debtors were to default, this would have a negative effect of € 1.0 mln on the direct result (€ 0.05 per share). If 1% of the rent is not paid, this will negatively impact rental income by € 2.1 mln (€ 0.10 per share). With an on-line application, Wereldhave monitors outstanding receivables and assesses the adequacy of its provision for bad debtors on a monthly basis. Moreover, the standard lease conditions require rents to be paid in advance, and the creditworthiness of every new tenant is assessed before any new lease is signed. The risk is limited further by bank guarantees provided by tenants.

Belle-Ile Shopping centre, Liege, Belgium

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

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

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

Strategic
In order to *maintain its fiscal status,* Wereldhave must satisfy certain legal requirements. The Board of Management devotes continuous attention to maintaining the status. The distribution obligation and funding limits are calculated periodically and on an ad hoc basis in connection with refinancing, investments and preparing the dividend proposal. Wereldhave satisfied the requirements for the fiscal status of investment institution during 2011.

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

Risk management
The Board of Management is responsible for the organisation, implementation and functioning of the internal risk management and control systems that are geared to Wereldhave's business activities. The Board of Management is aware that there is no risk management and control system that can provide absolute guarantees in terms of achieving the business objectives and preventing significant errors, losses, fraud or the violation of laws or regulations.

The instruments for internal control and risk management consist of the tailored administrative organisation, the annual investment plan prepared by the Board of Management and approved by the Supervisory Board, and the Business Integrity Policy and Code of Ethics. In 2011, all employees signed a declaration stating that they complied with the code and will continue to do so during the next year. Wereldhave has rules in place for reporting irregularities. All integrity-sensitive positions have been identified, and special procedures are in place for hiring employees for these positions.

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

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

Wereldhave has strict procedures in place for the periodic preparation of quarterly and annual figures based on approved accounting principles. The internal management reports are designed to immediately identify developments in the value of investments and the result per share. Electronic data processing is used in a computerised, integrated central information system to which all foreign and domestic business units are directly connected.

Wereldhave aims to guarantee the reliability and continuity of its ICT organisation and automated data processing by employing a system of preventative and repressive measures. This system is designed to safeguard the integrity, exclusiveness, availability and verifiability of the automated data processing and data storage. Daily backups are made of the data files. Each week the backup files are deposited in an external safe.

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

Statement by the Board of Management

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

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

Remuneration policy

The remuneration report of Wereldhave is submitted for approval to shareholders annually. The fixed income for the Board of Management for 2011 amounts to € 381,000 per annum for Mr Pars and € 335,280 for Mr Anbeek. The variable income is primarily based on the (moving average of the) increase in direct result per share and consists of a short term remuneration in cash or in shares and a long term remuneration in shares, with a period of conditionality of three years. The arrangement contains a claw back clause, enabling the correction of remunerations already paid, if these were based on incorrect data as well as a maximum severance payment of one-year's salary. The at target payment amounts to 50% of fixed income, whilst variable income is capped at 85% of fixed annual income.

As the direct result for the year 2011 in comparison to 2010 did not rise, only a variable income of 15% of the fixed income related to the personal targets shall be granted for 2011. It is proposed to the Annual Meeting of Shareholders to amend the indicators for the variable remuneration of the Board per January 2012. The maximum amount of the variable remuneration will not be amended. Reference is made to the report of the Supervisory Board on page 8 and the remuneration report published on the website.

General Meeting of Shareholders

The General Meeting of Shareholders will be held on April 23, 2012. Wereldhave has ordinary shares, preference shares and priority shares A and B, each with a € 10 nominal value. As at December 31, 2011, 21,679,608 ordinary shares and 10 priority shares A were in issue. There were no priority shares B and preference shares in issue.

The record date for the Meeting is set at March 26, 2012, the convocation will be published on March 12, 2012. Additional information will be provided in the agenda and the convocation for the meeting.

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

Some decisions of the General Meeting are subject to approval of or a proposal by the meeting of holders of priority shares. The 10 priority shares A in issue are held by the Foundation for the holding of priority shares in the public limited liability company Wereldhave N.V. [Stichting tot het houden van prioriteitsaandelen van de naamloze vennootschap: Wereldhave N.V.]. The board of the foundation comprises 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 option to make a binding nomination for their appointment are the most important rights connected to the priority shares A and B. Other than with the consent of the holders of priority shares, the General Meeting of Shareholders can only take the decision to dismiss or suspend board members with two-third of the votes cast, representing more than half of the issued share capital. The Articles of Association can be amended by the General Meeting of Shareholders by absolute majority, upon proposal of the Meeting of holders of priority shares (article 35 of the articles of association).

Board of Management

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

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

San Diego, USA

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

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

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

Supervisory Board

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

The Supervisory Board convenes according to a fixed schedule, at least six times per year. During one of these meetings, without the Board of Management being present, The Supervisory Board discusses its own functioning, the relationship to the Board of Management, the composition and assessment of the Board of Management, including matters of remuneration. The performance of the Supervisory Board is assessed by way of question lists to be filled in. The revision relates to the diversification of Board members.
The Supervisory Board is assisted by the Company Secretary.

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

Members of the Board are appointed and dismissed by the General Meeting of Shareholders, at the proposal of the meeting of holders of priority shares. The remuneration is set in 2010 by the General Meeting of Shareholders and is indexed annually. In 2012 the remuneration amounts to € 29,952 per year for members and € 44,840 per year for the Chairman. An additional fixed remuneration is paid to members of committees of the Board of € 4,104 for the chairman of a committee and € 3,078 for committee members.

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

The Audit Committee comprises of Messrs. F.Th.J. Arp (Chairman) and P.H.J. Essers. In 2011 the Audit Committee convened three times in the presence of the auditor, at which meetings the auditor's report 2010, the management letter 2011, the internal country reviews and Wereldhave's compliance were items on the agenda. The committee also convened with the auditors without the Board of Management.

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

Anti-takeover measures

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

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

The Foundation agreed to take preference and/or priority shares B if requested by Wereldhave N.V. and also if, according to Wereldhave N.V., a threatening situation occurs where a significant interest might come in the possession of legal entities or persons who possibly aim to acquire control over the Company without the involvement of the Board, without guarantees with respect to the independency and continuity of Wereldhave and its affiliates and without the possibility to safeguard the interests of employees, other shareholders and other parties related to Wereldhave or the affiliated company, or without the real value of the Wereldhave shares being reflected in a take-over bid, or if power is exercised with the intention to amend the strategic policy which is determined by the Board and Supervisory Board.

Wereldhave and the foundation have agreed that the Foundation can request the Company to withdraw or buy back the shares six months after issuance of the preference and/or priority shares B. In addition, Wereldhave is obliged to convene a general meeting within eighteen months after the issuance date of the preference and/or priority shares B, where the withdrawal or buy back of the preference and/or priority shares B will be put on the agenda. These contractual clauses imply that the issue of any preference and/or priority shares B to the foundation is intended as a temporary anti-takeover measure.

Complaints procedure

Complaints about the financial reporting, internal risk management, control systems and the audit must be submitted to the company secretary, who will inform the Supervisory Board of the complaints. The company secretary is responsible for ensuring complaints are registered. He will notify the complainant that his complaint has been received and give him an indication of when a decision is expected to be taken in respect of the claim. The Supervisory Board will notify its decision to the complainant within 12 weeks after receiving the complaint. No complaints were submitted in 2011.

Transactions with directly related parties
As in previous years, the members of the Supervisory Board and the Board of Management had no personal interest in any of the Company's investments during the year 2011.
In the year under review no business transactions took place with members of the Board of Management in which conflicts of interest may have played a role.
In the financial year 2011, one lease contract has been entered into, in which an external board member of a local Wereldhave company has a conflict of interest. The Board has reported the Agreement to the Supervisory Board and the market conformity of the transaction was assessed by third parties and no irregularities were found. There have been no other business transactions in which conflicts of interest may have played a role. All business transactions between the Company and members of the Board will be published in the Annual Report.

Auditor
The Board of Management submits a budget annually for the remuneration of the auditor to the Supervisory Board for approval. In February 2012, a thorough analysis was made of the Auditor's performance. The evaluation was discussed with the Supervisory Board. The Board proposes the General Meeting of Shareholders to reappoint PricewaterhouseCoopers as auditor for the financial year 2012.
The auditor will attend the meeting of the Supervisory Board and the Board of Management at which the annual figures are discussed and adopted. The press release announcing the quarterly, half year and annual figures will be sent in draft form to the auditor at least two days before their publication. The meeting of Shareholders may question the auditor about his report on the fairness of the annual accounts. The auditor may address the meeting in respect of this matter.

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

Results breakdown of direct and indirect result

(amounts x € 1,000)

	Notes	2011		2010	
Gross rental income	27	208,237		205,673	
Service costs charged		30,547		26,527	
Total revenues			238,784		232,200
Service and operating costs		-/- 33,555		-/- 29,903	
Property expenses	28	-/- 41,674		-/- 42,124	
			-/- 75,229		-/- 72,027
Net rental income			163,555		160,173
Valuation results	29		-/- 51,412		-/- 14,096
Results on disposals	30		-/- 4,097		2,468
General costs	31		-/- 15,982		-/- 14,979
Other income and expense	32		1,787		258
Operational result			93,851		133,824
Interest charges		-/- 39,502		-/- 30,250	
Interest income		471		338	
Net interest	33		-/- 39,031		-/- 29,912
Other financial income and expense	34		-/- 3,717		-/- 2,596
Result before tax			51,103		101,316
Taxes on result	35		11,887		-/- 6,181
Result			62,990		95,135
Profit attributable to:					
Shareholders			51,301		88,673
Minority interest			11,689		6,462
Result			62,990		95,135
Earnings per share *(x € 1)*	36		2.38		4.15
Diluted earnings per share *(x € 1)*	36		2.38		3.95

Direct and indirect result
Wereldhave presents results as direct and indirect results, enabling a better understanding of results. The direct result consists of net rental income, general costs, other gains and losses, financial income and expense (other than exchange rate differences, the interest addition to the fair value of the conversion rights of convertible bonds, premiums paid on repurchased interest bearing debt and actuarial gains and losses from employee benefit plans) and tax charges on direct result. The indirect result consists of valuation results, exchange rate differences that are accounted for under other financial income and expense, the fair value of the conversion rights on convertible bonds, the movement in deferred tax liabilities and actuarial gains and losses from employee benefit plans.

The direct result per share is identical to the EPRA result per share.

	2011		2010	
	direct result	indirect result	direct result	indirect result
Gross rental income	208,237		205,673	
Service costs charged	30,547		26,527	
Total revenues	238,784		232,200	
Service and operating costs	-/- 33,555		-/- 29,903	
Property expenses	-/- 41,674		-/- 42,124	
	-/- 75,229		-/- 72,027	
Net rental income	163,555		160,173	
Valuation results		-/- 51,412		-/- 14,096
Results on disposals		-/- 4,097		2,468
General costs	-/- 15,982		-/- 14,979	
Other income and expense	1,770	17	869	-/- 611
Operational result	149,343	-/- 55,492	146,063	-/- 12,239
Interest charges	-/- 35,087	-/- 4,415	-/- 26,882	-/- 3,368
Interest income	471		338	
Net interest	-/- 34,616	-/- 4,415	-/- 26,544	-/- 3,368
Other financial income and expense		-/- 3,717		-/- 2,596
Result before tax	114,727	-/- 63,624	119,519	-/- 18,203
Taxes on result	-/- 1,302	13,189	-/- 3,615	-/- 2,566
Result	113,425	-/- 50,435	115,904	-/- 20,769
Profit attributable to:				
Shareholders	106,419	-/- 55,118	109,001	-/- 20,328
Minority interest	7,006	4,683	6,903	-/- 441
Result	113,425	-/- 50,435	115,904	-/- 20,769
Earnings per share *(x € 1)*	4.93	-/- 2.55	5.10	-/- 0.95
Diluted earnings per share *(x € 1)*	4.93	-/- 2.55	4.58	-/- 0.63

Investment property - rental data

(x € 1,000)

	Gross rental income	Net rental income	Lettable space (m2)	Annual contract rent	Estimated rental value	EPRA vacancy rate
	for the period	for the period	period end	period end	period end	period end
Belgium	26,344	24,573	148,748	26,958	28,236	6.9%
Finland	30,048	28,624	94,546	24,917	29,047	3.5%
France	12,665	12,170	48,492	12,869	12,858	1.9%
Spain	9,502	7,579	86,856	9,230	11,198	23.1%
The Netherlands	43,967	38,571	216,009	40,083	40,986	4.4%
United Kingdom	20,927	18,933	114,984	30,163	32,383	0.9%
United States	64,784	33,105	250,693	65,372	72,165	16.1%
Total portfolio	208,237	163,555	960,328	209,592	226,873	8.6%

Investment property - valuation data

(x € 1 mln)

	Market value of property	Valuation movement in the year	Change in %
Belgium	399.7	4.3	1.1%
Finland	457.0	0.4	0.1%
France	192.5	10.2	5.6%
Spain	136.1	-/- 5.7	-/- 4.0%
The Netherlands	569.2	-/- 1.7	-/- 0.3%
United Kingdom	419.5	4.9	1.2%
United States	701.0	-/- 25.9	-/- 3.6%
Total portfolio	2,875.0	-/- 13.5	-/- 0.5%
IFRS adjustments	-/- 12.5	-/- 13.0	
	2,862.5	-/- 26.5	-/- 0.9%

Investment property - lease data

(x € 1,000)

	Average lease length		Annual rent of leases expiring in:		
	to break	to expiry	year 1	year 2	year 3-5
Belgium	2.4	4.7	8,640	6,623	9,635
Finland	3.4	3.4	8,586	3,443	6,454
France	6.0	6.7	177	1,422	1,835
Spain	2.0	3.7	3,611	2,180	3,323
The Netherlands	3.0	3.4	5,026	5,529	19,001
United Kingdom	7.5	8.5	4,406	2,624	11,615
United States	5.6	6.4	6,022	6,575	12,703
Total portfolio	4.6	5.5	36,468	28,396	64,566

Investment property - like-for-like net rental income

(x € 1,000)

	Net rental income 2011					
	Properties owned throughout the 2 years	Acquisitions	Disposals	Development properties	Exchange rate differences	Total net rental income
Belgium	23,634	777	-/- 13	175		24,573
Finland	25,703		2,921			28,624
France	12,170					12,170
Spain	7,579					7,579
The Netherlands	19,996	15,406	3,170			38,572
United Kingdom	7,362	6,885	4,686			18,933
United States	32,471		1,243	-/- 610		33,104
Total portfolio	128,915	23,068	12,007	-/- 435	–	163,555
Net like-for-like rental growth	**0.9%**					

	Net rental income 2010					
	Properties owned throughout the 2 years	Acquisitions	Disposals	Development properties	Exchange rate differences	Total net rental income
Belgium	23,518	8				23,526
Finland	25,893		3,526			29,419
France	8,357					8,357
Spain	8,677					8,677
The Netherlands	20,258	11,611	6,340			38,209
United Kingdom	7,651		7,944	332	191	16,118
United States	33,361		1,040	-/- 140	1,606	35,867
Total portfolio	127,715	11,619	18,850	192	1,797	160,173

Calculation EPRA 'triple NAV' per share	**December 31, 2011**	**December 31, 2010**
Shareholders' equity per share	73.44	75.12
Effect of conversion	-/- 0.01	0.97
Adjustments for fair value of derivatives	-/- 0.94	-/- 0.12
Adjustments for deferred taxes	3.98	4.38
Adjustment goodwill	-/- 0.07	-/- 0.06
EPRA net asset value per share	76.40	80.29
Fair value of derivatives	0.94	0.12
Fair value of interest bearing debt	0.30	-/- 1.74
Fair value of deferred taxes	-/- 2.39	-/- 2.63
EPRA 'triple NAV' per share	75.25	76.04

Investment properties at December 31, 2011

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

location	retail m² n.l.a.	office m² n.l.a.	other m² n.l.a.	parking spaces number	year of acquisition	year of construction or renovation	annual rent 31/12/2011 (x € 1 mln)
Belgium *)							
Retail portfolio							
Liege							
1 Quai des Vennes	30,252			2,200	1994	1994	10.0
Nivelles							
18 Chaussée de Mons	16,195			802	1984	1995	3.1
Tournai							
22 Boulevard Walter de Marvis	15,540			1,260	1988	1996	2.9
Waterloo							
193-195 Chaussée de Bruxelles	3,122				2010	1967	0.8
	65,109						16.8
Other properties							
Brussel							
1-8 Boulevard Bischoffsheim		12,666		150	1988	2002	2.4
28 Medialaan, Vilvoorde		13,018		305	1998	2002	1.9
22-25 Boulevard Bischoffsheim		5,230		64	1990	1990	0.9
30 Medialaan, Vilvoorde		5,650		178	1999	2001	0.8
32 Medialaan, Vilvoorde		4,027		123	1999	2001	0.6
Antwerp							
3-4-5 Roderveldlaan, Berchem		17,011		316	1999	2001	2.3
76-78 Berchemstadionstraat, Berchem		11,400		217	1999	2002	1.5
1-2 Roderveldlaan, Berchem		11,560		238	1999	2001	1.4
properties < € 5 mln		3,077		82			0.4
	65,109	**83,639**					**29.0**
Finland							
Retail portfolio							
Helsinki							
Itäkeskus	85,009	9,537		3,000	2002	2001	27.9
	85,009	**9,537**					**27.9**
France							
Office portfolio							
Paris and environs							
45-49 Rue Kléber, Levallois-Perret		19,660		350	1999	1999	8.6
Avenue Jules Rimet, Saint-Denis		10,993		121	1999	2001	2.9
		30,653					11.5
Other properties							
Dunkirk							
Quai des Fusiliers Marins	17,839			600	1999	1999	1.6
	17,839	**30,653**					**13.1**

location	retail m² n.l.a.	office m² n.l.a.	other m² n.l.a.	parking spaces number	year of acquisition	year of construction or renovation	annual rent 31/12/2011 (x € 1 mln)
Netherlands							
Retail portfolio							
Arnhem							
Shopping Centre Kronenburg (leasehold until 2110)	31,752			1,000	1988	1985	8.0
Purmerend							
Shopping Centre Eggert	19,381			375	2010	1992	5.4
Leiderdorp							
Shopping Centre Winkelhof	17,857			830	1993	1999	4.1
Eindhoven							
Shopping Centre Woensel	10,145				2010	2006	3.8
Etten-Leur							
Shopping Centre Etten-Leur	22,146				1991	1995	3.8
Roosendaal							
Shopping Centre De Roselaar	11,809				2010	1996	3.6
Capelle a/d IJssel							
Shopping Centre De Koperwiek	8,955		61 app.		2010	1995	2.9
Maassluis							
Shopping Centre Koningshoek	14,638				2010	1973	2.8
Geldrop							
62-89A Heuvel and 1, 3, 5 and 15 Achter de Kerk	4,537		30 app.		1978	1996	1.1
properties < € 5 mln	2,506						0.3
	143,726						35.8
Other properties							
The Hague							
20-160 Laan van Ypenburg			47,179	155	1996	1993	3.4
Moerdijk							
6 Middenweg			8,779	126	1997	1988	1.2
Alphen aan den Rijn							
21-37 R. Wallenbergplein		6,177		108	1999	2002	0.9
properties < € 5 mln		2,050	8,098	172			0.7
	143,726	**8,227**	**64,056**				**42.0**
			91 app.				
Spain							
Office portfolio							
Madrid							
15 Avenida de la Vega, Alcobendas		22,676		421	1999	2000	4.3
2 Plaza de la Lealtad		3,012			1989	1999	1.0
15 Calle Fernando el Santo		3,254		39	1991	1993	0.9
		28,942					6.2
Other properties							
46 Avenida Juan Carlos I, Collado Villalba	22,666			980	2007	2001	3.3
1-2 Calle Mariano Benlliure, Rivas-Vaciamadrid			35,248	351	2001	2002	2.3
	22,666	**28,942**	**35,248**				**11.8**

location	retail m² n.l.a.	office m² n.l.a.	other m² n.l.a.	parking spaces number	year of acquisition	year of construction or renovation	annual rent 31/12/2011 (x € 1 mln)
United Kingdom							
Retail portfolio							
Poole							
Kingland Crescent & 175 High Street							
(leasehold until 2112)	50,600			35	2010	1985	7.9
Falkland Square	4,307				2011	1985	0.7
London and environs							
The Broadway, Ealing W5	28,200			611	2011	1984	13.8
56-70 Putney High Street, SW15	4,369			44	1988	1971	0.9
326-334 Chiswick High Road, W4	2,307				1988	1974	0.7
properties < € 5 mln	1,888			354			0.6
	91,671						24.6
Other properties							
London and environs							
14-18 Eastcheap, EC3		3,630			1988	1991	1.6
31-36 Foley Street, W1		3,155		10	1988	1993	1.3
72-74 Dean Street, Royalty House, W1		2,648		12	1988	1999	1.1
126-134 Baker Street, W1	605	934			1988	1999	0.7
26-28 Great Portland Street, W1							
(leasehold until 2105)		1,290			1988	1990	0.6
Northampton							
100 Pavillion Drive		11,051		510	1998	1991	1.4
	92,276	**22,708**					**31.3**

location	retail m² n.l.a.	office m² n.l.a.	other m² n.l.a.	parking spaces number	year of acquisition	year of construction or renovation	annual rent 31/12/2011 (x € 1 mln)
United States							
Office portfolio							
San Diego, California							
655 West Broadway							
(leasehold until 2058)		36,600	12 app.	752	2007	2005	12.5
10th & J Streets		28,359	1 app.	928	2008	2007	9.5
Washington D.C. and environs							
801 9th Street		21,930		190	2006	1999	8.8
1401 New York Avenue		17,646		165	1988	1984	6.9
701 8th Street		12,465		101	2005	2005	6.3
21660 Ridgetop Circle, Sterling		11,681			1999	2002	2.2
13650 Dulles Technology Drive, Herndon		10,507		531	1999	2000	2.6
13600 Dulles Technology Drive, Herndon		10,507		531	1999	2000	2.2
San Antonio, Texas							
17101 La Cantera Parkway		19,068		821	2010	2010	4.3
Austin, Texas							
5001 Plaza on the Lake Drive		11,383		539	1999	1999	2.8
4801 Plaza on the Lake Drive		10,363		491	1999	1999	2.8
8300 Mopac Expressway		8,669		431	1998	2000	2.0
6801 Cap. of Texas Highway North		8,568		344	1999	1999	2.0
Dallas and environs, Texas							
805 Central Expressway, Allen		10,702		737	1999	1999	1.4
4650 Regent Boulevard, Irving		7,432		479	1999	1999	1.1
4600 Regent Boulevard, Irving		7,432		479	1998	1998	1.2
4500 Eldorado Parkway, McKinney		5,490		188	2006	2006	1.0
		238,802					69.6
Other properties							
Dallas and environs, Texas							
4490 Eldorado Parkway, McKinney			525 app.	880	2000	2004	3.9
Austin, Texas							
3801 Cap. of Texas Highway North	11,891			550	2004	2002	3.0
	11,891	**238,802**	**538 app.**				**76.5**
Total	**438,516**	**422,508**	**99,304 m²**				**231.6**
			629 app.				

N.l.a. means net lettable area. All properties are freehold unless mentioned otherwise. The annual rent is calculated as the theoretical rent at December 31, 2011, on the assumption that the buildings are fully let.

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

Independent valuers

Catella Property Group, Helsinki

CBRE, Amsterdam

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

Jones Lang La Salle, Paris, Madrid, London

Troostwijk-Roux Expertises cvba, Antwerp

Troostwijk Taxaties B.V., Amsterdam

Summary of investment properties

(x € 1 mln)

The following is a summary of the open market value of the Group's investment properties at December 31, 2011. Foreign currencies have been converted at rates of exchange ruling at December 31, 2011. The annual rent at December 31, 2011 is shown on the assumption that the buildings are fully let.

	retail		offices		other		total	
	market value	annual rent	market value	annual rent	market value	annual rent	market value	annual rent
Belgium	257.0	16.8	141.4	12.2			398.4	29.0
Finland	461.2	27.9					461.2	27.9
France	17.4	1.6	163.8	11.5			181.2	13.1
The Netherlands	516.4	35.8	12.2	1.2	46.3	5.0	574.9	42.0
Spain	31.8	3.3	77.8	6.2	26.3	2.3	135.9	11.8
United Kingdom	340.1	24.6	79.8	6.0	11.5	0.7	431.4	31.3
United States	21.1	3.0	629.5	69.6	28.9	3.9	679.5	76.5
Total	1,645.0	113.0	1.104.5	106.7	113.0	11.9	2.862.5	231.6

Summary of revaluations of the investment properties

(amounts x € 1 mln)

This summary shows the revaluation in 2011 of investment properties per country and as a percentage by country and sector. The revaluations have been converted at average exchange rates.

	value at	revaluation	as a % of the value before revaluation			
	31-12-2011	in 2011	retail	offices	other	total
Belgium	398.4	4.2	2.0	-/- 0.7		1.1
Finland	461.2	0.3	0.1			0.1
France	181.2	4.1	0.6	2.4		2.3
The Netherlands	574.9	-/- 1.8	0.6	-/-10.4	-/- 6.8	-/-0.3
Spain	135.9	-/- 5.7	1.1	-/- 2.7	-/-12.8	-/-4.0
United Kingdom	431.4	3.1	-/- 1.3	8.6	11.8	0.7
United States	679.5	-/-30.7	-/-16.9	-/- 4.0	-/- 0.7	-/-4.3
Total	2.862.5	-/-26.5	-0.0	-/- 1.8	-/- 5.2	-/-0.9

Volume Annual Accounts 2011

Company Annual Accounts 2011

Other information

Consolidated balance sheet as at December 31, 2011

(amounts x € 1,000)

	Notes	December 31, 2011		December 31, 2010	
Assets					
Non-current assets					
Investment properties in operation		2,862,479		2,860,083	
Investment properties under construction		227,932		134,517	
Investment properties	5		3,090,411		2,994,600
Property and equipment	6	6,720		6,499	
Intangible assets	7	6,753		6,321	
Financial assets	8	42,375		24,532	
Deferred tax assets	9	5,200		5,000	
Other non current assets	10	47,291		37,949	
			108,339		80,301
			3,198,750		3,074,901
Current assets					
Trade and other receivables	11	26,947		14,699	
Tax receivables	12	140		145	
Cash and cash equivalents	13	24,400		32,096	
			51,487		46,940
			3,250,237		3,121,841
Group equity and liabilities					
Group equity					
Share capital	14	216,796		214,485	
Share premium	15	767,315		777,728	
Reserves	16-19	607,809		619,019	
			1,591,920		1,611,232
Minority interests			122,060		116,832
			1,713,980		1,728,064
Long term liabilities					
Interest bearing liabilities	20	1,224,088		876,915	
Deferred tax liabilities	21	115,835		129,277	
Financial liabilities	25	555		4,558	
Other long term liabilities	22	36,954		49,508	
			1,377,432		1,060,258
Short term liabilities					
Trade payables		12,656		4,925	
Tax payable	23	924		1,933	
Interest bearing liabilities	20	64,965		271,101	
Other short term liabilities	24	80,280		55,560	
			158,825		333,519
			3,250,237		3,121,841

Consolidated income statement for 2011

(amounts x € 1,000)

	Notes	2011		2010	
Gross rental income	27	208,237		205,673	
Service costs charged		30,547		26,527	
			238,784		
Total revenues					232,200
Service- and operating costs		-/- 33,555		-/- 29,903	
Property expenses	28	-/- 41,674		-/- 42,124	
			-/- 75,229		-/- 72,027
Net rental income			163,555		160,173
Valuation results	29		-/- 51,412		-/- 14,096
Results on disposals	30		-/- 4,097		2,468
General costs	31		-/- 15,982		-/- 14,979
Other income and expense	32		1,787		258
Operational result			93,851		133,824
Interest charges		-/- 39,502		-/- 30,250	
Interest income		471		338	
Net interest	33		-/- 39,031		-/- 29,912
Other financial income and expense	34		-/- 3,717		-/- 2,596
Result before tax			51,103		101,316
Taxes on result	35		11,887		-/- 6,181
Result			62,990		95,135
Result attributable to:					
Shareholders			51,301		88,673
Minority interests			11,689		6,462
Result			62,990		95,135
Earnings per share *(x € 1)*	36		2.38		4.15
Diluted earnings per share *(x € 1)*	36		2.38		3.95

Consolidated statement of comprehensive income

(amounts x € 1,000)

	2011	2011	2010	2010
Result		62,990		95,135
Other comprehensive income:				
Exchange rate differences	13,600		28,294	
Revaluation of financial assets available for sale	-/- 151		-/- 442	
Effective portion of change in fair value of cash flow hedges	730		–	
Total of comprehensive income		14,179		27,852
Total comprehensive income		77,169		122,987
Shareholders		65,526		116,661
Minority interests		11,643		6,326
		77,169		122,987

Consolidated statement of movements in group equity for 2011

(amounts x € 1,000)

	Attributable to shareholders								
	Share capital	Share premium	General reserve	Revaluation reserve	Hedge reserve	Reserve for exchange rate differences	Total attributable to share-holders	Minorty interests	Total
Balance at January 1, 2010	212,770	766,432	655,961	1,762	–	-/-67,371	1,569,554	116,921	1,686,475
Comprehensive income									
Result	–	–	88,673	–	–	–	88,673	6,462	95,135
Exchange rate differences	–	–	–	–	–	28,294	28,294	–	28,294
Revaluation of financial assets available for sale	–	–	–	-/- 306	–	–	-/- 306	-/- 136	-/- 442
Total of comprehensive income	–	–	88,673	-/- 306	–	28,294	116,661	6,326	122,987
Transactions with shareholders									
Equity component convertible bond	–	13,011	–	–	–	–	13,011	–	13,011
Stockdividend 2009	1,715	-/- 1,715	–	–	–	–	–	–	–
Dividend 2009	–	–	-/- 87,994	–	–	–	-/- 87,994	-/- 6,415	-/- 94,409
Balance at December 31, 2010	214,485	777,728	656,640	1,456	–	-/-39,077	1,611,232	116,832	1,728,064
Balance at January 1, 2011	214,485	777,728	656,640	1,456	–	-/-39,077	1,611,232	116,832	1,728,064
Comprehensive income									
Result	–	–	51,301	–	–	–	51,301	11,689	62,990
Exchange rate differences	–	–	–	–	–	13,600	13,600	–	13,600
Revaluation of financial assets available for sale	–	–	–	-/- 105	–	–	-/- 105	-/- 46	-/- 151
Effective portion of change in fair value of cash flow hedges	–	–	–	–	730	–	730	–	730
Total of comprehensive income	–	–	51,301	-/- 105	730	13,600	65,526	11,643	77,169
Transactions with shareholders									
Equity component convertible bond	–	-/- 8,102	8,102	–	–	–	–	–	–
Purchase shares for remuneration	–	–	-/- 299	–	–	–	-/- 299	–	-/- 299
Stockdividend 2010	2,311	-/- 2,311	–	–	–	–	–	–	–
Dividend 2010	–	–	-/- 84,539	–	–	–	-/- 84,539	-/- 6,415	-/- 90,954
Balance at December 31, 2011	216,796	767,315	631,205	1,351	730	-/-25,477	1,591,920	122,060	1,713,980

Consolidated cash flow statement for 2011

(amounts x € 1,000)

	Notes	2011		2010	
Operating activities					
Result			62,990		95,135
Adjustments:					
Valuation results	29	51,412		14,096	
Net interest	33	39,031		29,912	
Other financial income and expense	34	3,717		2,596	
Results on disposals	30	4,097		-/- 2,468	
Deferred taxes		-/- 14,131		2,566	
Other non cash movements		1,011		1,943	
			85,137		48,645
			148,127		143,780
Movements in working capital			11,335		9,233
Cash flow from company activities			159,462		153,013
Interest paid		-/- 33,305		-/- 25,374	
Interest received		860		1,450	
Income tax paid		-/- 2,247		-/- 3,032	
			-/- 34,692		-/- 26,956
Cash flow from operating activities			124,770		126,057
Investment activities					
Proceeds from disposals direct investment properties	30	168,589		45,524	
Proceeds from disposals indirect investment properties		48,824		–	
Investments in investment property	5	-/-340,538		-/-449,591	
Investments in equipment	6	-/- 881		-/- 801	
Investments in financial assets	8	4,712		686	
Investments in intangible assets	7	-/- 973		-/- 1,923	
Investments in other long term assets	10	-/- 3,793		-/- 4,185	
Investments in subsidiaries		–		-/- 12,296	
Cash settlement forward transactions		-/- 8,181		-/- 15,279	
Cash flow from investment activities			-/-132,241		-/-437,865
Financing activities					
New loans interest bearing debts	20	586,630		948,107	
Repayment interest bearing debts	20	-/-508,467		-/-528,246	
Repayment other long term liabilities		-/- 2,693		-/- 889	
Purchased shares for remuneration		-/- 299		–	
Dividend paid		-/- 90,954		-/- 94,409	
Cash flow from financing activities			-/- 15,783		324,563
Decrease / increase cash and bank			-/- 23,254		12,755
Cash and bank balances at January 1	13		32,096		20,156
Foreign exchange differences			15,558		-/- 815
Cash and bank balances at December 31	13		24,400		32,096

1 General information

Wereldhave N.V. ('the company') is an investment company with variable capital which invests in property. The property portfolio of Wereldhave and its subsidiaries ('the group') is 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 address of the company's registered office is Nassaulaan 23, The Hague. The shares of the company are listed on the NYSE Euronext Stock Exchange of Amsterdam. The consolidated financial statements for the year ended December 31, 2011 have been authorised for issue by the Supervisory Board on March 1, 2012 and will be presented to the shareholders for approval on April 23, 2012.

2 Tax status

Wereldhave N.V. has the tax status of an investment company in accordance with section 28 of the Dutch 'Wet op de vennootschapsbelasting 1969'. This means that no corporation tax is due in The Netherlands, provided that certain conditions are met. The main conditions concern the requirement to distribute the taxable profit as dividend and the restrictions with respect to financing of investments with loans. 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 2011 financial statements

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

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

In 2011 the below mentioned new IFRS standards or interpretations thereon became applicable. These new or adjusted standards and interpretations did not affect Wereldhave's reporting for the year 2011. It concerns the following standards and interpretations:

- IAS 1 Presentation of Financial Statements;
- IFRS 1 First-time adoption of IFRS;
- IAS 24 Related Party Disclosures;
- IAS 32 Financial Instruments: Presentation;
- IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction and
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

In coming years the following (adjusted) standards become in force:

- IAS 1 Presentation of Financial Statements;
- IAS 12 Income Taxes;
- IFRS 7 Financial Instruments: Disclosures;
- IFRS 9 Financial Instruments and subsequent amendments;
- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosures of Interest in Other Entities;
- IFRS 13 Fair Value Measurement and
- IAS 19 Employee Benefits.

The amendments to IAS 12, which still need approval from the EU, provide an exception to the general principles in IAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with IAS 40 Investments Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances. This change is relevant in case the applicable tax rate varies, depending on whether the asset is sold or used. Within Wereldhave in certain situations this occurs. Per December 31, 2012 the effect is nil.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and eliminate the current 'corridor approach'. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income. For 2011, the impact of the revised IAS 19 standard would amount to a € 1.9 mln negative effect in the income statement.

The amendments in IFRS 11 for the processing of joint arrangements is that the economic reality is normative ('substance over form'). The legal structure of a partnership is not decisive for the reporting. Furthermore, the number of choices for the treatment of joint arrangements is limited: proportional consolidation of joint ventures is no longer allowed. For the current joint arrangements in which Wereldhave operates and which are no joint ventures, this new standard has no impact.

Wereldhave has not early adopted standards.

3.2 Consolidation

Subsidiaries

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

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

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

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

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

Processing acquisitions
Wereldhave evaluates for acquisitions if IFRS 3R "Business Combinations" or IAS 40 "investment property" applies. Acquisitions are considered a business combination if there is an acquisition of assets, rental activities and such a management organisation, that the acquired entity can operate as a company independently, with the aim of generating economic profits. Wereldhave considers acquisitions of properties within a legal company not necessarily as a business combination, but evaluates these acquisitions individually with the above mentioned operational characteristics.

For acquisitions of business combinations, the fair value of the acquired participation is compared to the acquisition price. If the fair value is lower, the difference between the amounts paid and the fair value is recorded as goodwill. If the considerations are lower, the difference is recognised directly in the income statement.

If an acquisition does not qualify as a business combination, it is recorded based on the individual assets and liabilities. Additional acquisition costs are capitalised and goodwill or deferred taxes are not taken into account.

The purchase method of accounting is used by the group to account for the acquisition of subsidiaries which qualify as business combinations. The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly related to the acquisition are included in the income statement.

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

3.3 Foreign currencies

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

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within other financial income and expenses.

Subsidiaries

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates and
- All resulting exchange rate differences are recognised as a separate component of equity.

None of the entities have the currency of a hyper-inflationary economy at balance sheet date.

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

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

For the countries in which Wereldhave has operations, the following exchange rates against the euro, were used for these consolidated financial statements:

	average		**year-end**	
	2011	**2010**	**2011**	**2010**
GBP	1.15283	1.16668	1.19717	1.16178
USD	0.71947	0.75322	0.77286	0.74839

3.4 Comprehensive income

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

3.5 Cash flow statement

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

3.6 Impairment of non-financial assets

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

3.7 Derivatives

Derivative financial instruments are used to hedge foreign exchange and interest rate risks arising from financing and investing activities. The company does not hold derivatives for trading purposes. Derivative financial instruments are measured at fair value. The gain or loss on remeasurement is recognised in the income statement as revaluation result. Purchases and sales are recognised and derecognised using the value at transaction date.

3.8 Hedge accounting

In general, the company is committed to use hedge accounting in order to limit the effects of changes in fair value due to currency exchange rates and interest rate differences on the income statement.

The used derivatives include in particular loans, forward rate contracts and cross currency interest rate swaps. Transactions are entered into with a limited number of counterparties with strong credit ratings. Foreign currency hedging operations are governed by internal policies and rules approved and monitored by the Board of Management.

When financial instruments qualify for hedge accounting, the measurement is at fair value and changes in fair value are as described in the explanations below. The fair value of swaps is the estimated amount that Wereldhave would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates or exchange rates.

Wereldhave prepares hedge documentation at the start of each hedge for which hedge accounting is used. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and the way the entity assesses effectiveness of the hedging instrument. The hedges are expected to be effective in achieving offsetting changes in fair value or cash flows. At the end of each reporting period, the hedge documentation is updated and the hedge effectiveness is assessed.

Hedging of net investment in foreign operations

Wereldhave applies hedge accounting for differences in foreign currency due to a difference between the functional currency of foreign investments and the functional currency (euro) of the group, regardless if the net investment is directly held or through an intermediate holding company.

The forward exchange contracts or loans with external parties designated as a hedge of a net investment in a foreign operation are recognised in the statement of comprehensive income to the extent that the hedge is effective, and are presented in the reserve for exchange rate differences within equity. To the extent that the hedge is ineffective, these differences are recognised in the income statement.

Cash flow hedges

Changes in the fair value of a derivative hedging instrument designated as a cash flow hedge are recognised in the statement of comprehensive income and recognised directly in equity in the hedge reserve to the extent the hedge is effective. To the extent the hedge is ineffective; changes in fair value are recognised in the income statement. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued and the cumulative unrealised gains or losses (recognised directly in equity) from the statement of comprehensive income are immediately accounted for in the income statement. When a hedging instrument is terminated but the hedged transaction still is expected to occur, the cumulative gain or loss till that point still remains part of the statement of comprehensive income. The cumulative gains or losses are presented in accordance with the above policy when the transaction occurs.

Fair value hedges
Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the income statement. The hedged item is recognised at fair value with respect to the hedged risk and the profit or loss attributable to the hedged risk is recognised in the income statement and adjusts the carrying amount of the hedged item. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised over the period to maturity.

3.9 Investment property

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

The fair value is based at the estimated amount for which property can be sold at the balance sheet date, based on a transaction on market conditions. The fair value is determined based on the capitalisation of net market rents. For the determination of the fair value per property the net capitalisation factor and the present value of the difference between market rent and contract rent, vacancy, rent rebates and the cost of maintenance are determined. Expenditures postdating the purchase date are added to the carrying amount, when it is probable that future economic benefits will follow and the cost can be determined reliably. All other expenses such as repairs and maintenance are charged to the income of the period in which they are incurred.

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

The fair value of the portfolio is valued twice a year (June 30 and December 31) by independent external valuators with relevant qualifications and knowledge of the location and category of the investment property subject to the valuation. All properties are valued internally at fair value per March 31 and September 30. Valuation differences are recognised in the income statement. Adjustments for rent rebates and investments in favor of tenants which are amortised during the term of the leases are amortised, are taken into account in the valuation of properties. Properties eligible for disposal are classified as assets held for sale if the criteria in paragraph 3.14 are met. In the case of sale of properties, the difference between net proceeds and book value is recognised in the income statement under results of disposal.

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

Costs include the 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 capitalised interest charges until the date of delivery based directly on the interest to be allocated to development or on the basis of the average effective rate of the group, where no specific project financing is present. Interest charges include interest and all costs associated with the Wereldhave raising funds.

The fair value of development is determined on an identical basis as investment properties, with the understanding that the capitalisation factor is adjusted for present development risks.

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

Properties in own use

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.

3.10 Property and equipment

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

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

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

3.11 Intangible assets

Computer software

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

Goodwill

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

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

Negative goodwill is recognised directly in the income statement.

3.12 Financial assets

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

Wereldhave classifies its financial assets in the following categories:

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

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

The fair value of financial instruments is, if available, determined by relevant quoted (bid)prices (first level). In case no market valuations are available, the fair value is based on information from banks, which is recalculated in an internal calculation model (second level). When information from banks is also not available, only internal calculation models are used (third level).

Financial assets at fair value through profit or loss

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

Loans and receivables

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

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

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

Financial assets available for sale

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

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

Dividends on financial assets are recognised in the income statement as other income and expenses as from the moment the dividend entitlement was established.

An overview of the carrying amounts of the financial assets and liabilities is set out in note 26.

3.13 Other non-current assets

Rent free periods and other leasing expenses

Rent-free periods and investments made or allowances granted to tenants by Wereldhave (so called "lease incentives") are allocated on a linear basis over the term of the lease. This period covers the period until the first break option for the tenants, extended with the by the management estimated extended lease term in the total duration of closed leases.

The capitalised value of granted rent-free periods and other lease incentives is amortised over the term of the lease contracts against rental income. In determining the properties at fair value capitalised rent free periods and other leasing incentives are adjusted for the valuation results, to avoid double counting.

Pension plans

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

3.14 Non-current assets held for sale

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

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

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

3.15 Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company has the risk that it will not be able to collect all amounts due according to the original terms. Indicators for such an event are among others significant financial difficulties of a debtor, non-compliance to payment conditions and bankruptcy. The amount of the provision is the difference between the asset's carrying amount and the discounted estimated future cash flows. The movement in the provision is recognised as property expenses in the income statement. When trade receivables are uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against property expenses in the income statement.

3.16 Cash and cash equivalents

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

3.17 Share capital

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

3.18 Provisions

A provision is recognised in the balance sheet when there is a legal or constructive obligation to do so, based upon a past event for which the obligation can be measured reliable and when it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Increase in the provision due to passage of time is recognised as interest charges.

3.19 Long term debts

Interest bearing debts

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

Convertible bonds

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

Other long term liabilities

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

3.20 Pension plans

Defined contribution plans

Defined contribution plans are pension schemes to which a group company makes a fixed annual contribution and where the company does not have a legal or constructive obligation to make further payments if the pension fund of the 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 obtain 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 future benefits that employees have earned for their service in the current and prior employments. 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 extended trade 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 as financial income and expenses, over the average remaining service period of employees, if and as far as the balance of these gains and losses exceeds 10% of the higher of the actuarial obligations or the value of assets ('corridor method'). We refer to paragraph 3.13 for more information with regard to defined benefit plans with a net asset.

3.21 Trade and other payables

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

3.22 Leases

Lessor accounting

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

Lessee accounting

Leases in which, to a larger extent, 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 a subsidiary acts as lessee and has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding obligations, net of finance charges, are included in long term liabilities. The interest element of the finance cost is charged to the income statement over the lease period. Investment properties acquired under finance leases are carried at their fair value.

3.23 Revenue

Rental income

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

Variable rental income, such as turnover related rent or income of incidental rental income are recognised in the income statement in the period to which they relate, if they can be estimated reliably. If a reliable estimate is not possible, reporting takes place at the time of realisation.

Revenue received from tenants for early termination of leases is directly recognised in the income statement in the period to which the revenues relates.

Service and operational income
Service and operational income are shown on a gross basis when Wereldhave acts as a principal.

3.24 Expenses

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

The American leases do not have a separate service cost component since this forms an integrated part of the rent.

Property expenses
Property expenses consist of operational cost for the account of Wereldhave attributable to the accounting period, such as:
- Maintenance;
- Property tax;
- Insurance premiums;
- Property management and
- Letting expenses.

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

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

3.25 Results on disposal

The results on disposal are the differences between the realised selling prices, net of selling costs, and the carrying amount.

Results on disposals from the sale of investment property or fixed assets are processed if the following conditions are met:
- the entity has transferred the rights to all major economic benefits and any significant risks with respect to the assets to the buyer;
- the legal entity will not maintain such a continuing involvement with the assets sold, that the entity can actually keep possession of those assets and therefore can decide on the use of those assets;
- the amount of revenue can be reliably determined;
- it is probable that the economic benefits associated with the transaction will flow to the legal and
- costs already incurred and the costs (possibly) still must be made with respect to the transaction can be measured reliably.

3.26 Interest charges and income

Interest comprises the total of interest attributable to the accounting period on loans, other debts, accounts receivable and cash and bank balances and is split between interest received and interest paid. The interest addition to debt using the effective interest rate per loan, due to the valuation of debt at amortised cost, is presented as interest charges.

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

3.27 Employee benefits

Long term executive benefits

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

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

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

3.28 Tax charges

Tax charges on the income statement for a year comprise of current and deferred tax and are calculated on results before taxes, taking into account any tax-exempt components of profit and non-deductable costs. Losses to be offset against probable future profits are recognised as deferred tax asset. Current tax is the expected tax payable or receivable on the taxable income or loss for the period. Deferred tax consists of the expected tax payable or receivable on changes in the value of assets or liabilities which will be realised at the moment of sale.
Tax charges are calculated using tax rates prevailing at the balance sheet date.

Deferred tax assets

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

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 enacted or substantially enacted tax rates as per balance sheet date, that are expected to apply to the period when the liability is settled, and are not discounted.

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

Deferred tax liabilities are not recognised to the extent that they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, does not affect the result.

3.29 Segment reporting

A segment consists of assets and activities with specific risks and results, differing from other sectors. The structure of the segment reporting is consistent with the way information is provided to the board of management of Wereldhave. Due to the fact that Wereldhave is structured geographically, the segment reporting is structured geographically. As from 2011, The Netherlands and head office are presented separately in the segment reporting, in accordance with the adjusted internal management reports. The comparative figures have been adjusted.

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

3.30 Significant estimates in the accounts

Investment property

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

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

Twice a year (June 30 and December 31) the properties are valued by external valuators. The appraiser bases the valuation at fair value on his own market knowledge and information. The valuation is prepared by the appraiser and verified and approved by Wereldhave.

The fair value is based on a net yield calculation, where market rents are capitalized. Elements of this calculation include current and future rent levels, expected vacancy rates, rent indexations, turnover rents, lease incentives, etc. The yields and markets rents used are specific for the country, the location, the type of property, the level of maintenance and the general rent ability 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, in which the professional judgment of the valuator will become more important if the available transaction information is not sufficient.

Apart from assumptions with respect 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 thereto. 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.

Finally, the valuation of investment property implicitly reflects the survival of the euro area, the survival of the euro and the availability of financial resources by funders.

General assumptions with regard to the valuation of investment property have been disclosed in paragraph 3.9 and in note 5.

Taxes
The group is subject to taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. Estimates are made predominantly with respect to moments of expected sales, settlement of deferred taxes and final tax rates to be paid. Other assumptions have been disclosed in paragraphs 9, 21 and 35.

Pensions
With regard to the measurement of defined benefits, assumptions have been made with regard to interest rates, expected return on assets, mortality rates and future salary increases. Deviations from these assumptions will have impact on assets, liabilities and results on future periods. In order to mitigate risks Wereldhave uses external experts for the measurement of defined benefit plans. Other assumptions have been disclosed in notes 10 and 22.

3.31 Acquisition

Acquisition activities ING Real Estate Development Belgium (ING RED Belgium)
In the consolidated financial statements for the year ended December 31, 2010 the fair value of the assets and liabilities of the acquisition of Belgium ING Real Estate Development (ING RED Belgium) is included on a provisional basis.

The final purchase price and the imputed value of the assets acquired and liabilities of ING RED Belgium have been identified, with some minor modifications were made in the preliminary figures. The breakdown of this is included in the table below (expressed in fair value x € 1,000):

	Financial statements 2010	Adjustment based upon final figures	Financial statements 2011
Investment properties	21,311	–	21,311
Receivables	264	–	264
Cash and banks	252	–	252
Deferred tax liabilities	-/-1,714	–	-/-1,714
Leasehold liabilities	-/-3,949	–	-/-3,949
Short term interest bearing debts	-/-5,280	–	-/-5,280
Other short term liabilities	-/- 227	–	-/- 227
Net identifiable assets and liabilities	10,657	–	10,657
Consideration paid	12,548	–	12,548
Subsequent payment	–	129	129
Goodwill	1,891	129	2,020

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

Geographical segment information – 2011

	Belgium	Finland	France	The Netherlands	Spain	United Kingdom	United States	Headoffice and other	Total
Result									
Gross rental income	26,344	30,048	12,665	43,967	9,502	20,927	64,784	–	208,237
Service costs charged	6,969	7,484	4,534	5,667	2,291	3,602	–	–	30,547
Total revenues	33,313	37,532	17,199	49,634	11,793	24,529	64,784	–	238,784
Service- and operating costs paid	-/- 7,453	-/- 7,996	-/- 4,617	-/- 6,046	-/- 3,046	-/- 4,397	–	–	-/-33,555
Property expenses	-/- 1,287	-/- 912	-/- 412	-/- 5,017	-/- 1,168	-/- 1,199	-/-31,679	–	-/-41,674
Net rental income	24,573	28,624	12,170	38,571	7,579	18,933	33,105	–	163,555
Valuation results	14,747	337	4,001	-/- 1,783	-/- 5,682	5,836	-/-68,819	-/- 49	-/-51,412
Results on disposals	-/- 84	-/- 392	–	695	–	-/- 1,741	-/- 3,425	850	-/- 4,097
General costs	-/- 2,180	-/- 550	-/- 654	-/- 1,536	-/- 672	-/- 2,231	-/- 1,969	-/- 6,190	-/-15,982
Other income and expense	1,793	–	–	–	–	1	–	-/- 7	1,787
Interest charges	-/- 849	-/-15,670	-/- 2,644	-/- 3,105	-/- 4,739	-/- 5,843	-/- 6,931	279	-/-39,502
Interest income	49	22	155	197	19	22	7	–	471
Other financial income and expense	84	–	–	–	–	136	–	-/- 3,937	-/- 3,717
Taxes on results	287	7,753	-/- 17	–	1,231	-/- 1,071	-/- 151	3,855	11,887
Result	38,420	20,124	13,011	33,039	-/- 2,264	14,042	-/-48,183	-/- 5,199	62,990
Total assets									
Investment properties in operation	398,408	461,228	181,226	574,862	135,907	431,340	679,508	–	2,862,479
Investment properties under construction	74,428	6,504	3,479	1,792	–	14,617	127,112	–	227,932
Other segment assets	25,681	2,840	13,105	148,694	10,414	23,159	43,092	748,917	1,015,902
minus: intercompany	–	–	–	-/-65,000	–	–	–	-/-791,076	-/-856,076
	498,517	470,572	197,810	660,348	146,321	469,116	849,712	-/-42,159	3,250,237
Investments in investment properties	38,293	-/-40,680	1,170	-/-52,726	4,251	127,349	46,733	–	124,390
Gross rental income by type of property									
Retail	16,554	29,778	3,203	37,337	1,752	10,849	1,758	–	101,231
Offices	9,768	–	9,462	1,167	5,455	9,236	56,816	–	91,904
Other	22	270	–	5,463	2,295	842	6,210	–	15,102
	26,344	30,048	12,665	43,967	9,502	20,927	64,784	–	208,237

In 2011 none of the tenants is responsible for more than 10% of the gross rental income. Depreciation costs of € 1.0 mln are included in general costs. An amount of € 8.8 mln of interest charges relates to the use of the effective interest method.

Geographical segment information – 2010

	Belgium	Finland	France	The Netherlands	Spain	United Kingdom	United States	Headoffice and other	Total
Result									
Gross rental income	25,466	30,603	9,599	42,513	11,024	18,280	68,188	–	205,673
Service costs charged	5,998	6,920	3,367	6,025	2,582	1,635	–	–	26,527
Total revenues	31,464	37,523	12,966	48,538	13,606	19,915	68,188	–	232,200
Service- and operating costs paid	-/- 6,726	-/- 7,325	-/- 4,100	-/- 6,246	-/- 3,427	-/- 2,079	–	–	-/-29,903
Property expenses	-/- 1,213	-/- 779	-/- 509	-/- 4,082	-/- 1,502	-/- 1,717	-/-32,322	–	-/-42,124
Net rental income	23,525	29,419	8,357	38,210	8,677	16,119	35,866	–	160,173
Valuation results	-/- 886	-/-16,410	123	-/- 7,428	-/-16,679	5,489	20,670	1,025	-/-14,096
Results on disposals	–	–	–	-/- 525	–	2,993	–	–	2,468
General costs	-/- 1,381	-/- 402	-/- 685	-/- 900	-/- 865	-/- 2,688	-/- 1,932	-/- 6,126	-/-14,979
Other income and expense	314	–	–	–	–	–	–	-/- 56	258
Interest charges	-/- 255	-/-14,026	-/- 1,621	-/- 191	-/- 3,326	-/- 5,467	-/- 5,364	–	-/-30,250
Interest income	26	24	99	–	14	2	25	148	338
Other financial income and expense	2	–	–	–	–	61	–	-/- 2,659	-/- 2,596
Taxes on results	-/- 160	-/- 202	-/- 34	–	3,658	-/- 1,520	-/- 177	-/- 7,746	-/- 6,181
Result	21,185	-/- 1,597	6,239	29,166	-/- 8,521	14,989	49,088	-/-15,414	95,135
Total assets									
Investment properties in operation	395,696	508,075	176,342	630,248	137,412	307,964	704,346	–	2,860,083
Investment properties under construction	27,816	–	3,330	934	–	6,321	96,116	–	134,517
Other segment assets	18,526	2,443	7,412	71,655	10,982	44,921	31,924	634,603	822,466
minus: intercompany	–	–	–	-/-65,000	–	-/-17,369	–	-/-612,856	-/-695,225
	442,038	510,518	187,084	637,837	148,394	341,837	832,386	21,747	3,121,841
Investments in investment properties	29,007	4,858	6,268	262,686	223	90,853	55,431	–	449,326
Gross rental income by type of property									
Retail	15,700	30,263	2,485	29,625	2,625	4,004	1,588	–	86,290
Offices	9,766	–	7,114	1,317	5,954	11,697	60,858	–	96,706
Other	–	340	–	11,571	2,445	2,579	5,742	–	22,677
	25,466	30,603	9,599	42,513	11,024	18,280	68,188	–	205,673

* As from 2011, the Dutch operational activities and head office are reported separately. For 2010, the comparative figures have been adjusted.

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

5 Investment properties *(x € 1,000)*

2011	Investment properties in operation	Investment properties under construction	Investment properties
Balance at January 1	2,860,083	134,517	2,994,600
Purchases	202,947	–	202,947
Investments	27,295	106,251	133,546
Transfer from and to investment properties under construction	-/- 2,084	2,084	-
Disposals	-/- 216,853	–	-/- 216,853
Revaluations	-/- 26,523	-/- 24,840	-/- 51,363
Capitalised interest	388	4,362	4,750
Other	-/- 10,440	–	-/- 10,440
Exchange rate differences	27,666	5,558	33,224
Balance at December 31	2,862,479	227,932	3,090,411

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

The line “Other” concerns in particular the adjustment of the present value of the leasehold liabilities for two objects.

Overview of measurement of total investment properties:	**December 31, 2011**	**December 31, 2010**
Fair value:		
– Investment properties in operation	2,862,479	2,860,083
– Investment properties under construction (‘IPUC’)	180,430	33,880
	3,042,909	2,893,963
At cost less impairment	47,502	100,637
	3,090,411	2,994,600

In total 98% (2010: 97%) of the total property portfolio has been measured at fair value. IPUC that has been measured at cost mainly relates to land positions for which the development is still in the planning phase or IPUC for which it is not possible to determine a reliable fair value as there are still substantial project risks present.

Investment properties in operation

During the financial year three purchase transactions occurred. In The Netherlands Wereldhave bought two office buildings in Arnhem for € 3.9 mln. Two shopping centers are purchased in the United Kingdom. On the one hand an addition for € 12 mln to the shopping centre 'Dolphin' which was purchased in 2010 and the second acquisition is Ealing Broadway Shopping Centre in Ealing, West London, bought for € 187 mln.

In line with the strategy adopted in 2009, in the fiscal year a total of 19 properties were sold. This concerns one property in Belgium, two properties in Finland, eight properties in The Netherlands, six in the United Kingdom and two in the United States. In total, for an amount of € 217 mln of properties are sold, leading to a negative result of disposals of € 4.1 mln.

Investment properties in operation to an amount of € 146 mln (2010: € 139 mln) are subject to mortgage. Of this amount € 92 mln (2010: € 83 mln) has been given for British debentures. The Belgian tax authorities have established a legal mortgage on three properties for an amount of € 54 mln, as security in a fiscal dispute (see note 41). The fair value of these properties amounts to € 54 mln (2010: € 56 mln).

All properties in the investment property in operation portfolio were valued externally at December 31, 2011. Independent external valuators involved in the valuation of properties in 2011 are Troostwijk Taxaties B.V., Jones Lang LaSalle, Cushman & Wakefield, Catella, CBRE and Troostwijk-Roux Expertises cvba.

At December 31, 2011 the carrying amount of investment properties valuation is as follows:

(x € 1,000)	**December 31, 2011**	**December 31, 2010**
Total investment property values according to internal and external valuation reports	2,874,984	2,851,530
Add: present value of future ground rent payments (leasehold)	32,304	44,202
Deduct: carrying amount of rent free periods and other leasing expenses to be amortised	-/- 44,809	-/- 35,649
Carrying amount	2,862,479	2,860,083

The present value of future lease ground rent payments (leasehold) is presented under other long term liabilities (note 22). The carrying amount of rent-free periods and other capitalised leasing expenses is presented under other non-current assets (note 10).

Property expenses and service costs of unlet properties amount to € nil (2010: € nil).

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

2011	Belgium	Finland	France	The Netherlands	Spain	United Kindom	United States
Total gross market rent per sqm (€)	189.82	307.22	265.16	189.74	128.93	281.63	270.29
Net initial yield	6.3%	5.8%	6.0%	6.1%	7.0%	6.2%	6.6%
Average vacancy rate	6.9%	3.5%	1.9%	4.4%	23.1%	0.9%	16.1%
Average vacancy period (in months)	3	–	8	8	8	3	7
Range vacancy (in months)	0 - 24	–	6 - 9	0 - 24	2 - 18	0 - 12	0 - 30

2010	Belgium	Finland	France	The Netherlands	Spain	United Kindom	United States
Total gross market rent per sqm (€)	183.10	292.71	265.65	146.22	141.03	193.00	290.58
Net initial yield	6.3%	5.9%	6.0%	6.2%	7.3%	7.0%	6.8%
Average vacancy rate	12.6%	2.0%	2.1%	1.8%	14.3%	8,9%	14,1%
Average vacancy period (in months)	3	–	8	5	6	9	9
Range vacancy (in months)	0 - 24	–	3 - 9	0 - 18	2 - 18	0 - 24	0 - 36

The net initial yield is the calculation of the net market rent (gross market rent minus property expenses) divided by the gross market value including transfer costs. A change in the net initial yield with 0.25% results in a change of € 96 mln in equity (€ 4.42 per share) and the result. A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholder's equity of € 175.4 mln (€ 8.09 per share).

Investment properties in operation - lease data

	Average maturity rent in years		Annualised contract rent (x € 1,000) expiring in:		
	Until first break	Until lease end date	Year 1	Year 2	Year 3-5
Belgium	2.4	4.7	8,640	6,623	9,635
Finland	3.4	3.4	8,586	3,443	6,454
France	6.0	6.7	177	1,422	1,835
The Netherlands	3.0	3.4	5,026	5,529	19,001
Spain	2.0	3.7	3,611	2,180	3,323
United Kingdom	7.5	8.5	4,406	2,624	11,615
United States	5.6	6.4	6,022	6,575	12,703
Total portfolio	4.6	5.5	36,468	28,396	64,566

Investment properties under construction

There are three development projects at fair value. This concerns Eilan in San Antonio (United States), Nivelles (Belgium) and Richmond (United Kingdom).

The remaining projects concern in particular projects in the planning phase, where the capitalised costs relate to particularly land costs. It is not possible to make a proper estimate of the fair value of these projects.

Eilan

The project Eilan consists of a hotel, apartments and retail. The hotel is externally appraised and the apartments and retail units are valued by means of an internal valuation model. The total costprice of the first phase of this project is expected to amount to $ 203 mln. The final estimate of the fair value upon completion of the project is $ 157 mln based on the most realistic valuation scenario. In the valuation model also an optimistic and pessimistic scenario has been calculated. The outcome of these scenario's, depending on the letting progress, realised rent levels and realised yields, varies within bandwith of plus minus 20%. The deviation between the scenarios is mainly due to on the estimation of the yield. In the realistic scenario a yield of 6.25% for the apartments is taken into account. For the pessimistic scenario this is 6.75% and for the optimistic scenario this is 5.85%.

Regarding the first phase of the project, the hotel is now fully leased and will be opened in the first quarter of 2012. With regard to the apartments at December 31, 2011 39 of the 539 apartments are prelet as per December 31, 2011. The apartments will be completed in phases.

For the second phase of this project, of which the construction has not started yet, the capitalisd costs of $ 6 mln are written off to an amount of $ 22 mln, which represents the value of the land including infrastructure.

Nivelles
The project was externally valued at year end, the fair value amounts to € 55 mln. The cost price amounts to € 44 mln. In case the yield on this project changes with 25 basis points, this would have an impact of € 2.4 mln. The project is almost fully prelet.

Richmond
At year end, the project is appraised externally and the fair value amounts to € 14 mln. The cost price amounts to € 11 mln. If the yield on this project changes with 25 basis points, it will have an impact of € 0.6 mln. The project is 50% prelet. In case the market rent for the vacant part changes with 10%, this would have an impact of € 0.7 mln on the value.

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

	Property in own use	Office equipment	Cars	Total
Balance at January 1, 2010	4,230	1,440	638	6,308
Investments/purchases	12	368	527	907
Disposals	–	–	-/- 106	-/- 106
Depreciation	-/- 67	-/- 339	-/- 222	-/- 628
Exchange rate differences	–	14	4	18
Balance at December 31, 2010	4,175	1,483	841	6,499
Balance at January 1, 2011	4,175	1,483	841	6,499
Investments/purchases	8	596	453	1,057
Disposals	–	-/- 4	-/- 172	-/- 176
Depreciation	-/- 67	-/- 342	-/- 261	-/- 670
Exchange rate differences	–	6	4	10
Balance at December 31, 2011	4,116	1,739	865	6,720

	Property in own use	Office equipment	Cars	Total
December 31, 2011				
Total acquisition at cost	4,650	4,205	1,473	10,328
Total depreciation	-/- 534	-/-2,466	-/- 608	-/- 3,608
Net book value	4,116	1,739	865	6,720

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

7 Intangible assets *(x € 1,000)*

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

	December 31, 2011	December 31, 2010
Capitalised cost of internally developed software	4,733	4,430
Goodwill	2,020	1,891
	6,753	6,321

Capitalised cost of internally developed software

	2011			2010		
	Internal cost	External cost	Total	Internal cost	External cost	Total
Balance at January 1	895	3,535	4,430	650	2,173	2,823
Investments	320	524	844	311	1,611	1,922
Depreciation	-/- 102	-/- 439	-/- 541	-/- 66	-/- 249	-/- 315
Balance at December 31	1,113	3,620	4,733	895	3,535	4,430

	December 31, 2011	December 31, 2010
Total acquisition at cost	5,747	4,903
Total depreciation	-/-1,014	-/- 473
Net carrying amount	4,733	4,430

The internal cost refer to internal hours spent.

Goodwill

	2011	2010
Balance at January 1	1,891	–
Acquisitions	129	1,891
Balance at December 31	2,020	1,891

The acquisitions in 2011 relate to the final outcome of the investment calculations of the acquisition of ING RED Belgium. The total goodwill of € 2.0 mln relates entirely to the acquisition of 2010.

At year end, a test for impairment has been performed based upon valuations, feasibility analysis and future cash flows related to the projects taken over by ING RED Belgium. Based on this analysis, no impairment of goodwill is necessary.

8 Financial assets *(x € 1,000)*

	IFRS Category	December 31, 2011	December 31, 2010
Loans	*Loans and receivables*	3,248	3,312
Deposits paid	*Loans and receivables*	1,600	1,623
Financial assets available for sale	*Available for sale*	11,371	11,523
Derivative financial instruments	*Fair value through P&L*	26,156	8,074
Total		42,375	24,532

The fair value of financial assets coincides with their balance sheet valuation, except for the deposits paid. The fair value of the deposits paid amounts to € 1.5 mln (2010: € 1.4 mln). Where applicable all financial assets are fully collectible and not passed due date.

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

Part of the issued loans is a subordinated loan to the pension fund of the company for an amount of € 3.2 mln (face value € 3.3 mln) which has been issued in 2008. The original term of the loan is five years.

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

With respect to the financial assets available for sale, which consists of equity instruments, an amount of € –0.2 mln revaluation result has been accounted for directly in equity (2010: € –0.4 mln).

Derivative financial instruments
Further reference is made to note 25.

9 Defered tax assets *(x € 1,000)*

	2011	2010
Balance at January 1	5,000	1,381
Additions	200	4,392
Compensated	–	-/- 773
Balance at December 31	5,200	5,000

Deferred tax assets relate to capital gain losses in Spain that can be offset against future profits within 18 years. In 2010 for an amount of € 3.3 mln deferred tax assets were not recognised in the United Kingdom as there were not enough (unrealised) capital gains available to offset the losses. Due to sales in 2011 the asset is € nil for 2011.

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

	December 31, 2011	December 31, 2010
Pension plans	2,482	2,300
Lease incentives and other incentives	44,809	35,649
	47,291	37,949

Pension plans

The net asset from defined benefit plans of the Dutch and English group companies at year-end is composed as follows:

	The Netherlands		United Kingdom		Total	
	2011	2010	2011	2010	2011	2010
Fair value of plan assets	44,791	44,744	16,475	15,873	61,266	60,617
Benefit obligations	44,284	38,461	16,060	15,761	60,344	54,222
	507	6,283	415	112	922	6,395
Past service costs	-/- 109	-/- 129	–	–	-/- 109	-/- 129
Unrecognised gains (–)/losses	972	972	1,095	1,216	2,067	2,188
Asset cap	-/- 398	-/- 6,154	–	–	-/- 398	-/- 6,154
Net asset	972	972	1,510	1,328	2,482	2,300

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

The movement in the net asset is as follows:

	The Netherlands		United Kingdom		Total	
	2011	2010	2011	2010	2011	2010
Balance at January 1	972	972	1,328	1,228	2,300	2,200
Exchange rate differences	–	–	41	39	41	39
Employer contributions	1,145	952	98	127	1,243	1,079
Pension expense	-/- 1,145	-/- 952	43	-/- 66	-/- 1,102	-/- 1,018
Balance at December 31	972	972	1,510	1,328	2,482	2,300
The assumptions used:						
– discount rate obligations	4.40%	5.00%	4.80%	5.40%		
– long term rate of return on plan assets	4.55%	5.45%	6.12%	6.28%		
– rate of annual salary increases	2.00%	2.00%	3.00%	3.60%		

The fair value of the assets of the Dutch pension plan consists for 34.3% of shares (2010: 39.9%), 54.3% of bonds (2010: 35.4%) and 11.4% of deposits (2010: 24.7%). The fair value of the assets of the British pension plan consists for 36.5% of shares (2010: 42.0%), 63.4% of bonds (2010: 57.9%) and 0.1% of other products (2010: 0.1%). The assets of the pension plans do not include financial instruments of Wereldhave.

The mortality rates used for The Netherlands are obtained from the mortality tables. "Gehele bevolking mannen en vrouwen 2010-2060", published by the Dutch society of actuaries. For the UK the mortality rates are obtained from the 1992 series of the tables applicable to current experience. In 2011, as well in 2010, the plan assets do not include shares issued by the company. For employee benefit plans with a net liability, reference is made to note 22.

It is expected that the contribution of the employers will amount to € 1.7 mln in 2012.

The movement in the defined benefit obligation is as follows:

	The Netherlands		United Kingdom		Total	
	2011	2010	2011	2010	2011	2010
Balance at January 1	38,461	31,191	15,761	14,483	54,222	45,674
Exchange rate differences	–	–	479	460	479	460
Net service cost	885	678	83	120	968	798
Interest cost	1,887	1,651	861	836	2,748	2,487
Employee contributions	102	9	24	31	126	40
Benefits paid	-/- 1,146	-/- 895	-/- 986	-/- 555	-/- 2,132	-/- 1,450
Actuarial gains(–)/losses	4,095	5,827	-/- 162	386	3,933	6,213
Balance at December 31	44,284	38,461	16,060	15,761	60,344	54,222

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

	The Netherlands		United Kingdom		Total	
	2011	2010	2011	2010	2011	2010
Balance at January 1	44,744	42,593	15,873	14,130	60,617	56,723
Exchange rate differences	–	–	484	449	484	449
Employer contributions	1,145	952	98	127	1,243	1,079
Employee contributions	102	9	24	31	126	40
Benefits paid	-/- 1,146	-/- 895	-/- 986	-/- 555	-/- 2,132	-/- 1,450
Expected return on plan assets	2,430	2,396	986	904	3,416	3,300
Actuarial gains/losses (–) on plan assets	-/- 2,484	-/- 311	-/- 4	787	-/- 2,488	476
Balance at December 31	44,791	44,744	16,475	15,873	61,266	60,617

Historical information (situation at December 31):

	2011	2010	2009	2008	2007
Fair value of plan assets	61,266	60,617	56,723	45,737	58,547
Benefit obligations	60,344	54,222	45,674	39,568	45,359
	922	6,395	11,049	6,169	13,188
Experience adjustments arising on plan liabilities, losses / (gain)	6	1,160	-/- 14	-/- 825	-/- 954
Experience adjustments arising on plan assets, losses / (gain)	-/- 2,481	-/- 1,102	4,893	-/- 8,699	-/- 1,622
	-/- 2,475	58	4,879	-/- 9,524	-/- 2,576

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

	December 31, 2011	December 31, 2010
Tenant receivables	7,450	6,344
Prepayments	5,177	3,626
Interest to be received	2,470	28
Withholding tax	2,749	2,561
Value added tax	732	940
Dividend tax	2,776	–
Compensation for ground rights to be received	1,833	–
Compensation for early lease expiration	900	–
Other	2,860	1,200
Total	26,947	14,699

The fair value of the trade and other receivables coincides with their carrying amount. Wereldhave holds tenants deposits, credit letters from bank and group credit letters as collateral. The tenant deposits amount to € 4.3 mln (2010: € 4.9 mln).

As in 2010, other receivables do not include amounts receivable and prepayments with a maturity of more than twelve months.

Maturity of tenant receivables	December 31, 2011	December 31, 2010
– up to 1 month	3,400	2,882
– between 1 and 3 months	999	1,003
– between 3 and 12 months	2,647	4,209
– more than 1 year	5,021	1,586
	12,067	9,680
Deduct: provision	-/- 4,617	-/- 3,336
	7,450	6,344

The tenant receivables category 'up to 1 month' includes debtors which are not immediately due for an amount of € 1.8 mln (2010: € 1.2 mln). In 2011 an amount of € 2.8 mln (2010: € 2.1 mln) was added to the provision doubtful debtors and an amount of € 1.5 mln (2010: € 0.3 mln) was withdrawn.

12 Tax receivables *(x € 1,000)*

	December 31, 2011	December 31, 2010
Company tax	140	145

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

	December 31, 2011	December 31, 2010
Bank balances	22,435	30,222
Deposits	1,965	1,874
Total	24,400	32,096

14 Share capital *(number of shares)*

	Authorised share capital	Number of issued shares	Purchased shares for remuneration	Number of shares in issue
Ordinary shares				
Balance at January 1, 2010	40,000,000	21,276,988	–	21,276,988
Additions in 2010	–	171,537	–	171,537
Balance at December 31, 2010	40,000,000	21,448,525	–	21,448,525
Additions in 2011	–	231,083	–	231,083
Purchased in 2011	–	-	-/- 4,313	-/- 4,313
Balance at December 31, 2011	40,000,000	21,679,608	-/- 4,313	21,675,295

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

The shares for remuneration were purchased for a value of € 0.3 mln and relate to the conditional long-term bonus for 2010 granted to the Board. See notes 16 and 31.

Preference shares

The authorised preference share capital amounted to € 200 mln. The preference shares have a par value of € 10 each. No preference shares are in issue.

	Authorised number of shares	Number of shares
Priority shares A		
Balance at January 1, 2010	10	10
Additions in 2010	–	–
Balance at December 31, 2010	10	10
Additions in 2011	–	–
Balance at December 31, 2011	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 priority shares A 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 number of shares	Number of shares in issue
Priority shares B		
Balance at January 1, 2010	19,999,990	–
Additions in 2010	–	–
Balance at December 31, 2010	19,999,990	–
Additions in 2011	–	–
Balance at December 31, 2011	19,999,990	–

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

Capital management

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

15 Share premium

Share premium is paid up share capital in excess of nominal value. The share premium is distributable, exempt from tax, to the amount of € 733 mln (2010: € 735 mln).

16 General reserve

The dividend paid during the year, relating to the previous year amounts € 4.70 (2010: € 4.65) per qualifying ordinary share.

An amount of € 442 mln (2010: € 459 mln) is designated as a legal reserve, relating to the unrealised revaluation of investment properties, and cannot be distributed. An amount of € 0.2 mln cannot be freely distributed in relation to the long term variable executive remuneration.

17 Hedge reserve

The hedge reserve comprises the effective portion of the cumulative net change in fair value of hedging instruments designated as cash flow hedges where the hedged transaction has not yet occurred.

18 Revaluation reserve

The revaluation reserve relates to the unrealised valuation results of financial assets available for sale. As in 2010 there were no releases from the revaluation reserve into the profit and loss account in 2011.

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

The exchange rate differences reserve comprises of:

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

		2011		**2010**
Balance at January 1	-/-	39,077	-/-	67,371
Exchange rate differences on net investments in foreign entities		20,492		42,286
Hedges of net investments in foreign entities	-/-	4,178	-/-	13,969
Exchange rate differences on results in foreign currencies (difference between year-end and average rates)	-/-	2,714	-/-	23
Balance at December 31	-/-	25,477	-/-	39,077

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

Composition	**December 31, 2011**	**December 31, 2010**
Long term		
Bank loans	740,495	399,980
Debentures	41,738	40,437
Convertible bonds	441,855	436,498
	1,224,088	876,915
Short term		
Interest bearing debt	64,965	271,101
Total interest bearing liabilities	1,289,053	1,148,016

Movements in interest bearing liabilities
Including short term portion of long term debt.

The movement is as follows:

		2011		**2010**
Balance at January 1		1,148,016		712,814
New loans		616,056		953,387
Repayments	-/-	508,467	-/-	528,246
Equity component convertible bond		–	-/-	13,011
Use of effective interest method		2,779		5,429
Exchange rate differences		30,669		17,643
Balance at December 31		1,289,053		1,148,016

Convertible bonds

Per year-end Wereldhave has two convertible bonds outstanding.

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

During the financial year a convertible bond with a nominal value of € 200 mln, issued in 2006, has fully been repaid on the expiry date, no conversion has occurred.

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

	2011		**2010**	
Balance at January 1		635,996		416,754
Face value convertible bond	–		230,000	
Equity component	–		-/- 13,011	
Transaction costs	–		-/- 2,586	
Interest bearing debt at initial entry		–		214,403
Repayment nominal value convertible bond		-/-200,000		–
Use of effective interest method		5,859		4,839
Interest bearing debt at December 31		441,855		635,996

In 2011 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, 2011 Wereldhave complies with these clauses.

Ratios	**December 31, 2011**	**December 31, 2010**
Loan to value	41%	37%
Solvency	56%	59%
Interest coverage ratio	5.4	6.8

Average effective interest rate

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

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

	2011	**2010**
Euro	3.4%	3.0%
US dollar	2.3%	1.7%
Pound sterling	2.8%	2.4%
Total	**3.0%**	**2.6%**

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

	2011				**2010**			
	EUR	GBP	USD	total	EUR	GBP	USD	total
Short term interest bearing debt	1.8%	–	1.0%	1.1%	3.3%	–	3.2%	3.2%
Long term interest bearing debt								
– unsecured								
• convertible bonds	4.6%	–	–	4.6%	4.6%	–	–	4.6%
• bank debt and other loans	2.7%	2.2%	2.5%	2.5%	1.4%	2.1%	1.5%	1.8%
– secured								
• debentures	–	10.5%	–	10.5%	–	10.5%	–	10.5%
• interest rate swaps	–	-/- 5.0%	–	-/- 5.0%	–	-/- 5.4%	–	-/- 5.4%
Average	4.6%	2.8%	1.7%	3.2%	3.7%	3.1%	1.7%	3.2%

Fair value

The carrying amount and the fair 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 interest bearing debts at floating rates.

The fair value of long term interest bearing debts is based on prices of these instruments available in the active open market (debentures and convertibles). In absence of these available market prices the fair value (bank debt and other loans) is calculated as the present value of cash flows discounted with the relevant market interest percentages, including a company specific surcharge. The fair value of short term interest bearing debts is equal to the book value.
The carrying amount and fair value of long term interest bearing debt is as follows:

	December 31, 2011		**December 31, 2010**	
	carrying amount	fair value	carrying amount	fair value
Bank debt and other loans	740,495	732,144	399,980	401,526
Debentures	41,738	49,002	40,437	47,553
Convertible bonds	441,855	426,356	436,498	480,317
	1,224,088	1,207,502	876,915	929,396

Currencies

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

	December 31, 2011		**December 31, 2010**	
	currency	EUR	currency	EUR
Euro	581,140	581,140	786,730	786,730
US dollar	602,500	465,649	318,500	238,363
Pound sterling	202,364	242,264	105,806	122,923
		1,289,053		1,148,016

Of the interest bearing debt in U.S. dollars for an amount of $ 150 mln is converted to euro via a cross currency interest rate swap, which represents a value of € 116 mln as at December 31, 2011.

Hedges

Interest bearing debt instruments to the amount of € 320 mln (2010: € 82 mln) have been qualified as instruments of hedging net investments in foreign operations. Reference is made to note 25.

Financing arrangements

As at December 31, 2011, Wereldhave has a total of € 618 mln (2010: € 625 mln) of financing arrangements that expire within 1 to 5 years. As at December 31, 2011, Wereldhave has undrawn committed loan facilities to the amount of € 124 mln (2010: € 200 mln). The average maturity of the financing arrangements at 31 December 2011 was 2.6 years (2010: 2.2 years).

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

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

	2011	**2010**
Balance at January 1	129,277	119,036
Movements taken to the result	-/- 14,473	6,798
Acquisitions	–	1,714
Exchange rate differences	1,031	1,729
Balance at December 31	115,835	129,277

The movement in deferred tax liabilities in 2011 is the result of revaluations and the selling of investment properties with a tax liability.

For an amount of € 1.0 mln deferred tax assets and deferred tax liabilities have been netted in 2011 (2010: € 1.6 mln). The amounts have been netted as there is a legal right to set off these amounts.

The deferred tax liabilities relate to unrecoverable withholding tax on dividends from foreign subsidiaries for an amount of € 28 mln (2010: € 32 mln).

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

	December 31, 2011	**December 31, 2010**
Leasehold liabilities	32,304	44,202
Pension plans	186	254
Tenants deposits	4,313	4,872
Other	151	180
Total	36,954	49,508

Leasehold liabilities

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

	December 31, 2011		December 31, 2010	
	face value	present value	face value	present value
– up to 1 year	2,059	2,059	2,720	2,637
– between 1 and 5 years	8,235	7,080	11,815	9,080
– more than 5 years	159,208	23,165	212,578	32,485
	169,502	32,304	227,113	44,202

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

Pension plans

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

	December 31, 2011	December 31, 2010
Benefits obligations	2,698	2,476
Fair value of plan assets	2,297	2,047
	401	429
Unrecognised gains (–)/losses	-/- 215	-/- 175
Net obligation	186	254

The movement of the net liability is as follows:	2011	2010
Balance at January 1	254	21
Employer contributions	-/- 334	-/- 89
Net movement	266	322
Balance at December 31	186	254

The movement of the defined benefit obligation is as follows:

	2011	2010
Balance at January 1	2,476	752
Net service cost	243	75
Interest cost	123	41
Employee contributions	17	–
Acquisition	–	1,713
Benefits paid	-/- 161	-/- 90
Actuarial gains (–)/losses	–	-/- 15
Balance at December 31	2,698	2,476

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

	2011	2010
Balance at January 1	2,047	643
Employer contributions	334	89
Employee contributions	17	–
Benefits paid	-/- 161	-/- 90
Acquisition	–	1,477
Expected return on plan assets	100	32
Actuarial gains/losses (–) on plan assets	-/- 40	-/- 104
Balance at December 31	2,297	2,047

The assets consist, as in 2010, for 100% of insurance contracts.

The assumptions used are:	2011	2010
– discount rate obligations	4.50%	4.50%
– long term rate of return on plan assets	4.50%	4.50%
– rate of annual salary increases	2.00%	2.00%

The mortality rates used for Belgium are the MR/FR series. For the above mentioned pension plan the expected employer's contribution is € 0.3 mln for 2012. Reference is made to note 10 for employee benefits plans with a net asset.

Historical information (situation at December 31):

	2011	2010	2009	2008	2007
Benefit obligations	2,698	2,476	752	616	486
Fair value of plan assets	2,297	2,047	643	510	414
	401	429	109	106	72

Experience adjustments for the Belgium pension plan are not available.

23 Tax payable *(x € 1,000)*

	December 31, 2011	December 31, 2010
Company tax	924	1,933

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

	December 31, 2011	December 31, 2010
Deferred rents	12,882	16,003
Property expenses	11,964	11,001
Interest	9,403	6,713
General costs	4,692	4,494
Investments	28,629	10,164
Social securities	902	669
Value added tax	3,572	3,524
Dividend tax	2,793	–
Other short term liabilities	5,443	2,992
Total	80,280	55,560

The duration of short term liabilities is less than 1 year.

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

Derivatives are used for hedging of net investments in foreign currency, to hedge cash flows and changes in the fair value and for loans to convert to market rates and vice versa.

Hedging instruments

Forward exchange contracts, cross currency interest rate swaps and foreign currency loans can be classified as hedging instruments against exchange risk on investments in USD and GBP and changes in fair value of derivative hedging instruments. The fair value of these instruments is:

2011	**Hedged risk**	**Principal**	**Fair value assets**	**Fair value liabilities**
Cashflow hedge				
Cross currency interest rate swap	Currency	115,929	736	–
Fair value hedge				
Cross currency interest rate swap	Interest	115,929	17,150	–
Net investment hedge				
Forward foreign exchange contracts	Currency	46,372	–	-/- 555
Loans	Currency	319,546	–	-/-319,546
No hedge accounting				
Interest rate swap	Interest	52,675	8,269	–

2010	**Hedged risk**	**Principal**	**Fair value assets**	**Fair value liabilities**
Cashflow hedge				
Cross currency interest rate swap	Currency	–	–	–
Fair value hedge				
Cross currency interest rate swap	Interest	–	–	–
Net investment hedge				
Forward foreign exchange contracts	Currency	161,972	–	-/- 4,558
Loans	Currency	82,486	–	-/- 82,486
No hedge accounting				
Interest rate swap	Interest	51,118	8,074	–

The fair value of a hedging derivative is classified as long term if the remaining maturity of the hedged item is longer than 1 year and as a current asset or liability when the remaining maturity is less than 1 year. At the end of 2011, as well as 2010, all long-term derivatives except the forward foreign exchange contracts were long term.
The remaining term of the derivatives for interest and currency conversion on a nominal basis are as follows:

	December 31, 2011	**December 31, 2010**
– up to 1 year	46,372	161,972
– between 1 and 5 years	372,221	133,604
– more than 5 years	115,929	–
Total	534,522	295,576

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

(amounts in € 1,000)	**December 31, 2011**			**December 31, 2010**		
	USD	GBP	Total in €	USD	GBP	Total in €
FX differences recognised in equity due to translation differences of foreign operations	16,771	3,721	20,492	35,753	6,532	42,285
Hedge result	-/- 3,138	-/- 1,040	-/- 4,178	-/-11,109	-/- 2,860	-/-13,969
Effective part of fair value changes in cash flow hedging	730	–	730	–	–	–
Net effect in equity	14,363	2,681	17,044	24,644	3,672	28,316

Gains and losses on forward exchange transactions under net investment hedge are recognised in the reserve for exchange rate differences.

In 2011, a net loss of € 3.5 mln is recognised in the income statement as a result of ineffectiveness on cash flow hedges.

Regarding fair value hedge derivatives, a gain of € 17 mln is included in the net interest, and a loss for the same amount is recorded on the same line in the income statement for the hedged item. The fair value adjustment on the hedged item is € 17 mln negative.

Net investment hedge

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

(amounts in local currency 1,000)	**December 31, 2011**			**December 31, 2010**		
	USD	GBP	Total in €	USD	GBP	Total in €
Net investment in foreign subsiaries before hedging	756,660	343,771	996,345	758,663	219,157	822,388
Hedging instruments:						
– derivatives (principal)	60,000	–	46,372	100,000	75,000	161,972
– interest bearing debts	154,000	167,500	319,546	–	71,000	82,486
Net investment hedge	214,000	167,500	365,918	100,000	146,000	244,458
Net investment hedge after hedging	542,660	176,271	630,427	658,663	73,157	577,930

Derivatives for interest conversion (swaps)

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

The derivative financial instruments for interest conversion are accounted for as financial assets at fair value through profit and loss. During 2011 an amount of € 49,000 has been charged to the valuation results (2010: € 1.0 mln positive) relating to these financial assets. In addition, an amount of € 4.4 mln has been added to the interest cost (2010: € 2.8 mln).

Credit risk

During 2011 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 minimal creditworthiness of the counter parties is based on Fitch ratings and is presented as follows:

	2011		2010	
Derivatives *(x € 1,000)*	**Counter party credit rating**	**Amount**	**Counter party credit rating**	**Amount**
Derivates for interestconversion (swaps)	A	8,269	A/AA–	8,074
Cross currency interest rate swaps	A+/A	17,886	–	–
Forward foreign exchange contracts	F1+	-/- 555	F1/F1+	-/-4,558
		25,600		3,516

The Fitch ratings F1 en F1+ are comparable to the Standard & Poors ratings A1 and A1+.
The derivatives for interest conversion and cross currency interest rate swaps involve long-term ratings, while the forward foreign exchange contracts concerns short term rating, according to the maturity of the instruments.

26 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. Part of the policy is that the bandwidth of the Loan-to-value ratio is 35% - 45%. Furthermore, there is a link between the ratio and the short and long term variable executive remuneration.

When the money market interest rates change by 0.5%, result and equity will change with € 3.7 mln (2010: € 2.5 mln). This would result in a change of result and net asset value per share of € 0.17 (2010: € 0.12). The Treasury department constantly monitors the debt covenants. The ratio between variable and fixed rate is 58%/42% (2010: 43%/57%).

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 by hedging positions in foreign currency swaps and forward transactions. The hedging policy is determined by the Board of Management. 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. Exchange rate developments are continually monitored. The guideline for covering the USD and GBP risk for the portfolio is a covering percentage of 50%, allowing for deviations from 40% to 70%. The risks of lower exchange rates on results are not covered.

When the average exchange rates for USD or GBP change by 5% in respect of the EUR, the result and equity will change with € 2.0 mln (2010: € 3.2 mln). This would result in a change of the result per share of € 0.09 (2010: € 0.15). A 5% change of the year-end exchange rates would have a € 1.36 impact on the net asset value per share and € 30 mln on equity.

Liquidity risk
The liquidity risk (also referred to as refinancing risk) comprises the risk that loan agreements cannot be renewed, or can only be renewed subject to less favourable conditions. This 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. In addition, on a quarterly basis stress tests are performed which test to what extent Wereldhave continues to meet bank covenants under different scenarios.

Financial transactions such as interest rate and foreign currency swaps comprise attached risks. 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. The credit risk is mitigated by bank warranties and deposits received from tenants. In case 1% of the annual rent is not paid, the effect on the gross rental income amounts to € 2.1 mln (2010: € 2.1 mln) and € 0.10 (2010: € 0.10) on the result per share. If 1% of debtors would default on payment, this would impact results by € 0.1 mln (2010: € 0.1 mln). As a result of such default, result per share would change by € 0.01. Wereldhave monitors this creditworthiness per debtor and determines via 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.

Concentration of risk
Under concentration of risk is understood that a single financial risk is for the lager part born by one party or that more financial risks are concentrated with one or a few parties. Wereldhave mitigates the concentration risk with regard to interest, currency and liquidity risk by concluding interest and currency derivatives and loans with several financial parties. Furthermore the credit risk is reduced by the size and diversification of the tenant portfolio as a result of which the concentration of risk does not occur from one single tenant.

Maturity of nominal principal amounts and future interest

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

	December 31, 2011			December 31, 2010		
	Principal	Interest	Total	Principal	Interest	Total
– up to 1 year	78,177	36,377	114,554	281,086	26,175	307,261
- between 1 and 2 years	8,372	40,718	49,090	156,129	23,708	179,837
- between 2 and 5 years	1,086,548	61,072	1,147,620	648,078	45,586	693,664
- more than 5 years	129,167	6,596	135,763	98,039	216	98,255
Total debt	1,302,264	144,763	1,447,027	1,183,332	95,685	1,279,017

The difference between the sum of the nominal principal values and the carrying amount of € 0.3 mln (2010: € 26 mln) relates to the equity component of the convertible bond for an amount of € 14 mln (2010: € 19 mln), for an amount of € 8.9 mln (2010: € 7.1 mln) to cost to be amortised, for an amount of € 17 mln to negative fair value adjustment on hedged items and for € 5.8 mln to foreign exchange rate differences between nominal and the outcome of IFRS accounting. With regard to the interest on debt with variable interest rates the rates prevailing at balance sheet date have been used to determine the future outgoing cash flow. Next to the financial liabilities mentioned above Wereldhave has tenant deposit liabilities for an amount of € 4.3 mln (2010: € 4.9 mln). The average term of these deposits is 4.6 years (2010: 4.8 years).

On balance financial assets and liabilities

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

December 31, 2011	Loans and receivables	Fair value through P&L Non hedge derivatives	Fair value through P&L Hedge derivatives	Available for sale	Total	Note
Assets						
Financial assets	4,848	26,156	–	11,371	42,375	8
Trade and other receivables	26,947	–	–	–	26,947	11
Cash and cash equivalents	24,400	–	–	–	24,400	13
	56,195	26,156	–	11,371	93,722	

	Hedging derivatives	Other financial liabilities	Total	Note
Liabilities				
Interest bearing debts	–	1,289,053	1,289,053	20
Leasehold liabilities	–	32,304	32,304	22
Tenants deposits	–	4,313	4,313	22
Financial liabilities	555	–	555	25
Trade payables	–	12,656	12,656	
	555	1,338,326	1,338,881	

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

	Hedging derivatives	Other financial liabilities	Total	Note
Liabilities				
Interest bearing debts	–	1,148,016	1,148,016	20
Leasehold liabilities	–	44,202	44,202	22
Tenants deposits	–	4,872	4,872	22
Financial liabilities	4,558	–	4,558	25
Trade payables	–	4,925	4,925	
	4,558	1,202,015	1,206,573	

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

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

Off balance assets and liabilities

The group has provided guarantees to third parties for the amount of € 16 mln (2010: € 16 mln) with regard to the claim which is described in note 41. The group has capital commitments for an amount of € 410 mln (2010: € 176 mln) with regard to investment properties under construction. Furthermore, the group has undrawn committed credit facilities to the amount of € 124 mln (2010: € 200 mln).

27 Gross rental income *(x € 1,000)*

Leases have various expiry terms. Rent indexation is agreed in countries where indexation is usual or legally permitted.
The leases specify the rent, the other rights and obligations of the lessor and the lessee, including notice and renewal options as well as service and operating costs charges. Service and operating costs paid and received are not included in gross rental income. Rental losses as a result of vacancy, expressed as a percentage of theoretical rent, amounted to 9.9% in 2011 (2010: 9.7%).

Contingent rental income amounts to 2.9% (2010: 2.6%) of gross rental income. The lease incentives provided to tenants amounts to 4.6% (2010: 3.5%) of gross rental income.

A change in the occupancy rate by 1% results in a change of gross rental income with € 2.1 mln (€ 0.10 per share).

The future aggregate contractual rent for the next five years from leases as at December 31, 2011 is shown in the following table (turnover leases are accounted for at the minimum rent):

	2011	2010
– up to 1 year	181,197	187,814
– between 1 and 5 years	394,978	433,124
– year 5	104,378	101,656

28 Property expenses *(x € 1,000)*

	2011	2010
Property maintenance	6,775	6,849
Property taxes	11,396	11,876
Insurance premiums	1,885	1,895
Property management	4,865	4,822
Leasing expenses	4,165	4,191
Other operating costs	12,588	12,491
Total	41,674	42,124

Impairments of € 1.9 mln relate to debtors (2010: € 2.1 mln). These costs are accounted for in the other operating costs.

29 Valuation results *(x € 1,000)*

	2011		2010	
Investment properties				
Valuation gains	11,629		28,204	
Valuation losses	-/- 38,152		-/- 41,402	
		-/- 26,523		-/- 13,198
Investment properties under constructions				
Valuation gains	13,292		–	
Valuation losses	-/- 38,132		-/- 1,923	
		-/- 24,840		-/- 1,923
Financial assets and liabilities				
Valuation gains	–		1,025	
Valuation losses	-/- 49		–	
		-/- 49		1,025
Total		-/- 51,412		-/- 14,096

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

30 Results on disposals *(x € 1,000)*

	2011		2010	
Properties				
Gross proceeds from sales	169,843		45,239	
Selling costs	-/- 2,757		-/- 385	
Net proceeds from sales		167,086		44,854
Book value investment properties	-/-167,857		-/-42,048	
Book value lease incentives	-/- 3,784		-/- 338	
		-/-171,641		-/-42,386
Result on direct sales of properties		-/- 4,555		2,468
Result on indirect sales of properties/subsidiaries		458		–
Total		-/- 4,097		2,468

In line with the strategy adopted in 2009 in the year 2011 a total of 19 properties were sold. This concerns one property in Belgium, two properties in Finland, eight properties in The Netherlands, six in the United Kingdom and two in the United States.

31 General costs *(x € 1,000)*

	2011		2010	
Salaries and social security contributions	14,166		12,091	
Pension costs	2,353		1,917	
Audit and advisory fees	1,849		1,645	
Office costs	4,199		3,708	
Other general costs	4,228		4,702	
		26,795		24,063
Allocated to property expenses/service- and operating costs	-/- 4,852		-/- 4,726	
Allocated to investments/IPUC	-/- 3,373		-/- 1,059	
Allocated to intangible assets	-/- 320		-/- 311	
Charged to third parties	-/- 2,268		-/- 2,988	
		-/-10,813		-/- 9,084
Total		15,982		14,979

Pension costs

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

2011	**Belgium**	**The Netherlands**	**United Kingdom**	**Total**
Current net service costs	243	885	80	1,208
Interest costs	123	1,887	827	2,837
Expected return on plan assets	-/-100	-/-2,430	-/-950	-/-3,480
Amortisation of unrecognised:				
– Past Service costs	–	-/- 20	–	-/- 20
– Net gains (–)/losses	–	–	–	–
Immediate recognition of (gains)/losses under paragraph 58A	–	6,579	–	6,579
Changes in irrecoverable surplus, effect of limit in paragraph 58(b)	–	-/-5,756	–	-/-5,756
	266	1,145	-/- 43	1,368

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

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

	2011	**2010**
Pension cost defined benefit plans	1,577	1,168
Pension cost defined contribution plans	776	749
Movement in pension liabilties with respect tot defined benefit plans (note 34)	-/-209	-/- 64
Total result on pension plans	2,144	1,853

The total cost of defined benefit plans amount to € 1.4 mln (2010: € 1.0 mln).

Employees

During the year 2011 an average of 213 persons (fte) (2010: 194) were employed by the group, of which 55 (2010: 48) in The Netherlands and 160 (2010: 146) abroad.

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

Supervisory Board	**2011**	**2010**
J.A.P. van Oosten	39	29
F.Th.J. Arp	33	33
P.H.J. Essers	32	32
J. Krant [1]	14	43
H.J. van Everdingen [2]	21	–
Total	139	137

[1] Resigned in 2011.
[2] Appointed in 2011.

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

2011	Salary	Short term bonus	Long term bonus	Pension costs	Social charges	Total
J. Pars	381	57	53	114	24	629
D.J. Anbeek	335	50	46	101	22	554
Total	716	107	99	215	45	1.183

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

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

Over 2011 for the short-term bonus, only the personal achieved goals will be paid out. At the Director's discretion, the short-term bonus can be paid in cash, in shares, or as a combination of the two. If the short-term bonus is to be partially paid in shares, the amount of the short-term bonus paid in shares will be increased by 10%, subject to the restriction that the shares may not be traded for at least four years. The blocked shares are owned by the Board and qualify for dividends. For 2011, both Directors have chosen full cash distribution for the short-term bonus. Therefore, increasing the short-term variable remuneration with 10% is not applicable.

For the year 2011 no long-term variable remuneration is granted. The long-term variable remuneration is a share-based payment that is conditionally granted. The condition is that, in addition to continuance of employment, over a period of three years, the moving average must reflect an increase in the direct result as compared to the result over the year preceding the year over which payment is to be made. For this reason, the long-term incentive for the year 2010 must be allocated equally over the vesting period. In the financial statements over the year 2011 therefore like in the financial statements of the year 2010 33.33% of the long-term incentive 2010 is taken into account.

The long-term bonus is payable in shares only. Each year when the conditional bonus is determined, the amount in cash is calculated into a conditional share balance based on the share price at the end of the first day of trading after ex-dividend listing of the Wereldhave share in the year in which the conditional bonus is awarded. The shares qualify for dividend payments.
The conditional share balance will be increased by a number of conditional shares equal to the amount of the dividend divided by the share price at the moment dividend is paid. At the General Meeting of Shareholders of April 18, 2011 for the first time shares are conditionally allocated. On April 27, 2011 the shares are purchased on the market. On behalf of the company for both Directors a separate securities account balance is opened to hold the restricted shares. The control over these accounts and the balance to the end of the blocking period is with Wereldhave.

When after three years the vesting conditions are met, the number of granted shares which has become unconditional is released to the Board. The Board is charged for the income tax and social charges on the long-term variable remuneration.

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

	Long-term bonus	Accounted in financial statements 2010	Accounted in financial statements 2011	Total accounted for in P&L	Number of shares
Financial year grant					
2010 - J. Pars	158	53	53	106	2,294
2010 - D.J. Anbeek	139	46	46	92	2,019
Total	297	99	99	198	4,313

In connection with the conditional grant with a waiting period of three years in the financial years 2010 and 2011 a total of two thirds of the conditional grant has been accounted for as an expense. The remaining part of the variable bonus will be accounted for as an expense in the remainder part of the vesting period.

The requirements for vesting in 2013 concern continued employment and growth of the direct result for the period 2010 to 2012 compared to 2009.

The shares are accounted for as shares for remuneration as part of the general reserve.

Beside the above mentioned arrangement, members of the Board of Management do not hold shares or options in Wereldhave N.V.

The company has not granted loans, advances or financial guarantees to members of the Board.

32 Other income and expenses *(x € 1,000)*

	2011	2010
Dividend received	856	869
Other	931	-/- 245
Acquisition costs business combinations	–	-/- 366
Total other income and expense	1,787	258

The line item 'other' relates to fees received in respect of work on development projects for third parties. Last year the line represented the costs of the ING RED Belgium acquisition.

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

	2011	2010
Interest charges		
Interest paid *)	-/-35,498	-/-25,874
Capitalised interest *)	4,750	2,067
Amortised costs loans	-/- 2,356	-/- 1,991
Interest charges related to loans	-/-33,104	-/-25,798
Interest addition leasehold liabilities	-/- 1,983	-/- 1,084
Interest addition convertible bonds	-/- 4,485	-/- 3,438
Interest addition other loans and receivables	70	70
	-/- 6,398	-/- 4,452
Total interest charges	-/-39,502	-/-30,250
Interest income		
Interest received *	471	338
Total interest charges and income	-/-39,031	-/-29,912

*) Included in the calculation of the interest coverage ratio (see note 20).

Capitalised interest in connection with developments is based on the group's weighted average cost of borrowings. During 2011, the range of average interest rates used was 3.2% - 3.3% (2010: 1.6% - 3.0%). The average interest rate in 2011 was 3.2% (2010: 3.2%).

The line item 'interest paid' includes € 1.6 mln (2010: € 0.9 mln) costs related to fees paid for the undrawn part of committed financing facilities amounting to € 124 mln.

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

	2011	2010
Exchange rate differences	-/- 3,926	-/- 2,660
Movement in pension liabilities	209	64
Total	-/- 3,717	-/- 2,596

35 Taxes on result *(x € 1,000)*

	2011	2010
Profit before tax	51,301	101,316
Tax charges according to applicable tax rates	14,389	32,517
Tax-exempt income	-/- 6,376	-/- 31,245
Deductible costs	-/- 5,088	-/- 3,730
Fiscal losses to be compensated	-/- 507	67
Change in deferred tax	-/- 9,908	11,579
Change in tax rates	-/- 4,850	–
Return of withholding tax	–	34
Exempt capital gains	485	-/- 3,122
Other	-/- 32	81
Taxes on result	-/-11,887	6,181
Weighted average tax rate	-/-23,2%	6,1%

As a result of impairments, particularly in the United States and a release of deferred taxes in Finland as a result of sales, the average tax rate decreased from 6.1% (costs) in 2010 to a gain of 23.2% in 2011. The change in tax rates concerns the deferred tax position in Finland, where the tax rate is reduced from 26% to 24.5% as per January 1, 2012.

For 2011 the current tax charge is € –1.3 mln (2010: € 9.4 mln) and the deferred tax charge is € 13.2 mln (2010: € –3.2 mln). The applicable tax rates vary from 0% for tax-exempt entities, based on their fiscal status, up to 35%.

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

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

There are no tax effects relating to other comprehensive income (2010: idem).

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

Result per share

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

Diluted result per share upon full conversion

The diluted result per share 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.

	2011	2010
Result attributable to shareholders of the company	51,301	88,673
Adjustment for effect convertible bonds	22,032	17,889
Result after effect convertible bonds	73,333	106,562

Number of shares as at January 1	21,448,525	21,276,988
Adjustment for paid stock dividend	147,636	112,322
Adjustment for purchase of own shares for remuneration	-/- 2,923	–
Weighted average number of shares for fiscal year 2011	21,593,238	21,389,310
Adjustment for convertible bonds	6,022,307	5,582,263
Diluted average number of shares after adjustment for the effects of all dilutive potential shares for fiscal year	27,615,545	26,971,573

See note 38 for the proposed dividend for 2011.

37 Net asset value per share

Net asset value per share

Net asset value per share is calculated based on equity as presented in the balance sheet as at December 31 and the number of shares in issue as at that date.

	2011	**2010**
Equity attributable for shareholders *(x € 1,000)*	1,591,920	1,611,232
Number of ordinary shares per December 31 ranking for dividend	21,679,608	21,448,525
Purchased shares for remuneration	-/- 4,313	–
Number of ordinary shares per December 31 for calculation net asset value	21,675,295	21,448,525
Net asset value per share *(x € 1)*	73.44	75.12

Net asset value after full conversion	**2011**		**2010**	
	in € 1,000	in € per share	in € 1,000	in € per share
Equity	1,591,920	73.44	1,611,232	75.12
Effect of full conversion	441,855	-/- 0.01	635,996	0.97
Equity upon full conversion	2,033,775	73.43	2,247,228	76.09

38 Dividend

In addition to the statutory cash dividend of 5% on the priority 'A' shares in issue, it is proposed to distribute to holders of ordinary shares a dividend of € 4.70 in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax.

39 Expense ratio

The expense ratio for the year 2011, based on the Dutch Financial Supervision Act (Wft), amounts to 3.57% (2010: 3.54%).
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.

40 Related parties

The Board of Management, the Supervisory Board, subsidiaries and the pension fund of Wereldhave are considered to be related parties. The members of the Supervisory Board and of the Board of Management had no personal interest in any of the company's investments during the year. For information about the Directors' remuneration reference is made to note 31. With regard to transactions with the pension fund reference is made to notes 10 and 22.

In the financial year 2011, no business transactions took place in which conflicts of interest of the Board of Management may have played a role. During the year, one leasecontract has been entered into, in which an external board member of a local Wereldhave company has a conflict of interest. The Board has reported the agreement to the Supervisory Board and the market conformity of the transaction was assessed by third parties and no irregularities were found. There have been no other business transactions in which conflicts of interest may have played a role.

41 Claims

In November 1996 the Belgian subsidiary N.V. Vastgoed Maatschappij België (VMB) received a tax assessment to the amount of BEF 1.4 bln (€ 36 mln). This assessment relates to the split-up of M.L.O. Ltd in N.V. M.L.O. and N.V. Seceurimmo invest, followed by the disposal of property by the new owned and the sale of the company as a cash company. The Belgian tax administration does not accept the split-up and claims that these transactions should be considered as a hidden distribution of dividends to the shareholders. In 1999, the Belgian tax administration filed a second assessment to the amount of BEF 0.6 bln (€ 15 mln). This supplementary assessment, which is based on the first assessment, relates to withholding tax. This assessment is secured, for preservation purposes, by a legal mortgage imposed by the Belgian tax administration on three properties. The market value of these properties amounted to € 54 mln at December 31, 2011 (2010: € 56 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 proceedings against Wereldhave Belgium for treatment in first instance. Wereldhave Belgium appealed against this decision. On November 19, 2009 the chamber of inquisition in Brussels has decided that the legal proceedings regarding Wereldhave Belgium were largely, mainly with regard to fiscal fraud and money laundering, declared inadmissible and referred Wereldhave Belgium to the Chamber of court only with regard to the existence of fiscal incorrectness and the use of incorrect fiscal documents. On November 18, 2010, the Penal Court decided to declare the case against, amongst others, Comm. VA Wereldhave Belgium SCA, as inadmissible due to an excess of the reasonable period for trial. The public prosecutor filed appeal against this decision. The hearing before the Court of Appeal took place on February 7, 2012, a continuation of the hearing is set on March 8, 2012. Wereldhave Belgium is convinced that they have met all relevant law and regulations and therefore there has not been accounted for a provision for this claim.

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

Company balance sheet at December 31, 2011

(amounts x € 1,000)

Assets	Notes	December 31, 2011		December 31, 2010	
Investments					
Property investments	2	–		369,891	
Investments in subsidiaries	3	1,721,251		1,393,401	
Other financial investments	4	756,708		718,506	
			2,477,959		2,481,798
Receivables	5				
Group companies		199,076		36,317	
Tax receivables		3,105		371	
Accruals		3,817		910	
Other receivables		111		17	
			206,109		37,615
Other assets					
Property & Equipment		4,116		4,175	
Cash and bank		–		32	
			4,116		4,207
			2,688,184		2,523,620
Equity and liabilities					
Equity	6				
Share capital		216,796		214,485	
Share premium		767,315		777,728	
General reserve		114,025		71,474	
Revaluation reserve		467,230		497,949	
Hedge reserve		730		–	
Reserve for exchange rate differences		-/- 25,477		-/- 39,077	
Result current year		51,301		88,673	
			1,591,920		1,611,232
Long term liabilities					
Loans	7	969,916		642,738	
Other debt	8	–		7,085	
			969,916		649,823
Short term liabilities	9		126,348		262,565
			2,688,184		2,523,620

Company income statement for 2011

(amounts x € 1,000)

		2011	2010
Result from subsidiaries after tax	3	53,766	67,317
Other gains and losses after tax		-/- 2,465	21,356
Result		51,301	88,673

1 General

1.1 Principles for the presentation of the company accounts

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

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

1.2 Investments in subsidiaries

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

2 Investment properties *(x € 1,000)*

	2011	2010
Balance at January 1	369,891	375,109
Purchases	–	–
Investments	–	4,299
Disposals	-/-369,891	-/- 7,038
Revaluation	–	-/- 2,479
Balance at December 31	–	369,891

On January 3, 2011, all properties are sold to a subsidiary for the value of December 31, 2010. No result has been achieved on the sale.

The following amounts in respect of investment properties are recorded in the profit and loss account:

	2011	2010
Rental income	–	29,213
Property expenses relating to income generating investments	–	-/- 3,092
Property expenses relating to non-income generating investments	–	–

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

Movements are as follows:

	2011	2010
Balance at January 1	1,393,401	1,142,464
Exchange rate differences	15,196	34,589
Investments/divestments	319,164	189,455
Revaluation of financial assets held for sale	-/- 105	-/- 306
Result subsidiaries	53,766	67,317
Dividend distribution	-/- 60,171	-/- 40,118
Balance at December 31	1,721,251	1,393,401

List of subsidiaries

At December 31, 2011, the Company had direct shareholdings in the following companies:

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

**) Including indirect holdings 69.31%,*

4 Other financial investments *(x € 1,000)*

	Receivables from subsidiaries	Other financial assets	Total
Balance at December 31, 2009	476,141	8,895	485,036
Exchange rate differences	5,387	–	5,387
Investments	429,062	1,355	430,417
Transfer to receivables	-/- 16,000	–	-/- 16,000
Divestments	-/-185,867	-/- 467	-/-186,334
Balance at December 31, 2010	708,723	9,783	718,506
Exchange rate differences	12,112	–	12,112
Investments	441,804	18,081	459,885
Transfer to receivables	-/-131,462	–	-/-131,462
Divestments	-/-301,597	-/- 736	-/-302,333
Balance at December 31, 2011	729,580	27,128	756,708

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

5 Receivables *(x € 1,000)*

The receivables are due in less than one year. The fair value of the receivables coincides with the balance sheet valuation. The amount includes a loan with a group company for an amount of € 131 mln expiring in the course of 2012.

6 Equity

Share capital

The share capital of the company at December 31, 2011 amounted to € 800 mln divided over 40 mln ordinary shares of € 10, 20 mln preference shares of € 10 and 20 mln priority shares of € 10 each. The issued and paid up share capital amounts to € 216,796,180, formed by 21,679,608 ordinary shares and 10 priority shares of € 10 each.

During 2011 part of the dividend 2010 has been paid out as stock dividend and this increased the issued share capital with 231,083 ordinary shares of € 10 each. In the year 2011 4,313 shares were purchased for the long term bonus plan of the Board of Management, see note 31 of the consolidated financial statements.

The movements in equity during 2011 and 2010 were as follows (amounts x € 1,000) **):

	Share caapital	Share premium	General reserve	Property revaluation reserve *)	Revaluation reserve subsidiaries *)	Hedge reserve *)	Reserve for exchange rate differences *)	Result current year	Total
Balance at January 1, 2010	212,770	766,432	121,532	143,529	499,758	–	-/- 67,371	-/-107,096	1,569,554
Result distribution 2009	–	–	33,830	-/- 22,782	-/-118,144	–	–	107,096	–
Exchange rate differences of foreign participations	–	–	–	–	–	–	28,294	–	28,294
Movement in reserves	–	13,011	–	–	-/- 306	–	–	–	12,705
Revaluation realised	–	–	4,106	-/- 1,384	-/- 2,722	–	–	–	–
Stock dividend over 2009	1,715	-/- 1,715	–	–	–	–	–	–	–
Dividend payment over 2009	–	–	-/- 87,994	–	–	–	–	–	-/- 87,994
Profit for the year **)	–	–	–	–	–	–	–	88,673	88,673
Balance at December 31, 2010	214,485	777,728	71,474	119,363	378,586	–	-/- 39,077	88,673	1,611,232
Result distribution 2010	–	–	81,667	-/- 2,367	9,373	–	–	-/- 88,673	–
Exchange rate differences of foreign participations	–	–	–	–	–	–	13,600	–	13,600
Movement in reserves	–	-/- 8,102	8,102	-/-116,996	116,891	730	–	–	625
Revaluation realised	–	–	37,620	–	-/- 37,620	–	–	–	–
Purchase remuneration shares	–	–	-/- 299	–	–	–	–	–	-/- 299
Stock dividend over 2010	2,311	-/- 2,311	–	–	–	–	–	–	–
Dividend payment over 2010	–	–	-/- 84,539	–	–	–	–	–	-/- 84,539
Profit for the year **)	–	–	–	–	–	–	–	51,301	51,301
Balance at December 31, 2011	216,796	767,315	114,025	–	467,230	730	-/- 25,477	51,301	1,591,920

*) *Legal reserve.*

**) *The annual accounts have been prepared before distribution of profit.*
With regard to the proposed profit distribution reference is made to the paragraph "Other information".

Share premium

Share premium is paid up share capital in excess of nominal value. The share premium is exempted from tax to an amount of € 733 mln (2010: € 735 mln).

General reserve

Allocation of profit over 2010

The General Meeting of Shareholders on April 18, 2011 determined the following allocation of the profit over 2010 (amounts x € 1,000):

Distributed to holders of ordinary shares	84,539
Added/withdrawn:	
– Property revaluation reserve	-/- 2,367
– Revaluation reserve subsidiaries	9,373
– General reserve	-/- 2,872
Result after tax	88,673

Dividend 2011

The 2011 dividend proposal is explained in the 'Other information'.

Property revaluation reserve

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

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

Revaluation reserve subsidiaries

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

7 Loans *(x € 1,000)*

	December 31, 2011				December 31, 2010
	Maturity < 1 year	Maturity 1 – 5 year	Maturity > 5 year	Total	Total
Debts to subsidiaries	1,796	20,300	–	22,096	37,669
Convertible bonds	–	441,855	–	441,855	635,996
Debts to financial institutions	–	376,842	130,919	507,761	185,940
Total	1,796	838,997	130,919	971,712	859,605

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

Average effective interest	2011				2010			
	EUR	GBP	USD	total	EUR	GBP	USD	total
Short term interest bearing debt	–	1.0%	–	1.0%	3.6%	0.7%	–	3.4%
Long term interest bearing debt								
– unsecured								
• Debts to subsidiaries	2.6%	–	–	2.6%	1.9%	–	–	1.9%
• Convertible bond	4.6%	–	–	4.6%	4.6%	–	–	4.6%
• Bank debts and other loans	2.3%	2.3%	4.7%	3.5%	1.4%	2.1%	–	1.7%
• Cross currency interest rate swaps	–	–	3.2%	3.2%	–	–	–	–
– secured								
• Interest rate swaps	–	-/-5.0%	–	-/-5.0%	–	-/-5.4%	–	-/-5.4%
Average	4.2%	0.8%	4.3%	3.5%	3.8%	-/-0.6%	–	3.6%

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

Fair value

The carrying amount and the fair value of long term interest bearing debts are as follows:

	December 31, 2011		December 31, 2010	
	carrying amount	fair value	carrying amount	fair value
Debts to subsidiaries	22,096	22,096	37,669	37,669
Convertible bonds	441,855	426,356	635,996	680,297
Bank debts and other loans	507,761	499,553	185,940	187,486
	971,712	948,005	859,605	905,452

Currencies

Loans are denominated in euro, pound sterling and American dollars.

8 Other debt *(x € 1,000)*

	December 31, 2011	December 31, 2010
Leasehold liabilities	–	6,800
Received deposits	–	285
	–	7,085

9 Short term debt *(x € 1,000)*

	December 31, 2011	December 31, 2010
Debts to financial institutions	112,528	31,741
Short term portion of long term debts	–	199,498
Creditors	105	364
Debt to subsidiaries	4,007	17,403
Taxes on profit	68	1,182
Other debts	9,640	12,377
	126,348	262,565

10 Staff

During 2011 the legal entity employed an average of 2 persons (2010: 2), both worked in The Netherlands.

11 Audit fees

In 2011 Wereldhave and her subsidiaries have accounted for the following costs from the group auditor PricewaterhouseCoopers:

	2011	2010
Audit of the Annual Accounts	360	410
Other audit services	96	47
Tax advisory services	33	40
Other non audit services	20	15
	509	512

Of the total amount of audit fees € 215,000 (2010: € 223,000) relates to The Netherlands. This consists of an amount of € 150,000 (2010: € 186,000) costs for the audit of the Annual Accounts, € 54,000 (2010: € 47,000) for other audit activities, € 10,000 (2010: € nil) for tax advisors fees, whilst the remaining part relates to other non-audit services.

12 Management and members of the Supervisory Board

For the remuneration of the members of the Board of Management and Supervisory Board reference is made to note 31 in the consolidated annual accounts.

13 Related parties

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

14 Contingencies

General guarantees as defined in Art. 403, Book 2 of the Dutch civil code is given by the company for a number of subsidiaries in The Netherlands.

The company has given guarantees to third parties for group companies totaling € 486 mln (2010: € 279 mln). Capital investment commitments amount to € 133 mln as per December 31, 2011 (2010: € 1.2 mln).

The company is the head of the corporate income tax and VAT units for which Dutch subsidiaries are also included. The company is also jointly and severally liable for the tax of the tax units as a whole.

The Hague, March 1, 2012

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

Board of Management
J. Pars
D.J. Anbeek

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

Proposed distribution of profits

In addition to the statutory cash dividend of 5% on the priority 'A' shares in issue, it is proposed to distribute to holders of ordinary shares a dividend of € 4.70 in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax.

(amounts x € 1 mln)	**2011**	**2010**
Profit	51.3	88.7
Payment to holders of ordinary shares	101.9	100.8
Added/withdrawn:		
• Property revaluation reserve	–	-/- 2.4
• Revaluations reserve participations	-/- 13.2	9.4
• General Reserve	-/- 37.4	-/- 19.1
	51.3	88.7

Events after balance sheet date

Wereldhave announced in February 2012 to fully concentrate on shopping centers in Western Europe (Belgium, Finland, The Netherlands and the UK) and offices in Paris and Madrid. This strategic choice implies that Wereldhave will sell the real estate interests in the United States. The proceeds will be used for new purchases and own investment properties under construction in Western Europe.

In February 2012 Wereldhave agreed on the placement of a private loan for the amount of £ 50 mln. The maturity of this loan is 7 years. This loan secures Wereldhave's refinancing needs for 2012.

On February 29, 2012, Wereldhave sold an office building in Washington DC, in the United States for an amount of $ 147.5 mln. The net proceeds from disposal are equal to the carrying amount at December 31, 2011. The building at 801 9th Street in the centre of Washington DC, is fully let to the US-Mint until 2019 and was acquired by Wereldhave in 2006.

Wereldhave Belgium is in consultation with Redevco about the acquisition of the Shopping Center 1 and the Stadsplein - Sint-Martinusplein shopping centre in Genk, against the issue of new ordinary shares Wereldhave Belgium. The transaction value amounts to € 69 mln. Wereldhave N.V. intends to maintain its (direct and indirect) percentage stake in Wereldhave Belgium in term at about the current level.

Independent auditor's report

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

Report on the financial statements

We have audited the accompanying financial statements 2011 of Wereldhave N.V., The Hague as set out on pages 74 to 134. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at December 31, 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of movements in group equity and the consolidated cash flow statement for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at December 31, 2011, the company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Board of Management's responsibility

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

Auditor's responsibility

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

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

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

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Wereldhave N.V. as at December 31, 2011, 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 Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Wereldhave N.V. as at December 31, 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

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

Amsterdam, March 1, 2012
PricewaterhouseCoopers Accountants N.V.
R. Dekkers RA