



WERELDHAVE

# ANNUAL REPORT

2013



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This is the Annual Report 2013 of Wereldhave N.V. including the report from the Board of Management for the year 2013, the property portfolio overview, the financial statements and the report of the Supervisory Board. This report will only be published in digital form on the Company's website [www.wereldhave.com](http://www.wereldhave.com)

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Wereldhave, established in 1930, is a property investment company. Wereldhave focuses on convenient shopping with shopping centres which are dominant in their catchment area in the Netherlands, Belgium and Finland and on sustainable offices in Paris, France.

Wereldhave's mission is to operate shopping centres and offices to realise solid long term societal and financial returns for all stakeholders.

### 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 69.41% interest in C.V.A. Wereldhave Belgium S.C.A., a tax exempt 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.

### Property valuation

Wereldhave values its properties at market value, less transaction costs. The entire portfolio is valued externally by independent valuers at June 30 and December 31.

### Financial position

Wereldhave has a sound financial position. The proceeds from the disposals of the portfolios in the United Kingdom and the United States were used to lower debt. As at December 31, 2013, Wereldhave's Loan-to-Value stood at 27.4%. For the longer term, Wereldhave targets a Loan-to-Value in the range of 30% to 40%.

Wereldhave shares are amongst the top 10 most-traded continental European property stocks with an average daily transaction volume in 2013 of approximately 114,000 shares.

### 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 shares are included in the MSCI, EPRA, GPR and Stoxx indices.

### Key information

	2009	2010	2011	2012	2013
Share price at 31/12	66.70	73.06	51.31	48.00	57.17
Price/Direct result at 31/12	13.5	14.3	10.4	12.3	17.3
avg. Transaction volume/day	131,000	144,000	163,000	120,000	114,000
Market capitalisation at 31/12	1.4 bn	1.6 bn	1.1 bn	1.0 bn	1.2 bn
NAV/share	73.77	75.12	73.44	63.60	62.24
EPRA NAV/share				66.33	64.99
Premium (discount)	-9.6%	-2.7%	-30.1%	-25.1%	-12.0%
Dividend	4.65	4.70	4.70	3.30	3.30
Dividend yield at 31/12	7.0%	6.4%	9.2%	6.9%	5.8%
Pay-out	94%	92%	95%	84%	100%
Free float	100%	100%	100%	100%	100%

# FINANCIAL CALENDAR 2014

**28 MARCH 2014**

Record date for General Meeting of Shareholders

**25 APRIL 2014**

Trading update on the first quarter 2014

**25 APRIL 2014**

General Meeting of Shareholders 10.30h AM

**29 APRIL 2014**

Ex-dividend listing

**2 MAY 2014**

Dividend record date

**8 MAY 2014**

Dividend payment date

**25 JULY 2014**

Half-year results 2014

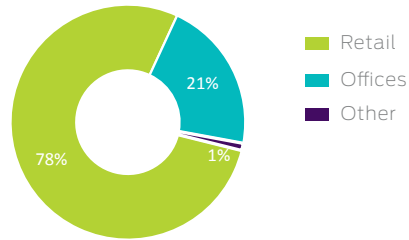
**24 OCTOBER 2014**

Trading update on the third quarter 2014

**MARCH 2015**

Annual Report 2014

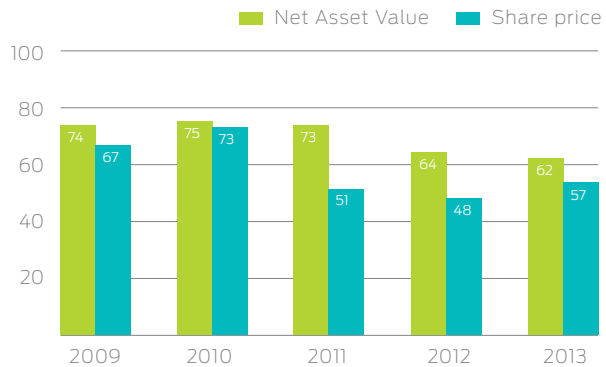
Distribution of investments properties by sector at year-end 2013



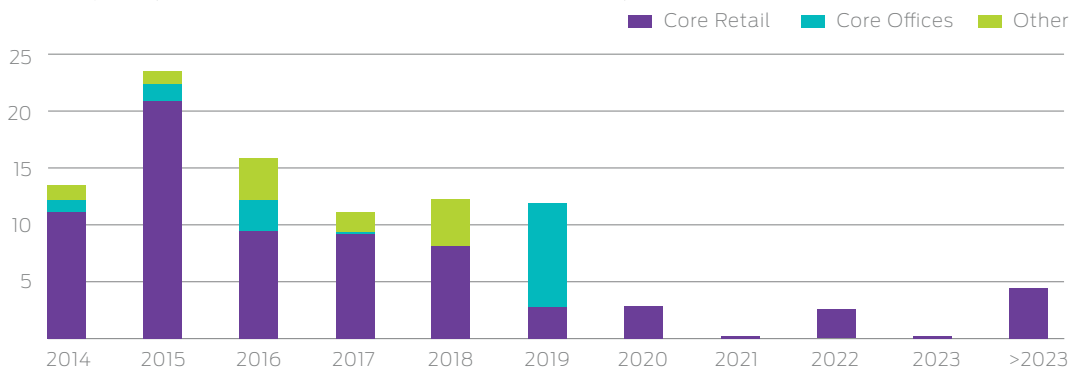
Share price 2009-2013 (€)



Net asset value and share price at December 31 (€)



Lease expiries (as a % of contracted rent at December 31, 2013)



Excluding indefinite contracts (5.7% of total)

	2009	2010	2011	2012	2013
<b>Results (x € 1m)</b>					
Net rental income <sup>1) 2)</sup>	143.1	160.2	128.7	107.7	104.9
Result <sup>3)</sup>	-107.1	88.7	51.3	-98.4	39.4
Direct result <sup>3)</sup>	104.0	109.0	106.3	84.9	71.5
Indirect result <sup>3)</sup>	-211.1	-20.3	-55.0	-183.3	-32.1
<b>Balance sheet (x € 1m)</b>					
Investments	2,418.2	2,860.1	2,830.2	2,073.0	1,731.9
Development projects	81.6	134.5	227.9	240.0	413.2
Equity <sup>4)</sup>	1,569.6	1,611.2	1,591.9	1,378.8	1,349.4
Interest bearing debt	712.8	1,148.0	1,289.1	1,288.8	680.7
<b>Number of shares</b>					
At December 31	21,276,988	21,448,525	21,679,608	21,679,608	21,679,608
Average during the year	21,123,663	21,389,310	21,593,238	21,679,608	21,679,608
<b>Share data<sup>5)</sup> (x € 1)</b>					
Equity <sup>6)</sup>	73.77	75.12	73.44	63.60	62.24
Direct result <sup>7)</sup>	4.93	5.10	4.93	3.91	3.30
Indirect result <sup>7)</sup>	-10.00	-0.95	-2.55	-8.45	-1.48
Dividend	4.65	4.70	4.70	3.30	3.30
Pay-out	94.3%	92.2%	95.3%	84.4%	100.0%
<b>Result per share<sup>7)</sup></b>	<b>-5.07</b>	<b>4.15</b>	<b>2.38</b>	<b>-4.54</b>	<b>1.82</b>

1) as a result of change in accounting policies, as per 2011 leasehold contracts are presented as operational lease contracts

2) figures 2011 and onwards excl. discontinued operations USA

3) excluding minority interest

4) excluding minority interest, before distribution of profit

5) per ordinary share ranking for dividend and adjusted for bonus issue

6) before distribution of profit

7) based on the average number of ordinary shares in issue

Dear shareholders, tenants, visitors of our shopping centres and other stakeholders,

2013 was a historical year for Wereldhave, with a total transformation of the portfolio, a new and focused strategy, the start of a strong and efficient organisational platform and a very strong financial position. Wereldhave is back on track to be regarded as a solid operator of shopping centres in Belgium, Finland and the Netherlands and sustainable offices in Paris. It is our mission to operate our shopping centres and offices to realise solid long term societal and financial returns for all stakeholders.

### The year 2013 in review

Early in 2013, Wereldhave changed its strategy. From being a multi-market and diversified player on two continents, Wereldhave decided to change into a European property investor with a focus on shopping centres in Finland, the Netherlands and Belgium and offices in Paris. Following this strategy, major shifts in the composition of the portfolio were achieved.

In January and February 2013, the entire portfolios in the United States and the United Kingdom were sold. The proceeds of € 1.3bn were designated to structurally reduce debt (€ 500m), re-invest in core markets (€ 400m) and finish the development pipeline (€ 400m). In March 2013 Wereldhave repurchased the € 230m 4.375% Convertible Bonds due 2014, to reduce and optimise its debt position. At the end of the second quarter, when the management offices in the USA and the UK were closed, the first strategic “Derisk” phase was completed.

Further important steps to focus were made during the year, with the disposal of the non-core portfolio in the Netherlands. In December 2013, Wereldhave changed its Dutch pension scheme from a defined benefit system to a defined contribution. The Dutch Wereldhave pension fund agreed on a buy-out with an insurance company. In the United Kingdom, the Wereldhave UK pension fund agreed on a reinsurance of assets and liabilities, also in December 2013.

In June 2013 Wereldhave moved its head office from The Hague to Schiphol. The open office space underpins the new cultural key values for our organization: ambition, entrepreneurship, transparency and teamwork. The corporate identity was revamped with a new branding and logo and several internal events were organised to explain the strategy and implement the new culture.

This change of office and culture and emphasis on cultural values are of eminent importance to the Regroup phase, with full focus on building an even stronger quality of assets and further professionalise the organisation.

The company is now in the second or “Regroup” phase of its strategy. This phase is aimed at strengthening and expanding Wereldhave’s position in the four core markets through operational excellence, a controlled development pipeline, value maximisation of the shopping centre Itis, re-investing in core markets and alignment with all stakeholders.

During the second half of the year, significant progress was already made. Overall like-for-like rental growth came in strong at 160 bps above indexation (target 125 bps). In the Netherlands, in spite of difficult market conditions, Wereldhave was successful in letting vacant units in its shopping centres. The occupancy level of the Dutch retail portfolio rebounded, whilst recording a positive but somewhat subdued like-for-like rental growth of 1%. Largely due to bankruptcies of several tenants, the like-for-like rental growth in the Netherlands was 1.4% below indexation (target is matching indexation).

In Belgium, like-for-like rental growth benefited strongly from rent renewals in the Belle-Ile shopping centre in Liège and the uplift from the opening of the shopping centre expansion in Nivelles in 2012. The occupancy of the Belgian offices portfolio increased by 10 percent points due to new lettings in Berchem and Vilvoorde. The like-for-like rental growth of the Belgian core retail portfolio amounts to +6.3%, which is 470 bps above indexation (target is 220 bps above indexation).

In Finland, like-for-like rental growth amounts to + 5.1%, which is 320 bps above indexation (target is 200 bps above indexation). A major step was set with the completion of the new Stockmann department store in the Itis shopping centre. The new store opened its doors in November 2013, well before the shopping season. The 12,000 m<sup>2</sup> old retail space that was vacated by Stockmann will be refurbished during the first half of 2014. As a result of the refurbishment of the entire centre, the rental income of Itis is forecasted to increase from € 24m in 2013 to € 33m in 2015.

In France, the Noda development in Issy-les-Moulineaux (Paris) scored a BREEAM outstanding rating of 92% at the interim assessment. This certainly contributed to the success in letting. Two leases were signed for 65% of the building with Coca-Cola. The Urbagreen development in Joinville-le-Pont (Paris) was completed in January 2014 and was transferred to the buyer, BRED bank, on February 5, 2014 for € 91m, approximately 30% above cost. Like-for-like rental growth in France amounts to +4.5%.

The Carré Vert office building in Levallois-Perret was awarded the BREAAM outstanding award. This is an unrivalled high score for an existing office building and a major achievement in partnership with the tenant EDF.

In search of operational excellence, Wereldhave has decided to boost its efforts on sustainability. Several stakeholders were consulted and a new framework for sustainability was defined. Our key focus on shopping centre sustainability will be social inclusion: each of Wereldhave's shopping centres should play an important role in the society it serves, by providing and facilitating meaningful events for its visitors. This approach on sustainability also helps to increase the attractiveness of the centre and supports visitor numbers and dwelling time.

Wereldhave will publish its first sustainability report in April 2014, shortly before the Annual General Meeting of Shareholders.

## Outlook 2014

The year 2013 has certainly not been an easy year for retailers, particularly in the Netherlands. Austerity measures to control the budget, declining values on the housing market and pension cuts have had their toll on Dutch consumer confidence and spending. In Finland, consumer confidence also decreased during the year. In spite of the low Finnish national debt, the conviction rises that budget cuts are necessary in view of the ageing Finnish population. Belgium remained more or less immune for the European economic decline, due to the automatic indexation of wages and the absence of important austerity measures.

A slow and modest economic recovery is forecasted in all of Wereldhave's retail countries, but consumer confidence and spending will probably lag behind. A recovery in consumer confidence is therefore not expected before the second half of the year, and in the Netherlands this may even be at the end of 2014 or early in 2015.

The Company is well positioned to benefit from a rebound in consumer confidence. The development plans for the Dutch shopping centres have been finalised, with adjustments in size, scalability and procurement. The total investment volume now amounts to approximately € 60m, with execution over a four year's timeframe, and an expected yield on cost between 5.75%-6.25%. Execution of the plans for the shopping centres in Purmerend, Maassluis and Roosendaal has already commenced in 2013. These plans relate to expansions and changes in lay-out, the creation of fully embedded food- and entertainment functions and the finishing of facilities and public space. In addition, over the next four years, a total of one year's rent (approximately € 30m) will be incurred as capital expenditure to refresh the centres and upgrade their look and feel.



In Belgium, the shopping centres are already up to standards, with the exception of the Tournai shopping centre. Plans for the refurbishment and expansion of this centre are being prepared. In spite of its obsolescence, the Tournai shopping centre is still attracting high visitor numbers. In Finland, the refurbishment of the Itis shopping centre will be completed by mid-2014. The visitor numbers of Itis show a steady increase since the opening of the new Stockmann department store. Negotiations to fill the last vacant units (predominantly in the former Stockmann store) are ongoing.

Nearly one year after the disposal of the US portfolio, Wereldhave has made a first large reinvestment in the Netherlands. The Vier Meren shopping centre in Hoofddorp was acquired from Unibail-Rodamco for a consideration of € 147.5m including costs. A second acquisition in the Netherlands was agreed on February 27, 2014, which will make Wereldhave the single owner of the Koperwiek shopping centre in Capelle aan den IJssel for € 60.1m, including transaction costs. The transaction will be completed early in March 2014. This acquisition enables Wereldhave to meet tenants' demand for space in De Koperwiek. Wereldhave's part of the centre had a 100% occupancy in 2013 and additional development schemes are in preparation to expand the centre by 5,000 m<sup>2</sup>, investing approximately € 19m in two years' time.

Both acquisitions perfectly fit into our strategy of investing in high quality, medium-sized shopping centres in Northwest Europe and also add to our position in the Dutch retail market. Not only have we broadened our tenant base, but the quality and size of the centre supports Wereldhave in building a strong organisational platform in the Netherlands.

In view of the above, we are well on track with the Regroup phase of our strategy. The operational target for the like-for-like rental growth is raised to 140 bps above indexation (was 125 bps). The other operational targets are reconfirmed: an average occupancy of its shopping centres of at least 98% and general costs below € 14m. The decline in the direct result from a loss in net rental income due to property disposals in 2013 will be more than compensated by acquisitions, the completion of developments and a positive like-for-like rental growth in 2014. For 2014, Wereldhave expects a direct result above the 2013 direct result per share of € 3.30.

After a turbulent 2012, Wereldhave fully transformed in 2013 in order to become a focused operator, with a much better quality portfolio of assets. Operational excellence will be leading for further growth of the Company. In this respect I would like to express all thanks to our employees for their dedication and effectiveness. Transformation leads to painful changes in the organisation, necessary to raise the bar in competing on all markets we operate in. I am proud of the performance of our employees and look forward to an ambitious and successful 2014.

D.J. Anbeek  
Schiphol, February 27, 2014

### Strategic progress

On February 11, 2013, Wereldhave announced a new strategy. The strategy was discussed at length with the Board of Management during several meetings. It consists of two consecutive phases, Derisk and Regroup. The Derisk phase aims at creating a focused portfolio, a strong balance sheet and low general costs. The Regroup phase is focused on operational excellence, a controlled development pipeline, value maximisation of Itis (Finland), re-investments in core markets and stakeholder alignment. The Supervisory Board is confident that this strategy will create a solid basis for Wereldhave's future, aimed at growth.

The Supervisory Board is pleased to see that Wereldhave made substantial progress in achieving its strategic objectives. Progress is reported regularly, both internally and externally. As a result, the transparency of the Company has increased significantly. The Company underwent drastic changes in 2013. From a multi-market diversified real estate investor on two continents, Wereldhave is now only active on the European continent with a focus on shopping centres in Belgium, Finland and the Netherlands and sustainable offices in Paris.

On January 7, 2013, agreement was reached with Lone Star Funds on the disposal of Wereldhave's entire US portfolio. This was soon followed by the adoption of the new strategy and the announcement that Wereldhave would withdraw from the United Kingdom. The larger part of the UK portfolio was sold in February and at the end of 2013 all UK assets were sold on or above book-value. The management offices in the USA and in the UK were closed and general costs were reduced from € 21m in 2012 (exclusive of a one-off of € 1.9m for restructuring costs) to € 14.5m in 2013. By mid-2013, Wereldhave could announce that it had successfully completed the Derisk phase.

Also in the Regroup phase, good progress is made. Letting results are solid, resulting in an on average above target like-for-like rental growth of the shopping centre portfolio in 2013. All non-core properties in the Netherlands have been sold during the year, and the Dutch portfolio is now fully focused on shopping centres. In Belgium, Wereldhave still has a non-core portfolio of offices in Antwerp and Brussels, and these showed a solid 10 percent points increase in occupancy. Investments in Spain are put on hold.

Nearly one year after the disposal of the US portfolio, a first re-investment was announced on January 15, 2014, with the acquisition of Vier Meren shopping centre in Hoofddorp, the Netherlands, for € 147.5m including costs, a prime shopping centre at a net initial yield of 5.8%.

### Composition of the Supervisory Board and its Committees

At the General Meeting of Shareholders, the Supervisory Board was expanded to five members. Having reached a maximum term in office, Mr Peter Essers stepped down from the Board. The Board thanks Mr Essers for his valuable contribution. Mrs Femke Weijtens (legal, governance and sustainability expertise) and Mr Joost Bomhoff (seasoned real estate and sustainability expertise) joined the Board. The Supervisory Board now consists of Mr Joop van Oosten (chairman), Mr Fred Arp (vice-chairman), Mr Herman van Everdingen, Mrs Femke Weijtens and Mr Joost Bomhoff.

Following the expansion of the Supervisory Board and in line with Dutch Corporate Governance Code, a Remuneration and Nomination Committee was installed, chaired by Mrs Femke Weijtens. Mr Joop van Oosten is the second member of this Committee. One of the first tasks of the Committee was to review the profile for members of the Board of Management and to prepare the selection and nomination of a new financial specialist to the Supervisory Board. At the Annual General Meeting of Shareholders, to be held on April 25, 2014, Mr Fred Arp (chairman of the Audit Committee) will step down from the Board. He is not available for re-election, having reached a maximum term in office. The Supervisory Board is pleased to announce the proposed nomination of Mr Bert Groenewegen, currently CFO of Ziggo. The Netherlands Authority for the Financial Markets (AFM) has approved his nomination. His profile as a financial specialist closely matches the profile for members of the Board. When nominated, he will chair the Audit Committee. Mr Herman van Everdingen is the other member of the Audit Committee.

All members of the Supervisory Board are independent of the Company and its stakeholders, with the exception of Mr Herman van Everdingen, who acted as interim member of the Board of Management until June 1, 2013, when Mr Pieter Roozenboom started as the new CFO of the Company.

At present, the Company does not fully comply with the Dutch Act on Management and Supervision, which – among others – aims at a representation of at least 30% of either gender in both boards. The Supervisory Board strives to achieve a balanced composition of the Boards in terms of gender, while it will continue to select members primarily on the basis of expertise, experience, background and skills. The Supervisory Board now has a composition of at least 20% of either gender. The Management Team consists of the CEO and CFO, 4 country directors and 2 corporate managing directors. The representation percentage of each gender in this group amounts to 12.5%.

## Meetings of the Supervisory Board and its Committees

The Supervisory Board held nine meetings during the year 2013 and the attendance rate was 97% (one member absent in one meeting). One of the meetings took place in Paris, where the Supervisory Board met the management organisation, discussed the French market and took the opportunity to visit the property and development portfolio.

Special items on the agenda were the adoption of a new strategy, the disposal of the USA and UK portfolios and the repurchase of a € 230m 4.375% convertible bond. Other important special topics were the required cultural change of the organisation and the relocation of the Company's head office from The Hague to WTC Schiphol.

The Supervisory Board is very pleased that following a stakeholder consultation, the Board of Management made significant progress in adopting a new sustainability framework. Starting in 2014, Wereldhave will issue a sustainability report, with the adoption of GRI and EPRA best practices.

Recurring items on the agenda were the operating performance of the property portfolio, movements in results and the balance sheet, investments and disposals, the financing policy, currency, budget for the coming year, the dividend policy and tax issues. The status of the Belgian penal case and related tax claim was discussed in the Board. Wereldhave Belgium was acquitted of all charges in the penal case. On February 7, 2014, the Belgian tax court ruled that the tax claim of the Belgian tax authorities has been denied. The tax authorities still have the possibility to appeal.

The Supervisory Board is of the opinion that the quality of investment and divestment proposals of the Board of Management has further improved. Several proposals have been discussed with the Board.

In May 2013, the contents of the standard set of Supervisory Board management information have been reviewed by the Supervisory Board. This resulted in an improved, clear and standardised set of management information.

For the year 2014, the system of annual country reviews by the Group Control Department will be maintained, instead of installing an internal audit department. The country reviews provide a clear and transparent assessment of management control and items of attention and are reported directly to the (Audit Committee of the) Supervisory Board.

In February 2013, the Supervisory Board carried out an extensive Board evaluation, to assess its own performance and the relation to the Board of Management. The Board was assisted by an external moderator, a governance expert. The moderator attended two meetings of the Board, held private discussions with all the members of the Supervisory Board, the Board of Management and the Company Secretary. The moderator also took note of the previous year's minutes of the meetings of the Supervisory Board and reviewed the Board regulations. In addition, all Supervisory Board members filled in an elaborate questionnaire of which the answers were discussed plenary under the guidance of the external moderator. The Supervisory Board intends to repeat external party assistance to the evaluations every three years, in line with international best practices.

The assessment report was discussed in a meeting of the Supervisory Board. The overall feedback was positive, with some recommendations for improvement. The Board established that all of its members are committed to allocating sufficient time and attention to the requirements of Wereldhave and its business. No transactions with a potential conflict of interest were reported by members of the Supervisory Board or the Board of Management in 2013.

Following the recommendations, the Supervisory Board decided to evaluate each meeting immediately afterwards, without the Board of Management being present. The Supervisory Board also decided to adopt a more active stance to support the Board of Management, whilst maintaining focus on supervision. A good example can be found on the topic of sustainability, where two Supervisory Board members were consulted by the Board of Management in defining a new framework.

The Supervisory Board has two standing Committees, the Audit Committee and the Remuneration and Nomination Committee. The full meeting documentation of committee meetings is available in the online boardroom for all Supervisory Board members and the Chairman of each committee reports about the meeting to the full Supervisory Board. The Audit Committee held four meetings in 2013 with the Board of Management and convened in private sessions with the auditor only, prior to regular meetings. In addition, several conference calls were held. The attendance rate of the meetings was 100%. Special items on the agenda were the financial analysis of the new strategy, the presentation in the accounts of the disposals in the USA and the UK, the treasury policy of the Company and the future of the Dutch pension scheme for employees. Recurring financial items were the results, the accounts, the property valuations, the dividend policy and tax planning. Other regular items on the agenda were the auditors' (interim) report, the management letter, the internal country reviews, the internal risk management and control systems, compliance, ICT and tax planning. The Audit Committee convenes generally a few days before the Supervisory Board meetings.

The Remuneration and Nomination Committee held its first meeting on July 4, 2013, both members present. The Committee approved the regulations for the Committee and discussed items of attention for the remainder of the year. In addition, the Committee held several conference calls and informal meetings for the selection of a new Supervisory Board member as the successor of Mr Fred Arp. In December, an informal meeting was held to prepare the remuneration report. The remuneration report was on the agenda of the meeting of the Remuneration and Nomination Committee in February 2014.

### Remuneration

Mr Anbeek's fixed salary as at January 1, 2013, amounted to € 402,242. For the year 2014, this amount has been indexed as per January 1, 2014 with the Dutch consumer price indexation (CPI) of 1.6%. For the year 2014, the fixed income for Mr Anbeek amounts to € 408,678. No other changes of the fixed income will be proposed for the year 2014.

Mr Roozenboom was appointed on April 23, 2013. He started his job as CFO on June 1, 2013. Mr Roozenboom's fixed annual salary amounted to € 320,000. For the year 2014, this amount has been indexed as per January 1, 2014 with the Dutch consumer price indexation (CPI) of 1.6%. For the year 2014, the fixed income for Mr Roozenboom amounts to € 325,120. No other changes of the fixed income will be proposed for the year 2014.

The salary is pensionable (average income) up to a maximum pensionable annual income of € 408,678 in 2014. This amount is indexed annually with CPI. The variable income is not pensionable.

Mr Anbeek's variable remuneration for 2013 is 71.25% of the fixed annual salary, i.e. € 286,597. Within that amount, € 154,259 is paid as unconditional short-term remuneration and € 132,338 is conditional.

Mr Roozenboom's variable remuneration for 2013 is 70.25% of 7/12 of the fixed annual salary, i.e. € 131,134. Within that amount, € 69,721 is paid as unconditional short-term remuneration and € 61,413 is conditional.

On February 5, 2014, the Supervisory Board has granted an unconditional short term bonus of € 50,000 gross to Mr Anbeek in respect of the year 2013, payable in Wereldhave shares, with a holding period of three years. This bonus was awarded in special recognition of Mr Anbeek's performance in 2013. During this period he finalised the Derisk phase of Wereldhave's strategy, while being the single director of the Company from January 1, 2013 up to May 31, 2013.

A full summary of the terms and conditions for the members of the Board of Management is provided in the remuneration report drawn up by the Supervisory Board, which is available on [www.wereldhave.com](http://www.wereldhave.com).

### Recommendation to the shareholders

The annual report includes the annual accounts for 2013, prepared by the Board of Management, discussed by the Audit Committee and subsequently discussed and approved by the Supervisory Board. The Supervisory Board approves the Board of Management's proposal of a dividend in cash of € 3.30 per share. The accounts have been audited by PwC, who issued an unqualified opinion. The Supervisory Board submits these accounts to the shareholders and recommends their adoption.

### Acknowledgement

The Supervisory Board acknowledges that the year 2013 has shown a great number of changes to the Company and wishes to thank the Board of Management and all employees for their drive, dedication and flexibility. The Supervisory Board also wishes to express its gratitude to Mr Herman van Everdingen, who acted as an interim managing director for nearly ten months.

The Supervisory Board has full confidence in management and employees and their ability to achieve the strategic objectives.

Schiphol, February 27, 2014  
Supervisory Board Wereldhave N.V.

**J.A.P. van Oosten**

(m, 65)

Chairman since 2011

Member of the Supervisory Board since 2009

Member of the Remuneration and Nomination Committee since 2013  
Reappointed in 2012 until 2016

Positions in Supervisory Boards:

Chairman Supervisory Board Royal Haskoning DHV BV

Chairman Supervisory Board Reinier Haga Groep

Chairman Supervisory Board West-Holland

Foreign Investment Agency

Member Supervisory Board Staedion

Member Supervisory Board ADO The Hague

Other Board positions:

Chairman Foundation Haagbouw

Member Board NEN

**F.Th.J. Arp**

(m, 60)

Vice Chairman

Member of the Supervisory Board since 2005

Chairman Audit Committee since 2005

Reappointed in 2008 and 2011

Retires by rotation in 2014

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

Board positions:

Member of the Supervisory Board and Compensation Committee ProSiebenSat.1

Media AG

Treasurer Voices of Africa Media Foundation

**H.J. van Everdingen**

(m, 58)

Member of the Supervisory Board since 2011

Member of the Audit Committee since 2013

Retires by rotation in 2015

**Director Catalyst Advisors**

Positions in Supervisory Boards:

none

Board positions:

Director Berlage Winkelfonds Duitsland

Board Member Karel Doorman Foundation

**F.C. Weijters**

(f, 46)

Member of the Supervisory Board since 2013

Chairman of the Remuneration and Nomination Committee since 2013

Retires by rotation in 2017

**Executive vice president Corporate Affairs/Company Secretary of Koninklijke DSM N.V.**

Positions in Supervisory Boards:

none

Other positions:

none

**J.A. Bomhoff**

(m, 65)

Member of the Supervisory Board since 2013

Retires by rotation in 2017

Positions in Supervisory Boards:

Supervisory Board Bornet Group

Rotterdam B.V.

Other Board positions:

Director Triple Blue Consulting B.V.

Chairman Foundation SHS

**General**

All members of the Supervisory Board are Dutch nationals.

**D.J. Anbeek**

(m, 50)

Appointed in 2009,  
Appointed CEO in 2012,  
reappointed in 2013 until  
2017

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

Other positions:  
member Supervisory Board at  
ORDINA N.V.

**P. Roozenboom**

(m, 42)

Appointed CFO in 2013 until  
2017

CFO  
Wereldhave  
Merin (previously known as Uni-Invest  
Holding) CEO 2010-2013  
Merin CFO 2006-2010  
ING Real Estate Investment Management  
Europe COO 2005-2006  
ING Real Estate Investment Management  
Europe several financial positions  
2002-2005

Other positions:  
none

**MANAGEMENT TEAM****B. Bakker**

(f, 46)

Managing Director Wereldhave  
Netherlands

**R.W. Beentjes**

(m, 53)

Managing Director Legal, Transactions  
and Communications

**M. Janet**

(m, 58)

Managing Director France and Spain

**L. Plasman**

(m, 60)

Managing Director Wereldhave Belgium

**J. Ristola**

(m, 40)

Managing Director Wereldhave Finland

**H. Vermeeren**

(m, 43)

Managing Director Group Retail  
Operations

## 6.1 MISSION AND STRATEGY

It is our mission to operate our shopping centres and offices to realise solid long term societal and financial returns for all stakeholders.

Wereldhave focuses on shopping centres in Northwest Europe and sustainable offices in Paris. In line with the retail structures in the core countries Belgium, the Netherlands and Finland, Wereldhave focuses on convenient shopping with shopping centres that are top-of-mind in catchment areas of at least 100,000 inhabitants within 10 minutes travel time. Wereldhave's shopping centres offer consumers 'convenient shopping': 90% of shopping needs, strong (inter) national tenants, fully embedded food and beverage functions and easy accessibility. In addition, Wereldhave is active in the Paris office market with a focus on sustainable offices.

Wereldhave implements its strategy in three phases: Derisk, Regroup and Growth

### DERISK (mid 2012 until mid-2013)

With the disposal of the portfolios in the United States and the United Kingdom and the closure of the management offices in these countries, the Derisk phase was completed mid-2013. Wereldhave now has a focused portfolio, a strong balance sheet and low general costs.

Targets Regroup phase 2013-2015	2013 results
<b>1. Operational excellence</b>	
· Average LfL rental growth of 125bps above indexation	√ 160 bps
· ≥98% occupancy	√ 98.4%
· Overhead reduction to ≤ €16m in 2013 and ≤ €14m in 2014	√ €14.5m
· Strengthen talent development	≈ In progress
· Standardise best practices between core countries	≈ Planned for 2014
<b>2. Controlled development pipeline</b>	
· Retail €330m and offices €110m	≈ €177m spent so far
· Expected average yield on cost 6.5%	≈ On track
· From 2015 ≤10% investment portfolio	≈ On track
<b>3. Maximise value Itis</b>	
· Redevelopment completed mid 2014 within budget (€95m)	≈ €78m spent so far
· Rent level 2015 €33m, yield on cost of 7%	≈ On track
<b>4. Reinvest in core markets</b>	
· Acquisitions of €400m	≈ €147.5m re-invested
· Disposals of €150m	≈ €44m sold
<b>5. Alignment with all stakeholders</b>	
· Expand and strengthen Supervisory Board	√ 1 addition and 2 rotations
· Evaluate anti-takeover structure	≈ To be completed before AGM 2014
· Integrate sustainability in overall strategy	≈ 1st CSR report presented before AGM 2014

### REGROUP (mid 2013-2015)

The second phase is aimed at strengthening and expanding Wereldhave's position in the four core markets through: operational excellence, a controlled development pipeline, value maximisation of the Itis shopping centre, reinvesting in core markets and alignment with all stakeholders. Wereldhave's activities in Spain are 'on hold'.

### GROWTH (from mid-2015)

After completion of phase II, expected mid-2015, Wereldhave will present a strategy plan for growth.

### Strategic progress Regroup phase

The table shows the progress that has been made during 2013 on the strategic Regroup targets.

Nearly one year after the disposal of the US portfolio, on January 31, 2014, Wereldhave acquired the Vier Meren shopping centre in Hoofddorp from Unibail-Rodamco for a consideration of € 147.5m including costs.

A second acquisition in the Netherlands was agreed on February 27, 2014, which will make Wereldhave the single owner of the Koperwiek shopping centre in Capelle aan den IJssel for € 60.1m, including transaction costs. The transaction will be completed early in March 2014.

Both acquisitions tick all the boxes for new shopping centre investments: 90% of shopping needs, top of mind in their catchment area of at least 100,000 inhabitants within 10 minutes' drive, easy accessibility, strong national and international brands with local heroes, fully embedded food and beverage and entertainment functions. The centres therefore fit well into Wereldhave's strategy of investing in high quality, medium sized shopping centres in Northwest Europe, and also add to Wereldhave's position in the Dutch retail market, putting emphasis on the Randstad of Greater Amsterdam, Rotterdam and The Hague. Not only has Wereldhave broadened its tenant base, but the quality and the size of the centres support Wereldhave in building up a strong organisational platform in the Netherlands.



Wereldhave has evaluated its anti-takeover measures and after a stakeholder consultation, proposes changes to the articles of association to modernise and simplify the anti-takeover measures, whilst reducing their costs.

Wereldhave has chosen to maintain only one temporary and non-permanent protective measure. A temporary protection enables a careful weighing of the interests of all stakeholders and offers time for a good and balanced reaction, for instance in case of a (public or non-public) offer or the announcement of the intention to make an offer.

The cancellation of all priority shares is proposed, whilst maintaining the possibility to issue protective (preference) shares to a maximum of 50% of the issued share capital, calculated after issue. The powers of the priority shareholders will be (partially) transferred to the Supervisory Board, and the current put option for the Foundation for the holding of preference and priority shares B will be converted to a call option, to a maximum of 50% of the issued share capital after issue. The change from a put to a call option improves the independency of the Foundation, putting the decision to use a protective device outside the Company.

In addition, it is proposed to lower the nominal value of ordinary and preference shares from € 10 to € 1 per share. This not only lowers the cost of the anti-takeover measures (before and after issue), but also raises the tax-exempted share premium reserve.

Wereldhave currently is an investment company with variable capital under Dutch law, which implies that the Board of Management has, amongst other, the authority to issue and repurchase shares. In view of the change in the Dutch law on financial supervision in relation to the AIFMD, it is possible that as of July 22, 2014, listed property companies will not qualify as AIF. In such case, the company will no longer be treated as a financial institution and, as a consequence, lose its status as investment company with variable capital. The Company will however retain its status as a Dutch REIT. The change implies that the Company will then have to change its articles of association and that the authority to issue shares will subsequently move to the Annual General Meeting of Shareholders.

The proposal includes the granting of a power of attorney to the Board of Management to issue ordinary shares up to 10% of the capital in issue, plus an additional 10% of the issued capital in case of a takeover or merger. The power of attorney to issue shares will be granted for a period of 18 months, as from the moment the Company no longer statutory qualifies as financial institution.

These changes to the articles of association, and some minor technical items, will be proposed on the Annual General Meeting, to be held on April 25, 2014.

Wereldhave has decided to boost its efforts on sustainability. Several stakeholders were consulted and a new framework for sustainability was defined. The new framework and associated action plan for 2014 and 2015 will be presented in Wereldhave's first CSR report, to be published in April 2014, shortly before the General Meeting of Shareholders.

#### Financing and dividend policy

Wereldhave aims to maintain its diversified funding base while pursuing a Loan-to-Value (LTV) of 30-40%. For 2013 Wereldhave proposes a dividend of € 3.30 per share. After 2013, an increasing direct result should gradually lead towards an increasing dividend and a pay-out ratio of 85% of the direct result.

#### Transparency and Governance

In 2013, Wereldhave changed its management structure to a Board of Management with a CEO and CFO. The Board of Management consists of the CEO Dirk Anbeek and CFO Pieter Roozenboom. The Board of Management is supported by a management team including Hans Vermeeren (Group Retail Operations) and Richard Beentjes (Legal, Transactions, Communications) and four country directors: Belinde Bakker (Netherlands), Luc Plasman (Belgium), Michel Janet (Paris and Spain) and Jaakko Ristola (Finland).

The Supervisory Board was expanded to five members and a Remuneration and Nomination Committee has been installed.

## 6.2 CORE MARKETS

### NETHERLANDS

Wereldhave focuses on medium-sized shopping centres in the Netherlands that are dominant in their catchment area. The entire non-core portfolio was sold in 2013; the Dutch portfolio now only consists of shopping centres. The value of the property portfolio as at year-end 2013 was € 477m. At the end of 2013, Wereldhave's portfolio comprises of shopping centres in Arnhem, Capelle aan den IJssel, Eindhoven, Etten-Leur, Geldrop, Leiderdorp, Maassluis, Purmerend and Roosendaal. The Vier Meren shopping centre in Hoofddorp was acquired for € 147.5m on January 31, 2014. A second acquisition was agreed on February 27, 2014; Wereldhave bought the other part of shopping centre De Koperwiek in Capelle aan den IJssel for € 60.1m.

#### A year of change

Wereldhave Netherlands had a good year, given the economic conditions. Like-for-like rental income grew by 1% and at year end the occupancy rate stood at 97%. The effects of refurbishments and other modifications within the framework of the new strategy will become visible in the results in 2014 and thereafter.

#### Focus on executing strategy

Wereldhave's strategy for the shopping centres concentrates on three spearheads: improving the shopping centres, realising a more customer-oriented approach towards tenants and attracting more visitors to the shopping centres.

The process of modifying the shopping centres started in the course of 2013. An action plan was formulated, based on a thorough analysis of the portfolio. The total investment volume now amounts to approximately € 60m, with execution over a four year's timeframe, and an expected yield on cost between 5.75%-6.25%. This program kicked off in Purmerend, Maassluis and Arnhem in 2013 and Etten-Leur and Roosendaal will follow early in 2014. The plans relate to expansions and changes in lay-out, the creation of fully embedded food- and entertainment functions and the finishing of facilities and public space (e.g. improving lighting, raising ceiling heights and creating children's play squares). In addition, over the next four years, a total of one year's rent (approximately € 30m) will be incurred as capital expenditure to refresh the centres and upgrade their look and feel.

The appointment of key account management marked a step towards bringing about a more customer-oriented approach in tenant contacts. The 40 largest tenants have now been appointed a key account manager who maintains ongoing contacts with retailers. A more active approach to shopping centre visitors was also introduced in 2013, a.o. by organising events and creating alliances with third parties (e.g. Disney).

#### Outlook

2014 will probably be a year of hesitant recovery for the Dutch retail market. This is attributable to a combination of economic and structural factors. Due to the prolonged period of economic uncertainty, the ability of companies to invest has eroded and consumers have become more conscious and reluctant in their spending. The Netherlands Bureau for Economic Policy Analysis (CPB) forecasts economic growth in the Netherlands to rise to 1% in 2014, but believes it will take longer for consumer confidence to recover in the wake of a lengthy period of bad economic news, falling house prices and rising (pension) costs. Consumer confidence is not expected to recover before the end of 2014.

Wereldhave Netherlands will move forward with the execution of its three strategic spearheads in 2014. The Vier Meren shopping centre in Hoofddorp corresponds with the strategy in every respect and was acquired in early 2014. It is a recently built, medium-sized shopping centre that holds a dominant position in its catchment area and has good parking facilities and a strong range of stores. The agreed acquisition of the single ownership of De Koperwiek in February 2014 offers Wereldhave the opportunity to connect both parts of the centre, create larger shops and accommodate tenants that are seeking expansion of their floor space, since our current part of the centre has a 100% occupancy since 2013.

## Portfolio

The occupancy rate of the Dutch portfolio was 97.0% (core: 97.0%) in 2013, compared to 96.1% (core: 97.1%) in 2012. The portfolio was valued at € 477m (core: € 477m) on 31 December 2013 (2012: € 540.7m of which € 491.0m core portfolio). The portfolio was revaluated downward by 4.6%.

## KEY PARAMETERS CORE RETAIL PERFORMANCE

Key parameters	2013	2012
Net rental income	€29.8m	€29.9m
NIY (EPRA)	5.9%	5.9%
Occupancy	97.0%	97.1%
Investment properties in operation	€477.0m	€491.0m
Investment properties under construction	€6.3m	€2.7m
Acquisitions	-	€3.0m

## TOP 5 TENANTS

(AS AT DECEMBER 31, 2013 BASED ON THE CONTRACTED ANNUAL RENT)

1. AHOLD
2. BLOKKER
3. EXCELLENT RETAIL BRANDS
4. HENNES & MAURITZ
5. AS WATSON



## BELGIUM

Wereldhave focuses in Belgium on medium-sized shopping centres that have a dominant position in their catchment area and that preferably have potential for further expansion. Wereldhave Belgium is a listed company in which Wereldhave holds a stake of nearly 70%. Wereldhave's portfolio in Belgium is comprised of shopping centres in Liège, Nivelles, Tournai and Genk and redevelopments in Genk, Waterloo and Ghent. The portfolio of shopping centres was valued at € 381.0m at the end of 2013, which represents 75% of the total portfolio. The remainder consist of offices in Antwerp, Brussels and Vilvoorde.

### Strong occupancy

Belgium was faced, as were other European countries, with the effects of the economic crisis in 2013. Belgium consumer spending did, however, remain relatively stable compared to that of neighbouring countries France and the Netherlands. The automatic annual wage indexation in Belgium, a solid housing market and the absence of important austerity measures played a role in this respect.

Wereldhave Belgium had a very good year, in spite of the market conditions. Growth in the like-for-like rental income of the core portfolio shopping centres stood at 6.3%, which is far above inflation. The shopping centres had an occupancy rate of 99.2% at the end of 2013. Retail spaces that became vacant were re-let quickly, often at higher rents.

The offices, which account for 20% of Wereldhave's portfolio in Belgium, also posted a strong performance in 2013. The occupancy rate rose by 10 percent points from 81.3% to 91.8%, primarily due to new rentals in Antwerp and Vilvoorde. This office occupancy rate was the highest of the past ten years.

### Building on success

In recent years, Wereldhave has been highly successful in Belgium with the shopping centre in Nivelles. Renovation and expansion led to a sharp rise in visitor numbers and consequently also rental income. Like-for-like rental income also benefited from lease renewals in the Belle-Ile shopping centre in Liège.

The development of the inner-city mixed-use project in Ghent was delayed by several months due to an objection and appeal procedure. Construction recommenced and the completion is currently scheduled for mid-2014. Negotiations to bring pre-letting to nearly 100% are ongoing.

In Genk, construction of the expansion of the Genk Shopping 1 centre is well on track. Letting of larger units is slow, smaller units are more in demand. The first phase of the parking garage was completed in December 2013 and completion of the entire centre is scheduled for the end of 2014.

More renovations and expansions are scheduled for the medium term in Tournai and Waterloo, which are projects that have incurred some delay due to the permit process. The construction of a new retail park in Tournai is expected to commence in 2014. This will be followed by the renovation and expansion of the existing shopping centre in 2015.

## Outlook

Wereldhave expects a slight improvement in the Belgian market conditions this year due to a pick-up in economic growth and an improved consumer confidence. The strategy of active management and in-house property development will continue to be carried out in full. The additional retail space created by in-house property development will start contributing to direct result as from 2014 onwards.

While Wereldhave will continue to seek opportunities to expand its portfolio in Belgium with acquisitions and new developments, the possibilities are limited, given the small offer of properties for sale. Wereldhave is, however, part of one of the three consortiums that will pitch for the large NEO project this year, a development with retail, leisure and residential in Brussels.

## Portfolio

The occupancy level of the Belgian portfolio was 97.0% (core: 99.2%) in 2013, compared to 93.7% (core: 98.7%) in 2012. The portfolio was valued at € 505m (core: € 381.0m) as at 31 December 2013 (2012: € 499.8m of which € 377.5m core portfolio).

## KEY PARAMETERS CORE RETAIL PERFORMANCE

Key parameters	2013	2012
Net rental income	€25.9m	€23.1m
NIY (EPRA)	6.0%	6.0%
Occupancy	99.2%	98.7%
Investment properties in operation	€381.0m	€377.5m
Investment properties under construction	€90.2m	€55.2m
Acquisitions	-	€74.0m

## TOP 5 TENANTS

(AS AT DECEMBER 31, 2013 BASED ON THE CONTRACTED ANNUAL RENT)

1. C&A
2. HENNES & MAURITZ
3. CARREFOUR
4. DELHAIZE
5. EXCELLENT RETAIL BRANDS



## FINLAND

Wereldhave's portfolio in Finland is comprised of the Itis shopping centre in Helsinki. Itis is the largest shopping centre in the Nordic countries. Following completion of the extensive refurbishment in the second half of 2014, Itis will house 160 stores and have a total floor space of 104,000 m<sup>2</sup>.

Wereldhave Finland had a strong year in a challenging market. The targets for 2013 were fully met and the refurbishment of the centre progressed according to plan. Like-for-like net rental income grew by 5.1%. The occupancy rate of Itis stood at 99.4%, compared to 98.5% in 2012. This excludes the temporary strategic vacancy related to the refurbishment of the shopping centre and the relocation of tenants. The outlook for 2014 is promising.

### Investigating in value

Itis celebrated the reopening of the new Stockmann department store on the Piazza on November 4, 2013 and grand opening events were held at the refurbished shopping centre every weekend in November.

The entire operation was carried out on schedule. The refurbishment now focuses on the final part of the project, the renovation of the 12,000 m<sup>2</sup> of the former Stockmann location that was vacated at the end of 2013. The refurbishment has commenced and will be completed in Q3 2014. Approximately 20 of the total of 160 shopping units in the centre are planned for completion before the start of the 2014 Christmas shopping season.

A third of this remaining group of shops has already been let, while another third is under offer and negotiations for the remaining shops are in an early stage. The total investment for the entire refurbishment of the shopping centre will amount to € 102m net. Itis was valued at € 482m at the end of 2013, compared to € 458m at the end of 2012.

### Quick start

In 2013, one third of the total number of 160 shops has either been relocated or replaced. Pop-up stores and kiosks have been initiated and new services such as a fitness centre have been introduced. The Stockmann department store has been relocated and has reported a good start at its new location. Itis' visitor numbers grew by 0.3% to 14.6m over the full year and rose by 300,000 during the last quarter of 2013 and even more important, also seeing a rise in weekend customers in spite of construction works.

### Challenging market

2013 was a challenging year for retailers in the Finnish market. This was largely attributable to an early start of the discount period, due to a relatively warm autumn and disappointing Christmas sales. Total retail sales in Itis dropped by 5% during the year, a figure that was strongly influenced by the strategic vacancy related to the redevelopment and lower-than-estimated Christmas sales.

## Outlook

The Finnish economy is expected to recover slightly in 2014. GDP is forecast to pick up by 0.8% and consumer spending is expected to grow by 1.5%, which would imply that consumer spending is to recover sooner than the economy as a whole.

The completion of the Itis refurbishment will be the key issue for Wereldhave Finland in 2014. The main focus will be on increasing operational excellence and consequently also raising rental income. Visitor numbers are forecasted to increase to 17.5m in the medium term.

## Portfolio

The occupancy rate of the Finnish portfolio in 2013 was 99.4% excluding the strategic vacancy. The portfolio was valued at € 482.1m as at 31 December 2013, compared to € 458,3m in 2012.

## KEY PARAMETERS CORE RETAIL PERFORMANCE

Key parameters	2013	2012
Net rental income	€23.9m	€23.6m
NIY (EPRA)	5.3%	5.5%
Occupancy	99.4%	98.5%
Investment properties in operation	€482.1m	€458.3m
Investment properties under construction	€78.0m	€36.7m
Acquisitions	-	-



## TOP 5 TENANTS

(AS AT DECEMBER 31, 2013 BASED ON THE CONTRACTED ANNUAL RENT)

1. STOCKMANN
2. KESKO
3. HENNES & MAURITZ
4. NORDEA
5. BESTSELLER

## FRANCE/PARIS

Wereldhave focuses in France on sustainable offices in the Greater Paris region. All the offices are located at high-quality and easily accessible locations in the inner periphery of Paris.

At the end of 2013, Wereldhave's portfolio in Paris comprised two office buildings – Carré Vert and Le Cap – and two office development projects – Noda and UrbaGreen. The value of the investment portfolio and development portfolio amounted to € 177.0m and € 220.0m respectively at the end of 2013. UrbaGreen was transferred to the new owner on 5 February 2014 for € 91.5m. The Paris office development portfolio now only consist of one project, which is 65% pre-let.

### Positive year

Paris is the largest office market in Europe after London with a total size of roughly 52 million m<sup>2</sup>. The Paris market is relatively stable and resilient, even though the economic crisis in Europe has somehow impacted this market. The vacancy rate rose from 6.8% to 7.2%, while rents fell by up to 10% depending on the location. The rents of offices at good central locations in Paris did remain stable and the crisis also did not affect Wereldhave's portfolio.

Wereldhave had a positive year in Paris. 65% of the Noda office building, which will be completed in the fourth quarter of 2014, has now been let to Coca-Cola French headquarters at the budgeted rental level.

### Central role for sustainability

Wereldhave is committed to achieving the highest possible sustainability certificates for its offices in Paris and major steps forward were made in this area in 2013. The Noda office building that is under development was awarded the Design Stage BREEAM certificate with the qualification 'outstanding' and the highest possible score with respect to energy management, water management, waste management and the location in relation to public transport.

Carré Vert was awarded the Post Construction Stage BREEAM certificate with the qualification 'outstanding' in 2013, with an unrivalled high score in the existing office sector. This is an exceptional achievement given the difficulties connected with realising a high BREEAM certificate for an existing office building. Wereldhave developed Carré Vert in 1999 and was awarded the BREEAM certificate with the qualification 'good' in 2010. Wereldhave has worked together with tenant EdF in recent years to investigate how the building's sustainability could be improved. This joint effort and substantial tenant investments by EDF ultimately led to this outstanding result.

The possibilities for making Le Cap, which is the third complex that Wereldhave owns in Paris, more sustainable are currently being studied together with an upgrading of the property.



## Outlook

Wereldhave is positive regarding the outlook for the portfolio in Paris in 2014. The current vacancy rate is limited and the economic recovery is expected to lead to a slightly positive development in rents.

With respect to expanding the portfolio, Wereldhave's experienced team in Paris is focusing on office development projects from 6,000 m<sup>2</sup> in the centre of Paris and 15,000 m<sup>2</sup> outside the centre. The properties are always in the best locations near a public transport network and have the best certification. Acquisitions of standing office buildings are less likely in view of the current high valuations.

## Portfolio

The occupancy rate of the French core portfolio was 99.0% in 2013, compared to 99.0% in 2012. The core portfolio was valued at € 177.0m on 31 December 2013 (2012: € 174.7m).

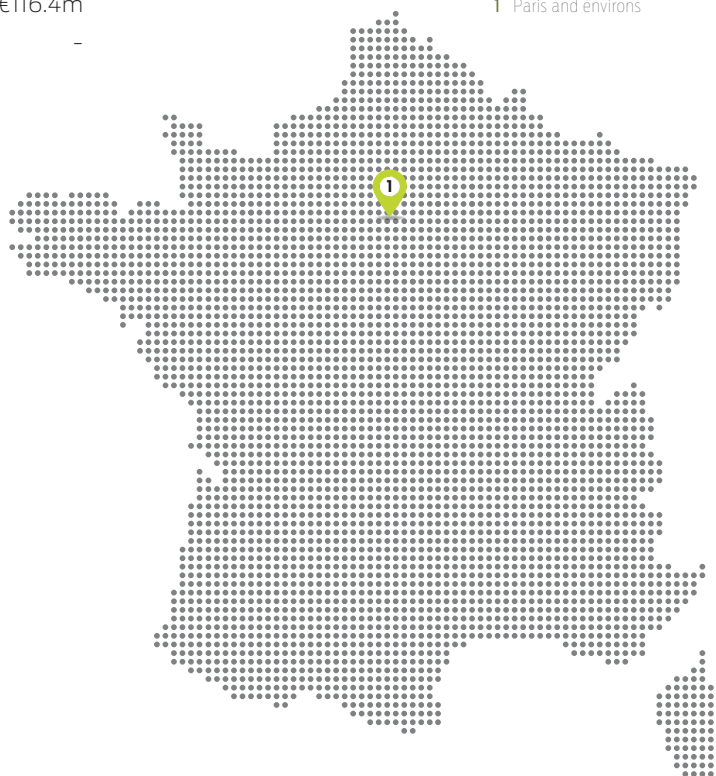
## KEY PARAMETERS CORE RETAIL PERFORMANCE

### Key parameters

	2013	2012
Net rental income	€9.9m	€9.4m
NIY (EPRA)	6.1%	5.9%
Occupancy	99.0%	99.0%
Investment properties in operation	€177.0m	€174.7m
Investment properties under construction	€219.7m	€116.4m
Acquisitions	-	-

### FRANCE/PARIS

1 Paris and environs



## TOP 5 TENANTS

(AS AT DECEMBER 31, 2013 BASED ON THE CONTRACTED ANNUAL RENT)

1. ÉLECTRICITÉ DE FRANCE
2. GROUPE CANAL+
3. KOHLER
4. REX-ROTARY
5. LAFI ENGINEERING

## 6.3 RESULTS

### Profit/loss

Compared to the previous year, the total result for 2013 improved by € 137m to € 50.0m. This can be attributed to the improved indirect result. The total result per share amounts to € 1.82 (2012: € -4.54).

### Direct result

The direct result from continuing operations improved by 2.5% to € 77.4m from € 75.5m, mainly due to lower general costs and a positive like-for-like rental growth. However, net rental income from continuing operations decreased by € 2.8m, mainly due to the disposal in the Netherlands of four non-core properties in 2013.

The activities in the United States and the United Kingdom have been accounted for as discontinued operations. The effect from these disposals became fully visible as from the second quarter. The direct result from discontinued operations in 2013 amounted to € 3.9m. This includes (inter-company) interest charges. The net income from discontinued operations in 2013 amounts to € 0.35 per share, excluding the effect from the disposal of the non-core portfolio in the Netherlands. This decline in 2014 will be more than compensated by acquisitions, the completion of developments and a positive like-for-like rental growth.

General costs (including discontinued operations) dropped by € 8.2m to € 14.5m (€ 13.8m excluding discontinued operations). The 2012 general costs included a one-off of € 2m for restructuring costs. If taken out of the equation, general costs dropped by € 6.2m. The cost reduction programme is more than € 1.5m ahead on target and for the year 2014, general costs are expected to stay below € 14m.

Interest charges (including discontinued operations) decreased from € 35.2m for 2012 to € 19.9m in 2013, including commitment fees for undrawn facilities. The proceeds from property disposals in the UK and US were used to repay debt and for the buyback of the 4.375% convertible bonds, due 2014. As at December 31, 2013, the average nominal interest rate on debt stood at 2.8%.

### Indirect result

The property valuation results of continued operations amounts to € 6.3m, with a slightly negative revaluation of the investment portfolio of € -5.9m and a positive revaluation of the development portfolio of € 12.2m. The valuation of financial instruments amounts to € -2.3m. This relates to interest rate swaps.

The investment portfolio was revalued positively in Finland (+4.0%), Belgium (+0.7%) and France (+0.6%), and negatively in the Netherlands (-4.6%) and Spain (-8.5%). The total revaluation amounted to -0.2% for the investment portfolio, of which +1.2% due to yield changes and -1.4% due to rent and other changes.

### KEY FIGURES (IN €)

	2013	2012
Result	50.0m	-87.1m
Direct result	81.3m	93.8m
Indirect result	-31.3m	-180.9m
Result per share	1.82	-4.54
Direct result per share	3.30	3.91
	<b>31-12-2013</b>	<b>31-12-2012</b>
Property investment portfolio	1,731.9m	2,073.0m
Equity	1,499.8m	1,525.8m
Net asset value per share (EPRA)	64.99	66.33

### Share price development (€)



The development portfolio was revalued positively in France, particularly due to the letting of Noda (€ +19.7m) and negatively in the Netherlands (€ -7.5m). The refurbishment and expansion plans for the Dutch shopping centres have been finalised, with adjustments in terms of smaller size, better scalability and procurement. Prime goal is increasing the attractiveness of the current centres. The negative revaluation reflects the adjusted size of the schemes.

The indirect result from discontinued operations was impacted negatively due to the recycling of exchange rate differences of € -20.9m. Under IFRS, when companies are liquidated, sold or divested, their exchange rate differences reserve must be released from equity and taken to the income statement. Since the exchange rate differences will subsequently be taken to the general reserve, this movement has no net impact on the net asset value.

At December 31, 2013, the EPRA net initial yield on the portfolio stood at 6.0% (excluding Itis, due to the redevelopment). The current estimated EPRA net initial yield of Itis after completion amounts to 5.25% (June 30, 2013: 5.45%)

On March 28, Wereldhave N.V. successfully repurchased € 230m of its 4.375% convertible bonds due 2014. Costs of repurchasing the convertible of € 17m are charged to the income statement for an amount of € 13m and within equity for an amount of € 4m and will contribute at least an equal amount over the remaining period of the original term (September 2014).

## 6.4 EQUITY

At December 31, 2013, shareholders' equity including minority interest amounted to € 1,500m (December 31, 2012: € 1,526m, after an adjustment of € 11m due to changes in IAS 19 "Pensions"). The movement of € -26m is attributable to the dividend payment (€ -72m), the 2013 result of € 40m, the premium for the repurchase of the convertible bonds (€ -4m) and currency differences and other movements of € 10m.

The net asset value per share (EPRA) including current profit stood at € 64.99 at December 31, 2013 (2012: € 66.33). The amount of ordinary shares in issue did not change during the year and remained at 21,679,608.

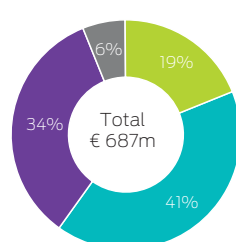
Share ownership is spread among institutional and private investors, both in the Netherlands and abroad. As at December 31, 2013, Wereldhave had no shareholders with an interest of more than 5%. The free float of the ordinary shares is 100%.

### Debt

Nominal interest bearing debt was € 687m at December 31, 2013, which together with a cash balance of € 88m results in a net debt of € 599m. The average cost of debt and ICR were 2.8% and 6.6 respectively. On December 31, 2013, the Loan-to-Value amounted to 27.4% (2012: 43.6%).

	Share price/DR		Price (€)	
	2013	2013	2013	2012
highest	17.9	59.0	61.3	
lowest	14.4	47.5	40.3	
year-end	17.3	57.2	48.0	

### DEBT PROFILE



- USPP
- Debenture
- Convertible bond
- Revolving credit facilities

	31-12-2013	Covenant
LTV	27.4%	≤60%
Solvency ratio	67.6%	≥40%
ICR	6.6x	≥2.0x
Secured	5.1%	≤40%

Of the expected capital expenditure of € 330m for shopping centre developments and € 110m for office developments, during 2013 a total of € 177m was incurred. Upon completion of the Regroup phase, Wereldhave aims to arrive at a Loan-to-Value between 30% - 40%.

No bonds had been converted into Wereldhave shares as at 31 December 2013. Wereldhave has a lot of headroom within its financial covenants. The covenants require that the Loan-to-Value should not exceed 60%. At December 31, 2013, the Loan-to-Value stood at 27.4%. The covenants also require a solvency ratio of more than 40%. With a solvency ratio of 67.6% Wereldhave is well above.

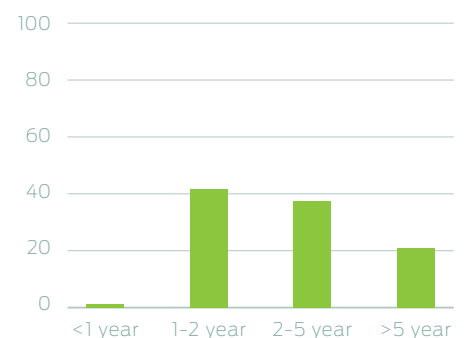
## Derivatives

Wereldhave employs currency swaps and currency options, and also uses financial instruments to manage 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.

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

	2013	2012
Net asset value before distribution of profit as at 01/01	63.60	73.44
Effect implementation IAS 19	-	-0.09
Adjusted net asset value as at 01/01	63.60	73.35
less: dividend previous year	-3.30	-4.70
	60.30	68.65
Direct result	3.30	3.91
Indirect result	-1.48	-8.45
Movements in equity	0.12	-0.51
Net asset value before distribution of profit as at 31/12	62.24	63.60
less: proposed dividend:	-3.30	-3.30
Net asset value after distribution of profit as at 31/12	58.94	60.30

Maturity spread interest bearing debt (as a %)



## 6.5 COMPOSITION OF THE PORTFOLIO

The year 2013 was marked by drastic changes to the portfolio. Wereldhave sold the entire property portfolios in the United States and the United Kingdom and in the Netherlands, all non-core assets were sold. The total volume of disposals in the US and the UK amounts to € 1,2 bn. There were no property acquisitions in 2013, but after balance sheet date, in the Netherlands, Wereldhave acquired a shopping centre in Hoofddorp and reached agreement on the acquisition of the single ownership of shopping centre De Koperwiek in Capelle. The total volume of these two transactions amounts to € 208m, including transaction costs.

The increase of the share of shopping centres in the portfolio can be fully attributed to the disposals in

the United States and the United Kingdom, as these portfolios contained a high share of offices. As at 31 December 2013, the share of shopping centres as a percentage of the total portfolio increased to 77% and including the acquisitions in 2014, this number will rise to 79%.

As at December 31, 2013, EPRA occupancy stood at 96.6% (2012: 94.8%). The investment portfolio was re-valued slightly negatively by 0.2%. There were positive revaluations in Belgium, Finland and France for a total of € 27.6m and negative revaluations in the Netherlands and Spain for a total of €-33.4m. At year-end 2013, the value of the development portfolio amounted to € 413m; the value of the investment portfolio stood at € 1,732m.

### Investment portfolio distribution (as a %)

	2009	2010	2011	2012	2013
Retail	46	52	54	79	78
Offices	45	41	41	18	21
Other	9	7	5	3	1

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

	2009	2010	2011	2012	2013
Belgium	16	14	14	24	29
Finland	21	18	18	22	28
France	7	6	6	8	10
Netherlands	16	22	21	26	28
Spain	6	5	5	5	5
UK	9	10	11	15	-
USA	25	25	25	-	-

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

	2009	2010	2011	2012	2013
Belgium	16.8	14.7	19.1	29.5	32.5
Finland	20.1	18.4	21.9	21.9	22.7
France	2.1	5.2	9.5	9.7	9.4
Netherlands	18.0	23.8	29.6	32.5	30.7
Spain	6.8	5.4	5.9	6.4	4.7
UK	11.7	10.1	14.0	-	-
USA	24.5	22.4	-	-	-
Total	100.0	100.0	100.0	100.0	100.0

### Net sales proceeds of investment properties (x € 1m) (against year-end rates)

	2009	2010	2011	2012	2013
Belgium	-	-	2.7	11.7	-
Finland	-	-	47.2	-	-
France	-	-	-	17.0	-
Netherlands	-	6.5	62.4	0.7	34.0
Spain	-	-	-	15.4	-
UK	2.7	38.3	82.9	80.0	329.0
USA	-	-	23.8	206.7	514.0
Total	2.7	44.8	219.0	331.5	877.0

### Net purchases of investment properties (x € 1m) (against year-end rates)

	2009	2010	2011	2012	2013
Belgium	5.6	11.1	-	74.0	-
Finland	-	-	-	-	-
France	-	-	-	-	-
Netherlands	-	265.0	3.9	3.0	-
Spain	-	-	-	-	-
UK	-	98.8	199.0	-	-
USA	-	-	-	-	-
Total	5.6	374.9	202.9	77.0	-

## 6.6 STAFF AND ORGANISATION

One of the starting points of the strategic reorientation of 2012 was to transform the company into a more transparent and outward-looking, driven, decisive and focused organization. Along this road to operational excellence, Wereldhave has made several contributing changes in the area of human resources.

### HR tools

In the course of 2013, the new corporate cultural values were translated into a renewed set of HR tools, with even more emphasis on personal ambition. Based on the new core values – ambition, entrepreneurship, transparency and team work – other competencies have been formulated to translate the new core values for employees. All new job candidates will take an assessment test to determine these competencies. Current employees will be attending group training days – with a pilot for Wereldhave Netherlands – and will be offered the opportunity to enrol for individual training to further develop these competencies.

The increased focus on competencies has also helped to professionalise the appraisal system. For every position a detailed job description is made, including assessment criteria and a corresponding remuneration structure. The job appraisal places equal weight on professional development and competency development. The corresponding financial remuneration comprises a fixed salary with a short-term incentive plan, which has replaced the profit-sharing plan. The short-term incentive plan is a bonus scheme, based on individual performance indicators and group or country performance achieved.

### Eye for talent

Talent has been and will continue to be a key theme in the aim for operational excellence. In line with the past Wereldhave encourages its employees to keep developing themselves with relevant training and courses. Besides professional courses, there is a growing interest in skill training. This shift is driven by the new policy of assessing and developing employees in terms of relevant competencies. A traineeship programme at Wereldhave Netherlands is developed for young, talented graduates. Trainees who successfully complete this two-year programme will be able to move into a junior position. The programme provides for two trainees per year.

### Staff

In 2012 Wereldhave's new governance structure was announced: from a governance structure comprising two members of the Board of Management with a geographically segmented division of responsibilities to a Board of Management with a functional division of responsibilities. Dirk Anbeek as CEO and Pieter Roozenboom as CFO are assisted by a Management Team of four country directors and two corporate directors.

Following the closure of its offices in the UK and the US, Wereldhave had to bid farewell to 76 employees. During the year, the number of employees at Wereldhave averaged 120 FTE's, of which 69 in operations abroad, compared to 212 a year earlier. The average number of employees at December 31, 2013 was 127 FTEs. Within the total number of employees in 2013, 50.4% were female and 49.6% were male. The average age was 44 years and the average length of service was 10 years. Absenteeism due to illness was 1.6%, compared to 1.7% in 2012.

### Pension scheme

In December 2013, Wereldhave changed its Dutch pension scheme from a defined benefit to a defined contribution system. Wereldhave made a one-off payment of € 2.8m to the pension fund, to facilitate a buy-out with effect from December 31, 2013. This change reduces the volatility in equity and result, as the Company's exposure to the pension scheme has been terminated. In the United Kingdom, the pension fund agreed on a buy-in with an insurer, and the Company made a one-off dotation of £ 5m, to terminate the exposure to the UK scheme.

### Relocation

In June 2013, Wereldhave Holding and Wereldhave Netherlands moved into a new head office at WTC Schiphol: a central location with very easy accessibility in every respect, both nationally and internationally. The interior design of the new 1,500 m<sup>2</sup> office reflects the new corporate cultural values. All staff are now working in a level open-plan office, which strongly benefits visibility and teamwork. The staff lunchroom is, by its central position in the middle of the office floor, a popular venue for meeting with colleagues or visitors throughout the day. Closed rooms of various sizes allow for consultations requiring more privacy.

## 6.7 SUSTAINABILITY

Already for many years sustainability and commercial operations dovetail seamlessly at Wereldhave. In 2013, Wereldhave decided to boost its efforts on sustainability. Several stakeholders were consulted and a new framework for sustainability was defined. It covers four, diverse themes that build on Wereldhave's overall long-term strategy. The implementation of the individual themes has started in 2013. The complete framework and associated action plan for 2014 and 2015 will be presented in Wereldhave's first CSR report, to be published in 2014, shortly before the AGM in April.

### THEME: Sustainable real estate

Sustainability is a high priority for tenants. Their consistently growing demand for sustainability shows that sustainable buildings are the new standard. For a front-runner like Wereldhave this is a unique opportunity to meet this need with state-of-the-art solutions.

A BREEAM certification of no less than 'excellent' for offices has by now become standard, while reality already records higher results. The French office Carré Vert received the BREEAM certificate 'outstanding' in 2013. This is a highly exceptional qualification – maybe even the world's first – for an existing building. Also in Paris, the Noda office development reached an interim BREEAM Design stage assessment of 'outstanding', with a score above 92%.

The introduction of 'smart meters' two years ago has provided tenants more information about their energy consumption. Moreover, the new Environment Management System will take the reduction of energy and water consumption and waste volumes a step further.

### THEME: Human capital

In 2013, several concrete changes regarding personal development and remuneration were introduced in line with Wereldhave's long-term strategy. Job descriptions and corresponding competencies were reviewed and a new remuneration system was put in place. These bonus schemes are broken down into individual results and the results achieved as a team and organisation. This provides clarity from the perspective of employer and employee alike. In the near future, more focus will be

placed on the non-financial performance indicators that comply with the Global Reporting Initiative (GRI).

### THEME: Innovation, together with tenants and suppliers

It is Wereldhave's aim to create a relationship with its tenants and suppliers in which the various stakeholders jointly explore ways to create added value – also with regard to sustainability. In response to the great demand for sustainable buildings, measures have been formulated to further optimise the relationship in this respect. For example, by means of the further roll-out of Green Leases and by concluding covenants that set sustainability criteria for suppliers.

### THEME: Social inclusion & social pride

With its shopping centres, Wereldhave plays a visible role in society which entails an important social responsibility. A targeted approach creates value for both society and Wereldhave itself. Each of the various events organised by shopping centres throughout the year are aimed at making a shopping centre more meaningful to the catchment area in which it operates.

### Sustainability policy as the new standard

Wereldhave's employees play a relevant role in realising the four themes. Based on their expertise, key individuals throughout the organisation have been designated to work out the themes, assisted by an external expert. They prepare policies and formulate targets based on key performance indicators, geared to the local market where necessary. They also help facilitate an effective roll-out throughout the organisation, ensuring that the sustainability policy is embraced by all Wereldhave employees.

### Wereldhave's first Sustainability Report

In order to give all stakeholders clear insight into its long-term Sustainability Policy, Wereldhave will publish its first Sustainability Report in 2014. This report draws on the Global Reporting Initiative (GRI), the international standard in the area of sustainability reporting, and the KPIs included in the best practices of the European Public Real Estate Association (EPRA).

## 6.8 OUTLOOK 2014

Wereldhave is on track with the Regroup phase of its strategy. The operational target for the like-for-like rental growth is raised to 140 bps above indexation (was 125 bps). The other operational targets are reconfirmed: an average occupancy of its shopping centres of at least 98% and general costs below € 14m.

The decline in the direct result from net rental income due to property disposals in 2013 will be more than compensated by acquisitions, the completion of developments and a positive like-for-like rental growth in 2014. For 2014, Wereldhave expects a direct result above the 2013 direct result per share of € 3.30.

## 6.9 CORPORATE GOVERNANCE

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 Business Integrity Policy and the Code of Ethics for employees, which is published on our website [www.wereldhave.com](http://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. An extensive analysis of Wereldhave's position and the full text of the code can be found on the Company's website. The statutory possibility of binding nominations of members of the Board of Management by the Meeting of Holders of Priority Shares, a deviation from the Code which relates to the anti-takeover protection, has been approved by the General Meeting of Shareholders. A proposal to amend the articles of association will be put on the agenda for the Annual General Meeting.

### Company risks and risk 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 lettable 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.

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 € 0.6m (€ 0.03 per share).

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 shares. 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 externally twice a year by independent appraisers. Appraisals are performed as at June 30, and December 31, in principle by two different appraisers per country. 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 decreases in property values. A change in the average initial yield of 0.25% has an effect of € 43m on equity (€ 1.98 per share). A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholder's equity of € 80m (€ 3.69 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. However, in view of the disposal of these portfolios, the risk is limited and mainly composed of intercompany positions, which are (nearly) fully hedged. Wereldhave anticipates that the euro countries in which it invests, will remain within the euro.

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 € 687.7m, 43% was borrowed at variable interest rates as at December 31, 2013. 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. For further explanation of financial instruments and associated risks, reference is made to the annual accounts, note 26 to the consolidated accounts. With a Loan-to-Value ratio of 27% as at year-end 2013.

Wereldhave has sound solid financing ratios and remains well within its banking covenants. A change of 0.5% in the money market interest rate has an effect of € 1.5m on the direct result and equity (€ 0.07 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 € 0.5m on the direct result (€ 0.2 per share). If 1% of the rent is not paid, this will negatively impact rental income by € 1.2m (€ 0.06 per share). 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.

### 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 2013.

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. All employees signed a declaration stating that they complied with the code and will continue to do so during 2014. 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 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.

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 put on the agenda for the Annual General Meeting. The fixed income for the Board of Management for 2014 amounts to € 408,678 per annum for Mr Anbeek and € 325,120 for Mr Roozenboom.

The variable income is primarily based on the increase in like-for-like rental growth, the total shareholder's return and the realisation of annual personal targets set by the Supervisory Board and consists of a short term remuneration in cash or in shares and a conditional long term remuneration in shares. 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. Reference is made to the report of the Supervisory Board on page 14 and the remuneration report published on the website.

In respect of the year 2013, variable income amounted to € 286,597 for Dirk Anbeek and € 131,134 for Pieter Roozenboom.

#### General Meeting of Shareholders

The General Meeting of Shareholders will be held on April 25, 2014. Wereldhave has ordinary shares, preference shares and priority shares A and B, each with a € 10 nominal value. As at December 31, 2013, 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 28, 2014, the convocation will be published on March 14, 2014. 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 Company 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 of Shareholders 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 D. J. Anbeek (CEO) and Mr P. Roozenboom (CFO). The members of the Board of Management are jointly responsible for the management and running of Wereldhave N.V. and its subsidiaries, with due respect for their roles and tasks. The CEO is primarily responsible for strategy, operations and developments, investor relations, human resources and acquisitions and disposals, the CFO for finance and control, treasury, tax and ICT. The duties of the Board are performed with due observance of the long term investment plan and the annual budget that is drawn up for the company and adopted by the Supervisory Board.

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](http://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), F.Th.J. Arp, H.J. van Everdingen, Mrs F. Weijtens and Mr J.A. Bomhoff.

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 with 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. In 2013 the Supervisory Board evaluated its performance, assisted by an external expert on Board evaluation. The Supervisory Board is assisted by the Company Secretary. Reference is made to the report by the Supervisory Board (page 12).

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 introduction 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 2013 the remuneration amounts to € 30,820 per year for members and € 46,141 per year for the Chairman. An additional fixed remuneration is paid to members of committees of the Board of € 4,223 for the chairman of a committee and € 3,167 for committee members. A special remuneration of € 50,000 was paid to Mr Van Everdingen in 2013 for his services as a temporary managing director.

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 (chair) and H.J. van Everdingen. In 2013 the Audit Committee convened three times in the presence of the auditor, at which meetings the auditor's board report 2012, the management letter 2013, 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 present.

A Remuneration and Nomination Committee was installed in 2013. The Committee comprises of Mrs F. Weijtens (chair) and J.A.P. van Oosten. The Committee convened twice, to prepare the selection of a new Supervisory Board member. In 2014, Committee will prepare a thorough peer group and remuneration analysis and draft proposals for a new policy, which will be submitted to the Annual General Meeting of Shareholders in April 2015.

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 R. de Jong. 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.

Wereldhave has evaluated its anti-takeover measures, after a consultation process with representatives of important stakeholders. Wereldhave will put a proposal to the upcoming Annual General Meeting of Shareholders to bring the existing anti-takeover structure more in line with market practice. Reference is made to page 17 of this report for more information.

#### 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 2013.

#### 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 2013. 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. All business transactions between the Company and members of the Board will be published in the Annual Report.

#### Auditor

The auditor was appointed for a three years term up to and including the financial year 2015. The budget was approved by the Supervisory Board. The auditor will attend the meeting of the Supervisory Board and the Board of Management at which the financial statements are discussed and adopted. The press release announcing the quarterly, half year and annual figures were sent in draft form to the auditor at least two days before their publication. The meeting of Shareholders may ask questions to the auditor about his audit 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](http://www.wereldhave.com). This website also contains the most recent PowerPoint slide shows of the presentations to be given to investors and analysts. The annual report and half year notice will only be published digitally. Press releases can be send upon request by e-mail subscription list. The Annual Report, the interim statement and press releases can be found on Wereldhave's website.

Schiphol, February 27, 2014

Board of Management Wereldhave N.V.

D.J. Anbeek

P. Roozenboom

## DIRECT AND INDIRECT RESULT FOR FY 2013

(amounts x € 1,000)

	FY 2013		FY 2012	
	direct result	indirect result	direct result	indirect result
Gross rental income	116,179		118,359	
Service costs charged	22,721		24,820	
Total revenues	138,900		143,179	
Service costs paid	-25,454		-27,450	
Property expenses	-8,586		-8,014	
	-34,040		-35,464	
<b>Net rental income</b>	<b>104,860</b>		<b>107,715</b>	
Valuation results		4,019		-34,672
Results on disposals		-3,583		1,832
General costs	-13,798		-18,740	
Other income and expense	1,679	-288	1,584	-3,559
<b>Operational result</b>	<b>92,741</b>	<b>148</b>	<b>90,559</b>	<b>-36,399</b>
Interest charges	-14,668	-5,625	-14,882	-4,054
Interest income	290		313	-
Net interest	-14,378	-5,625	-14,569	-4,054
Other financial income and expense		-7,979		1,197
<b>Result before tax</b>	<b>78,363</b>	<b>-13,456</b>	<b>75,990</b>	<b>-39,256</b>
Taxes on result	-975	9,142	-459	28,317
<b>Result from continuing operations</b>	<b>77,388</b>	<b>-4,314</b>	<b>75,531</b>	<b>-10,939</b>
<b>Result from discontinued operations</b>	<b>3,870</b>	<b>-26,933</b>	<b>18,282</b>	<b>-169,968</b>
<b>Result</b>	<b>81,258</b>	<b>-31,247</b>	<b>93,813</b>	<b>-180,907</b>
<i>Profit attributable to:</i>				
Shareholders	71,452	-32,081	84,851	-183,291
Non-controlling interest	9,806	834	8,962	2,384
<b>Result</b>	<b>81,258</b>	<b>-31,247</b>	<b>93,813</b>	<b>-180,907</b>
Earnings per share from continuing operations (x € 1)	3.12	-0.24	3.07	-0.61
Earnings per share from discontinued operations (x € 1)	0.18	-1.24	0.84	-7.84
Earnings per share (x € 1)	3.30	-1.48	3.91	-8.45

**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 (other than exchange rate differences), financial income and expense (other than the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on repurchased interest bearing debt and actuarial gains and losses on employee benefit plans) and tax charges on direct result. The indirect result consists of valuation results, exchange rate differences that are accounted for under other financial income and expense, the interest addition to leasehold obligations, the real value of the conversion rights on convertible bonds, the movement in deferred tax liabilities and actuarial gains and losses on employee benefit plans. The direct result per share is identical to the EPRA result per share.



## INVESTMENT PROPERTY - RENTAL DATA

(x € 1,000)

	Gross rental income	Net rental income	Lettable space (m <sup>2</sup> )	Annual theoretical rent	Estimated rental value	EPRA vacancy rate
Belgium	36,214	34,088	171,548	37,492	37,796	3.0%
Finland	25,347	23,853	104,000	35,000	36,000	0.6%
France	10,180	9,869	30,600	12,173	12,303	1.0%
Netherlands	37,678	32,073	142,295	35,725	35,930	3.0%
Spain	6,760	4,976	78,816	8,689	8,279	19.0%
<b>Total portfolio</b>	<b>116,179</b>	<b>104,860</b>	<b>527,259</b>	<b>129,079</b>	<b>130,308</b>	<b>3.4%</b>

The EPRA vacancy rate is determined on a unit by unit basis. Vacancy due to redevelopment has been excluded from the vacancy rate. The total reversionary potential is currently estimated at approximately 1%.

## INVESTMENT PROPERTY - VALUATION DATA

(x € 1,000)

	Market value of property (€m)	Valuation movement in the year (€m)	Change in %
Belgium	505.3	3.3	0.7%
Finland	482.1	23.2	4.0%
France	177.4	1.1	0.6%
Netherlands	477.0	-25.1	-4.6%
Spain	90.1	-8.4	-8.5%
<b>Total portfolio</b>	<b>1,731.9</b>	<b>-5.9</b>	<b>-0.2%</b>

## 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	6.1	6,128	11,928	17,036
Finland	5.7	5.9	3,248	3,266	9,997
France	4.4	4.6	171	315	2,523
Netherlands	2.9	3.3	4,187	9,238	11,751
Spain	2.9	5.2	1,326	1,437	3,126
<b>Total portfolio</b>	<b>3.6</b>	<b>5.1</b>	<b>15,060</b>	<b>26,184</b>	<b>44,433</b>

\* Excluding indefinite contracts

## INVESTMENT PROPERTY - LIKE-FOR-LIKE NET RENTAL INCOME

(x € 1,000)

	Properties owned throughout the 2 years	Acquisitions	Disposals	Development properties	NET RENTAL INCOME 2013	
					Other / Currency differences	Total net rental income
Belgium	26,083	3,163	-	1,131	3,711	34,088
Finland	23,853	-	-	-	-	23,853
France	9,869	-	-	-	-	9,869
Netherlands	29,577	-	1,728	81	687	32,073
Spain	4,976	-	-	-	-	4,976
United Kingdom	-	-	2,998	-	-	2,998
United States	-	-	7,228	-	-	7,228
<b>Total portfolio</b>	<b>94,358</b>	<b>3,163</b>	<b>11,954</b>	<b>1,212</b>	<b>4,398</b>	<b>115,085</b>

net like-for-like rental growth 2.7%

	Properties owned throughout the 2 years	Acquisitions	Disposals	Development properties	NET RENTAL INCOME 2012	
					Other / Currency differences	Total net rental income
Belgium	24,547	2,471	791	1,030	2,913	31,752
Finland	22,701	-	14	-	850	23,565
France	9,448	-	1,069	-16	-	10,501
Netherlands	29,298	-	3,809	280	1,615	35,002
Spain	5,878	-	913	-	105	6,896
United Kingdom	-	-	21,786	-	1,309	23,095
United States	-	-	20,143	-	-	20,143
<b>Total portfolio</b>	<b>91,872</b>	<b>2,471</b>	<b>48,525</b>	<b>1,294</b>	<b>6,792</b>	<b>150,954</b>

Like-for-like net rental growth is determined on a unit by unit basis. Units in redevelopment are excluded from the like-for-like analysis. Like-for-Like for the core retail segment amounts to 3.6%, core offices 2.5% and -3.3% for the non-core portfolio.

Calculation EPRA 'triple NAV' per share	31-12-2013	31-12-2012
Shareholders' equity per share	62.24	63.60
Effect of conversion	-	-
Adjustments for fair value of derivatives	-0.17	-0.24
Adjustments for deferred taxes	3.00	3.04
Adjustment goodwill	-0.08	-0.07
EPRA net asset value per share	64.99	66.33
Fair value of derivatives	0.17	0.24
Fair value of interest bearing debt	-1.24	-1.35
Fair value of deferred taxes	-1.80	-1.84
EPRA 'triple NAV' per share	62.12	63.38

**EPRA Cost ratio (as per)****31-12-2013***Continuing operations*

Net service charges	2,734
Property expenses	8,586
General Costs	13,798
Ground rent	(1,310)
Total Costs (EPRA)	<u>23,808</u>

Gross rental income	116,179
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Cost ratio (%)	<u>20.5%</u>
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**EPRA NET INITIAL YIELD AND 'TOPPED-UP' INITIAL YIELD***as per December 31, 2013, amounts x € 1,000*

	Income	Gross value	Net Bookvalue
<b>Portfolio value (net of cost to complete)</b>		1,976,503	1,737,020
Purchasers costs			231,766
Net portfolio valuation as reported in the financial statements			<u>1,744,737</u>
<b>Income and yields</b>			
Rent for valuer's initial yield (equivalent to EPRA Net Initial Yield)	114,449	5.8%	6.6%
Rent-free periods (including pre-lets)	485	0.0%	0.0%
Rent for 'topped-up' initial yield	114,934	5.8%	6.6%

**EPRA Performance Measures**

PERFORMANCE Measures	DEFINITION	PAGE	PURPOSE
EPRA NAV	Net Asset Value (NAV) adjusted to include properties and other investment interest at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model	42	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy
EPRA NNNAV (triple net)	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes	42	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real estate entity
EPRA Net Initial Yield	Annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, including estimated purchasers' cost (EPRA Net Initial Yield = (Annualised rent passing + other income + turnover rent +/- property expenses) / Gross Property Value)	43	A comparable measure for portfolio valuations
EPRA Vacancy	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio	41	A measure of investment property space that is vacant, based on ERV
EPRA Cost Ratio	The calculation for a cost ratio is based on total operating cost and gross rental income	43	Cost ratio to reflect the relevant overhead and operating costs of the business and provide a recognised and understood reference point for analysis of a company's costs

location	retail	office	other	parking spaces	year of acquisition	year of construction or renovation	annual theoretical rent (x € 1m)
	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	number			
	n.l.a.	n.l.a.	n.l.a.				
<b>Belgium *)</b>							
<b>RETAIL PORTFOLIO</b>							
<b>Genk</b>							
Sint Martinusplein	15,400			600	2012	2008	3.4
<b>Liège</b>							
Quai des Vennes 1	30,252			2,200	1994	1994	11.0
<b>Nivelles</b>							
Chaussée de Mons 18	28,600			1,300	1984	2012	7.7
<b>Tournai</b>							
Boulevard Walter de Marvis 22	15,540			1,260	1988	1996	3.1
<b>Waterloo</b>							
Chaussée de Bruxelles 193-195	3,347			95	2010	1967	0.8
	<u>93,139</u>						<u>26.0</u>
<b>OTHER PROPERTIES</b>							
<b>Brussels</b>							
Boulevard Bischoffsheim 1-8		12,666		150	1988	2002	2.6
Medialaan, Vilvoorde		22,695		606	1998	2002	3.2
Jan Olieslagerlaan		3,077		82	1999	1999	0.4
<b>Antwerp</b>							
Veldekens, Berchem		39,971		771	1999	2002	5.3
	<u>93,139</u>	<u>78,409</u>					<u>37.5</u>
<b>Finland</b>							
<b>RETAIL PORTFOLIO</b>							
<b>Helsinki</b>							
Itis **)	94,000	10,000		1,700	2002	2014	35.0
	<u>94,000</u>	<u>10,000</u>					<u>35.0</u>
<b>France</b>							
<b>OFFICE PORTFOLIO</b>							
<b>Paris and environs</b>							
45-49 Rue Kléber, Levallois-Perret		19,679		351	1999	1999	9.1
Avenue Jules Rimet, Saint-Denis		10,921		124	1999	2001	3.1
		<u>30,600</u>					<u>12.2</u>

location	retail	office	other	parking spaces	year of acquisition	year of construction or renovation	annual theoretical rent (x € 1m)
	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	number			
	n.l.a.	n.l.a.	n.l.a.				
<b>Netherlands</b>							
<b>RETAIL PORTFOLIO</b>							
<b>Arnhem</b>							
Shopping Centre Kronenburg (leasehold until 2110)	31,752			1,000	1988	1985	8.7
<b>Purmerend</b>							
Shopping Centre Eggert	19,381			375	2010	1992	4.8
<b>Leiderdorp</b>							
Shopping Centre Winkelhof	17,857			830	1993	1999	4.3
<b>Eindhoven</b>							
Shopping Centre Woensel	10,145				2010	2006	3.4
<b>Etten-Leur</b>							
Shopping Centre Etten-Leur	22,146				1991	1995	3.9
<b>Roosendaal</b>							
Shopping Centre De Roselaar	12,736				2010	1996	3.6
<b>Capelle a/d IJssel</b>							
Shopping Centre De Koperwiek	9,103		60 app.		2010	1995	3.1
<b>Maassluis</b>							
Shopping Centre Koningshoek	14,638				2010	1973	2.8
<b>Geldrop</b>							
Heuvel 62-89A and Achter de Kerk 1, 3, 5 and 15	4,537		30 app.		1978	1996	1.1
	<b>142,295</b>		<b>90</b>				<b>35.7</b>
<b>Spain</b>							
<b>OFFICE PORTFOLIO</b>							
<b>Madrid</b>							
15 Avenida de la Vega, Alcobendas		22,579		421	1999	2000	3.6
15 Calle Fernando el Santo		3,254		39	1991	1993	0.8
		25,833					4.4
<b>OTHER PROPERTIES</b>							
46 Avenida Juan Carlos I, Collado Villalba	17,735			802	2007	2012	2.5
1-2 Calle Mariano Benlliure, Rivas-Vaciamadrid			35,248	351	2001	2002	1.8
	<b>17,735</b>	<b>25,833</b>	<b>35,248</b>				<b>4.3</b>
<b>Total</b>	<b>347,169</b>	<b>144,842</b>	<b>35,248</b> m <sup>2</sup>				<b>129.1</b>
			<b>90 app.</b>				

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

\*) Wereldhave has a 69.41% interest in the properties in Belgium.

\*\*) At completion.

## Independent valuers

*CBRE*, Amsterdam, Helsinki

*Cushman & Wakefield*, Amsterdam, Brussels

*Jones Lang LaSalle*, Paris, Madrid, London

*Troostwijk-Roux Expertises cvba*, Antwerp

## SUMMARY OF INVESTMENT PROPERTIES

The following is a summary of the open market value of the Group's investment properties at December 31, 2013. The annual rent is shown on the assumption that the buildings are fully let and before deduction of property expenses.

	retail		offices		other		total		total	
	market	annual	market	annual	market	annual	market	annual	market	annual
	value	theoretical	value	theoretical	value	theoretical	value	theoretical	value	theoretical
		rent		rent		rent		rent		rent
Belgium	381.0	26.0	124.3	11.5	-	-	505.3		37.5	
Finland	482.1	35.0	-	-	-	-	482.1		35.0	
France	-	-	177.4	12.2	-	-	177.4		12.2	
Netherlands	477.0	35.7	-	-	-	-	477.0		35.7	
Spain	13.1	2.5	59.5	4.4	17.5	1.8	90.1		8.7	
Total portfolio	1,353.2	99.2	361.2	28.1	17.5	1.8	1,731.9		129.1	

## SUMMARY OF REVALUATIONS OF THE INVESTMENT PROPERTIES

This summary shows the revaluation in 2013 of investment properties by country and sector. The revaluations have been converted at average exchange rates.

(x € 1,000)	value at 31-12-2013	revaluation in 2013	Core	Non core	Total
Belgium	505.3	3.3	0.8%	0.3%	0.7%
Finland	482.1	23.2	4.0%	-	4.0%
France	177.4	1.1	0.6%	-	0.6%
Netherlands	477.0	-25.1	-4.6%	-	-4.6%
Spain	90.1	-8.4	-3.9%	-16.5%	-8.5%
Total portfolio	1,731.9	-5.9	0.1%	-3.5%	-0.2%

# **FINANCIAL STATEMENTS 2013**

Consolidated financial statements 2013

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(amounts x € 1,000)

	Notes	December 31, 2013	December 31, 2012	January 1, 2012
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties in operation		1,731,942	2,073,027	2,830,169
Lease incentives		13,237	14,812	44,809
Investment properties under construction		413,229	240,044	227,932
Investment properties	5	2,158,408	2,327,883	3,102,910
Property and equipment	6	2,918	4,450	6,720
Intangible assets	7	3,834	3,993	6,753
Financial assets	8	31,763	47,702	42,375
Deferred tax assets	9	2,605	3,129	5,200
Other non current assets	10	-	1,275	424
		41,120	60,549	61,472
		2,199,528	2,388,432	3,164,382
<b>Current assets</b>				
Trade and other receivables	11	31,590	26,126	26,947
Tax receivables	12	292	5	140
Cash and cash equivalents	13	88,466	44,406	24,400
		120,348	70,537	51,487
Assets held for sale	14	6,000	543,166	-
		126,348	613,703	51,487
		2,325,876	3,002,135	3,215,869
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	15	216,796	216,796	216,796
Share premium	16	759,740	767,315	767,315
Reserves	17-20	372,890	394,643	605,910
		1,349,426	1,378,754	1,590,021
Non-controlling interest		150,325	146,998	121,871
		1,499,751	1,525,752	1,711,892
<b>Long-term liabilities</b>				
Interest bearing liabilities	21	672,669	1,213,778	1,224,088
Deferred tax liabilities	22	76,270	87,492	115,835
Other long-term liabilities	23	14,952	12,882	5,229
		763,891	1,314,152	1,345,152
<b>Short term liabilities</b>				
Trade payables		7,935	9,371	12,656
Tax payable	24	1,567	599	924
Interest bearing liabilities	21	8,000	75,000	64,965
Other short term liabilities	25	44,732	77,261	80,280
		62,234	162,231	158,825
		2,325,876	3,002,135	3,215,869

(amounts x € 1,000)

	Notes	FY 2013	FY 2012
Gross rental income	29	116,179	118,359
Service costs charged		<u>22,721</u>	<u>24,820</u>
Total revenues		138,900	143,179
Service costs paid		-25,454	-27,450
Property expenses	30	<u>-8,586</u>	<u>-8,014</u>
		<u>-34,040</u>	<u>-35,464</u>
<b>Net rental income</b>		104,860	107,715
Valuation results	31	4,019	-34,672
Results on disposals	32	-3,583	1,832
General costs	33	-13,798	-18,740
Other income and expense	34	<u>1,391</u>	<u>-1,975</u>
<b>Operational result</b>		92,889	54,160
Interest charges		-20,293	-18,936
Interest income		<u>290</u>	<u>313</u>
Net interest	35	-20,003	-18,623
Other financial income and expense	36	<u>-7,979</u>	<u>1,197</u>
<b>Result before tax</b>		64,907	36,734
Taxes on result	37	<u>8,167</u>	<u>27,858</u>
<b>Result from continuing operations</b>		73,074	64,592
<b>Result from discontinued operations</b>	38	<u>-23,063</u>	<u>-151,686</u>
<b>Result</b>		<u>50,011</u>	<u>-87,094</u>
<i>Profit attributable to:</i>			
Shareholders		39,371	-98,439
Non-controlling interest		10,640	11,345
<b>Result</b>		<u>50,011</u>	<u>-87,094</u>
Basic and diluted earnings per share from continuing operations (x € 1)	40	2.88	2.46
Basic and diluted earnings per share from discontinued operations (x € 1)	40	-1.06	-7.00
Basic earnings per share (x € 1)	40	1.82	-4.54
Diluted earnings per share (x € 1)	40	1.82	-4.54

(amounts x € 1,000)

	FY 2013		FY 2012
Result from continuing operations	73,074		64,592
Result from discontinued operations	<u>-23,063</u>		<u>-151,686</u>
Result		50,011	-87,094
<i>Other comprehensive income to be recycled to the income statement subsequently</i>			
Exchange rate differences	13,816		359
Revaluation of financial assets available for sale	3,025		-1,236
Effective portion of change in fair value of cash flow hedges	<u>-8,075</u>		<u>-568</u>
		8,766	-1,445
<i>Other comprehensive income not to be recycled to the income statement</i>			
Remeasurement pension schemes	<u>-1,259</u>		<u>-8,903</u>
Total other comprehensive income not to be recycled to the income statement		<u>-1,259</u>	<u>-8,903</u>
Total comprehensive income		<u>57,518</u>	<u>-97,442</u>

(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 shareholders	Non-controlling interest	Total
<b>Balance at December 31, 2011</b>	216,796	767,315	631,199	1,351	730	-25,477	1,591,914	122,060	1,713,974
Effect implementation IAS 19	-	-	-1,893	-	-	-	-1,893	-189	-2,082
<b>Balance at January 1, 2012</b>	216,796	767,315	629,306	1,351	730	-25,477	1,590,021	121,871	1,711,892
<i>Comprehensive income</i>									
Result	-	-	-98,439	-	-	-	-98,439	11,345	-87,094
Exchange rate differences	-	-	-	-	-	359	359	-	359
Remeasurement pension schemes	-	-	-8,903	-	-	-	-8,903	-	-8,903
Revaluation of financial assets available for sale	-	-	-	-857	-	-	-857	-379	-1,236
Effective portion of change in fair value of cash flow hedges	-	-	-	-	-568	-	-568	-	-568
Total of comprehensive income	-	-	-107,342	-857	-568	359	-108,408	10,966	-97,442
<i>Transactions with shareholders</i>									
Purchase shares for remuneration	-	-	299	-	-	-	299	-	299
Purchase Genk (Belgium) - extension share capital Wereldhave Belgium	-	-	-1,264	-	-	-	-1,264	20,706	19,442
Dividend 2011	-	-	-101,894	-	-	-	-101,894	-6,545	-108,439
<b>Balance at December 31, 2012</b>	216,796	767,315	419,105	494	162	-25,118	1,378,754	146,998	1,525,752
<b>Balance at January 1, 2013</b>	216,796	767,315	419,105	494	162	-25,118	1,378,754	146,998	1,525,752
<i>Comprehensive income</i>									
Result	-	-	39,371	-	-	-	39,371	10,640	50,011
Exchange rate differences	-	-	-	-	-	13,816	13,816	-	13,816
Revaluation of financial assets available for sale	-	-	-	2,100	-	-	2,100	925	3,025
Remeasurement pension schemes	-	-	-1,259	-	-	-	-1,259	-	-1,259
Effective portion of change in fair value of cash flow hedges	-	-	-	-	-8,075	-	-8,075	-	-8,075
Total of comprehensive income	-	-	38,112	2,100	-8,075	13,816	45,953	11,565	57,518
<i>Transactions with shareholders</i>									
Purchase shares for remuneration	-	-	-66	-	-	-	-66	-	-66
Repurchase convertible	-	-7,575	3,875	-	-	-	-3,700	-	-3,700
Dividend 2012	-	-	-71,515	-	-	-	-71,515	-8,238	-79,753
<b>Balance at December 31, 2013</b>	216,796	759,740	389,511	2,594	-7,913	-11,302	1,349,426	150,325	1,499,751

(amounts x € 1,000)

	Notes	FY 2013	FY 2012
<b>Operating activities</b>			
<u>Result</u>		50,011	-87,094
Adjustments:			
Valuation results	31-38	-6,550	197,033
Net interest charge	35-38	25,562	39,280
Other financial income and expense	36	28,696	-1,197
Results on disposals		10,353	-7,896
Deferred taxes		-9,951	-26,094
Other non cash movements		1,303	1,389
		<u>49,413</u>	<u>202,515</u>
		99,424	115,421
Movements in working capital		<u>-33,923</u>	<u>-7,046</u>
<u>Cash flow from company activities</u>		65,501	108,375
Interest paid		-28,644	-38,666
Interest received		183	155
Income tax paid		-408	-700
		<u>-28,869</u>	<u>-39,211</u>
<u>Cash flow from operating activities</u>		36,632	69,164
<b>Investment activities</b>			
Proceeds from disposals direct investment properties		729,616	332,403
Proceeds from disposals indirect investment properties		163,071	-
Investments in investment property	5	-191,711	-208,414
Investments in equipment		-1,558	197
Inv/divestments in financial assets		3,704	-5,209
Investments in intangible assets		-135	-606
Inv/divestments in other long term assets/liabilities		-9,461	-4,353
Cash settlement forward currency transactions		-2,794	-610
<u>Cash flow from investment activities</u>		690,732	113,408
<b>Financing activities</b>			
New loans interest bearing debts	21	66,000	575,290
Repayment interest bearing debts	21	-670,591	-581,521
Transactions with shareholders		-	-47,769
Repayment other long-term liabilities		-1,244	-806
Other movements in reserves		-	299
Dividend paid		-79,777	-108,439
<u>Cash flow from financing activities</u>		-685,612	-162,946
<b>Increase / Decrease (-) cash and bank</b>		41,752	19,626
Cash and bank balances at January 1	13	44,406	24,400
Foreign exchange differences		<u>2,308</u>	<u>380</u>
<b>Cash and bank balances at December 31</b>	13	<u>88,466</u>	<u>44,406</u>

## 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') are located in Belgium, Finland, France, the Netherlands and Spain. 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 Schiphol Boulevard 233, Schiphol. 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, 2013 were authorised for issue by the Supervisory Board on February 27, 2014 and will be presented to the shareholders for approval on April 25, 2014.

## 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 corporation tax is due at a 0% rate 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 regard 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 and France have a similar status. Subsidiaries in other countries have no specific tax status.

## 3. ACCOUNTING POLICIES

### 3.1. BASIS FOR PREPARATION OF 2013 FINANCIAL STATEMENTS

The financial statements of Wereldhave are presented in euro, rounded to the nearest thousand. They have been prepared in accordance with the 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 mentioned otherwise. Furthermore, they have been prepared on a going concern basis. 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 2013 the following mentioned new or revised IFRS standards or interpretations as relevant for Wereldhave became applicable:

- IAS 19R Employee benefits
- IFRS 13 Fair Value Measurement
- IAS 1 Financial Statement Presentation (Amended)

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. IAS 19R has been implemented retrospectively and comparable figures have been adjusted. As a result, equity has been reduced by € 2.1m as per 1 January 2012 and € 8.9m negative in other comprehensive income over the year 2012. The impact on the 2012 income statement was not material.

IFRS 13, 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when it is required to use fair value, but rather provides guidance on how to measure fair value. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, Wereldhave re-assessed its policies for measuring fair values, and in particular its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosures.

Application of IFRS 13 has not materially impacted the fair value measurement of Wereldhave. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in note 28.

IAS 1 "Financial Statement Presentation" has been amended with regard to the presentation of Other Comprehensive Income (OCI). The amendment requires a distinction between items presented in OCI that are potentially reclassifiable to the income statement subsequently.

Over the next years the following (adjusted) standards will enter into force that are not expected to have a significant impact for Wereldhave:

- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements (amended)
- IFRS 11 Joint arrangements
- IFRS 12 Disclosure of interests in other entities (amended)

- IAS 27 Separate financial statements (amended)
- IAS 28 Investments in associates
- IAS 32 Financial instruments: Presentation
- IAS 36 Impairment of assets

Wereldhave did not early adopt standards that are not mandatory.

### 3.2. CHANGE IN PRESENTATION

In order to improve the insight in the accounting of investment properties and related lease incentives Wereldhave has decided to present capitalised lease incentives as separate line item under investment properties on the face of the balance sheet. In the past lease incentives were shown as part of other non-current assets. As a result of this change the appraised fair value of investment properties is shown in one line instead of multiple lines. The 2012 figures have been changed accordingly and an amount of € 14.8m has been classified as investment properties.

### 3.3. DISCONTINUED OPERATIONS

In 2013 Wereldhave sold its UK and USA portfolio. As the operations presented a major geographical area the disposal groups has been classified as discontinued operations in the income statement. The 2012 figures of the income statement have been restated for the discontinued operations with regard to the UK operations. The USA operations were already presented as discontinued operations in 2012.

### 3.4. CONSOLIDATION AND BUSINESS COMBINATIONS

#### *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 initially measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the consideration over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the consideration transferred 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 and losses (excluding foreign exchange results) on transactions between subsidiaries are eliminated. The 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 at the date when control is lost, any profit or loss is accounted for in the income statement.

#### *Processing acquisitions*

Wereldhave recognises 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 does not necessarily consider acquisitions of properties within a legal company as a business combination, but evaluates these acquisitions individually for the above 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 considerations are capitalised and goodwill or deferred taxes are not taken into account.

The acquisition method of accounting is used by the group to account for the acquisition of subsidiaries that qualify as business combinations. The consideration transferred is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange. Considerations 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.

### 3.5. FOREIGN CURRENCIES

#### *Functional and presentation currency*

The consolidated financial statements are presented in euro, which is Wereldhave's functional currency and the group's presentation currency. Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Balances in foreign currencies are translated using the exchange rate prevailing at balance sheet date. 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.

#### *Disposal of a foreign operation*

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is recycled from equity to profit or loss when the gain or loss on disposal is recognised.

#### *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 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 and assessed to be effective, are taken to other 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 United Kingdom and United States, the following exchange rates against the euro, were used for these consolidated financial statements:

	average		year-end	
	2013	2012	2013	2012
GBP	1.17778	1.23357	1.19947	1.22534
USD	0.75379	0.77859	0.72511	0.75792

### 3.6. COMPREHENSIVE INCOME

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

### 3.7. 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 relating to net investment hedging are presented as investment activity. Investments to reduce non-controlling interests are presented as investment under financing activities. Proceeds from disposals of indirect investment properties in the cash flow statement refers to sales through the divestment of a subsidiary.

### 3.8. 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.

### 3.9. 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. The valuation result on cash flow hedges and net investment hedges are presented in other comprehensive income, where those hedges have been assessed to be effective.

### 3.10. HEDGE ACCOUNTING

In general, the Company is committed to using 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 designated hedging instruments include in particular loans, forward rate contracts and cross currency interest rate swaps. Transactions are concluded 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 accounted for as described in the notes below. The fair value of swaps is the estimated amount to sell an asset or paid to transfer an asset 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 prospectively assessed to be effective in achieving offsetting changes in fair value or cash flows. At the end of each reporting period, 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 up to that point will remain 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 regard 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.

### 3.11. 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.

The fair value of the portfolio is valued twice a year (June 30 and December 31) by independent external valuator with relevant qualifications and knowledge of the location and category of the investment property subject to valuation. Valuation differences are recognised in the income statement. Adjustments for rent rebates and investments in favour of tenants which are amortised during the term of the leases, 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 3.16 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.

#### *Rent free periods and other leasing expenses*

Rent-free periods and investments made or allowances granted to tenants by Wereldhave ("lease incentives") are allocated on a linear basis over the lease term. The lease term consists of the period until the first break option for the tenants, which period can be extended by management with the expected prolongation of the leases.

The capitalised value of 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.

#### *Investment properties under construction*

Property that is being constructed or developed for future use as investment property in operation is classified as subcategory investment property under construction ('IPUC'). IPUC projects

are initially valued at historical cost, and are subsequently valued at fair value. Fair value measurement on IPUC is only applied if the fair value is considered to be reliably measurable. In cases where no reliable measurement is possible IPUC is valued at initial cost, including subsequent investments and capitalisation of construction interest and less any impairments.

Costs include the works performed, the costs of staff directly related to technical supervision, project management on the basis of time spent, 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 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 their fair value at the date of reclassification is considered to be the cost for depreciation purposes of property in own use.

### 3.12. PROPERTY AND EQUIPMENT

Property and equipment include property in own use. Property and equipment are stated at cost 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 their cost for depreciation purposes. At the time of sale, positive and negative results on disposals are accounted in the income statement.

### 3.13. INTANGIBLE ASSETS

#### *Computer software*

Acquired computer software licenses and costs relating to internally developed software are capitalised at cost incurred to acquire, develop and implement the specific software. These 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.

### 3.14. FAIR VALUE OF FINANCIAL INSTRUMENTS

If available, the fair value of financial instruments is determined by relevant quoted (bid) prices (first level) taking into account the Companies and counter party credit risk. In case no market valuations are available, the fair value is based on an internal calculation model using observable market inputs (second level). If inputs are not observably available the inputs are estimated (third level).

Wereldhave categorizes its financial instruments measured at fair value in three hierarchies of inputs to valuation techniques used to measure fair value. Level 1 inputs are based on quoted prices, level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either direct or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

### 3.15. FINANCIAL ASSETS

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

Wereldhave classifies its financial assets in the following categories:

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

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

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading or derivatives. Those assets are carried at fair value. On initial recognition, attributable transaction costs are expensed as and when incurred.

#### *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 and interest income 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. Indicators for payment default are for example, significant financial difficulties of a debtor, non-compliance with payment conditions and bankruptcy. The impairment is measured as the difference between the assets carrying amount and present value of future estimated cash flows, discounted at the financial assets original effective interest rate.

#### *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 other 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 other 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 time the dividend entitlement was established.

An overview of the carrying amounts of the financial assets and liabilities is set out in note 27.

### 3.16. OTHER NON-CURRENT ASSETS

#### *Pension plans*

The capitalised net receivable from defined benefit plans is accounted for as mentioned in note 3.23, 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 other comprehensive income.

Results from a buy-in (reinsurance of the scheme) are accounted for through other comprehensive income and results from curtailments and buy-outs (all risks transferred to a third party) are accounted for as other financial income and expense in the income statement.

### 3.17. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or a disposal group) are held for sale in case the carrying amount will be recovered principally by means of a sale rather than by continuing use. This only applies if the asset (or disposal group) is available for immediate sale in its present condition. Furthermore, 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 are measured at the lower of the carrying amount and fair value less cost to sell. No remeasurement takes place if the assets have already been measured at fair value under IAS 40. Non-current assets held for sale or the assets from a disposal group are presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities. Assets and liabilities held for sale are not offset.

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

### 3.18. 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 with 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. If trade receivables are uncollectible, they are written off against the provision. Subsequent recoveries of amounts previously written off are credited against property expenses in the income statement.

### 3.19. CASH AND CASH EQUIVALENTS

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

### 3.20. 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.

### 3.21. DIVIDEND POLICY

Due to the tax status of an investment company in accordance with Article 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969', the Company is required to distribute at least the taxable profit as dividend. Commercial profit may be higher than taxable profit. After 2013 Wereldhave aims for a dividend pay-out ratio of 85% of the commercial direct result (net rental income, general costs, other gains and losses (other than exchange rate differences), financial income and expense (other than the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on repurchased interest bearing debt and actuarial gains and losses on employee benefit plans) and tax charges on direct result.

### 3.22. PROVISIONS

A provision is recognised in the balance sheet if there is a legal or constructive obligation to do so, based upon a past event for which the obligation can be reliably measured 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. Any increase in the provision due to passage of time is recognised as interest charges.

### 3.23. LONG TERM DEBTS

#### *Interest bearing debts*

On acquisition, interest bearing debts are recognised at fair value, minus transactions costs. Subsequently interest bearing debts are measured at amortised cost. Any difference between the 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 subcategory 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 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 employee benefit plans are accounted for in accordance with paragraph 3.23.

### 3.24. 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 is 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 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.

Amongst others, actuarial gains and losses arising from adjustments and changes in actuarial assumptions are recognised in other comprehensive income. We refer to paragraph 3.15 for more information with regard to defined benefit plans with a net asset.

### 3.25. 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.

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

### 3.27. REVENUE

#### *Rental income*

Rental income from investment properties leased out under operating lease is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives

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 as 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 is recognised in the income statement in the period to which it relates, if it 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 is shown on a gross basis when Wereldhave acts as a principal.

### 3.28. 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 because this is 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, such as tenant investments paid by Wereldhave. The expenditure is depreciated over the term of the lease. Investment property depreciation charges are not recognised, because investment properties are valued at market value (see paragraph 3.11). The market value calculation takes technical and economic 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.

### 3.29. RESULTS ON DISPOSAL

The results on disposal are the differences between the realised selling prices, net of selling costs, and the carrying amount, based on the last known fair value (mostly the latest appraisal).

Results on disposals from the sale of investment property or fixed assets are processed if the following conditions are met:

- (a) the entity has transferred the rights to all major economic benefits and any significant risks with respect to the goods to the buyer;
- (b) the legal entity will not maintain such a continuing involvement with the goods sold, that the entity can actually keep possession of those goods and therefore can decide on the use of those goods;
- (c) the amount of revenue can be reliably determined;
- (d) it is probable that the economic benefits associated with the transaction will flow to the legal owner and
- (e) costs already incurred and the possible future costs with respect to the transaction can be measured reliably.

### 3.30. 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 unwinding of the 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 specific project financing.

### 3.31. EMPLOYEE BENEFITS

#### *Long term executive benefits*

The variable remuneration of the Board of Management consists 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 awarded

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 awarded shares to the Board of Management are valued at fair value at the date they were awarded. 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 like-for-like net rental growth and total shareholders return are used for the performance measurement.

### 3.32. TAX CHARGES

Tax charges on the income statement for a year comprise current and deferred tax and are calculated on results before taxes, taking into account any tax-exempt components of profit and non-deductible 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 time 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 at balance sheet date, against enacted or substantially enacted tax rates that are expected to apply to the period when the asset is realised. Deferred tax assets are only recognised to the extent future taxable profits are expected to cover the realizable amount. Recognition of deferred tax assets with regard 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 a sale are taken into account. 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 that is not a business combination and at the time of the transaction, affects neither accounting profit nor tax profit or loss.

### 3.33. 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 well.

### 3.34. 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 cannot be assessed using official quotations or listings.

A valuation based on fair value is a time- and location-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 valuers. The valuer appraises at fair value on his own market knowledge and information. The valuation is prepared by the valuer 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 market 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, supplemented with market and building specific knowledge and remaining other assumptions, in which the professional judgment of the valuer 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 3.11 and in note 5.

#### *Taxes*

The group is subject to taxes in several jurisdictions. Significant judgement is required in determining the deferred tax asset and its expected recovery.

#### *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 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 23.

#### 4 . SEGMENT INFORMATION (amounts x € 1,000)

##### GEOGRAPHICAL SEGMENT INFORMATION - 2013

	Belgium	Finland	France	Netherlands	Spain	United Kingdom	United States	Headoffice and other	Total
<b>Result</b>									
Gross rental income	36,214	25,347	10,180	37,678	6,760	-	-	-	116,179
Service costs charged	6,315	5,799	3,331	5,442	1,834	-	-	-	22,721
<b>Total revenues</b>	42,529	31,146	13,511	43,120	8,594	-	-	-	138,900
Service costs paid	-7,073	-6,142	-3,349	-6,032	-2,858	-	-	-	-25,454
Property expenses	-1,368	-1,150	-293	-5,015	-760	-	-	-	-8,586
<b>Net rental income</b>	34,088	23,854	9,869	32,073	4,976	-	-	-	104,860
Valuation results	3,294	23,192	20,834	-32,612	-8,386	-	-	-2,303	4,019
Results on disposals	-	-	-	-2,694	-	-	-	-889	-3,583
General costs	-2,619	-944	-636	-2,568	-708	-	-	-6,323	-13,798
Other income and expense	1,665	-	60	-	-	-	-	-334	1,391
Interest charges	-1,468	-15,428	-1,029	-2,088	-3,068	-	-	2,788	-20,293
Interest income	42	14	80	39	-	-	-	115	290
Other financial income and expense	-	-	-	-1	-	-	-	-7,978	-7,979
Taxes on results	-230	8,593	-196	-	-	-	-	-	8,167
<b>Result from continued operations</b>	34,772	39,281	28,982	-7,851	-7,186	-	-	-14,924	73,074
<b>Result from discontinued operations</b>	-	-	-	-	-	-30,495	7,432	-	-23,063
<b>Result</b>	34,772	39,281	28,982	-7,851	-7,186	-30,495	7,432	-14,924	50,011
<b>Total assets</b>									
Investment properties in operation	505,323	482,116	177,390	477,030	90,083	-	-	-	1,731,942
Investment properties under construction	90,159	97,057	219,723	6,290	-	-	-	-	413,229
Assets held for sale	-	-	-	6,000	-	-	-	-	6,000
Other segment assets	44,583	5,134	12,838	167,535	7,541	151,559	5,132	667,163	1,061,485
minus: intercompany	-11,474	-	-	-79,100	-	-76,550	-	-719,656	-886,780
	628,591	584,307	409,951	577,755	97,624	75,009	5,132	-52,493	2,325,876
<b>Investments in investment properties</b>	37,130	60,983	85,342	15,848	1,034	1,403	-	-	201,740
<b>Gross rental income by type of property</b>									
Core retail	26,977	25,347	-	34,966	-	-	-	-	87,290
Core offices	-	-	10,180	-	4,054	-	-	-	14,234
Other	9,237	-	-	2,712	2,706	-	-	-	14,655
	36,214	25,347	10,180	37,678	6,760	-	-	-	116,179

In 2013 none of the tenants is accounted for more than 10% of the gross rental income. Depreciation costs of € 0.6m are included in general costs. An amount of € 7.4m of interest charges relates to the use of the effective interest method.

## GEOGRAPHICAL SEGMENT INFORMATION - 2012

	Belgium	Finland	France	Netherlands	Spain	United Kingdom	United States	Headoffice and other	Total
<b>Result</b>									
Gross rental income	33,406	24,709	10,939	40,701	8,604	-	-	-	118,359
Service costs charged	6,252	6,369	4,207	5,724	2,268	-	-	-	24,820
<b>Total revenues</b>	39,658	31,078	15,146	46,425	10,872	-	-	-	143,179
Service costs paid	-7,127	-6,626	-4,303	-6,134	-3,260	-	-	-	-27,450
Property expenses	-780	-887	-342	-5,289	-716	-	-	-	-8,014
<b>Net rental income</b>	31,752	23,565	10,501	35,002	6,896	-	-	-	107,715
Valuation results	7,155	1,101	28,306	-36,812	-30,637	-	-	-3,785	-34,672
Results on disposals	-105	-19	668	245	1,043	-	-	-	1,832
General costs	-3,100	-998	-777	-3,023	-648	-	-	-10,194	-18,740
Other income and expense	1,624	-	-	-	-	-	-	-3,599	-1,975
Interest charges	-1,157	-14,173	-2,045	-2,288	-4,027	-	-	4,754	-18,936
Interest income	44	7	97	163	2	-	-	-	313
Other financial income and expense	85	-	-	-	-	-	-	1,112	1,197
Taxes on results	-66	-2,205	-47	-	2,479	-	-	27,697	27,858
<b>Result from continued operations</b>	36,231	7,278	36,703	-6,713	-24,892	-	-	15,985	64,592
<b>Result from discontinued operations</b>	-	-	-	-	-	-29,586	-122,100	-	-151,686
<b>Result</b>	36,231	7,278	36,703	-6,713	-24,892	-29,586	-122,100	15,985	-87,094
<b>Total assets</b>									
Investment properties in operation	499,801	458,289	174,702	540,698	97,408	302,129	-	-	2,073,027
Investment properties under construction	55,244	36,708	116,370	2,683	-	29,039	-	-	240,044
Assets held for sale	-	-	-	-	-	8,099	535,067	-	543,166
Other segment assets	25,324	6,156	12,286	147,800	9,129	81,028	7,588	767,052	1,056,363
minus: intercompany	-	-	-	-65,000	-	-45,950	-	-799,515	-910,465
	580,369	501,153	303,358	626,181	106,537	374,345	542,655	-32,463	3,002,135
<b>Investments in investment properties</b>	86,527	30,846	94,475	10,716	6,409	12,163	38,727	-	279,863
<b>Gross rental income by type of property</b>									
Core retail	23,536	24,709	1,153	35,726	1,598	-	-	-	86,722
Core offices	9,846	-	9,786	1,090	5,267	-	-	-	25,989
Other	24	-	-	3,885	1,739	-	-	-	5,648
	33,406	24,709	10,939	40,701	8,604	-	-	-	118,359

In 2012 none of the tenants is accounted for more than 10% of the gross rental income. Depreciation costs of € 1.3m are included in general costs. An amount of € 6.4m of interest charges relates to the use of the effective interest method.

## 5. INVESTMENT PROPERTIES (x € 1,000)

	2013			
	Investment properties in operation	Lease incentives	Investment properties under construction	Investment properties
Balance at January 1	2,073,027	14,812	240,044	2,327,883
Purchases	-	-	9,909	9,909
Investments	14,644	-	170,374	185,018
Transfer from and to investment properties under construction	-3,890	-	3,890	-
Transfer to assets held for sale	-6,000	-	-	-6,000
Disposals	-323,921	-	-31,882	-355,803
Revaluations	-3,331	-	12,185	8,854
Capitalised interest	-	-	6,773	6,773
Other	-3,233	-1,575	3,136	-1,672
Exchange rate differences	-15,354	-	-1,200	-16,554
Balance at December 31	1,731,942	13,237	413,229	2,158,408

	2012			
	Investment properties in operation	Lease incentives	Investment properties under construction	Investment properties
Balance at January 1	2,830,169	44,809	227,932	3,102,910
Purchases	52,458	-	24,550	77,008
Investments	24,405	-	172,682	197,087
Transfer from and to investment properties under construction	151,638	-	-151,638	-
Transfer to assets held for sale	-506,657	-28,900	-7,579	-543,136
Disposals	-307,555	-	-8,408	-315,963
Revaluations	-171,967	-	-21,281	-193,248
Capitalised interest	247	-	5,521	5,768
Other	890	-1,097	-	-207
Exchange rate differences	-601	-	-1,735	-2,336
Balance at December 31	2,073,027	14,812	240,044	2,327,883

In 2013 the UK and USA portfolios have been sold. The USA portfolio was already presented as assets held for sale in 2012. Furthermore, the Dutch non-core portfolio was divested in 2013.

The transfer of properties to held for sale in 2013 relate to a Dutch logistic property that has been classified as held for sale at December 31, 2013 for an amount of € 6m.

The transfer of properties in 2012 to assets held for sale consists of the entire US portfolio and one office building in the UK. In addition to this, € 28.9m of capitalised lease incentives related to the USA portfolio have been transferred to assets held for sale (see note 14).

In total 99% (2012: 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. Wereldhave has determined that the highest and best use of the properties at fair value is their current use.

Overview of measurement of total investment properties:	December 31, 2013	December 31, 2012
Fair value		
- Investment properties in operation (including lease incentives)	1,745,179	2,087,839
- Investment properties under construction ('IPUC')	394,599	160,870
	<u>2,139,778</u>	<u>2,248,709</u>
At cost less impairment	18,630	79,174
	<u>2,158,408</u>	<u>2,327,883</u>

Fair value hierarchy disclosures for investment properties have been provided in note 28.

#### *Investment properties in operation*

In line with its strategy Wereldhave sold the UK and US portfolio and all non-core assets in The Netherlands of which one will be transferred in 2014. The USA assets were already presented as assets held for sale in 2012.

The revaluations can be broken down as follows:

(x € 1,000)

	2013	2012
Belgium	3,311	7,869
Finland	23,192	1,102
France	1,134	8,306
The Netherlands	-25,113	-36,812
Spain	-8,386	-30,637
United Kingdom	2,531	-47,030
United States	-	-74,765
	<u>-3,331</u>	<u>-171,967</u>
Total		

Investment properties are subject to mortgage to an amount of € 46m (2012: € 118m) that relates to a legal mortgage, as security in a fiscal disagreement in Belgium (see note 45).

All properties in the investment property in operation portfolio were valued externally at December 31, 2013. Independent external valuers involved in the valuation of properties in 2013 are: Jones Lang LaSalle, Cushman & Wakefield, CBRE and Troostwijk-Roux Expertises cvba.

At December 31, 2013 the carrying amount of investment properties valuation is as follows:

	December 31, 2013	December 31, 2012
Total investment property values according to internal and external valuation reports	1,745,179	2,087,839
Deduct: carrying amount of rent free periods and other leasing expenses to be amortised	<u>-13,237</u>	<u>-14,812</u>
Carrying amount	<u>1,731,942</u>	<u>2,073,027</u>

Property expenses and service costs of unlet properties amount to nil (2012: nil).

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

	Belgium	Finland	France	Netherlands	Spain
Total market rent per sqm (€)	220	346	402	253	105
EPRA Net Initial Yield	6.1%	5.3%	6.1%	5.9%	5.7%
EPRA vacancy rate	3.0%	0.6%	1.0%	3.0%	19.0%
Average vacancy period (in months)	4	12	6	6	17
Bandwith vacancy (in months)	0-14	12	3-9	0-12	0-29

	Belgium	Finland	France	Netherlands	Spain
Total market rent per sqm (€)	217	335	372	198	111
EPRA Net Initial Yield	6.1%	5.5%	5.9%	6.2%	6.2%
EPRA vacancy rate	6.3%	1.5%	1.0%	3.9%	22.3%
Average vacancy period (in months)	4	-	6	8	13
Bandwith vacancy (in months)	0 - 25	-	3 - 9	0 - 24	0 - 29

The EPRA net initial yield is the calculation of the net passing rent (passing rent at balance sheet date minus property expenses) divided by the gross market value including transfer costs. The total average net initial yield amounts to 5.8% (2012: 6.0%).

A change in yield (assuming stable market rents) with 0.25% results in a change of approximately € 43m in equity (€ 1.98 per share) and the result. A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholders' equity of approximately € 80m (€ 3.69 per share).

#### INVESTMENT PROPERTIES IN OPERATION - LEASE DATA

	Average maturity rent *		Annualised contract rent expiring in:		
	Until first break	Until lease end date	Year 1	Year 2	Year 3 - 5
Belgium	2.4	6.1	6,128	11,928	17,036
Finland	5.7	5.9	3,248	3,266	9,997
France	4.4	4.6	171	315	2,523
Netherlands	2.9	3.3	4,187	9,238	11,751
Spain	2.9	5.2	1,326	1,437	3,126
Total portfolio	3.6	5.1	15,060	26,184	44,433

\*) Excluding indefinite contracts.

### *Investment properties under construction*

The revaluations can be broken down as follows:

(x € 1,000)

	2013	2012
Belgium	-	-714
France	19,700	20,000
Netherlands	-7,515	-
United Kingdom	-	3,142
United States	-	-43,709
	<hr/>	<hr/>
Total	12,185	-21,281

The main development projects are Genk Shopping Centre (Belgium), Ghent (Belgium), Itis (Finland), Joinville-le-Pont (France) and Noda (France). Their fair values have been obtained from external valuers except for Joinville. For Joinville there was already price-agreement and this has been used as fair value. Joinville was transferred from the developer to Wereldhave on February 3, 2014 and was transferred to the buyer on February 5, 2014.

#### *Genk Shopping Centre*

The project has been valued externally. If the yield on this project changes with 25 basis points, it will have an impact of approximately € 3.0m.

#### *Ghent*

The student homes in Ghent have been leased to a student housing organisation, while about half of the retail space on the ground floor has been leased to a Quick restaurant and a fitness centre. If the yield on this project changes with 25 basis points, it will have an impact of approximately € 0.7m.

#### *Itis*

The redevelopment of the Itis shopping centre in Finland is going according to schedule. Total renovation costs will amount to € 102m and works and letting is on schedule. If the yield on this project changes with 25 basis points, it will have an impact of approximately € 22m (including operational asset).

#### *Joinville-le-Pont*

In France, the construction of Urbagreen office building in Joinville-le-Pont was finalised after year-end. Subsequently, Wereldhave obtained possession of the building from the developer on February 3, 2014, the building was immediately sold for an amount of € 91m on February 5, 2014.

#### *Noda*

In France, the construction of the Noda office building progresses according to schedule. The building has been pre-let for 65% to Coca-Cola and as a result of that the building has been revalued positively by € 19.7m. If the yield on this project changes with 25 basis points, it will have an impact of approximately € 7m.

The remaining projects in particular concern projects in the planning phase, where the capitalised costs relate to particularly land costs or projects for which it is not possible to determine a reliable fair value as there are still substantial project risks present.

**6. PROPERTY AND EQUIPMENT** (x € 1,000)

	<b>Property in own use</b>	<b>Office equipment</b>	<b>Cars</b>	<b>Total</b>
Balance at January 1, 2012	4,116	1,739	865	6,720
Investments/purchases	98	548	747	1,393
Disposals	-	-1	-835	-836
Depreciation	-140	-411	-276	-827
Impairment	-2,000	-	-	-2,000
Exchange rate differences	-	-	-	-
Balance at December 31, 2012	<u>2,074</u>	<u>1,875</u>	<u>501</u>	<u>4,450</u>
Balance at January 1, 2013	2,074	1,875	501	4,450
Investments/purchases	-	1,350	208	1,558
Disposals	-2,074	-355	-64	-2,493
Depreciation	-	-397	-191	-588
Impairment	-	-	-	-
Exchange rate differences	-	-6	-3	-9
Balance at December 31, 2013	<u>-</u>	<u>2,467</u>	<u>451</u>	<u>2,918</u>
<b>December 31, 2013</b>	<b>Property in own use</b>	<b>Office equipment</b>	<b>Cars</b>	<b>Total</b>
Total acquisition at cost	-	5,540	918	6,458
Total depreciation	-	-3,073	-467	-3,540
Net book value	<u>-</u>	<u>2,467</u>	<u>451</u>	<u>2,918</u>
<b>December 31, 2012</b>	<b>Property in own use</b>	<b>Office equipment</b>	<b>Cars</b>	<b>Total</b>
Total acquisition at cost	4,748	4,749	835	10,332
Total depreciation	<u>-2,674</u>	<u>-2,874</u>	<u>-334</u>	<u>-5,882</u>
Net book value	<u>2,074</u>	<u>1,875</u>	<u>501</u>	<u>4,450</u>

**7. INTANGIBLE ASSETS** (x € 1,000)

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

	<b>December 31, 2013</b>	<b>December 31, 2012</b>
Capitalised cost of internally developed software	<b>1,814</b>	1,973
Goodwill	<b>2,020</b>	2,020
	<u><b>3,834</b></u>	<u>3,993</u>



Capitalised cost of internally developed software  
(x € 1,000)

	2013			2012		
	Internal cost	External cost	Total	Internal cost	External cost	Total
Balance at January 1	574	1,399	1,973	1,113	3,620	4,733
Investments	29	106	135	192	560	752
Impairment			-	-616	-2,384	-3,000
Depreciation	-62	-232	-294	-115	-397	-512
Balance at December 31	541	1,273	1,814	574	1,399	1,973

	December 31, 2013	December 31, 2012
Total acquisition at cost	2,454	2,319
Total depreciation	-640	-346
Net book value	1,814	1,973

The internal costs refer to internal hours spent.

#### Goodwill

	2013	2012
Balance at January 1	2,020	2,020
Acquisitions	-	-
Balance at December 31	2,020	2,020

The goodwill relates to the acquisition of ING RED Belgium in 2010.

At year-end, a test for impairment was performed based upon yields, feasibility analysis and expected rental income related to the projects taken over from ING RED Belgium. Based on this test, no impairment of goodwill is necessary. When the expected rental income decreases more than 2.5%, the goodwill needs to be impaired.

## 8. FINANCIAL ASSETS (x € 1,000)

	IFRS Category	December 31, 2013	December 31, 2012
Loans	Loans and receivables	1,904	3,498
Deposits paid	Loans and receivables	1,230	1,459
Financial assets available for sale	Available for sale	18,507	15,481
Derivative financial instruments	Fair value through P&L	10,122	27,264
Total		31,763	47,702

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 € 1.0m (2012: € 1.4m). Where applicable all financial assets are fully collectible and not past the due date.

#### Loans and deposits paid

The fair value of loans and deposits paid has been determined using an internal discounted cash flow model. The discount rate is equal to prevailing observable interest market rates.

The subordinated loan to the pension fund of the Company for an amount of € 3.2m (2012, face value € 3.3m.) was repaid in 2013 as part of the buy-out process of the Dutch pension scheme.

#### *Financial assets available for sale*

Financial assets available for sale are measured at fair value using stock market prices (level 1). This item comprises of certificates of Belgian real estate vehicles.

With respect to the financial assets available for sale, which consists of equity instruments, an amount of € 3.0m revaluation result has been accounted for directly in equity (2012: € -1.2m). No financial assets available for sale have been sold in 2013 and 2012.

#### *Derivative financial instruments*

Further reference is made to note 26.

## 9. DEFERRED TAX ASSETS (x € 1,000)

	2013	2012
Balance at January 1	3,129	5,200
Additions	-	-
Compensated	-524	-2,071
	<hr/>	<hr/>
Balance at December 31	2,605	3,129

Deferred tax assets relate to capital gain losses in Spain that can be offset against future profits within 12-17 years. For an amount of € 19m losses have not been capitalised as recovery is no foreseen within the near future. All deferred tax assets are expected to be compensated after more than one year.

## 10. OTHER NON-CURRENT ASSETS (x € 1,000)

Other non-current assets mainly relates to the UK pension plan (based on final salary) that has been fully reinsured via a buy-in in December 2013, leaving no risks for the Company. The reinsurance has been done by Aviva.

#### *Pension plans*

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

	United Kingdom	
	2013	2012
Fair value of plan assets	17,906	18,463
Benefit obligations	17,906	17,419
	<hr/>	<hr/>
Net asset	-	1,044
	<hr/>	<hr/>
<i>Reconciliation of net asset</i>		
Net Asset recognised at January 1	1,044	424
FX difference	-22	-
Charge/Credit recognised in P&L	157	-32
Remeasurement recognised in OCI (Income)/Loss	-7,220	-26
Employer contributions	6,041	678
	<hr/>	<hr/>
Net Asset recognised at December 31	-	1,044

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

	<b>United Kingdom</b>	
	<b>2013</b>	<b>2012</b>
Balance at January 1	18,464	16,863
FX difference	-401	
Interest income on plan assets	772	792
Return on scheme assets	-6,258	804
Employer contributions	6,041	678
Employee contributions	6	16
Benefits paid	-718	-689
	17,906	18,464
Balance at December 31		
The assumptions used:		
- discount rate obligations	4.35%	4.80%
- rate of annual salary increases	3.10%	3.00%

The fair value of the assets of the British pension plan consists for 100% out of an insurance policy (in 2012: 37.5% of shares, 59.4% of bonds and 3.1% of other products). The assets of the pension plans do not include financial instruments of Wereldhave.

For the UK the mortality rates are obtained from the December 31, 2011 SAPS "light" table with allowance for future improvement in line with CMI core projections with 1.25% long term trend from 2002. For employee benefit plans with a net liability, reference is made to note 23.

The contribution of the employers will amount to € nil in 2014 for the above mentioned pension plan.

The movement in the defined benefit obligation is as follows:

	<b>United Kingdom</b>	
	<b>2013</b>	<b>2012</b>
Balance at January 1	17,419	16,438
FX Difference	-367	-
Net service cost	19	53
Interest cost	727	771
Employee contributions	6	16
Benefits paid	-718	-689
Experience (gains) / losses	-	-593
(Gain)/Loss due to assumption changes	962	1,424
Past service cost	-142	-
Expenses	-	-
Settlements	-	-
	17,906	17,419
Balance at December 31		

**11. TRADE AND OTHER RECEIVABLES** (x € 1,000)

	December 31, 2013	December 31, 2012
Tenant receivables	5,387	8,051
Prepayments	4,355	6,140
Interest to be received	5,187	2,706
Withholding tax	1,532	1,526
Value added tax	1,570	245
Dividend tax	4,726	2,174
Escrow receivable with regard property disposals	2,862	-
Other	5,971	5,284
Total	31,590	26,126

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 € 2.3m (2012: € 3.5m).

As in 2012, other receivables do not include amounts receivable and prepayments with a maturity of more than twelve months.

**Maturity of tenant receivables**

	December 31, 2013	December 31, 2012
- up to 1 month	3,416	6,986
- between 1 and 3 months	552	627
- between 3 and 12 months	1,822	1,683
- more than 1 year	2,187	4,074
	7,977	13,370
Deduct: provision	-2,590	-5,319
	5,387	8,051

The tenant receivables category 'up to 1 month' includes debtors which are not immediately due for an amount of € 1.4m (2012: € 1.9m). In 2013 an amount of € 0.3m (2012: € 1.3m) was added to the provision doubtful debtors and an amount of € 3.1m (2012: € 0.6m) was withdrawn.

**12. TAX RECEIVABLES** (x € 1,000)

	December 31, 2013	December 31, 2012
Company tax	292	5

**13. CASH AND CASH EQUIVALENTS** (x € 1,000)

	December 31, 2013	December 31, 2012
Bank balances	16,693	23,440
Deposits	71,773	20,966
Total	88,466	44,406

Deposits are held as security for debentures for an amount of € 70m, the deposits are immediately claimable by the Company.

## 14. ASSETS HELD FOR SALE

Assets held for sale amounts for € 6m to a Dutch logistic property that has been sold and will be completed in 2014 (2012: € 535.1m to the USA portfolio and an UK property).

## 15. SHARE CAPITAL (number of shares)

Ordinary shares	Authorised share capital	Number of issued shares	Purchased shares for remuneration	Outstanding number of shares
Balance at January 1, 2012	40,000,000	21,679,608	-4,313	21,675,295
Rewarded in 2012	-	-	4,313	4,313
Balance at December 31, 2012	40,000,000	21,679,608	-	21,679,608
Purchased in 2013			-1,217	-1,217
Balance at December 31, 2013	40,000,000	21,679,608	-1,217	21,678,391

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

The shares for remuneration were awarded to the Board of Management in the Annual General Meeting of April 22, 2013.

### Preference shares

The authorised preference share capital amounted to € 200m. The preference shares have a par value of € 10 each.

No preference shares have been issued.

Priority shares A	Authorised share capital	Issued share capital
Balance at January 1, 2012	10	10
Additions in 2012	-	-
Balance at December 31, 2012	10	10
Additions in 2013	-	-
Balance at December 31, 2013	10	10

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

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

Priority shares B	Authorised share capital	Issued share capital
Balance at January 1, 2012	19,999,990	-
Additions in 2012	-	-
Balance at December 31, 2012	19,999,990	-
Additions in 2013	-	-
Balance at December 31, 2013	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 right to determine the number of Managing Directors and Supervisory Directors of the Company and the right to make 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 that optimises 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.

## 16. SHARE PREMIUM

Share premium is paid up share capital in excess of nominal value. The share premium is exempted from tax to the amount of € 733m (2012: € 733m).

## 17. GENERAL RESERVE

The dividend paid during the year, relating to the previous year amounts € 3.30 (2012: € 4.70) per qualifying ordinary share.

An amount of € 358m (2012: € 417m) has been designated as a legal reserve, relating to the unrealised revaluation of investment properties, and cannot be distributed.

## 18. 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.

## 19. REVALUATION RESERVE

The revaluation reserve relates to the unrealised valuation results of financial assets available for sale. As in 2012 there were no releases from the revaluation reserve into the profit and loss account in 2013.

## 20. 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).

	2013	2012
Balance at January 1	-25,118	-25,477
Exchange rate differences on net investments in foreign entities	-2,952	-3,580
Hedges of net investments in foreign entities	-3,725	876
Exchange rate differences on results in foreign currencies (difference between year-end and average rates)	-451	3,063
Recycling exchange rate differences to the P&L	20,944	-
Balance at December 31	<u>-11,302</u>	<u>-25,118</u>

Due to capital repayments and the disposal of foreign entities in 2013 exchange rate differences have been recycled to the income statement for an amount of € 20.9m (negative in income statement).

## 21. INTEREST BEARING LIABILITIES (x € 1,000)

### Composition

	December 31, 2013	December 31, 2012
<b>Long-term</b>		
Bank loans	406,706	723,776
Debentures	41,829	42,790
Convertible bonds	224,134	447,212
	672,669	1,213,778
<b>Short term</b>		
Interest bearing debt	8,000	75,000
Total interest bearing liabilities	680,669	1,288,778

### Movements in interest bearing liabilities

Including short term portion of long-term debt

The movement is as follows:

	2013	2012
Balance at January 1	1,288,778	1,289,053
New loans	66,000	575,290
Repayments	-655,768	-581,521
Use of effective interest method	7,441	6,288
Effect of fair value hedges	-14,989	305
Exchange rate differences	-10,793	-637
Balance at December 31	680,669	1,288,778

Besides the repayments an amount of € 14m has been paid in order to repurchase the convertibles.

### Convertible bonds

As at year-end Wereldhave had one convertible bond outstanding.

	Maturity	Face value	Interest rate	Conversion rate	Maximum number of shares
2010	5 years	230,000,000	2.875%	81.100	2,836,005

The convertible bonds are treated as a compound financial instrument. The value of the liability component and the equity conversion component was 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 time of conversion or redemption of the loan. The residual amount, representing the value of the equity conversion component, is included in the share premium.

	2013	2012
Balance at January 1	447,212	441,855
Repayment nominal value convertible bond	-230,000	-
Use of effective interest method	<u>6,922</u>	<u>5,357</u>
Interest bearing debt at December 31	<u>224,134</u>	<u>447,212</u>

The 2009-2014 4.375% convertible bond was repurchased in 2013 for an amount of € 244m. In 2013 no convertible bonds were converted.

### Significant terms and conditions

Secured interest bearing liabilities consist of two GBP mortgage debentures from 1985 and 1987 until 2015 for which security has been given. Unsecured interest bearing liabilities have financial covenants that include various clauses. As at December 31, 2013 Wereldhave complied with these clauses.

### Ratio's

	December 31, 2013	December 31, 2012
Loan to value	27%	44%
Solvency	68%	54%
Interest coverage ratio	6.6	4.6

### 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:

	2013	2012
Euro	2.8%	2.4%
US dollar	-	3.5%
Pound sterling	4.3%	3.4%
<b>Total</b>	<b>2.8%</b>	<b>2.7%</b>

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

	2013				2012			
	EUR	GBP	USD	Total	EUR	GBP	USD	Total
Short term interest bearing debt	0.9%	-	-	0.9%	0.7%	-	-	0.7%
Long-term interest bearing debt								
- unsecured								
convertible bonds	3.9%	-	-	3.9%	4.6%	-	-	4.6%
bank debt and other loans	2.7%	-	-	2.7%	1.3%	3.0%	3.5%	2.1%
interest rate swaps	-	-5.7%	-	-5.7%	-	-5.5%	-	-5.5%
- secured								
debentures	-	10.5%	-	10.5%	-	10.5%	-	10.5%
Average	3.1%	4.8%	-	3.1%	3.2%	3.5%	3.5%	3.3%



## 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.

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). Absent such 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, 2013		December 31, 2012	
	carrying amount	fair value	carrying amount	fair value
Bank debt and other loans	406,706	420,157	723,776	727,577
Debentures	41,829	47,715	42,790	52,656
Convertible bond	224,134	235,180	447,212	465,637
	<u>672,669</u>	<u>703,052</u>	1,213,778	1,245,870

## Currencies

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

	December 31, 2013		December 31, 2012	
	currency	EUR	currency	EUR
Euro	361,333	361,333	827,902	827,902
US dollar	300,000	217,533	356,000	269,819
Pound sterling	84,873	101,803	155,921	191,057
		<u>680,669</u>		<u>1,288,778</u>

Interest bearing debt in U.S. dollars and British Pound were for an amount of USD 300m and GBP 50m converted to Euro via multiple cross currency interest rate swaps.

## Hedge instruments

Interest bearing debt instruments to the amount of € nil (2012: € 262m) have been qualified as hedging instruments in net investments hedge accounting relations to hedge investments in foreign operations. Reference is made to note 26.

## Financing arrangements

As at December 31, 2013, Wereldhave had a total of € 545m (2012: € 1,023m) of financing arrangements that expire within 1 to 5 years. As at December 31, 2013, Wereldhave had undrawn committed loan facilities to the amount of € 467m (2012: € 157m). The average maturity of the financing arrangements at 31 December 2013 was 3.1 years (2012: 3.1 years).

## 22. 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:

	2013	2012
Balance at January 1	87,492	115,835
Movements taken to the result	-9,966	-753
Release withholding tax USA portfolio	-	-27,057
Transferred to short term tax liabilities	-1,250	-
Exchange rate differences	-6	-533
	<hr/>	<hr/>
Balance at December 31	76,270	87,492

The movement in deferred tax liabilities in 2013 is the result of revaluations, changes in tax rates and the sale of investment properties with a tax liability.

Deferred tax assets and deferred tax liabilities were netted in 2013 for an amount of € nil (2012: € nil).

## 23. OTHER LONG-TERM LIABILITIES (x € 1,000)

	December 31, 2013	December 31, 2012
Pension plans	860	9,284
Tenants deposits	2,280	3,476
Capital commitments payable	3,780	-
Derivatives	7,927	-
Other	105	122
	<hr/>	<hr/>
Total	14,952	12,882

Tenant deposits consists of amounts received from tenants as a guarantee for future payment obligations.

### Pension plans

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

	Belgium		The Netherlands		Total	
	2013	2012	2013	2012	2013	2012
Fair value of plan assets	3,121	2,725	-	49,644	3,121	52,369
Benefit obligations	3,981	3,599	-	58,054	3,981	61,653
Net liability	<hr/> 860	<hr/> 874	<hr/> -	<hr/> 8,410	<hr/> 860	<hr/> 9,284

### Reconciliation of net liability

January 1	874	454	8,410	-	9,284	454
Charge/Credit recognised in P&L	324	315	1,616	1,114	1,940	1,429
Remeasurement recognised in OCI (Income)/Loss	117	514	-6,078	8,362	-5,961	8,876
Employer contributions	-455	-409	-3,948	-1,066	-4,403	-1,475
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
December 31	860	874	-	8,410	860	9,284

With regard to the Dutch pension plan (average pay) a buy-out took place in 2013. The defined benefit plan in the Netherlands was changed to a defined contribution system as per January 1, 2014. Wereldhave paid a one-off additional contribution of € 2.8m to the pension scheme in 2013 to facilitate the buy-out. Furthermore, the agreement between the Dutch pension plan and Wereldhave has been cancelled and Wereldhave does not have any liabilities or exposure anymore in respect of the pension scheme as from December 31, 2013.

The movement of the defined benefit obligation is as follows:

	Belgium		Netherlands		Total	
	2013	2012	2013	2012	2013	2012
Balance at January 1	3,599	2,751	58,054	44,284	61,653	47,035
Net service cost	295	305	1,592	1,141	1,887	1,446
Interest cost	93	122	1,835	1,917	1,928	2,039
Employee contributions	16	14	214	202	230	216
Benefits paid	-	-	-1,385	-1,075	-1,385	-1,075
Experience (gains) / losses	17	122	-1,254	-148	-1,237	-26
(Gain)/Loss due to assumption changes	90	405	-4,088	11,733	-3,998	12,138
Past service cost	-	-111	-1,481	-	-1,481	-111
Expenses	-129	-9	-	-	-129	-9
Settlements	-	-	-53,487	-	-53,487	-
Balance at December 31	3,981	3,599	-	58,054	3,981	61,652

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

	Belgium		Netherlands		Total	
	2013	2012	2013	2012	2013	2012
Balance at January 1	2,725	2,296	49,644	44,791	52,369	47,087
Interest income on plan assets	63	111	1,584	1,968	1,647	2,079
Return on scheme assets	-11	13	736	2,692	725	2,705
Actual expenses	-129	-120	-200	-	-329	-120
Employer contributions	457	411	3,948	1,066	4,405	1,477
Employee contributions	16	14	214	202	230	216
Benefits paid	-	-	-1,385	-1,075	-1,385	-1,075
Settlements	-	-	-54,541	-	-54,541	-
Balance at December 31	3,121	2,725	-	49,644	3,121	52,369

The assumptions used are:

- discount rate obligations	2.75%	3.00%	3.20%	4.40%
- rate of annual salary increases	2.00%	2.00%	2.00%	2.00%

The fair value of the Belgian assets consists, as in 2012, for 100% of insurance contracts. At year-end 2013, the Dutch pension scheme did not have any assets as a result of the buy-out. The fair value of the Dutch assets consisted in 2012 for 34.3% of shares, 46.7% of bonds and 19% of deposits.

The mortality rates used for Belgium are the MR/FR series. The mortality rates used for the Dutch pension scheme have been obtained from the mortality tables "Gehele bevolking mannen en vrouwen 2012-2062". Plan assets in both countries do not include shares issued by the Company in 2013 and 2012. For the above mentioned pension plans the expected employer's contribution is € 0.3m for 2014 (only for Belgium). Reference is made to note 10 for employee benefits plans with a net asset.

## 24. TAX PAYABLE (x € 1,000)

	December 31, 2013	December 31, 2012
Company tax	1,567	599
Total	1,567	599

**25. OTHER SHORT TERM LIABILITIES** (x € 1,000)

	December 31, 2013	December 31, 2012
Deferred rents	7,039	14,539
Property expenses	7,189	8,902
Interest	8,780	9,780
General costs	3,673	13,247
Capital commitments payable	6,290	17,057
Social securities	591	889
Value added tax	-388	1,544
Dividend tax	4,726	2,174
Other short term liabilities	6,832	9,129
Total	<u>44,732</u>	<u>77,261</u>

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

**26. FINANCIAL INSTRUMENTS** (x € 1,000)

Derivatives are used to hedge net investments in foreign operations, cash flow and fair value risks.

**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 and borrowings in USD and GBP and interest rate risk. The fair value of these instruments break down as follows:

2013	Hedged risk	Principal	Fair value assets	Fair value liabilities
<b>Cashflow hedge</b>				
Cross currency interest rate	Currency	108,767	-	-278
Currency swap	Currency	108,767	-	-7,624
Currency swap	Currency	59,974	-	-278
<b>Fair value hedge</b>				
Cross currency interest rate swap	Interest	108,767	6,126	-
<b>Net investment hedge</b>				
Forward foreign exchange contracts	Currency	27,588	-	-24
<b>No hedge accounting</b>				
Interest rate swap	Interest	52,777	4,274	-
2012	Hedged risk	Principal	Fair value assets	Fair value liabilities
<b>Cashflow hedge</b>				
Cross currency interest rate	Currency	113,688	323	-
<b>Fair value hedge</b>				
Cross currency interest rate swap	Interest	113,688	19,247	-
<b>Net investment hedge</b>				
Forward foreign exchange contracts	Currency	53,054	931	-
Loans	Currency	261,954	-	-261,954
<b>No hedge accounting</b>				
Interest rate swap	Interest	53,915	6,763	-

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 if the remaining maturity is less than 1 year.

The remaining term of the derivatives for interest and currency conversion on a fair value basis is as follows:

	December 31, 2013	December 31, 2012
- up to 1 year	27,588	53,054
- between 1 and 5 years	134,146	254,602
- more than 5 years	143,362	174,955
Total	<u>305,096</u>	<u>482,611</u>

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

(amounts in € 1,000)

	December 31, 2013			December 31, 2012		
	USD	GBP	Total in EUR	USD	GBP	Total in EUR
FX differences recognised in equity due to retranslation of foreign operations	6,852	-9,804	-2,952	-9,323	5,743	-3,580
Hedge result	-2,887	-838	-3,725	876		876
Effective part fair value changes in cashflow hedging	-7,797	-278	-8,075	162		162
Net effect in equity	<u>-3,832</u>	<u>-10,920</u>	<u>-14,752</u>	<u>-8,285</u>	<u>5,743</u>	<u>-2,542</u>

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

In 2013, a net loss of € 1.7m (2012: € 2.0m) was recognised in the income statement as a result of ineffectiveness of fair value hedges.

Regarding fair value hedge derivatives, a gain of € 15.1m has been included in the net interest, and a loss for the same amount has been recorded on the same line in the income statement for the hedged item. The cumulative fair value adjustment on the hedged item is € 7.7m positive.

### 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, 2013		December 31, 2012	
	USD	GBP	USD	GBP
Net investment in foreign subsidiaries before hedging	<u>2,518</u>	<u>25,099</u>	<u>615,625</u>	<u>270,001</u>
Hedging instruments:				
- derivatives (principal)	-	23,000	70,000	-
- interest bearing debts	-		150,000	121,000
Net investment hedge	<u>-</u>	<u>23,000</u>	<u>220,000</u>	<u>121,000</u>
Net investment exposure after hedging	<u>2,518</u>	<u>2,099</u>	<u>395,625</u>	<u>149,001</u>

### Derivatives for interest conversion (swaps)

Derivatives include (cross currency) interest rate swaps whose fair value has been determined by an internal calculation models based on contractual and market interest rates (level 2). These calculations are checked with calculations obtained from banks. 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. In the models the counter party risk has been taken into account via the non-current exposure method.

The derivative financial instruments for interest conversion are accounted for as financial assets at fair value through profit and loss. During 2013 a negative amount of € 2.3m was charged to the valuation results (2012: € 1.7m negative) relating to these financial assets. In addition, net interest was decreased by € 7.1m (2012: € 6.1m) as a result of derivative financial instruments for interest conversion.

### Credit risk

During 2013 the market value of the interest swaps 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. Contracts are closed with creditworthy counter parties.

## 27. 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. The policy includes a bandwidth of the Loan-to-Value ratio of 30% - 40%.

When the money market interest rates change by 0.5%, result and equity will change with € 1.5m (2012 € 3.3m). This would result in a change of result and net asset value per share of € 0.07 (2012: € 0.15). The Treasury department constantly monitors the debt covenants. The ratio between fixed and variable interest rate is 57% / 43% (2012: 49% / 51%).

#### *Currency risk*

Wereldhave no longer owns property investments in USD and GBP areas. Thus, the currency risk has been lowered significantly. The only significant USD positions consists out of USD loans that have been almost fully hedged to EUR. The only GBP positions left (deposits and debenture loans) have been hedged almost fully to EUR.

Changes in exchange rates for USD or GBP are immaterial as from 2013 due to the low exposure and currency hedges.

#### *Liquidity risk*

The liquidity risk (including refinancing risk) comprises the risk that loan agreements cannot be renewed, or can only be renewed subject to less favourable conditions. The risk is mitigated by maintaining solid equity ratios, maintaining relations with various international banks and maintaining sufficient credit facilities (both committed and uncommitted, see note 21). 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 testing to what extent Wereldhave continues to meet bank covenants under different scenarios.

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

### *Credit risk*

Credit risk is the risk of default of a contracting party on payments to Wereldhave. The credit risk is mitigated by bank warranties and deposits received from tenants. The maximum credit risk is the carrying amount less 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 € 1.2m (2012: € 1.2m excluding UK/USA) and € 0.05 (2012: € 0.05) on the result per share. If 10% of debtors would default on payment, this would impact results by € 0.5m (2012: € 0.8m). As a result of such default, result per share would change by € 0.02 (2012 € 0.04). 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 credit risk*

Under concentration of risk is understood to mean that a single financial risk is for the mainly borne 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. The credit risk further reduced by the size and diversification of the tenant portfolio as a result of which there is no concentration of risk due to there being 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, 2013			December 31, 2012		
	Principal	Interest	Total	Principal	Interest	Total
- up to 1 year	15,934	21,684	37,618	84,340	33,586	117,926
- between 1 and 2 years	282,042	20,009	302,051	264,336	30,111	294,447
- between 2 and 5 years	254,854	16,484	271,338	758,585	28,929	787,514
- more than 5 years	142,173	4,092	146,265	190,888	13,681	204,569
Total debt	695,003	62,269	757,272	1,298,149	106,307	1,404,456

The difference between the sum of the nominal principal values and the carrying amount of € 6.4m (2012: € 6.3m) consists of the equity component of the convertible bond for an amount of € 4.9m (2012: € 10.1m), for an amount of € 3.8m (2012: € 6.7m) due to amortised cost, an amount of € 2.3m (2012: € 17.3m) of the negative fair value adjustment on hedged items and for € nil (2012: € 5.8m) of the foreign exchange rate differences between nominal and IFRS accounting. With regard to the interest on debt with variable interest rates the rates prevailing at the balance sheet date have been used to determine the future outgoing cash flow. In addition to the financial liabilities mentioned above Wereldhave has a tenant deposit liability for an amount of € 2.2m (2012: € 3.5m). The average term of these deposits is 4.6 years (2012: 4.6 years).





### Off balance assets and liabilities

The group has provided guarantees to minority shareholders for an amount of € 16m (2012: € 16m) with regard to the claim which is described in note 45. The group has contracted capital commitments for an amount of € 57m (2012: € 164m) with regard to investment properties under construction. The group has leasehold liabilities for an amount of € 66m (2012: € 166m). Furthermore, the group has undrawn committed credit facilities to the amount of € 467m (2012: € 157m).

The maturity of the group capital commitments and leasehold liabilities are as follows:

	2013	2012
- up to 1 year	57,812	116,095
- between 2 and 5 years	4,804	58,033
- more than 5 years	60,565	155,808
Total	<u>123,181</u>	<u>329,936</u>

## 28. FAIR VALUE MEASUREMENT (x €m)

The following table provides the fair value measurement hierarchy of the group's assets and liabilities.

	Total	Fair value measurement using		
		Quoted prices Level 1	Observable input Level 2	Unobservable input Level 3
<i>Assets measured at fair value</i>				
Investment property in operation	1,732	-	-	1,732
Investment property under construction	413	-	-	413
<i>Financial assets</i>				
- Derivative financial instruments	10		10	-
- Available for sale	19	19	-	-
<i>Assets for which the fair value has been disclosed</i>				
- Loans and deposits paid	6	3	3	-
<i>Liabilities for which the fair value has been disclosed</i>				
- Interest bearing debt	703	283	420	-

There were no transfers between levels during the year under review. For a level 3 analysis, reference is made to note 5.

## 29. 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 cost charges. Service and operating cost 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 10.0% in 2012 (2012: 7.7%).

Contingent rental income amounts to 2.3% (2012: 2.7%) of gross rental income. The lease incentives provided to tenants amounts to 4.2% (2012: 2.8%) of gross rental income.

A change in the average occupancy rate by 0.5% results in a change of gross rental income by € 0.6m.

The future aggregate contractual rent for the next five years from leases as at December 31, 2012 is shown in the following table (turnover leases are accounted for at the minimum rent):

	2013	2012
- up to 1 year	101,932	116,602
- between 2 and 5 years	178,781	211,791
- more than 5 years	31,317	41,504

### 30. PROPERTY EXPENSES (x € 1,000)

	2013	2012
Property maintenance	690	869
Property taxes	2,610	2,575
Insurance premiums	296	302
Property management	2,728	2,216
Leasing expenses	984	924
Other operating costs	1,278	1,128
Total	8,586	8,014

Impairments of € 0.3m relate to debtors (2012: € 0.7m). These costs are accounted for in the other operating costs.

### 31. VALUATION RESULTS (x € 1,000)

		2013	2012
<b>Investment properties</b>			
Valuation gains	27,638	16,562	
Valuation losses	-33,500	-67,449	
		-5,862	-50,887
<b>Investment properties under constructions</b>			
Valuation gains	19,700	20,000	
Valuation losses	-7,515	-	
		12,185	20,000
<b>Property in own use</b>			
Valuation gains	-	-	
Valuation losses	-	-2,073	
		-	-2,073
<b>Financial assets and liabilities</b>			
Valuation gains	-	-	
Valuation losses	-2,304	-1,712	
		-2,304	-1,712
Total		4,019	-34,672

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.

**32. RESULTS ON DISPOSALS** (x €1,000)

	2013	2012
<b>Properties</b>		
Gross proceeds from sales	37,669	47,985
Selling costs	<u>-1,463</u>	<u>-3,256</u>
Net proceeds from sales	36,206	44,729
Book value investment properties	-39,550	-42,862
Book value lease incentives	<u>-239</u>	<u>-35</u>
	<u>-39,789</u>	<u>-42,897</u>
Result on direct sales of properties	-3,583	1,832
Result on indirect sales of properties/subsidiaries	<u>-</u>	<u>-</u>
Total	<u>-3,583</u>	<u>1,832</u>

**33. GENERAL COSTS** (x €1,000)

	2013	2012
Salaries and social security contributions	11,653	11,912
Pension costs	1,762	1,732
Audit and advisory fees	1,915	2,428
Office costs	3,534	3,568
Other general costs	<u>3,614</u>	<u>6,917</u>
	22,478	26,557
Allocated to property expenses/service costs	-2,692	-2,233
Allocated to investments/IPUC	-3,793	-3,397
Allocated to intangible assets	-	-115
Charged to third parties	<u>-2,195</u>	<u>-2,072</u>
	<u>-8,680</u>	<u>-7,817</u>
Total	<u>13,798</u>	<u>18,740</u>

The line "salaries and social security costs" includes an amount for the Dutch crisis tax of € 178, of which € 69 for members of the Board of Management. Pension costs can be split in € 1,478 (2012: € 1,426) with regard to defined benefit plans and € 284 (2012: € 306) with regard to defined contribution plans. Next to that € 462 (2012: € 3) has been accounted for in other financial income and expense with regard to actuarial movements in defined benefit plans.

**Pension costs**

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

2013	Belgium	Netherlands	Total
Current service cost	311	1,592	1,903
Past service cost - curtailment	-	-1,481	-1,481
Settlement Loss/(Gain)	<u>-</u>	<u>1,054</u>	<u>1,054</u>
Service cost	311	1,165	1,476
Net interest on Net Defined Benefit Liability (Asset)	29	251	280
Employee contributions	-16		-16
Administration expense		200	200
	<u>324</u>	<u>1,616</u>	<u>1,940</u>

<b>2012</b>	<b>Belgium</b>	<b>Netherlands</b>	<b>Total</b>
Current service cost	319	1,141	1,460
Past service cost - curtailment	-	-	-
Settlement Loss/(Gain)	-	-	-
Service cost	319	1,141	1,460
Net interest on Net Defined Benefit Liability (Asset)	10	-27	-17
Employee contributions	-14	-	-14
Administration expense	-	-	-
	315	1,114	1,429

The following amounts have been recognised in other comprehensive income (OCI):

<b>2013</b>	<b>Belgium</b>	<b>Netherlands</b>	<b>Total</b>
Actuarial (gain)/loss due to liability expenses	117	-1,254	-1,137
Actuarial (gain)/loss due to liability assumption changes	-	-4,088	-4,088
	117	-5,342	-5,225
Return on scheme assets (greater)/less than discount rate	-	-736	-736
Changes in irrevocable surplus	-	-	-
Remeasurement effect recognised in OCI	117	-6,078	-5,961

With regard to discontinued operations an amount of € 4.7m (loss) has been recognised in other comprehensive income (2012: € 0.0m).

<b>2012</b>	<b>Belgium</b>	<b>Netherlands</b>	<b>Total</b>
Actuarial (gain)/loss due to liability expenses	514	-148	366
Actuarial (gain)/loss due to liability assumption changes	-	11,733	11,733
	514	11,585	12,099
Return on scheme assets (greater)/less than discount rate	-	-2,692	-2,692
Changes in irrevocable surplus	-	-531	-531
Remeasurement effect recognised in OCI	514	8,362	8,876

In total the following amounts have been recognized in the income statement and OCI:

<b>2013</b>	<b>Belgium</b>	<b>Netherlands</b>	<b>Total</b>
Service cost	311	1,165	1,476
Net interest on Net Defined Benefit Liability (Asset)	29	251	280
Administration expense	-	200	200
Remeasurement effect recognised in OCI	117	-6,078	-5,961
Defined benefit cost	457	-4,462	-4,005

2012	Belgium	Netherlands	Total
Service cost	319	1,141	1,460
Net interest on Net Defined Benefit Liability (Asset)	10	-27	-17
Remeasurement effect recognised in OCI	514	8,362	8,876
Defined benefit cost	843	9,476	10,319

## Employees

During the year 2013 an average of 126 persons (2012: 213) were employed by the group, of which 54 (2012: 55) in The Netherlands and 72 (2012: 158) abroad.

## Remuneration of the members of the Supervisory Board and the Board of Management *(x € 1,000)*

The Supervisory Board members and the members of the Board of Management are considered to be key management personnel.

### Supervisory Board

	2013	2012
J.A.P. van Oosten	48	45
F.Th.J. Arp	35	34
P.H.J. Essers	8	33
H.J. van Everdingen	85	82
J.A. Bomhoff	21	-
F.C. Weijtens	24	-
Total	221	194

The members of the Supervisory Board do not hold shares or options in Wereldhave N.V. The Company has not issued loans, advances or financial guarantees to members of the Supervisory Board. Shares or options on shares have not been and will not be awarded to members of the Supervisory Board.

Mr H.J. van Everdingen acted as delegated board member as from July 23, 2012 until May 31, 2013 for which an additional amount of € 60,000 has been paid in 2013 (2012: € 52,500).

Mr P.H.J. Essers resigned as Supervisory Board member after the maximum term in office as per April 22, 2013. On that date Mrs F.C. Weijtens and Mr J.A. Bomhoff were appointed as member of the Supervisory Board.

## Board of Management

2013	Fixed income	STI	LTI	One off payments	Pension costs	Social charges	Crisis tax	Total
D.J. Anbeek	402	154	66	50	121	10	63	866
P. Roozenboom	187	70	20	-	56	6	6	345
Total	589	224	86	50	177	16	69	1,211
2012	Fixed income	STI	LTI	One off payments	Pension costs	Social charge	Crisis tax	Total
D.J. Anbeek	364	119	69	50	109	14	59	784
J. Pars	358	147	52	391	107	9	48	1,112
Total	722	266	121	441	216	23	107	1,896

Mr D.J. Anbeek has been appointed as CEO as per 1st August 2012, Mr P. Roozenboom was appointed as CFO as per June 1, 2013.

Mr J. Pars stepped down as per July 23, 2012.

The bonus that can be received by the Board of Management at an 'at target' level is 50% of the annual salary, while the maximum bonus is capped at 85% of the annual salary. The variable remuneration is dependent on the development of the like for like net rental growth (maximum of 40%), the total shareholder return (maximum of 20%) and the achievement of personal goals (maximum of 25%). The variable bonus related to the development of the like for like net rental income and total shareholder return can be divided in an unconditional short term bonus (30%) and a conditionally awarded long-term bonus (70%). The component for the personal targets is unconditional and paid as short term.

The short and long term bonus of Mr D.J. Anbeek's targets and scores for 2013 are as follows:

Target	Cap	Score	STI	LTI	Vesting	Condition
Personal target	25%	24.25%	24.25%	0%	-	-
Like-for-like net rental growth	40%	27%	8.1%	18.9%	2015	LfL > 0% 2014-2015
Total shareholder return	20%	20%	6.0%	14.0%	2015	average TSR > 6th place
Total	85%	71.25%	38.35%	32.9%		

The short and long term bonus of Mr P. Roozenboom's targets and scores for 2013 are as follows:

Target	Cap	Score	STI	LTI	Vesting	Condition
Personal target	25%	23.25%	23.25%	0%	-	-
Like-for-like net rental growth	40%	27%	8.1%	18.9%	2015	LfL > 0% 2014-2015
Total shareholder return	20%	20%	6.0%	14.0%	2015	average TSR > 6th place
Total	85%	70.25%	37.35%	32.9%		

For the year 2013 a long-term variable remuneration will be granted to Mr Anbeek for an amount of € 132,338 and for Mr P. Roozenboom in the amount of € 61,413. The long-term variable remuneration is a share-based payment that is conditionally awarded. The conditions are that, in addition to continuance of employment, the average like-for-like net rental growth over the next two years remains positive and for the other indicator that the average place with regard to total shareholders return over the next two years remains higher than the 6th place.

On February 5, 2014, the Supervisory Board has awarded an unconditional short term bonus of € 50,000 gross to Mr Anbeek in respect of the year 2013, payable in Wereldhave shares, with a holding period of three years. 454 shares were acquired on February 7, 2014.

The short-term bonus is payable in cash, after deduction of income tax and social charges.

The long-term bonus is payable in shares only. When the conditional bonus is determined each year, 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 time dividend is paid. If the vesting conditions are met, the number of awarded shares that then vest are released to the Board of Management. The Board of Management is charged for the income tax and social charges on the long-term variable remuneration.

The vesting period for the 2012 long-term variable bonus is January 1, 2012 to December 31, 2014 and for the 2013 long-term variable bonus January 1, 2013 to December 31, 2015.

Financial year grant	Vesting period u/i Dec 31	Long-term bonus	Accounted in financial statements	Accounted in earlier financial	Total accounted for
2013 - D.J. Anbeek	2015	132	44	-	44
2012 - D.J. Anbeek	2014	66	22	22	44
2013 - P. Roozenboom	2015	61	20	-	20

With regard to the 2012 long-term bonus of Mr D.J. Anbeek the requirements for vesting are continued employment and the average like-for-like net rental growth over the 2013 and 2014 remaining positive.

As per December 31, 2013 the long-term variable bonus 2013 would represent 2,282 shares for Mr D.J. Anbeek and 1,059 shares for Mr P. Roozenboom based on a share price of € 58 per share (based on the listed price as per February 7, 2014). The actual number will be determined at the share price of the first day of the ex-dividend listing. The shares will be bought after the approval of the annual accounts in the Annual General Meeting of Shareholders of April 27, 2014. The shares will be accounted for as shares for remuneration as part of the general reserve.

After the Annual General Meeting of Shareholders of April 2013 1,217 shares were bought for Mr D.J. Anbeek in relation to the 2012 long-term bonus. These shares have been conditionally awarded and are accounted for as shares for remuneration as part of the general reserve.

Mr Anbeek holds 6,225 shares in Wereldhave N.V. per December 31, 2013, of which 1,217 conditionally. The current fair value based on the stock exchange price amounts to € 58 per share (as per February 7, 2014) in total € 361,050.

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

The model to calculate the fair value of the share awards incorporates the expected ranking of the total shareholder returns of the company against the defined peer companies, the combined cap for the short term and long term incentive at 85% of base pay and the expected dividend payments based on the company's dividend policy.

**34. OTHER INCOME AND EXPENSES** (x €1,000)

	2013	2012
Dividend received	1,189	1,189
Impairment intangible assets	-	-3,000
Other	193	-164
	<u>1,391</u>	<u>-1,975</u>
Total other income and expense	<u>1,391</u>	<u>-1,975</u>

**35. INTEREST CHARGES AND INCOME** (x €1,000)

	2013	2012
<b>Interest charges</b>		
Interest paid *	-19,407	-16,521
Capitalised interest *	6,585	3,911
Amortised costs loans	-2,337	-2,272
	<u>-15,159</u>	<u>-14,882</u>
Interest charges related to loans	-15,159	-14,882
Interest addition convertible bonds	-5,187	-4,124
Interest addition other loans and receivables	53	70
	<u>-5,134</u>	<u>-4,054</u>
Total interest charges	<u>-20,293</u>	<u>-18,936</u>
<b>Interest income</b>		
Interest received *	290	313
Total interest charges and income	<u>-20,003</u>	<u>-18,623</u>

\*) Included in calculation interest coverage ratio (see note 21).

Capitalised interest in connection with developments is based on the group's weighted average cost of borrowings. During 2013, the range of average interest rates used was 1.4% - 3.5% (2012: 1.3% - 3.2%). The average interest rate in 2013 was 3.1% (2012: 3.3%) on the basis of an effective interest.

The line item 'interest paid' includes costs related to fees paid for undrawn parts of committed financing facilities amounting to € 2.6m (2012: € 1.2m).

**36. OTHER FINANCIAL INCOME AND EXPENSE** (x €1,000)

	2013	2012
Exchange rate differences	2,651	1,200
Costs repurchase convertible	-10,168	0
Movement in pension liabilities	-462	-3
	<u>-7,979</u>	<u>1,197</u>
Total	<u>-7,979</u>	<u>1,197</u>



**37. TAXES ON RESULT** (x € 1,000)

	2013	2012
Profit before tax	42,888	36,519
Tax charges according to applicable tax	15,566	13,949
Tax-exempt income based on fiscal status	-10,106	-19,856
Deductible costs	849	-817
Tax losses	-	891
Change in deferred tax	-	-21,528
Release of USA withholding tax provision	-	-
Change in tax rates	-14,894	51
Exempt capital gains	-	-
Other	418	-548
	<u>-8,167</u>	<u>-27,858</u>
Taxes on result	<u>-8,167</u>	<u>-27,858</u>
Weighted average tax rate	-19.0%	-76.3%

For 2013 the current tax charge is € 1.0m negative (2012: € 0.5m negative) and the deferred tax charge was € 9.1m (2012: € 28.3m). The change in deferred tax in 2012 is mainly due to a release of deferred tax provisions with regard to withholding tax which is an one off effect due to the sale of the USA portfolio. The applicable tax rates vary from 0% for tax-exempt entities, based on their fiscal status, up to 30%.

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

If 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 or amounts directly credited to equity (2012: idem).

**38. RESULT FROM DISCONTINUED OPERATIONS** (x € 1,000)

Discontinued operations represent the net result of the UK and USA operations that were sold in 2013. The results from discontinued operations break down as follows:

	UK	USA	Total 2013	UK	USA	Total 2012
Net rental income	2,998	7,227	10,225	23,096	20,143	43,239
Valuation results	2,531	-	2,531	-43,888	-118,474	-162,362
Results on disposals	-9,234	2,464	-6,770	7,109	-1,045	6,064
General costs	-353	-329	-682	-2,264	-1,715	-3,979
Net interest	-3,836	-1,723	-5,559	-11,318	-9,337	-20,655
Other financial income and exp	-20,765	-	-20,765	-	-	-
Other	-1,836	-207	-2,043	-2,321	-11,672	-13,993
	<u>-30,495</u>	<u>7,432</u>	<u>-23,063</u>	<u>-29,586</u>	<u>-122,100</u>	<u>-151,686</u>
Result	<u>-30,495</u>	<u>7,432</u>	<u>-23,063</u>	<u>-29,586</u>	<u>-122,100</u>	<u>-151,686</u>

The result for 2012 does not include an amount for tax. An amount of € 7.1m is presented in other comprehensive income for the currency translation, which will be recycled through the income statement in future years. An amount of € -20.9m was recycled through the income statement in 2013.

In the cash flow statement the following amounts have been accounted for in relation to the discontinued operations in 2013: operating activities € 3.9m, investment activities € 854.7m and financing activities € -42.8m.

An amount of € 9.1m (2012: € 0.4m) in other comprehensive income relates to discontinued operations with regard to exchange rate differences (€ 13.8m, 2012: € 0.4m) and remeasurement of pension schemes (€ -4.7m, 2012: € 0.0m).

### 39. TRANSACTIONS WITH SHAREHOLDERS

In 2013 there were no transactions with shareholders.

### 40. 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

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.

	2013	2012
Result attributable to shareholders of the company	39,371	-98,439
Adjustment for effect convertible bonds	<u>9,729</u>	<u>22,032</u>
Result after effect convertible bonds	<u>49,100</u>	<u>-76,407</u>
Number of shares as at January 1	21,679,608	21,679,608
Adjustment for paid stock dividend	-	-
Adjustment for purchase of own shares for remuneration	<u>1,217</u>	<u>-</u>
Weighted average number of shares for fiscal year 2013	21,680,825	21,679,608
Adjustment for convertible bonds	<u>2,836,005</u>	<u>6,022,307</u>
Diluted average number of shares after adjustment for the effects of all dilutive potential shares for fiscal year 2013	<u>24,516,830</u>	<u>27,701,915</u>

As the conversion has a positive effect on the result per share, this is not taken into account in the diluted result per share. See note 42 for the proposed dividend for 2013.

## 41. NET ASSET VALUE PER SHARE

### Net asset value per share

The 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 issued as at that date.

	2013	2012
Equity available for shareholders (x € 1,000)	1,349,426	1,378,754
Number of ordinary shares per 31 December	21,679,608	21,679,608
Purchased shares for remuneration	1,217	-
Number of ordinary shares per 31 December for calculation net asset value	21,680,825	21,679,608
Net asset value per share (x € 1)	62.24	63.60

### Net asset value after full conversion

	2013		2012	
	in € 1,000	in € per share	in € 1,000	in € per share
Equity	1,349,426	62.24	1,378,754	63.60
Effect of full conversion	223,357	1.91	446,435	2.29
Equity after full conversion	1,572,783	64.15	1,825,189	65.89

As the convertibles are not in the money, no effect of conversion is taken into account.

## 42. DIVIDEND

In addition to the statutory cash dividend of 5% on the priority 'A' shares issued, it is proposed to distribute to holders of ordinary shares a dividend of € 3.30 in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax.

## 43. RUNNING COST FACTOR

The running cost factor for the year 2013, based on the Dutch Financial Supervision Act (Wft), amounts to 2.03% (2012: 4.87%). 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.

## 44. 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 33. With regard to transactions with the pension fund reference is made to notes 10 and 23.

In the financial year 2013, no business transactions took place in which conflicts of interest of the Board of Management might have played a role.

## 45. CLAIMS

In November 1996 the Belgian subsidiary N.V. Vastgoed Maatschappij België (VMB) received a tax assessment to the amount of BEF 1.4 bn (€ 36m). 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 owner 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 bn (€ 15m). 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 two properties. The market value of these properties amounted to € 46,4m at December 31, 2013 (2012: € 50m). Wereldhave maintains that the tax claims are not justified and has filed objections against these claims. For this reason a provision for this claim has not been accounted for.

In 1999, judicial proceedings were started against Wereldhave Belgium, relating to the sale of a cash-company in 1993. The Chamber of the Court has referred the legal proceeding against Wereldhave Belgium for treatment in first instance. Wereldhave Belgium appealed against this decision. On 19 November 2009 the chamber of inquisition in Brussels has decided that the legal proceeding 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. In May 2013, the Court of Appeal of Brussels pronounced its verdict in the penal case regarding the sale of a cash company in 1993 and SCA Wereldhave Belgium was acquitted, as the facts laid against it are not established.

On February 7, 2014 Wereldhave was acquitted of all charges with regard to the administrative tax procedure. The Belgian tax authorities have a right of appeal.

#### 46. EVENTS AFTER BALANCE SHEET DATE

On January 31, 2014 Wereldhave acquired the shopping centre De Vier Meren in Hoofddorp, the Netherlands for an amount of € 147.5m. A second acquisition in the Netherlands was agreed on February 27, 2014, which will make Wereldhave the single owner of De Koperwiek shopping centre in Capelle aan den IJssel for € 60.1m, including transaction costs. The transaction will be completed early in March 2014. Furthermore, Wereldhave has transferred the office building Urbagreen in Paris to the Bred bank for an amount of € 91m on February 5, 2014.

(before profit appropriation; amounts x € 1,000)

	Note	December 31, 2013	December 31, 2012
<b>ASSETS</b>			
<b>Investments</b>			
Investments in subsidiaries	2	1,507,985	1,555,846
Other financial investments	3	<u>674,772</u>	<u>987,805</u>
		2,182,757	2,543,651
<b>Receivables</b>			
Group companies	4	102,201	56,601
Tax receivables		5,036	2,493
Accruals		6,293	4,343
Other receivables		<u>2,843</u>	<u>88</u>
		116,373	63,525
<b>Other assets</b>			
Property & equipment		<u>-</u>	<u>2,000</u>
		<u>2,299,130</u>	<u>2,609,176</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	216,796	216,796
Share premium		759,740	767,315
General reserve		-24,182	75,621
Revaluation reserve		376,916	442,417
Hedge reserve		-7,913	162
Reserve for exchange rate differences		-11,302	-25,118
Result current year		<u>39,371</u>	<u>-98,439</u>
		1,349,426	1,378,754
<b>Long-term liabilities</b>			
Interest bearing liabilities	6	531,939	1,052,655
Currency swaps		<u>7,927</u>	
		539,866	
<b>Short term liabilities</b>			
	7	<u>409,837</u>	<u>177,767</u>
		<u>2,299,130</u>	<u>2,609,176</u>

COMPANY INCOME STATEMENT FOR 2013

(amounts x € 1,000)

		2013	2012
Result from subsidiaries after tax	2	48,343	-92,928
Other gains and losses after tax		<u>-8,972</u>	<u>-5,511</u>
Result		<u>39,371</u>	<u>-98,439</u>

## 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 change in accounting for employee benefits (IAS 19R) as described in note 3.1 of the consolidated financial statements has also been incorporated in the company accounts. As a result of that equity and the investments in subsidiaries as per January 1, 2012 and December 31, 2012 have been adjusted by € -1.9m and € -8.9m.

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. INVESTMENTS IN SUBSIDIARIES (x € 1,000)

Movements are as follows:

	2013	2012
Balance at January 1	1,555,846	1,719,352
Exchange rate differences	9,765	573
Movements in pension schemes	-1,259	-8,903
Investments / divestments	-40,713	-4,494
Revaluation of financial assets held for sale	2,100	-857
Result subsidiaries	48,343	-92,928
Dividends	-69,336	-56,897
Other	3,239	-
Balance at December 31	1,507,985	1,555,846

## List of subsidiaries

At December 31, 2013, the Company had direct shareholdings in the following companies:

	Shareholding (%)
C.V.A. Belgium S.C.A. *)	36.22
Wereldhave Finland Oy	100
Agenttitalo Holding Oy	100
Itäkeskus Holding Oy	100
Ilôt Kleber S.A.S.	100
Urbagreen S.A.S.	100
Espace Saint Denis S.A.S.	100
NODA 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 IV B.V.	100
Espamad S.L.	100
Wereldhave U.K. Holdings Ltd.	100

\*) Including indirect holdings 69.41%

## 3. OTHER FINANCIAL INVESTMENTS (x € 1,000)

	Receivables from subsidiaries	Other financial assets	Total
Balance at December 31, 2011	729,580	27,128	756,708
Exchange rate differences	792	-	792
Investments / withdrawal	169,528	1,109	170,637
Transfer to receivables	131,462	-	131,462
Divestments / redemptions	-71,706	-88	-71,794
Balance at per December 31, 2012	959,656	28,149	987,805
Exchange rate differences	-14,139	-144	-14,283
Investments / withdrawal	173,424	-	173,424
Divestments / redemptions	-454,291	-17,883	-472,174
Balance at December 31, 2013	664,650	10,122	674,772

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

## 4. RECEIVABLES

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

## 5. EQUITY

### Share capital

The share capital of the Company at December 31, 2013 amounted to € 800m divided over 40m ordinary shares of € 10, 20m preference shares of € 10 and 20m 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.

In the year 2013 1,217 shares were purchased for the long term bonus plan of the Board of Management. These shares were conditionally awarded to Mr D.J. Anbeek.

The movements in equity during 2013 and 2012 were as follows (amounts x € 1,000 \*\*):

	Share capital	Share premium reserve	General reserve	Revaluation reserve sub-sidiaries *)	Hedge reserve *)	Reserve for exchange rate diff. *)	Result current year	Total
<b>Balance at December 31, 2011</b>	216,796	767,315	114,025	467,229	730	-25,477	51,296	1,591,914
Effect implementation IAS 19			-1,893					-1,893
<b>Balance at January 1, 2012</b>	216,796	767,315	112,132	467,229	730	-25,477	51,296	1,590,021
Remeasurement pension schemes	-	-	-8,903		-	-	-	-8,903
Result distribution 2011	-	-	38,064	13,232	-	-	-51,296	-
Exchange rate differences of foreign participations	-	-	-	-	-	359	-	359
Purchase Genk (Belgium) - extension share capital Wereldhave Belgium			-798					-798
Movement in reserves	-	-		-857	-568	-	-	-1,425
Revaluation realised	-	-	37,187	-37,187	-	-	-	-
Purchase remuneration shares	-	-	299	-	-	-	-	299
Purchase remaining shares Agenttitalo (Finland)			-466					-466
Dividend payment over 2011	-	-	-101,894	-	-	-	-	-101,894
Profit for the year **)	-	-	-	-	-	-	-98,439	-98,439
<b>Balance at December 31, 2012</b>	216,796	767,315	75,621	442,417	162	-25,118	-98,439	1,378,754
Remeasurement pension schemes	-	-	-1,259	-	-	-	-	-1,259
Result distribution 2012			-96,197	-2,242	-		98,439	-
Exchange rate differences of foreign participations						13,816		13,816
Movement in reserves				2,100	-8,075			-5,975
Revaluation realised			65,359	-65,359				-
Purchase remuneration shares			-66					-66
Option premium convertible		-7,575	7,575					
Premium repurchase convertible			-3,700					-3,700
Dividend payment over 2012			-71,515					-71,515
Profit for the year **)			-				39,371	39,371
<b>Balance at December 31, 2013</b>	216,796	759,740	-24,182	376,916	-7,913	-11,302	39,371	1,349,426

\*) Legal reserve

\*\*) The annual accounts have been prepared before distribution of profit.

With regard to the proposed profit distribution reference is made to the other information paragraph.



## Share premium

Share premium is paid up share capital in excess of nominal value. The share premium is exempted from tax to the amount of € 733m (2012: € 733m).

## General reserve

### Allocation of profit over 2012

The General Meeting of Shareholders on April 22, 2013 determined the following allocation of the profit over 2012 (amounts x € 1,000):

Distributed to holders of ordinary shares	71,515
Added/withdrawn:	
- Revaluation reserve subsidiaries	-2,242
- General reserve	29,166
Result after tax	<u>98,439</u>

## Dividend 2013

The 2013 dividend proposal is explained in the 'Other Information'.

## Revaluation reserve subsidiaries

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

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
- Revaluations are determined per asset and only taken into account for cumulative positive revaluations

## 6. LONG-TERM LIABILITIES (x € 1,000)

The maturity of interest bearing liabilities shows as follows:

				December 31, 2013	December 31, 2012	
	Maturity < 1 year	Maturity 1 - 5 year	Maturity > 5 year	Total long-term	Total	
Debts to subsidiaries	76,550	14,099		14,099	90,649	60,050
Convertible bonds		224,134		224,134	224,134	447,212
Debt to financial institutions		144,146	149,560	293,706	293,706	665,332
Total	<u>76,550</u>	<u>382,379</u>	<u>149,560</u>	<u>531,939</u>	<u>608,489</u>	<u>1,172,594</u>

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

Other long term liabilities relate to cross currency swaps.

## Average effective interest

	2013			2012			total
	EUR	GBP	USD	EUR	GBP	USD	
Short term interest bearing debt	-	0.5%	-	0.5%	0.7%	-	0.7%
Long-term interest bearing debt							
- unsecured							
Debts to subsidiaries	1.2%	-	-	1.2%	1.2%	0.5%	0.7%
Convertible bond	3.9%	-	-	3.9%	4.6%	-	4.6%
Debt to financial institutions	3.2%	-	-	3.2%	1.0%	3.0%	3.5%
Cross currency interest rate swaps	-	-	-	-	1.9%	-	1.9%
Interest rate swaps	-	-5.7%	-	-5.7%	-	-5.5%	-5.5%
Average	3.4%	-2.0%	-	2.1%	2.9%	1.0%	2.8%

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 interest bearing debts are as follows:

	December 31, 2013		December 31, 2012	
	carrying amount	fair value	carrying amount	fair value
Debt to group companies	90,650	90,650	60,050	60,050
Convertible bonds	224,134	235,180	447,212	465,637
Debt to financial institutions	293,706	307,157	665,332	669,165
	<b>608,490</b>	<b>632,987</b>	<b>1,172,594</b>	<b>1,194,852</b>

## Currencies

There are loans closed in euro's, pound sterling and US dollars.

## 7. SHORT TERM LIABILITIES (x € 1,000)

	December 31, 2013	December 31, 2012
Debt to financial institutions	81,611	45,929
Short term portion of long term debt	0	74,000
Creditors	23	18
Debt to group companies	316,150	46,843
Taxes on profit	-2	47
Other debts	12,055	10,930
	<b>409,837</b>	<b>177,767</b>

## 8. STAFF

During 2013 the legal entity employed an average of 1.6 persons (2012: 1.5). The employees worked in the Netherlands.

## 9. AUDIT FEES (x € 1,000)

In 2013 Wereldhave and her subsidiaries have accounted for the following costs from the group auditor PricewaterhouseCoopers:

	2013	2012
Audit of the Annual Accounts	300	370
Other audit services	198	52
Tax compliance services	1	4
Other non audit services	76	32
	575	458

An amount of € 232 relates to the closure of the UK and USA. The other non-audit services are in compliance with Dutch Auditor Regulations.

Of the total amount of audit fees € 159 (2012: € 150) relates to the Netherlands. This consist of an amount of € 151 (2012: € 148) cost for the audit of the Annual Accounts and € 8 (2012: € 2) for other audit activities.

## 10. 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 32 in the consolidated annual accounts.

## 11. RELATED PARTIES

All group entities are treated as related parties. Reference is made to note 44 in the consolidated annual accounts.

## 12. 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 totalling € 52m (2012: € 42m). Capital investment commitments amount to € nil as per December 31, 2013 (2012: € nil).

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.

Schiphol, February 27, 2014	Supervisory Board	Board of Management
	J.A.P. van Oosten	D.J. Anbeek
	F.Th.J. Arp	P. Roozenboom
	F.C. Weijtens	
	J.A. Bomhoff	
	H.J. van Everdingen	

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 € 3.30 in cash in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax.

(amounts x € 1m)

	2013	2012
Profit	39.4	-98.4
Payment to holders of ordinary shares	71.5	71.5
- Revaluation reserve subsidiaries	43.3	-2.2
- General reserve	-75.4	-167.7
	39.4	-98.4

### Events after balance sheet date

On January 31, 2014 Wereldhave acquired the shopping centre De Vier Meren in Hoofddorp, the Netherlands for an amount of € 147.5m. A second acquisition in the Netherlands was agreed on February 27, 2014, which will make Wereldhave the single owner of De Koperwiek shopping centre in Capelle aan den IJssel for € 60.1m, including transaction costs. The transaction will be completed early in March 2014. Furthermore, Wereldhave has transferred the office building Urbagreen in Paris to the Bred bank for an amount of € 91m on February 5, 2014.

To the General Meeting of Wereldhave N.V.

*Report on the Audit of the Financial Statements*

*In our opinion*

- the consolidated financial statements as set out on pages 50 to 100 give a true and fair view of the financial position of Wereldhave N.V. (the 'Company') and its subsidiaries (the 'Group') as at December 31, 2013, and of their result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code; and
- the Company financial statements as set out on pages 101 to 107 give a true and fair view of the financial position of Wereldhave N.V. as at 31 December 2013, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

***What we have audited***

We have audited the accompanying financial statements 2013 as set out on pages 50 to 107 of Wereldhave N.V., The Hague. These financial statements consist of the consolidated financial statements and the Company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at December 31, 2013, 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 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, 2013, the Company income statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

***The basis for our opinion***

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section *Our Responsibilities for the Audit of Financial Statements* of our report.

We are independent of the Group in accordance with the relevant Dutch ethical requirements as included in the 'Verordening op de gedrags- en beroepsregels accountants' (VGBA) and the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and have fulfilled our other responsibilities under those ethical requirements.

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

***The key audit matters from our audit***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements 2013. Key audit matters are selected from the matters communicated with the Supervisory Board, but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

*Valuation of Investment Property (under development)*

The valuation of the 'Investment Property (under development)' ('Property') is important to our audit as it is the Group's most significant asset and is highly dependent on estimates. The Board of Management uses external appraisers to support its determination of the individual fair value of the Properties. Amongst others, we have considered the objectivity, independence and expertise of the external appraisers, assessed the correctness of the property related data as used by the external appraisers and used our PwC valuation specialists to assist us in analysing the external valuations. All individual Properties are valued externally. We have discussed with external appraisers the (movements in) fair value of the Property. Refer to Note 3.11 and 5 for more information on the valuation of the Property.

*(Deferred) Income Tax*

The Group operates in various countries with local tax regulations, including countries where the Group has a tax exempt status (the Netherlands, Belgium and France). The (Deferred) Income Tax related valuation is significant to our audit as the assessment process is complex, requires management's judgement and is based on assumptions that are affected by future market or economic conditions. In addition, the tax exempt status is significant to our audit as non-compliance could have a material negative impact on the financial position of the Group. Our audit procedures included, amongst others, evaluating assumptions used by the Group to determine deferred tax assets and liabilities and the compliance with requirements relating to the tax exempt status, including the use of PwC tax specialists. For more information on (Deferred) Income Tax reference is made to note 3.32, 9, 22 and 37.

*Discontinued operations United States and United Kingdom*

The Company discontinued its operations in the United States (in 2012) and United Kingdom (in 2013). The audit of discontinued operations is relevant to our audit as it significantly impacts the presentation on the balance sheet and income statement and, amongst others, the recycling of the Currency Translation reserve also has a significant impact on the income statement. Our audit procedures of the discontinued operations included, amongst others, consideration of the accuracy of presentation and cut-off of the related results of the discontinued operations and the recycling of the Currency Translation Reserve. For more information on the discontinued operations and Currency Translation Reserve reference is made to note 38 and 20.

### ***Our findings with respect to going concern***

As included in the Basis for preparation of 2013 financial statements in the notes to the consolidated financial statements, the financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless the Board of Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

As part of our audit of the financial statements, we concur with the Board of Management's use of the going concern basis of accounting in the preparation of the financial statements.

The Board of Management has not identified a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty.

However, neither the Board of Management nor the auditor can guarantee the Company's ability to continue as a going concern.

### ***Responsibilities of the Board of Management and the Supervisory Board for the financial statements***

The Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Board of Management 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 the Board of Management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error. The Supervisory Board is responsible for overseeing the Group's financial reporting process.

### ***Our responsibilities for the audit of the financial statements***

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Dutch Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We are required to communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the Supervisory Board all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### ***Report on the Board of Management report and other information***

Pursuant to the legal requirement under Part 9 of Book 2 of the Dutch Civil Code regarding our responsibility to report on the Board of Management report and the other information:

- We have no deficiencies to report as a result of our examination whether the Board of Management report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the other information has been annexed as required by Part 9 of Book 2 of this Code; and
- We report that the Board of Management report, to the extent we can assess, is consistent with the financial statements.

Amsterdam, February 27, 2014  
PricewaterhouseCoopers Accountants N.V.

Original has been signed by  
Drs. R. Dekkers RA

## COLOPHON

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Communicatie, Amstelveen

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### **Independent Auditor**

PwC, Amsterdam

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