WERELDHAVE

ANNUAL REPORT
2012

ANNUAL REPORT 2012

This is the Annual Report 2012 of Wereldhave N.V. including the report from the Board of Management for the year 2012, the property portfolio, the financial statements and the report of the Supervisory Board. This report will only be published digitally on the company's website www.wereldhave.com but is available in printed version upon request, free of charge. A hard copy of the Annual Review 2012 will be sent to all stakeholders who have requested to be added to the mailing list.

CONTENTS

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, Finland and on sustainable offices in Paris.

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 69.4% 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 fair value, less transaction costs. The entire portfolio is valued externally by independent valuers as at June 30 and December 31.

Financial position

Wereldhave has a sound financial position. After the disposal of the portfolios in the United Kingdom and the United States, to be completed during Q1 2013, the Loan-to-Value (LTV) will drop from 44% to below 20%.

The Wereldhave share is one of the top 10 most-traded continental European property stocks with an average daily transaction volume in 2012 of approx. 120.000 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 share is included in the MSCI, EPRA, GPR and Stoxx indices.

Key information

	2008	2009	2010	2011	2012
Share price at 31/12	63.00	66.70	73.06	51.31	48.00
Price/Direct result at 31/12	12.8	13.5	14.3	10.4	12.3
avg. Transactionvolume/day	172,000	131,000	144,000	163,000	120,000
Marketcapitalisation at 31/12	1.3 bn	1.4 bn	1.6 bn	1.1 bn	1.0 bn
NAV/share	83.74	73.77	75.12	73.44	64.09
Premium (discount)	-25.3%	-9.6%	-2.7%	-30.1%	-25.1%
Dividend	4.65	4.65	4.70	4.70	3.30
Dividend yield at 31/12	7.4%	7.0%	6.4%	9.2%	6.9%
Pay-out	95%	94%	92%	95%	84%
Free float	100%	100%	100%	100%	100%

FINANCIAL CALENDAR 2013

25 MARCH 2013
Record date for General Meeting of Shareholders

22 APRIL 2013
General Meeting of Shareholders

24 APRIL 2013
Ex-dividend listing

26 APRIL 2013
Dividend record date

29 APRIL 2013
Dividend made payable

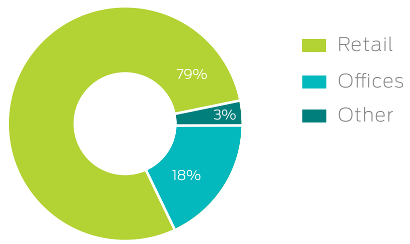
3 MAY 2013
Trading update on the first quarter 2013

1 AUGUST 2013
Report on the first six months 2013

31 OCTOBER 2013
Trading update on the first nine months 2013

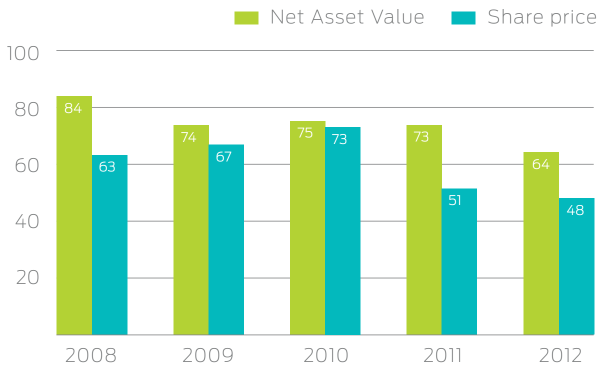
MARCH 2014
Annual Report 2013

Distribution of investment properties by sector at year-end 2012

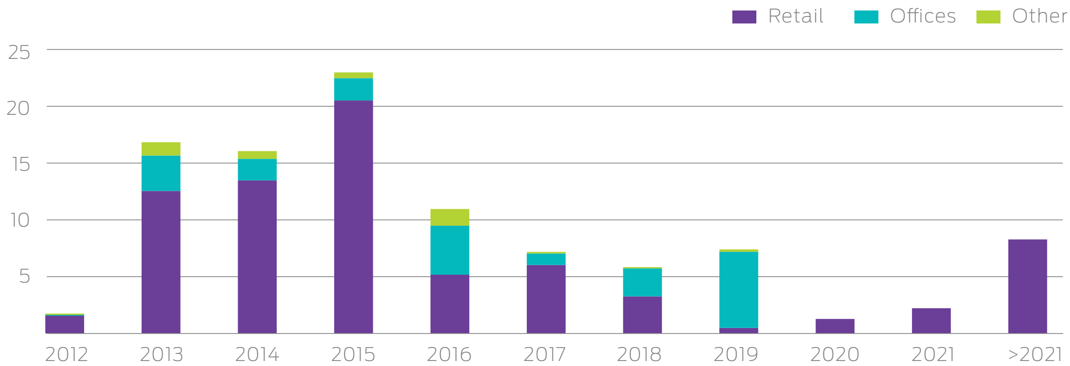


Share price 2008-2012 (€)

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



Lease expiries (as a % of contracted rent at December 31, 2012)



	2008	2009	2010	2011	2012
Results (x € 1m)					
Net rental income [1) 2)]	149.0	143.1	160.2	128.7	**130.8**
Result [3)]	0.5	-107.1	88.7	51.3	**-98.4**
Direct result [3)]	102.3	104.0	109.0	106.3	**84.9**
Indirect result [3)]	-101.8	-211.1	-20.3	-55.0	**-183.3**
Balance sheet (x € 1m)					
Investments [8)]	2,646.0	2,418.2	2,860.1	2,830.2	**2,073.0**
Development projects [8)]	52.1	81.6	134.5	227.9	**240.0**
Equity [4)]	1,740.3	1,569.6	1,611.2	1,591.9	**1,389.5**
Interest bearing debt	739.6	712.8	1,148.0	1,289.1	**1,288.8**
Number of shares					
At December 31	20,781,735	21,276,988	21,448,525	21,679,608	**21,679,608**
Average during the year	20,781,735	21,123,663	21,389,310	21,593,238	**21,678,276**
Share data [5)] (x € 1)					
Equity [6)]	83.74	73.77	75.12	73.44	**64.09**
Direct result [7)]	4.92	4.93	5.10	4.93	**3.91**
Indirect result [7)]	-4.90	-10.00	-0.95	-2.55	**-8.45**
Dividend	4.65	4.65	4.70	4.70	**3.30**
Pay-out	94.5%	94.3%	92.2%	95.3%	**84.4%**
Direct result per share [7)]	4.92	4.93	5.10	4.93	**3.91**
Result per share [7)]	0.02	-5.07	4.15	2.38	**-4.54**

1) as a result of change in accounting policies, as per 2011, leasehold contracts are presented as operational lease contracts
2) figures 2011 and 2012 excl. discontinued operations USA
3) excl. non-controlling interest
4) excl. non-controlling 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
8) figures 2012 excl. discontinued operations USA

The year 2012 was a year of extremes for Wereldhave. Sluggish performance in the USA and the UK led to substantial impairments of the portfolio in July and a negative adjustment of the earnings and dividend outlook for the full year. As a consequence, market confidence in Wereldhave was seriously impacted. A revised approach focusing on a strategy rejuvenation, improved balance sheet ratios and cost containment, led to a partial recovery of confidence in the second half of the year. There is still a long way to go, but the first steps have been taken.

Economic pressure

The economy was dominated by the crisis in many European countries in 2012. Governments were compelled to curtail their spending and increased their income by raising taxes. In addition, unemployment is rising and there is no prospect yet as to a structural recovery of the economic and financial markets. This is having a negative effect on consumer confidence. Corporate investments and consumer spending were pressured as a consequence.

The Dutch economy also had to deal with the effects of a number of long-term issues. Changes in tax policies relating to the deductibility of mortgage interest are creating uncertainty among homeowners and falling prices in the housing market. The office market is also still far from stable, due to surplus capacity exacerbated by lower demand. The solid Dutch pension system is under pressure from poor returns on investments and rising costs. This has led to concerns about the indexation and levels of pension benefits. These uncertainties have caused both consumer confidence and consumer spending to fall further. The Dutch economy therefore performed worse than the neighbouring countries, including Finland and Belgium, in terms of consumer spending. This was due to the above average fall in consumer confidence in the Netherlands.

The property market situation differs significantly between countries as well as categories. The top end of the market, comprising high-quality shopping centres and office buildings, is still performing well. Properties in this segment are often held long-term and few properties are traded. Less prime properties are not easy to sell under the current market conditions, not least because banks are reluctant to provide financing. The restructuring of the European banking sector is progressing slowly, putting the financing market to a standstill, contrary e.g. to the developments in the USA. The strong growth of e-commerce also affects the values of retail property. Internet sales often have a negative effect on consumer spending in shops. Retailers are forced to be more creative and inventive to maintain spending levels. Property owners will have to entice visitors to spend money in their shopping centres, unlike the past, where owning property was mainly a business of collecting and indexing rent.

An eventful year

2012 was an eventful year for Wereldhave. In February, Wereldhave announced its intention to gradually sell the entire property portfolio in the USA and to focus on properties in Europe. As offers for the US property portfolio, the performance of the mixed-use development project in Eilan and operating performance at the UK shopping centres fell short of expectations, impairments of € 128m for the US portfolio and of € 37m for the UK shopping centres (particularly the shopping centre in Poole) were announced in July.

Because lower than expected proceeds from the US disposal would lead to lower scope for reinvestment and therefore lower future earnings capacity, the outlook for future dividends was likewise adjusted downwards. It was no longer possible to meet the target of a dividend of € 4.70 for 2012 and 2013, and a dividend range of € 3.20 to € 3.40 per share was given as a new guideline. Mr J. Pars, the Chairman of the Board of Management, stepped down in consultation with the Supervisory Board. The profit warning caused the share price to fall significantly.

Four priorities

A recovery of confidence in Wereldhave was essential and four specific measures were immediately announced when the results for the first half year were released on August 2, 2012.

First priority was a change in the exit strategy from the US. Instead of gradually disposing the US property portfolio, Wereldhave decided to sell the entire portfolio in one transaction or in large tranches, to be completed by the end of 2013 at the latest. The aim of this change in exit strategy was to speed up execution and to combine preferred with less sought after properties.

Second priority was the drafting of an action plan for the UK shopping centres.

Third priority was set as the reduction of general costs and the fourth priority was the drafting of a new strategy, to be communicated during the first quarter of 2013. An open dialogue was held with stakeholders (including the providers of equity and debt, tenants and employees) to inform them about the steps that have been made towards the recovery of confidence in Wereldhave. Substantial progress was already achieved on all four action points in the fourth quarter.

The first priority was achieved with the disposal of the entire US portfolio, which was announced on 7 January 2013, sooner than expected. The US portfolio was sold to Lone Star Funds for $ 720m and Wereldhave's net proceeds, after deduction of all costs, are in excess of the book value at September 30, 2012. The disposal also triggers the release of a provision for deferred tax. The total proceeds of the disposal are approximately 5% above book value.

The second priority was met in October 2012 with an action plan for the UK shopping centres, targeting investments to change the downward trend, on a stand-alone basis or in joint ventures with other parties. On 11 February 2013 Wereldhave also announced its withdrawal from the UK. Of all strategic options for the UK, this proved to be the most viable one, also in view of the economic prospects. The disposal of the UK portfolio supports Wereldhave's focus on four key markets and helps to gain critical mass in these markets. The disposal of the UK portfolio was nearly completed in the first quarter of 2013. The proceeds of the transactions which were announced February 11, 2013, amount to £ 243m, which is 4% below the book value at September 30, 2012. Approximately 70% of these disposals were completed in early February, whilst the remainder was completed on February 25, 2013. Following these disposals, the UK portfolio only consists of a mixed retail and office development project in Richmond, an office building in London and a plot of land, valued in total at some £ 30m. Their disposal will be started up as soon as the construction of the development project is completed, in the first quarter of 2013. Wereldhave anticipates to fully exit the UK before year-end 2013.

To realise the third priority, a cost cutting programme has been launched to reduce general costs. One of its consequences was a reduction of the number of employees at the head office in The Hague. The closure of the offices in the US and the UK will also reduce the cost base. The Board of Management is well aware of the fact that the decision to substantially reduce the number of employees has had a severe impact on the personal life of employees, but the measures were necessary for the future of Wereldhave.

Finally, a new strategy was outlined with the support of external advisers.

Strategy in three phases

The new strategy is intended to restore Wereldhave's position as a solid property fund. A property investment company with a focus on convenient shopping with shopping centres in three markets (the Netherlands, Belgium and Finland) and sustainable offices in Paris, combined with balance sheet ratios that are among the most solid in the market. The focus is on improving operational effectiveness and creating value by portfolio optimisation and growth.

The strategy will be executed in three phases. The first phase is 'Derisking', i.e. reducing risks in the portfolio. This phase will already have been largely completed on publication of this report, with the disposal of both the US and UK portfolios and the associated reduction of the debt position. Phase two, which starts in 2013, is the 'Regroup' phase, the regrouping of activities. This phase focuses on creating a platform for future growth and making the organisation more agile. In addition there is scope for investments to improve and expand in the key markets. After the second phase, mid 2015, Wereldhave will unveil a new strategy, for phase 3, designated 'Growth'. This phase focuses on growth in our key markets through innovation, expansion of existing shopping centres and the acquisition of properties.

Restoring confidence

The need to carry out a substantial impairment on the portfolio in July and to adjust the earnings and dividend outlook downwards was very painful for everyone concerned at Wereldhave, and had a significant impact on investors' confidence in Wereldhave. Restoring that confidence was the main objective of the Board of Management in the second half of the year. Our focus on the four priorities, frequent and recurring consultation with investors and lenders and a vigorous and pro-active approach have enabled us to take cautious first steps towards regaining the market's confidence. The swift and decisive handling of the disposal process for the

US and UK portfolios certainly contributed to this, but a full recovery of confidence requires more than that. In phase 2 clear and transparent goals were set, which are both ambitious and realistic. By mid-2013, all focus will shift to operational excellence.

Wereldhave's key objectives are solid capital ratios, a strong balance sheet and portfolio and a direct result that allows a dividend to be distributed in line with investors' expectations. A clear improvement of the balance sheet ratios following the disposal of the US and UK portfolio, significantly reduced operational risks and a focus on regrouping and growth provides a sound basis.

Key elements in the new strategy are operational excellence in managing shopping centres and the controlled replenishment and roll-out of the development pipeline, targeted mainly at improving and expanding existing shopping centres in our portfolio. An important item is the successful completion of the Itis shopping centre in Helsinki. Another important part of the strategy is a good relationship with stakeholders, particularly with shareholders, lenders and tenants.

Control and business culture

Wereldhave has announced a new board structure, with a CEO and CFO, who are supported by a management team. This new structure safeguards close cooperation in all processes, the involvement of all disciplines in decision making and operations as well as one common agenda for the entire group. The corporate culture will change as well.

Wereldhave has been engaged in the property market since 1930 and has been listed since 1947. Over the years, Wereldhave has regularly adapted its investment policy in response to changing market conditions. The property market has changed irrevocably. Value growth is no longer possible without active management of the property portfolio. Changes in society that are having a major impact on the retail and property sectors and therefore on returns on investments require an adequate response. The surging growth of e-commerce, the scarcity of high-quality properties and urban population growth fed by an outflow of people from rural areas demand a different approach.

The corporate culture at Wereldhave must closely fit with these social changes. They call for greater entrepreneurial drive, active management of shopping centres in particular, greater transparency and better communication with key stakeholders, and results-driven, agile policies. The prime focus will be on generating rental growth through higher footfalls, better occupancy rates and higher spending in shopping centres. The relocation of the head office from The Hague to WTC Schiphol is part of the intended culture change process. Accommodating all disciplines on one large floor space will contribute to the organisation's responsiveness and internal cooperation.

Outlook for 2013

A moderate improvement in market sentiment is expected in 2013, but the year will almost certainly be dominated by continuing economic challenges.
The limited scope for financing, the continuing growth of e-commerce and the persistent pressure on consumer spending are expected to result in another difficult year for the retail and real estate sector.

2013 will be a year of transition for Wereldhave. The property sales in the US and UK will lead to a decrease in rental income. Development projects to be completed will only gradually start contributing to results from 2014 onwards. The direct result for 2013 will accordingly depend to a large extent on the speed with which suitable new investments in our core markets can be made.

Wereldhave does not provide a forecast for the direct result for 2013, but expects to maintain the dividend for 2013 at € 3.30 per share even if the direct result falls short.

With the fast execution of the 4 priorities (exit from the US, action plans for the UK shopping centres, reduction of general costs and a new strategy) we strongly believe that Wereldhave is well positioned to enter into the new phase to build a strong platform of assets and staff, to serve the retail markets in Finland, the Netherlands and Belgium and the office market in Paris.

Finally, we wish to express our gratitude to our investors, the providers of debt and tenants, who have continued to put their trust in us during the eventful year 2012. Also, the Board of Management wishes to thank all employees for their efforts, flexibility and support, which are the basis for recovery in 2013.

The Hague, March 1, 2013
D.J. Anbeek, CEO Wereldhave N.V.

3. REPORT FROM THE SUPERVISORY BOARD

The year 2012 was an eventful year for Wereldhave. In the first part of the year, Wereldhave announced a strategic repositioning as part of which it would be withdrawing from the USA after a period of 34 years. A timeframe of two to three years was set for this withdrawal.

Shortly after the General Meeting of Shareholders on 23 April 2012 it became clear that the results for the first quarter of 2012 were disappointing, particularly in the UK and the USA. The Supervisory Board decided to continue monitoring developments closely and requested the Board of Management to provide interim information on operating performance. This detailed information showed that at an unchanged policy, the downtrend in the UK was even set to accelerate in the second quarter. The shopping centre in Poole was suffering particularly strongly from vacancies and the redevelopment plans for the centre had not progressed sufficiently to turn the down-trend.

Additionally, in the USA the take-up of leases for the development project Eilan in San Antonio was disappointing, start-up losses on this project were greater than anticipated and offers for the office building DiamondView in San Diego were substantially below expectations. Moreover, the overall operating result for the US portfolio was below par, with an occupancy rate of some 70%. These developments gave rise to an adjustment of the property valuations for the entire US portfolio.

Further to those results Wereldhave issued a profit warning on 23 July 2012. The Chairman of the Board of Management, Mr J. Pars, stepped down in close consultation with the Supervisory Board. Shortly after, the departure of the country directors of the UK and the USA was announced.

Partly in response to questions from various shareholders on the governance structure, the Supervisory Board extensively considered Wereldhave's governance in the past year. For many decades, Wereldhave had a Board of Management consisting of two directors with a geographically segmented division of responsibilities. Both directors were responsible for a number of countries and staff departments. The Supervisory Board decided to implement a board structure comprising a CEO and a CFO. This Board of Management is supported by a management team of five people:

- Hans Vermeeren: the Netherlands & Group Retail Operations
- Richard Beentjes: Legal, Transactions and Communications
- Luc Plasman: Wereldhave Belgium and Group Developments
- Michel Janet: France and Spain
- Jaakko Ristola: Finland

This new structure safeguards close cooperation in all processes and the involvement of all disciplines in decision-making, operations and final results as well as one common agenda for the entire group.

The Supervisory Board appointed Mr D.J. Anbeek (Dirk) as CEO with effect from 1 August 2012. Mr Anbeek's first term of office will expire in April 2013. The Supervisory Board is nominating him for reappointment, for a term of four years ending in April 2017.

The Supervisory Board proposes Mr P. Roozenboom (Pieter) for appointment as CFO. The Netherlands Authority for the Financial Markets AFM has approved his appointment. He will be nominated at the General Meeting of Shareholders on 22 April, but is expected to be able to commence his work on 1 June 2013 in connection with a period of notice at his current employer. Mr Van Everdingen acted as temporary Managing Director during the period of vacancy for the position of CFO. The Supervisory Board recognises the benefits of diversity, including gender balance, within the Board of Management and the Supervisory Board. At present, the Company does not comply with the Dutch Act on Management and Supervision, which aims at a representation of at least 30% of either gender in both boards. However, also in view of the limited size of the Board of Management, the Supervisory Board applies a broader definition of diversity and will continue to select members primarily on the basis of areas of expertise, experience, backgrounds and skills.

Meetings of the Supervisory Board

The Supervisory Board held fifteen meetings in 2012, more than twice as many as in preceding years. Five of those meetings were held without the Board of Management being present. The attendance rate was 95%.

Special topics in 2012 included the decision to withdraw from the USA, the profit warning, the composition of the Board of Management, the trend of general costs, the new strategy of Wereldhave and the associated cultural change within the company. Regular topics included the operating performance of the property portfolio, movements in results and equity, investments and disposals, the financing policy, currency and dividend policy and tax issues. The second half of 2012 in particular was dominated by recovery measures. The principal topics were the accelerated exit from the USA, the reassessment of the company's presence in the UK and the containment of general costs. Those topics were discussed in constructive consultation with the Board of Management and led to the adoption of the new strategy on 8 February 2013.

The status of the protracted issue of the Belgian tax claim was again discussed regularly in 2012. The hearing of the appeal lodged by the Public Prosecutor has been postponed to 11 March 2013.

As in 2012, the Supervisory Board decided not to perform an internal audit for 2013 either. The system of annual country assessments by the Group Control department, the results of which are reported to the Board of Management and the Supervisory Board, is operating satisfactorily. The internal country review was combined in 2012 with a detailed briefing by the Compliance Officer on the business integrity principles and customer due diligence.

In principle, the Supervisory Board holds one meeting a year in one of the countries where Wereldhave is active, to visit the portfolio and to exchange views with the country managers and their senior officers. In 2012 however, the Supervisory Board decided to hold all meetings in the Netherlands, given the prevailing special circumstances.

The Supervisory Board assessed its own performance in 2012, partly in response to the disappointing results for the first six months. The Supervisory Board's self-assessment was based on questionnaires completed in advance by its members. Use was also made of the information that was obtained at a meeting with institutional investors following the disappointing results for the first six months. In the wake of that meeting the Supervisory Board considered the question whether any members of the Supervisory Board needed to step down. This did not lead to the resignation of any Supervisory Board members but did result in the decision to modify the profile for new members as well as the proposal to enlarge the Supervisory Board to five members. The Supervisory Board also decided to carry out another self-assessment early in 2013, for which purpose the Supervisory Board will this time call on external support.

Composition of the Supervisory Board

The members of the Supervisory Board are Mr J. van Oosten (Chairman), Mr F. Arp (Deputy Chairman), Mr P. Essers and Mr H. van Everdingen. Mr Essers will step down in the General Meeting of Shareholders on 22 April 2013 after serving the maximum term of office of eight years. Ms F.C. Weijtens will be nominated to succeed him. The nomination is in line with the revised profile, in which a preference was expressed for a candidate with a background of compliance and corporate governance. The Supervisory Board proposes adding a fifth member to the Supervisory Board and is proposing Mr J.A. Bomhoff to the shareholders for appointment, to expand the real estate knowledge on the Supervisory Board. The Netherlands Authority for the Financial Markets AFM has approved both candidates. The diversity within the Supervisory Board will improve with these two nominations and the Supervisory Board will pay attention to further improvement of diversity at future nominations, applying a broad definition of diversity.

A Nomination and Remuneration Committee will be installed following the expansion of the Supervisory Board. The members of the Supervisory Board are independent of one another, the Board of Management of Wereldhave or any particular interests whatsoever, except for Mr Van Everdingen who is not considered to be independent until one year after his temporary executive role ends.

Audit Committee

The members of the Audit Committee are Mr Arp (Chairman) and Mr Essers. Following the retirement of Mr Essers, Mr Van Everdingen will succeed him as a member of the Audit Committee. The Audit Committee regulations states that two members of the Committee have to be independent of the company. This would imply that Mr Van Everdingen, who is the desired candidate in view of his financial and economic background, would not be available for the Audit Committee for a period of one year. The Audit Committee regulations were consequently modified, to the effect that at least one of the members is now required to be independent.

The Audit Committee held meetings in February, March, August and October of 2012 with the Auditor, at two of which meetings the Board of Management was not present. The press release on the full-year results for 2011 was discussed in February. The auditor's board report and the full-year financial statements were discussed in March at a meeting attended by the auditor. The results for the first six months were discussed in August. The management letter and the relationship of the auditor with Wereldhave, the auditor's independence, the application of ICT systems and the internal risk management and control systems were discussed at the meeting in October. This meeting was attended by the auditor. The review of the design and effective operation of the internal risk management and control systems did not identify any issues that require modification or adjustment. The annual compliance report was discussed in October. The documents for meetings of the Audit Committee were also sent to the other members of the Supervisory Board for information.

The Audit Committee performed a thorough four-year analysis in 2012 of the performance of the auditor. This was in part based on questionnaires that were sent to the country organisations. The overall assessment of the auditor ranged from clearly satisfactory to good.

Remuneration

The fixed remuneration for Mr Anbeek amounted to € 343,997 as at 1 January 2012. His salary was raised to € 390,906 with effect from 1 August, following his appointment as CEO, equal to Wereldhave's previous CEO remuneration level. There will be no changes, other than those relating to indexation, in the fixed remuneration for the Board of Management in 2013. Mr Anbeek's variable remuneration for 2012 is 51% of the fixed annual salary, i.e. € 185,458. Within that amount, € 119,275 is paid as unconditional short-term remuneration and € 66,183 is subject to the long-term condition that the average like-for-like rental growth for 2013 and 2014 is positive. The Supervisory Board has granted Mr Anbeek a non-recurring bonus of € 50,000 gross, in recognition of his special commitment during 2012. Not only was he – albeit with the assistance of Mr Van Everdingen – the sole Director, he also directly helmed the US organisation and managed the entire disposal process. This bonus was made payable in shares on February 14, 2013, with a holding period of four years.

Mr Pars received a severance payment of € 390,906 in 2012, which is equal to a full year's salary.
The contractual period of notice was four months.
His variable remuneration for 2012 was set at € 147,280, entirely payable for the short term.
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.

Recommendation to the shareholders

We hereby present to you the financial statements for 2012 of the company and the report of the Board of Management. The financial statements have been audited by PwC, who issued an unqualified auditor's report on them. We recommend that shareholders adopt these financial statements. We approve the Board of Management's proposal to distribute a cash dividend of € 3.30 per share.

Conclusion

The Supervisory Board wishes to thank Mr Anbeek and Mr Van Everdingen as well as all employees for their exceptional commitment. Over the past six months, Wereldhave has achieved major progress on the four priorities designated after the profit warning on 23 July 2012: the accelerated exit from the USA, an action plan for the UK portfolio, the containment of general costs and the announcement of a new strategy, whilst maintaining operating results in the remaining four countries. At the close of 2012, the Supervisory Board can report that these priorities have been virtually met and that the company is embarking on a new future with a new strategy and a significantly improved risk profile.

The Supervisory Board endorses the new strategy and firmly believes that Wereldhave has defined clear targets. The Supervisory Board believes that the focus on a portfolio in stable North-West European retail markets and the Parisian office market, a solid Loan-to-Value, improved governance, transparency with regard to stakeholders, the new corporate culture and greater entrepreneurial drive provide a sound basis for success in the years ahead.

The Hague, March 1, 2013
Supervisory Board Wereldhave N.V.

J.A.P. van Oosten

(m, 64)
Chairman since 2011
Member of the Supervisory Board since 2009
Reappointed in 2012 until 2016

Positions in Supervisory Boards:
Chairman Supervisory Board Royal Haskoning DHV BV
Chairman Supervisory Board HagaZiekenhuis
Chairman Supervisory Board West-Holland Foreign Investment Agency
Member Supervisory Board Staedion
Member Supervisory Board ADO The Hague

Other Board positions:
Chairman Foundation Haagbouw
Treasurer Foundation Data Authority Nature

F.Th.J. Arp

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

(m, 59)
Deputy Chairman
Member of the Supervisory Board since 2005
Chairman Audit Committee since 2005
Reappointed in 2008 and 2011
Retires by rotation in 2014

Positions in Supervisory Boards:
Member of the Supervisory Board and Compensation Committee ProSiebenSat.1 Media AG

Board positions:
Treasurer Voices of Africa Media Foundation

P.H.J. Essers

Professor in tax law, Chairman department tax law Tilburg University

(m, 55)
Member of the Supervisory Board since 2005
Member Audit Committee since November 9, 2005
Reappointed in 2010
Retires by rotation in 2013

Positions in Supervisory Boards:
none

Other positions:
Member Dutch Senate, Chairman of the Finance committee
Guest professor University of Bologna
Editor Weekly Magazine for Fiscal Law
Board member Center for Company Law
Board member European Tax College

H.J. van Everdingen

Director Catalyst Advisors

(m, 57)
Member of the Supervisory Board since 2011
Retires by rotation in 2015

Positions in Supervisory Boards:
none

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

General

All members of the Supervisory Board are Dutch nationals.

5. COMPOSITION OF THE BOARD OF MANAGEMENT

D.J. Anbeek

(m, 49)

Term of appointment 2009-2013
Reappointment proposed for 2013-2017

CEO as from August 1, 2012
Wereldhave,
Managing Director as of June 1, 2009
Albert Heijn Director 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

CFO

Vacant, nomination proposed at the AGM on April 22, 2013

MANAGEMENT TEAM

R.W. Beentjes
(m, 52)
Managing Director Legal, Transactions and Communications

M. Janet
(m, 57)
Managing Director Wereldhave France and Wereldhave Spain

L. Plasman
(m, 59)
Managing Director Wereldhave Belgium and Group Developments

J. Ristola
(m, 39)
Managing Director Wereldhave Finland

H. Vermeeren
(m, 42)
Managing Director Wereldhave Netherlands & Group Retail Operations

6.1 STRATEGY UPDATE

In response to the changing environment for consumer-, retail-, real estate- and finance-markets Wereldhave decided to focus on shopping centres in North-West 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 will remain 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)

During the second half of 2012, Wereldhave focused on the sale of the US portfolio, the action plan for the UK, overhead reduction and the strategy update. The first phase will be completed by mid 2013. After completing this phase Wereldhave has a focused portfolio, a strong balance sheet and low general costs.

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.

Phase: REGROUP (mid 2013-2015)

During this phase, Wereldhave will fully focus on achieving its targets in the following key elements as shown in the table:

Key elements	Targets
1. Operational excellence	• Average retail LFL growth of 125bps above indexation • ≥98% occupancy • Overhead reduction to ≤€14m • Strengthen talent development • Standardise best practices between core countries
2. Controlled development pipeline	• Retail €330m and offices €110m • Expected average yield on cost of 6.5% • From 2015 ≤10% investment portfolio
3. Maximise value Itis	• Redevelopment completed mid 2014 within budget (€95m) • Rent level 2015 €33m, yield on cost of 7%
4. Reinvest in Core markets	• Acquisitions of €400m • Disposals of €150m
5. Alignment with all stakeholders	• Expand and strengthen Supervisory Board • Evaluate anti-takeover structure • Integrate sustainability in overall strategy

After phase II Wereldhave will be an operationally and financially strong player with a clear profile, ready for further growth.

Financing and dividend policy

Wereldhave aims to further expand its diversified funding base while maintaining a Loan-to-Value (LTV) of 30-40%. For 2012 Wereldhave proposes a dividend of € 3.30 per share. Wereldhave expects to maintain the dividend for 2013 at € 3.30 per share, even if this would imply an uncovered dividend. After 2013 Wereldhave will apply a dividend pay-out ratio of 85% of the direct result.

Transparency and Governance

Wereldhave changes its management structure to a Board of Management with a CEO and CFO. The Board of Management will consist of the CEO Dirk Anbeek and a CFO yet to be appointed by the Annual General Meeting (AGM). The Board of Management will be supported by a management team including Hans Vermeeren (Netherlands and group retail operations) and Richard Beentjes (legal, transactions, communications) completed by the country directors: Luc Plasman (Belgium and group developments), Michel Janet (Paris and Spain) and Jaako Ristola (Finland).

The nomination of a fifth member to the Supervisory Board will be proposed at the AGM, to increase the real estate expertise of the Supervisory Board. After the expansion of the Supervisory Board, a Nomination and Remuneration Committee will be installed.

6.2 CORE MARKETS

NETHERLANDS

Wereldhave focuses on medium-sized shopping centres in the Netherlands that are dominant in their catchment area. The value of the core retail property portfolio as at year-end 2012 was € 481.8m, or 89.1% of the total Dutch portfolio. In the Netherlands, Wereldhave owns and manages shopping centres in Arnhem, Capelle aan den IJssel, Maassluis, Leiderdorp, Eindhoven, Etten-Leur, Purmerend and Roosendaal. All shopping centres will undergo a “refresh & refurb” in the next few years and in some cases expansion as well.

Difficult market conditions

As a result of the economic crisis, the decline in consumer confidence and growing competition from internet shopping, shopping centres in the Netherlands had to contend with difficult market conditions in 2012. Uncertainties relating to the development of house prices, the deductibility of mortgage interest and pensions are causing consumers to rein in their spending and pose a threat to their purchasing power. The convenience of shopping via the internet means people stay indoors to do their shopping.

The market did not deteriorate for all sectors, however. Sales and profitability of food retailers remained stable or edged up. The non-food sector by contrast performed disappointingly to very poorly. The lower end of the market in particular, shops in the cheaper segment, faced severe competition from online retailers in 2012.

Customer focus

Significantly shifting market conditions in the past few years, marked by an economic crisis and growing competition from the internet, have led to changes in the Wereldhave organisation. Where in the past the mere ownership of a shopping centre used to be a guarantee of profitability, active management of shopping centres is now a necessity for value creation. This has led to a culture change within Wereldhave, centred on customer focus and marketing. The organisation of Wereldhave Nederland was strengthened in 2012 by the retail and marketing expertise of three new employees.

Clear vision

In the past few years, Wereldhave has developed a clear vision for responding to the changing market conditions. In the Netherlands, Wereldhave focuses on medium-sized shopping centres that are dominant in a catchment area that encompasses at least 100,000 inhabitants. The shopping centres should be able to provide for 90% of customers’ daily requirements. Convenience for consumers is key. Shopping centres must be easily accessible and provide good parking facilities. Wereldhave moreover has a clear vision of what a shopping centre should look like. The range of shops should comprise a mix of strong national and international brands in combination with robust local businesses. Cafés and restaurants and entertainment team up in the heart of the shopping centre. Visitors are offered pretty and clean facilities and free internet throughout the shopping centre and they can use social media such as Facebook and Twitter to be alerted by shops’ latest special offers.

Implementing that vision should ensure that ultimately all Wereldhave’s shopping centres in the Netherlands offer an optimal mix of convenience and shopping enjoyment.

Portfolio improvements

After defining Wereldhave’s vision for shopping centres, several major steps were already taken in 2012 in the field of social media. The websites of all shopping centres were overhauled, in the course of which retailers were given access to social media channels they can use for marketing purposes. This innovation, easing access for retailers and allowing special offers to be made via Facebook and Twitter, was successful from the start.

From 2013, Wereldhave will start improving the shopping centres in its portfolio. Over the coming two to three years Wereldhave will invest a total of € 30m in the renovation of all eight shopping centres. A start will be made in 2013 on preparations for the planned expansions in Maassluis, Leiderdorp and Arnhem. These expansions will also require an investment of € 30m. At the same time, Wereldhave continues to consider potential additions to the Dutch portfolio, in the form of medium-sized shopping centres that are dominant in their region.

Outlook

The Dutch market is expected to continue to contract somewhat further in 2013 in terms of consumer confidence and sales. Wereldhave nonetheless sees potential for good shopping centres that set themselves apart by their customer focus and innovation. To provide an even better retail experience, Wereldhave is aiming for increased service levels at shopping centres, with attractive cafés and restaurants, play zones for children and service areas. In addition, it is crucial to pursue an optimum mix of international, national and regional tenants.

Creating strong clusters of shops for foods plays a major role in determining the tenant mix. Over the past few years, there has been more room again in the high street for high quality butchers and fishmongers as well as high-quality cafés and restaurants. Wereldhave is responding to that trend. Convenience and shopping come together in Wereldhave's shopping centres.

Portfolio

The occupancy rate of the Dutch portfolio was 96.1% (core: 97.1%) in 2012, compared to 95.6% (core: 96.5%) in 2011. The portfolio was valued at € 540.7m (core: € 481.8m) on 31 December 2012 (2011: € 568.2m of which € 491.7m core portfolio). The portfolio was revaluated downward by 6.4%.

KEY PARAMETERS CORE RETAIL PERFORMANCE

Key parameters	2012	2011
Net rental income	€29.2m	€29.1m
Cap rate	6.3%	5.9%
Occupancy	97.1%	96.5%
Investment properties in operation	€481.8m	€491.7m
Investment properties under construction	€2.7m	€1.8m
Acquisitions	€3.0m	€3.9m

TOP 5 TENANTS

(AS AT DECEMBER 31, 2012 BASED ON THE CONTRACTED ANNUAL RENT IN 2013)

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

NETHERLANDS

1 Arnhem
2 Purmerend
3 Leiderdorp
4 Eindhoven
5 Etten-Leur
6 Roosendaal
7 Capelle aan den IJssel
8 Maassluis

BELGIUM

Wereldhave Belgium is a listed company in which Wereldhave N.V. and Wereldhave International N.V. jointly hold almost 70% of the shares. Wereldhave Belgium focuses on medium-sized shopping centres that are dominant in their catchment area. The portfolio comprises shopping centres in Liège, Nivelles, Doornik, Genk and redevelopments in Genk, Waterloo and Ghent. The shopping centre portfolio is valued at € 377.5m, or 76% of the overall Belgian portfolio otherwise comprising offices in Antwerp, Brussels and Vilvoorde.

Stable market

The Belgian retail market held up well in 2012 compared to trends witnessed in neighbouring countries such as the Netherlands and France, in terms of both retail sales and property values. This stability is due to several factors. Firstly, Belgian wages and salaries are automatically indexed each year and consumers' purchasing power is therefore maintained. Secondly, levels of savings are high in Belgium and consumer spending helped to keep consumption on track. Thirdly, the Belgian property market is less volatile than the Dutch and the French markets.

In addition to benefiting from this stable consumer spending, Belgian shopping centres are also less affected by competition from internet sales. The percentage of retail sales achieved by e-commerce is lower in Belgium than in its neighbouring countries. Lastly, the retail market in Belgium is attracting growing interest among investors. In 2012, 36% of property investments were made in the retail sector, up significantly from 25% in the previous year.

Rents in the Belgian office market were under pressure in 2012 due to the economic conditions. Thanks to its active letting policy, Wereldhave nonetheless managed to achieve a slight increase in occupancy levels.

Value growth through expansion and quality improvements

In 2012 Wereldhave actively responded to the market developments in Belgium that offer opportunities in the retail sector. In March, the expansion of the shopping centre in Nivelles became operational and in Genk the commercial portion of the complex 'Stads- en Sint-Martinusplein' and approx. 80% of the Genk shopping centre 'Shopping I' were acquired from Redevco. Construction on the renovation and expansion of Shopping I commenced in September.

The floor space of the shopping centre in Nivelles was almost doubled to 28,600 m² by the expansion. Wereldhave decided to proceed with the expansion a few years ago in order to increase the critical mass of the shopping centre and thereby remain attractive for the catchment area. Consumers prefer to visit a shopping centre where they can do near all their shopping in a pleasant environment. Increasingly, shopping centres are also becoming community places.

The expansion of the shopping centre in Nivelles has proved to be very successful and led to a positive revaluation of the portfolio. The shopping centre in Liège, where some 40 lease contracts were renewed and an average rental increase of 13% was achieved, likewise contributed to the value growth of the portfolio.
At year-end 2012, the like-for-like rental increase of the retail portfolio was 4.9%.

The Orion office building in Brussels was sold in 2012 at the carrying amount of € 11.7m. The office markets in the periphery of Brussels and in Antwerp were under pressure, but occupancy rates for the offices in our portfolio slightly improved. Rents were lower however.

Continued successful development

Wereldhave will continue with the proven strategy of (re)developing shopping centres in the coming years. In Genk the Shopping I shopping centre is being renovated and expanded from 15,600 m² to 27,100 m². The shopping centre in Doornik is being expanded to 28,600 m² by the addition of a retail park of 10,000 m². In Gent Overpoort, Wereldhave is developing a complex with 3,000 m² of shops and 119 student rooms.

Outlook

Wereldhave Belgium is expecting a more difficult market in 2013 than in 2012. Although wages and salaries will be automatically indexed by around 2.4% this year, it remains to be seen what impact the austerity measures entailed by the economic conditions will have.

In addition to the planned expansions of the existing portfolio, Wereldhave is also looking at other options for expanding its shopping centre portfolio, including acquisitions and in-house developments. The possibilities for acquisitions, with 26 shopping centres of more than 15,000 m², are limited in Belgium and moreover those centres only rarely come onto the market. In-house development is also an option for Wereldhave, despite the often onerous legislation and long lead times involved. In that connection Wereldhave (in consortium with Klépierre and AG Real Estate) is tendering for the development of a new shopping centre in the north of Brussels.

Portfolio

The occupancy level of the Belgian portfolio was 93.7% (core: 98.7%) in 2012, compared to 93.1% (core: 99.9%) in 2011. The portfolio was valued at € 499.8m (core: € 377.5m) as at 31 December 2012 (2011: € 398.4m of which € 257.0m core portfolio). This growth was attributable to the acquisitions, the completion of Nivelles and an upward revaluation of the existing portfolio.

KEY PARAMETERS CORE RETAIL PERFORMANCE

Key parameters	2012	2011
Net rental income	€23.1m	€16.0m
Cap rate	6.4%	6.3%
Occupancy	98.7%	99.9%
Investment properties in operation	€377.5m	€257.0m
Investment properties under construction	€55.2m	€74.4m
Acquisitions	€74.0m	-

TOP 5 TENANTS

(AS AT DECEMBER 31, 2012 BASED ON THE CONTRACTED ANNUAL RENT IN 2013)

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

BELGIUM

1 Liège
2 Nivelles
3 Tournai
4 Waterloo
5 Genk

FINLAND

The Finnish portfolio of Wereldhave consists of the Itis shopping centre in Helsinki. Itis is a large shopping centre with floor space of 85,000 m², which has been owned by Wereldhave since January 2002. It is currently undergoing comprehensive modernisation to strengthen its market position and also to create more retail floor space within the existing structure. The project involves the relocation of several high-footfall retailers within the shopping centre, such as the Stockmann department store, which will be moved to the Piazza in the centre. In addition, floor space will be expanded by 12,000 m². The project will be completed in 2014.

Market with growth prospects

The prospects for growth in the Finnish retail market are increasingly attracting interest from international retail chains and Wereldhave is benefiting from this in securing tenants for Itis.

Growing internet sales, particularly for electronic goods, are providing competition for shopping centres in Finland as well. Wereldhave however believes that both sales channels can comfortably co-exist alongside each other and is responding to this trend. For instance, pick-up points have been set up in various stores in Itis where consumers can collect the products they have ordered via the internet.

Investing to increase value

Wereldhave is currently investing significantly in the redevelopment of Itis to further increase the value of the shopping centre. Investments in modernisation and expansion will total € 95m in the period 2011-2014, with an expected return of around 7%.

Wereldhave started the modernisation of Itis in 2011. It is designed to increase its attractiveness, number of visitors, retail sales and ultimately also rents. The focus in 2012 was on design and planning and the first phase of the modernisation. The major part of the redevelopment will be completed in 2013.
In 2012 Wereldhave increased its interest in a minor office building that forms part of the Itis shopping centre from 74% to 100%. This limited investment of € 1.2m has given Wereldhave full ownership of the Itis shopping centre.

Further growth based on a strong organisation

Wereldhave continued to adapt the organisation in Finland in 2012 to the ambitions of the company. This led to a restaffing of half of the number of jobs. The new team is well equipped to make the change at Wereldhave Finland which should result in a strong organisation, value creation and strenghtening of the portfolio.

With a value of approx. € 450m and floor space of 85,000 m², Itis is the largest asset in Wereldhave's total portfolio. In line with the new strategy, Wereldhave is aiming for value optimalisation of Itis which should lead to a rental income of € 33m in 2015 and a return of 7%.

For further consolidation of its position in Finland, Wereldhave is aiming for acquisitions, for which purpose Wereldhave is targeting shopping centres with a floor space between 10,000 - 40,000 m² valued in the range of € 50-150m.

Finland currently numbers 100 shopping centres, but only some of them would be of interest to Wereldhave. In line with the new strategy, Wereldhave is focusing on shopping centres with an attractive catchment area where the shopping centre has a top of mind position. Given the fact that shopping centres are rarely offered for sale, Wereldhave focuses on analysing opportunities that have the best fit to Group strategy.

Outlook

The total number of visitors to Itis edged down in 2012, mainly due to the ongoing refurbishment. The number of visitors and sales are both expected to rise again as from 2013. Construction works are scheduled to be completed before the Christmas shopping season, making 2013 a challenging year due to construction works in a centre that is opened for customers every day. Only the development of the current location of the Stockmann department store, relocated to the Piazza, will remain to be finished in 2014.

Its new allure, new stores and new brands will turn Itis into a state of the art shopping centre. Examples of leading stores that can be found in Itis from this year on include the fashion chain New Yorker, the opticians Specsavers, the shoe store Clarks and the Scandinavian fashion chains Only, Carlings, Cubus and Bik Bok. With 180 stores, Itis continues to be the largest shopping centre of the Nordic countries and after completion of the redevelopment it will offer consumers an attractive range of stores combined with a very high level of service.

Portfolio

The occupancy rate of the Finnish portfolio in 2012 was 98.5% excluding the strategic vacancy. The portfolio was valued at € 458.3m as at 31 December 2012, compared to € 456.5m in 2011. The average strategic vacancy level of 10% was caused by the modernisation and by relocation of tenants.

KEY PARAMETERS CORE RETAIL PERFORMANCE

Key parameters	2012	2011
Net rental income	€23.6m	€28.2m
Cap rate	6.1%	5.8%
Occupancy	98.5%	96.5%
Investment properties in operation	€458.3m	€456.5m
Investment properties under construction	€36.7m	€6.5m
Acquisitions	-	-

TOP 5 TENANTS

(AS AT DECEMBER 31, 2012 BASED ON THE CONTRACTED ANNUAL RENT IN 2013)

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

FRANCE/PARIS

In France, Wereldhave focuses on sustainable offices in the Greater Paris region. At the end of 2012, Wereldhave owned a portfolio with two office buildings and two office developments in Paris. The office development project in Joinville was sold in December 2012. This project will be transferred to the new owner directly after completion. The value of the investment portfolio in Paris at year-end 2012 was € 174.7m, while the development portfolio was valued at € 116.4m. All offices of Wereldhave in Paris are in good, easily accessible locations in the inner suburbs of Paris.

Large and dynamic market

Wereldhave has been active in the Paris office market - the largest in Europe after London - since 1978 and has always been successful there. This market's size and the excellent public transport network mean that Paris is one of the most attractive office markets in Europe. The market is diverse, in terms of both location and price with rental values from € 240 to € 800 per square meter, and the largest tenant segment focuses on offices priced at € 300-350 per square meter.

The office market in Paris achieved moderate growth of 1.4% in 2012, while the vacancy rate was 6.8%. The market is rapidly changing with the new sustainability and energy regulations. Tenants are looking primarily at efficient, renovated and new spaces, which is leading to the demolition or renovation of old office buildings and the launch of new development projects. Rents remained stable in 2012, but the incentives that owners are required to grant to tenants, such as rent-free periods, are growing in size.

Successful in development

Wereldhave has a strong track record in the Paris market and is known in France as a solid, experienced investor in commercial property. In the past ten years, Wereldhave has developed or redeveloped five office buildings, of which two have been sold. An office building in Clichy was sold in 2006, with a return of 66%, and an office building in Joinville-le-Pont will be sold to a French bank in the third quarter of 2013, with a return of 29%.

Following the sales, Wereldhave's portfolio will comprise three projects, two of which are operational. The Carré Vert complex is still let for six and a half years to the French energy company EDF, which is currently making additional investments in increasing the property's sustainability, for instance by installing solar panels. The rental agreement with the major tenant Canal+ in the second operational office complex, Le Cap, was recently extended with three years.

Wereldhave has two developments, one in Joinville and one in Issy-les-Moulineaux (Noda), which is located at the Seine. This development project is characteristic of Wereldhave's strategy in Paris. The project comprises floor space of over 22,000 m², is easily accessible by public transport, has nearby access to the Boulevard Périphérique, benefits of an exceptional green environment and will be given the BREEAM label 'Excellent'. Construction commenced in 2012 and the complex is set to be completed in the third quarter of 2014. Noda is expected to be targeted by potential tenants in the second half of 2013.

New opportunities

Wereldhave is continually considering new investment opportunities in the Paris office market, not just for development projects but also for existing buildings. The market in Paris is large and development projects are always on offer. But demand for standing investments is likewise strong, driving up prices. The challenge for Wereldhave is to acquire suitably-priced development projects, where the challenge is to achieve a direct return of at least 7.5%.

Wereldhave sets a number of clear requirements for development projects in the Paris office market. It is looking for projects with floor space of 800-3,000 m² per floor that are located near major public transport interchanges. Large surface areas make offices more attractive for major tenants, who tend to rent for longer periods than smaller tenants. Every Wereldhave development project in Paris must obtain the BREEAM label 'Very Good or Excellent'. Lastly, Wereldhave is looking for projects offering an attractive environment, for instance a location near a park, a station or water.

Outlook

The office market in Paris is expected to remain stable in 2013, with a limited decrease in rental prices and higher incentives. Wereldhave is aiming to expand its portfolio in Paris in 2013 and is therefore carefully evaluating the opportunities in the office market. With its strong track record, the good reputation of its team and its solid financial position, Wereldhave can respond swiftly when attractive opportunities arise.

Portfolio

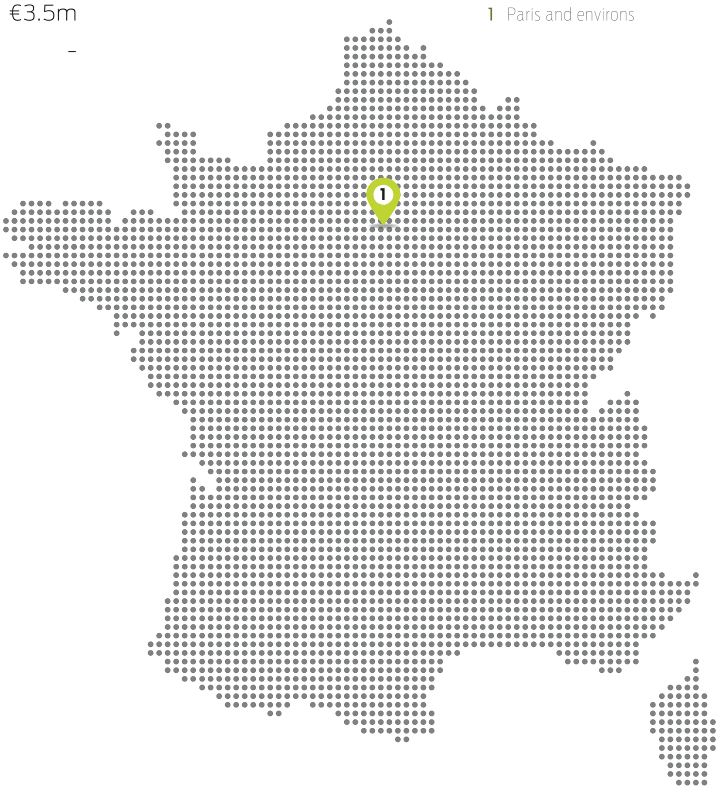
The occupancy rate of the French core portfolio was 99.0% in 2012, compared to 99.1% in 2011. The core portfolio was valued at € 174.7m on 31 December 2012 (2011: € 163.8m).

KEY PARAMETERS OFFICE PERFORMANCE

Key parameters	2012	2011
Net rental income	€9.4m	€9.1m
Cap rate	6.1%	5.8%
Occupancy	99.0%	99.1%
Investment properties in operation	€174.7m	€163.8m
Investment properties under construction	€116.4m	€3.5m
Acquisitions	-	-

FRANCE/PARIS

1 Paris and environs



TOP 5 TENANTS

(AS AT DECEMBER 31, 2012 BASED ON THE CONTRACTED ANNUAL RENT IN 2013)

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

6.3 RESULTS

Result

The total result (including US) for 2012 declined from € 63m (2011) to € -87.1m, of which € -19.5m was due to a lower direct result and € -130.6m to a lower indirect result. The total earnings per share amount to € -4.54 (2011: € 2.38). The activities in the US are accounted for as discontinued operations.

Direct result

The direct result including discontinued operations amounted to € 93.8m, down 17.2% from 2011. This decline was mainly driven by lower net rental income in the US (partly due to disposals during the year) and higher general costs.

The direct result excluding the US fell in 2012 by € 4.4m (4.9%) to € 84.9m. Net rental income increased by € 2.1m (1.6%). This increase can be attributed to the expansion of the shopping centre in Nivelles and the acquisitions in Genk (Belgium) in 2012, while the Ealing Broadway shopping centre (UK), acquired at the end of 2011, generated a full year of rental income. The work on the Itis shopping centre negatively affected net rental income, as retail units under refurbishment did not generate rental income. Disposals in the Netherlands, France and the UK led to a decline in rental income.

General costs (including the US) amounted to € 22.7m for the full year 2012. This amount includes one-off restructuring costs of € 1.9m. The programme to reduce overhead was initiated in the fourth quarter at the head office and in the country organizations. General costs will be reduced from € 20.8m in 2012 (excluding restructuring costs) to € 16m in 2013 and € 14m in 2014. Interest charges excluding the US remained unchanged compared to 2011. In the US interest charges increased, mainly because the interest on the Eilan project was no longer being capitalised after the building was transferred to the investment portfolio. The average nominal interest rate stood at 2.7% at the end of the fourth quarter (December 2011: 3.0%).

Indirect result

The indirect result including the US remained stable in the fourth quarter. For full year 2012, indirect result came out at € -180.9m. The indirect result for 2011 amounted to € -50.3m. Write-downs at mid 2012, on the UK shopping centres and the US portfolio, negatively impacted the indirect result. The costs of the US exit are included in the 2012 results. The cost of closing the UK office is estimated at £ 1.5m with a payback period of less than one year.

In the fourth quarter, negative revaluations were incurred in the Netherlands and Spain. The Dutch shopping centres were written down by € 15.9m as a result of the economic headwind for retailers and the increased supply of retail space. Furthermore, the two office and two logistic properties in the Netherlands were impaired by € 12m to € 44m. This negative revaluation reflects the virtual standstill in the investment market for offices and commercial property in the Netherlands. The negative revaluation in Spain is attributable to the slow progress in letting of the Planetocio shopping centre and logistics business complex Rivas (re-valued by € -19m to € 36m).

KEY FIGURES (IN €)	2012	2011
Result	-87.1m	63.0m
Direct result	93.8m	113.3m
Indirect result	-180.9m	-50.3m
Result per share	-4.54	2.38
Direct result per share	3.91	4.93
	31-12-2012	31-12-2011
Property investment portfolio	2,073.0m	2,830.2m
Equity	1,536.7m	1,714.0m
Net asset value per share	64.09	73.44

Share price development (€)

The negative revaluations in the Netherlands and Spain were offset by a positive revaluation on the Joinville Office development project in France and the positive result on disposal in the US. Excluding the US portfolio, the cap rate of the portfolio was 6.51% at year-end 2012.

In 2012, a total of ten properties and two plots of land were sold for a total sum of € 332.3m. The result on disposal amounted to € 7.9m, 2.4% above book value.

Lower taxes on capital gains due to negative revaluations and the release of a provision for deferred taxes had a positive impact of € 26.1m on the indirect result.

6.4 EQUITY

At year-end 2012, equity including minority interests amounted to € 1,537m (31 December 2011: € 1,714m). The decrease of € 177m is the result of the dividend payment (€ 102m), the direct result (€ 85m), a negative indirect result (€ -183m), provisions in the amount of € -2m and an increase of the minority interest by € 25m. This increase is the result of the acquisition of the shopping centre in Genk, Belgium, in April 2012 in exchange for new shares by Wereldhave Belgium.

Net asset value per share including accrued earnings as at 31 December 2012 amounted to € 64.09 (31 December 2011: € 73.44). As at 31 December 2012, the LTV amounted to 44% (31 December 2011: 41%). The number of ordinary shares in issue remained unchanged at 21,679,608.

Share ownership is spread among institutional and private investors, both in the Netherlands and abroad. As at December 31, 2012, Wereldhave had no shareholders with an interest of more than 5%. The free float of the ordinary shares is 100%.

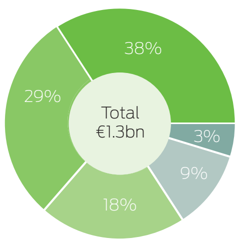
Debt

Interest bearing debt as at year-end amounted to € 1,288.8m, 51% of which at variable interest rates. The average nominal interest rate at year-end stood at 2.7%.

Wereldhave has a balanced and well spread debt portfolio, consisting of multiple funding sources, such as loan agreements with banks, the US Private Placement (senior unsecured notes) of $ 300m, a € 230m convertible bond 2009-2014 with a conversion price

	Share price/DR		Price (€)
	2012	2012	2011
highest	15.7	61.32	76.11
lowest	10.3	40.29	47.20
year-end	12.3	48.00	51.31

DEBT PROFILE



- Revolving credit facilities
- USPP
- Convertible bond
- Convertible bond
- Debenture

	31-12-2012	Covenant
LTV	44%	≤60%
Solvency ratio	54%	≥40%
ICR	4.6x	≥2x
Secured	4.6%	≤40%

Ambitions

- Optimise debt profile in H1 2013
- Maintain and further exploit diversified funding base
- LTV 30-40% on the medium term

of € 72.18 and finally a € 230m convertible bond 2010-2015 with a conversion price of € 81.10. No bonds have been converted into Wereldhave shares as at 31 December 2012. Wereldhave has a lot of headroom within its financial covenant. The covenants require that the LTV should not exceed 60%. Whilst at 31 December 2012 the LTV stood at 44% and will drop to below 20% after the disposal of the UK and the US portfolios. The covenants also require a solvency ratio of more than 40%. With a solvency ratio of 54% Wereldhave is well above. Reference is made to the table of debt profile (page 25).

Currency

As at year-end 2012 the USD exposure was hedged for 45% (2011: 54%) and the GBP exposure was hedged for 54% (2011: 58%). Forward exchange options and debt in local currency were applied in 2011 to hedge the USD and GBP positions. The net positive effect of exchange rate differences on equity amounted to € 0.4m (2011: € 13.6m).

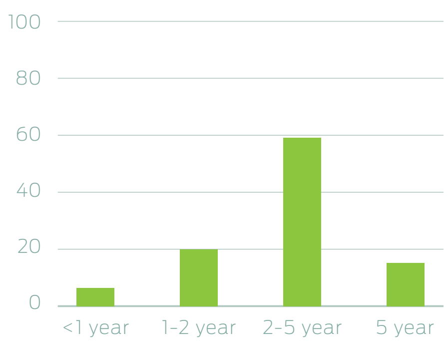
These hedge ratios represent the economic currency risk on the value of the property portfolio in the respective currencies. The guideline for hedging exposure in the property portfolio to USD and GBP is a hedge ratio of 50%. Deviations from this targeted level are permitted within a hedging margin of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

Derivatives

Wereldhave employs currency swaps and currency options, and also uses financial instruments to manage its interest expenses. These financial instruments are combined to limit 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)	2012	2011
Net asset value before distribution of profit as at 01/01	73.44	75.12
less: dividend previous year	4.70	4.70
	68.74	70.42
Direct result	3.91	4.93
Indirect result	-8.45	-2.55
Movements in equity	-0.11	0.64
Net asset value before distribution of profit as at 31/12	64.09	73.44
less: proposed dividend:	3.30	4.70
Net asset value after distribution of profit as at 31/12	60.79	68.74

Maturity spread interest bearing debt (as a %)



6.5 COMPOSITION OF THE PORTFOLIO

During 2012 Wereldhave sold investment properties in the Netherlands, Belgium, France, Spain, the United Kingdom and the United States for a net total of € 331.5m. Property acquisitions were made in Belgium, with Stadsplein and Shopping 1 in Genk, and two smaller acquisitions in the Netherlands, to improve the development opportunities of the Kronenburg shopping centre in Arnhem. Mainly due to the disposal of non core properties, the share of shopping centres in the portfolio rose from 54% to 79%.

As at December 31, 2012, EPRA occupancy stood at 89.2% (2011: 91.4%). The investment portfolio was re-valued negatively by 6.2%. There were positive revaluations in Belgium, Finland and France for a total of € 36.6m and negative revaluations in the Netherlands, the UK and the USA for a total of € 229.8m. Especially in the UK and the USA the portfolio was impaired, which occurred at the H1 results. At year-end 2012, the value of the development portfolio amounted to € 240m; the value of the investment portfolio stood at € 2,073m.

Investment portfolio distribution (as a %)

	2008	2009	2010	2011	2012
Offices	45	45	41	41	18
Retail	46	46	52	54	79
Other	9	9	7	5	3

Investment portfolio geographical distribution (as a %)

	2008	2009	2010	2011	2012
Belgium	14	16	14	14	24
Finland	22	21	18	18	22
France	7	7	6	6	8
Netherlands	15	16	22	21	26
Spain	7	6	5	5	5
UK	8	9	10	11	15
USA	27	25	25	25	-

Net rental income per country (as a %)

	2008	2009	2010	2011	2012
Belgium	15.4	16.8	14.7	19.1	24.3
Finland	19.9	20.1	18.4	21.9	18.0
France	7.6	2.1	5.2	9.5	8.0
Netherlands	16.3	18.0	23.8	29.6	26.8
Spain	7.0	6.8	5.4	5.9	5.3
UK	13.3	11.7	10.1	14.0	17.6
USA	20.5	24.5	22.4	-	-
Total	100	100	100	100	100

Net sales proceeds of investment properties (x € 1m)

(against year end rates)

	2008	2009	2010	2011	2012
Belgium	-	-	-	2.7	11.7
Finland	-	-	-	47.2	-
France	-	-	-	-	17.0
Netherlands	-	-	6.5	62.4	0.7
Spain	-	-	-	-	15.4
UK	6.2	2.7	38.3	82.9	80.0
USA	-	-	-	23.8	206.7
Total	6.2	2.7	44.8	219.0	331.5

Net purchases of investment properties (x € 1m)

(against year end rates)

	2008	2009	2010	2011	2012
Belgium	-	5.6	11.1	-	74.0
Finland	-	-	-	-	-
France	-	-	-	-	-
Netherlands	-	-	265.0	3.9	3.0
Spain	-	-	-	-	-
UK	-	-	98.8	199.0	-
USA	117.7	-	-	-	-
Total	117.7	5.6	374.9	202.9	77.0

6.6 STAFF AND ORGANISATION

Major changes were initiated in 2012 in Wereldhave's organisation. The reduction of general costs that was announced, the sale of the US and UK property portfolios, the strategy and culture change, the new governance structure and the relocation to a new head office clearly entail significant consequences for the organisation and its employees.

A process was launched in the second half of 2012 to restore investors' confidence in Wereldhave, which had been seriously harmed by the profit warning and the lowering of the dividend. This process encompasses a culture change designed to turn Wereldhave into a transparent, entrepreneurial, dynamic, vigorous and focused organisation.

The new culture calls for other skills and competences for managers and employees. The drive for operational excellence imposes more demanding requirements on everyone in the company. The organisation of the holding company and of Wereldhave Nederland was evaluated in 2012 in view of the need to achieve the company's goals, to improve the effectiveness of the central organisation and to strengthen the country organisations. This led to the announcement, at the start of December, of the loss of several jobs. Out of the total workforce of 62 employees (holding company and Wereldhave Nederland), 10 employees lost their jobs.

During the year, the number of employees at Wereldhave averaged 212 FTE, of which 153 in operations abroad, compared to 213 and 158 respectively a year earlier. Excluding the US and UK operations, the average number of employees in 2012 was 134 FTE. Within the total number of employees in 2012, 54% were female and 46% were male. The average age was 43 years and the average length of service was 9 years. Absenteeism due to illness was 1.7%, compared to 3.5% in 2011.

Wereldhave's governance structure was likewise changed. Wereldhave is moving 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. The functional division of responsibilities has been put in place within the Board of Management between the CEO Dirk Anbeek and a new CFO who is yet to be appointed. This two-Director Board of Management is supported by a management team. Hans Vermeeren has been appointed as Managing Director with responsibility for the operational excellence in shopping centre management. Richard Beentjes has also been appointed as Managing Director and is responsible for legal affairs, transaction coordination and communication.
Luc Plasman, in addition to his position as General Manager of Wereldhave Belgium, will be responsible for the (re)development of the shopping centres. This ensures close cooperation in all processes and the involvement of all disciplines in the decision-making and results. Michel Janet is responsible for the portfolios in France and Spain and Jaakko Ristola is the managing Director Finland. The new governance structure provides a clear functional profile for the members of the Board of Management. This mode of governance is closely aligned with the culture of managing the company hands-on.

Wereldhave's head office will be relocated from The Hague to WTC Schiphol in the second quarter of 2013. The new office will consist of a single open floor space, accommodating both the head office functions and the Dutch country organisation. WTC Schiphol offers a dynamic working environment, is ideally accessible for employees due to the interchange of traffic networks, and is located near the financial centre Amsterdam.

The layout of the new head office will closely reflect the objectives of the new corporate culture. To foster transparency and cooperation, employees and the Board of Management will not have rooms of their own in the new office environment. The new office space encompasses work places on a single open floor with a clear focus on providing a functional and inspiring working environment.

This ties in with Wereldhave's ambition to position itself as an attractive employer with room for ambitious, talented professionals. Professionals who, in a relatively small organisation with a pleasant working atmosphere and high mutual commitment and involvement, are eager to take on their responsibilities and thereby contribute to Wereldhave's results.

In line with the new corporate culture objectives, the Human Resources department has developed a new toolset. First, employees at all levels will be offered a short-term incentive plan. New remuneration and appraisal systems are also set to be rolled out in 2013. This will be accompanied by investments in the quality of the organisation, for instance by a stronger management focus on employees' development. Process design will be modified in line with the change in the organisation structure. As part of the drive for operational excellence, there will also be a clear commitment to improving the efficiency of core processes and developing and implementing standardised practices throughout the organisation, including the country organisations.

For Wereldhave's employees, 2012 was a year in which major challenges had to be overcome. In the space of a single year, Wereldhave was faced with a substantial impairment on the portfolio, the departure of the Chairman of the Board of Management and job losses. This entailed the dismissal of several employees, some of whom had devoted a large part of their working lives to Wereldhave. We wish to thank all our employees for their commitment and involvement in 2012. We look forward to continue working side by side in the years ahead to build a strong organisation in which cooperation, commitment and entrepreneurial drive will lead to sustained value creation for all stakeholders, particularly tenants, shareholders and employees.

6.7 SUSTAINABILITY

Wereldhave's CSR policy is based on the principle that sustainability and commercial operations can be a very good match. Both are based on taking sound investment decisions and choosing buildings that people are happy to be in. Buildings that cater to a social need and continue to do so. Wereldhave's sustainability policy, which is based on a stakeholder analysis, has four specific priorities: Wereldhave's own organisation, new investments, construction and property development and property management.

Organisation

Sustainability is an integral part of Wereldhave's policy and the attainment of sustainability targets is one of the indicators applied for the purposes of the profit sharing scheme 2012 for employees. A start was made in 2012 on cutting back on the use of paper within the organisation (Management Holding and the Netherlands). Members of the Board of Management and the Supervisory Board and a number of employees were provided with tablets to be able to receive and read documents. Documents for meetings are only provided in digital form. Newspapers and specialist journals are increasingly only received in a digital format. Additionally, a study has been launched to assess the feasibility of placing all digital files in the cloud, i.e. on external servers, which makes them remotely accessible for employees and makes it easier to work outside of the office. This is scheduled to be implemented in mid-2013. Only recycled paper is used in the head office.

In the second quarter of 2013, Wereldhave will move into the new head office in the WTC at Schiphol Amsterdam Airport. That building is located on an intersection of traffic interchanges and therefore very easily accessible by public transport. Wereldhave will accordingly stimulate the use of public transport by employees. Travel times for foreign visitors arriving by airplane or high-speed rail connections will be shortened by the new location.

The floor space in the new head office is about two-thirds of that of the head office in The Hague. The new head office makes efficient use of space and energy. Scope is provided in the new office for the 'new way of working' by setting up flexible work places for shopping centre managers who do not need to be in the office all the time, external staff and colleagues from abroad. The layout of the building, with open office areas without dividing walls, will lead to closer interaction between employees and thereby both embodies the culture change within Wereldhave that is partly geared to improving cooperation and increasing transparency.

New investments

Investments in sustainability were relatively limited in 2012. As part of Wereldhave's new strategy, the sustainability policy will be largely transferred from the head office to the individual country organisations in 2013. This will be reflected in the formulation of new plans and targets to be set for each country. Those plans will be directed at obtaining the BREEAM certification 'Good' and - preferably - 'Very Good' for expansion or development plans. The possibility of certification of parts of the existing portfolio by means of a BREEAM in-use certificate will continue to be assessed in 2013. BREEAM assesses sustainability at three levels for existing buildings: building, management and use. Additionally, the focus will be on reducing water and energy consumption and supporting tenants in improving the sustainability of their shop design.

Construction and property development

The shopping centre in Nivelles (Belgium) was awarded a BREEAM design certificate 'Very Good' in 2011 for the expansion of the centre. This certificate was obtained for aspects including the implementation of sustainable construction site management, the installation of solar panels, energy and water saving measures and healthy interior lighting. After the opening of the expansion of the shopping centre in March 2012, an application is currently being processed to obtain a BREAAM Post Construction certificate.

Wereldhave has also submitted applications for BREEAM certificates for the shopping centres Tournai, Genk Shopping I and Ghent Retail Overpoort. Tournai comprises the development of a retail park and the expansion of the shopping centre. Genk is a redevelopment and Ghent a new construction. In all cases, Wereldhave expects to receive the BREAAM certificate 'Very Good'.

In Paris the office building Carré Vert, which is let to the French energy company EDF, was awarded the BREEAM design certificate 'Good' in 2012. The project is a good example of the importance of cooperation with tenants in increasing sustainability. Wereldhave completed the building with a BREAAM certification, but the tenant EDF decided to invest even more in the sustainability of the office, installing solar panels and wind turbines on the roof, a basin for re-using rain water and charging points for electric cars. The procedure for the BREEAM Post Construction Certificate is currently ongoing, and partly due to the joint efforts of the tenant and Wereldhave is expecting at least a Very Good certificate. Construction started in 2012 on the office building UrbanGreen, Joinville le Pont, and the office Noda, Issy-les-Moulineaux. Applications have been submitted for the BREEAM certification design stage "Excellent" for both buildings.

In the Netherlands sustainability and BREAAM certification are proceeding in step with the further development of the shopping centre portfolio through expansion and renovation. Here too cooperation with tenants is essential for obtaining a BREAAM certification, as retailers themselves are responsible for the shop design. To provide a broader basis for sustainability of the shopping centres, (light) green rental agreements (Greenleases) are entered into with new tenants.

Wereldhave took further measures in 2012 to improve the safety of people working in or on buildings in its portfolio. Examples include roof safety measures, installing cameras and DNA-spray in shopping centres and improving the feeling of safety in multi-storey car parks in the shopping centres.

Property management

An analysis was carried out in 2012, using energy monitoring at 40 properties, to assess potential projects for achieving improvements in energy consumption in the near term. This includes measures such as improving the calibration of building control systems for lighting, heating or cooling and tracing energy leaks. In most cases, energy savings can be achieved in the short term virtually without extra investments. These improvements will be implemented in 2013.

6.8 OUTLOOK 2013

After completing the derisk phase by mid-2013, Wereldhave has a focused portfolio, a strong balance sheet and low general costs. The year 2013 will be a year of transition: the termination of operations in the US and the UK will lead to a reduction of rental income while development projects will gradually start to contribute to the results after 2013.
The decrease in general costs by € 6.7m (amongst others, the closing of the US and UK offices) will immediately contribute to the direct result.

The direct result for 2013 will depend on the timing of reinvestments in the core markets. The quality of reinvestments will prevail over timing.

Wereldhave does not give a forecast for the direct result for the year 2013, but expects to maintain the dividend for 2013 at € 3.30 per share, even if this would imply an uncovered dividend.

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.

Comply or explain

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

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

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 of Management 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 € 0.8m (€0.04 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 € 78m on equity (€ 3.58 per share). A 5% drop of the estimated market rent, assuming stable yields, has a negative impact on shareholder's equity of € 137m (€ 6.32 per share).

In addition, the company is dependent on the market's view on valuation models used and the risk profile associated by the market with retail centres and offices in the different territories the company is present.

Financial

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

The hedge policy is determined by the Board of Management. Exchange rate developments are monitored continuously. The currency risk to the value of the portfolio is partially hedged. The risks of lower exchange rates to the direct result are not hedged, except for financing in local currency. The guideline for hedging the property portfolio value exposure to the USD and GBP is a hedge ratio of 50%, with a range of 40% to 70%. As at year-end 2012, the USD exposure was hedged for 45% (2011: 54%) and the GBP exposure was hedged for 54% (2011: 58%). A 5% change in the year-end exchange rates has an effect of € 24m on equity and € 1.13 on the net asset value per share. A change of 5% in the average exchange rates has an effect of € 1.4m on the direct result (€ 0.06 per share). Wereldhave will leave the non euro markets as from 2013.

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 liabilities of € 1,288.8m, 51% was borrowed at variable interest rates as at December 31, 2012. Inflation rates, in combination with both interest rates and exchange rates, are included in the management information and in the parameters set by the Board of Management for the projections and forecasts that are used in determining policy. Wereldhave has interest rate consolidation possibilities at its disposal in the form of interest rate swaps and drawings on committed facilities, and it maintains strong capital ratios. Derivatives will only be used in combination with the underlying loan portfolio. With a Loan-to-Value ratio of 44% as at year-end 2012, Wereldhave still 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 € 3.3m on the direct result and equity (€ 0.15 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 € 0.8m on the direct result (€ 0.04 per share). If 1% of the rent is not paid, this will negatively impact rental income by € 1,5m (€ 0.07 per share). With an online application, Wereldhave monitors outstanding receivables and assesses the adequacy of its provision for bad debtors on a monthly basis. Moreover, the standard lease conditions require rents to be paid in advance, and the creditworthiness of every new tenant is assessed before any new lease is signed. The risk is limited further by bank guarantees provided by tenants.

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 2012.

Wereldhave's local management companies employ staff from the relevant country with ties to the local culture who are committed to Wereldhave's performance and have a strong network.

Risk management

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

The instruments for internal control and risk management consist of the tailored administrative organisation, the annual investment plan prepared by the Board of Management and approved by the Supervisory Board, and the Business Integrity Policy and Code of Ethics. In 2012, all employees signed a declaration stating that they complied with the code and will continue to do so during the next year. Wereldhave has rules in place for reporting irregularities. All integrity-sensitive positions have been identified, and special procedures are in place for hiring employees for these positions.

Wereldhave has set up its own, tailor-made administrative organisation in which internal control is embedded. The 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.

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

Wereldhave has strict procedures in place for the periodic preparation of quarterly and annual figures based on approved accounting principles. The internal management reports are designed to immediately identify developments in the value of investments and the result per share. Electronic data processing is used in a computerised, integrated central information system to which all foreign and domestic business units are directly connected. Wereldhave aims to guarantee the reliability and continuity of its ICT organisation and automated data processing by employing a system of preventative and repressive measures. This system is designed to safeguard the integrity, exclusiveness, availability and verifiability of the automated data processing and data storage. Daily backups are made of the data files. Each week the backup files are deposited in an external safe.

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

Statement by the Board of Management

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

1. 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. 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;
3. 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. the main risks confronting Wereldhave and its affiliated companies have been described in this annual report.

Remuneration policy

The remuneration report of Wereldhave is submitted for approval to shareholders annually. The fixed income for the Board of Management for 2013 amounts to € 402,242 per annum for Mr Anbeek. Mr Pars stepped down from the Board of Management during 2012. The severance payment amounted to an annual fixed salary after the contractual four months notice period. The variable income for the year 2012 was set at € 147,280.

The variable income is primarily based on the (moving average of the) increase in direct result per share and consists of a short term remuneration in cash or in shares and a long-term remuneration in shares, with a vesting period of three years. The arrangement contains a claw back clause, enabling the correction of remunerations already paid, if these were based on incorrect data as well as a maximum severance payment of one-year's salary.
The at target payment amounts to 50% of fixed income, whilst variable income is capped at 85% of fixed annual income. Reference is made to the report of the Supervisory Board on page 10 and the remuneration report published on the website.

General Meeting of Shareholders

The General Meeting of Shareholders will be held on April 22, 2013. Wereldhave has ordinary shares, preference shares and priority shares A and B, each with a € 10 nominal value. As at December 31, 2011, 21,679,608 ordinary shares and 10 priority shares A were in issue. There were no priority shares B and preference shares in issue.

The record date for the Meeting is set at March 25, 2013, the convocation will be published on March 11, 2013. 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 company secretary 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 prioriteits-aandelen 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 (Chairman) and a CFO, whose nomination will be on the agenda for the next General Meeting of Shareholders. 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, investor relations, human resources and acquisitions and disposals, the CFO for finance and control, treasury, tax and ICT. The duties of the Board of Management are performed with due observance of the investment plan, and its derived sub-plans, that each year 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.

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

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

Supervisory Board

The Supervisory Board of Wereldhave N.V. is formed by Messrs J.A.P. van Oosten (Chairman), P.H.J. Essers, F.Th.J. Arp and H.J. van Everdingen. The duty of the Supervisory Board is to supervise the policies of the Board of Management and the general affairs of the company and its affiliated enterprises. 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 will evaluate its performance, assisted by an external expert on Board evaluation. The Supervisory Board is assisted by the Company Secretary.

The specific duties of the Chairman of the Supervisory Board comprises: communication with the Board of Management, chairing the General Meeting of Shareholders, consulting with any advisers engaged by the Supervisory Board, consultation of the members of the Board of Management of the Priority prior to the submission of a proposal for reappointment of members of the Supervisory Board and discussing with the members of the Board of Management the outcome of the Supervisory Board's annual evaluation of the Board of Management's performance. The Chairman shall also take the initiative in such matters as selection, appointment and reappointment as well as evaluation of the members of the Supervisory Board and the Board of Management, appointment of the Vice- Chairman of the Supervisory Board, remuneration issues, contacts and communication with external advisers, including specifically the external auditor, all such to facilitate preparation of discussion of these matters at the plenary meeting of the Supervisory Board or the Priority. In addition, the Chairman shall see to it that the members of the Supervisory Board follow their 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 2012 the remuneration amounts to € 29,952 per year for members and € 44,840 per year for the Chairman. An additional fixed remuneration is paid to members of committees of the Board of € 4,104 for the chairman of a committee and € 3,078 for committee members. A special remuneration of € 52,500 was paid to Mr Van Everdingen in 2012 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.

Audit Committee

The Audit Committee comprises of Messrs F.Th.J. Arp (Chairman) and P.H.J. Essers. In 2012 the Audit Committee convened three times in the presence of the auditor, at which meetings the auditor's board report 2011, the management letter 2012, the internal country reviews and Wereldhave's compliance were items on the agenda. The committee also convened with the auditors without the Board of Management.

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

Anti-takeover measures

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

The objective of the Foundation for the holding of Preference and Priority shares B Wereldhave [Stichting tot het houden van Preferente en Prioriteitsaandelen B Wereldhave], in accordance with article 2 paragraph 1 of its articles of association, is to promote the interests of Wereldhave, of the companies affiliated to Wereldhave and all stakeholders, whereby the foundation also takes into account maintaining the independence, continuity and identity of the Company. The Board of the Foundation is comprised of Messrs P. Bouw (Chairman), M.W. den Boogert and 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 will evaluate the anti-take-over structure in 2013 after a consultation of all stakeholders.

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 2012.

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 2012. 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 Board of Management submits a budget annually for the remuneration of the auditor to the Supervisory Board for approval. In February 2012, a thorough analysis was made of the Auditor's performance. The evaluation was discussed with the Supervisory Board. The Board proposes the General Meeting of Shareholders to reappoint PwC as auditor for the financial year 2012.
The auditor will attend the meeting of the Supervisory Board and the Board of Management at which the annual figures are discussed and adopted. The press release announcing the quarterly, half year and annual figures were sent in draft form to the auditor at least two days before their publication. The General Meeting of Shareholders may question the auditor about his report on the fairness of the annual accounts. The auditor may address the meeting in respect of this matter. The appointment of the auditor PwC will be proposed at the Annual General Meeting of Shareholders, to be held April 22, 2013, for a period of three consecutive years and against substantially reduced costs, in view of the reduced number of countries in which Wereldhave is active.

Investor relations

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

The Hague, March 1, 2013
Board of Management Wereldhave N.V.

D.J. Anbeek, CEO

DIRECT AND INDIRECT RESULT FOR 2012

(amounts x € 1,000)

	2012 direct result	2012 indirect result	2011 direct result	2011 indirect result
Gross rental income	147,574		143,453	
Service costs charged	32,325		30,547	
Total revenues	179,899		174,000	
Service costs paid	-35,788		-33,555	
Property expenses	-13,300		-11,788	
	-49,088		-45,343	
Net rental income	**130,811**		**128,657**	
Valuation results		-78,559		17,478
Results on disposals		8,941		-672
General costs	-21,004		-14,013	
Other income and expense	1,578	-3,559	1,770	17
Operational result	**111,385**	**-73,177**	**116,414**	**16,823**
Interest charges	-26,251	-4,054	-26,433	-4,415
Interest income	362		464	
Net interest	-25,889	-4,054	-25,969	-4,415
Other financial income and expense		1,197		-3,717
Result before tax	**85,496**	**-76,034**	**90,445**	**8,691**
Taxes on result	-550	26,094	-1,151	13,189
Result from continuing operations	**84,946**	**-49,940**	**89,294**	**21,880**
Result from discontinued operations	**8,867**	**-130,967**	**24,045**	**-72,234**
Result	**93,813**	**-180,907**	**113,339**	**-50,354**
Profit attributable to:				
Shareholders	84,851	-183,290	106,333	-55,037
Non-controlling interest	8,962	2,383	7,006	4,683
Result	**93,813**	**-180,907**	**113,339**	**-50,354**
Earnings per share from continuing operations (x € 1)	3.50	-2.41	3.82	0.79
Earnings per share from discontinued operations (x € 1)	0.41	-6.04	1.11	-3.34
Earnings per share (x € 1)	3.91	-8.45	4.93	-2.55

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 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 for the period	Net rental income for the period	Lettable space (m²) period end	Annual contract rent period end	Estimated rental value period end	EPRA vacancy rate period end
Belgium	33,407	31,752	171,548	34,234	37,261	6.3%
Finland	24,709	23,565	94,546	23,176	29,047	1.5%
France	10,939	10,501	30,600	11,767	11,372	1.0%
Spain	8,604	6,896	78,816	7,112	8,765	22.3%
Netherlands	40,701	35,002	213,628	41,011	42,386	3.9%
United Kingdom	29,214	23,095	93,660	23,090	25,703	3.1%
Total portfolio	**147,574**	**130,811**	**682,798**	**140,390**	**154,534**	**4.8%**

Including USA the total EPRA vacancy rate amounts to 10.8%.

INVESTMENT PROPERTY - VALUATION DATA

(x € 1,000)

	Market value of property (€m)	Valuation movement in the year (€m)	Change in %
Belgium	501.0	8.1	1.6%
Finland	458.6	1.1	0.2%
France	185.9	8.0	4.5%
Spain	98.2	-30.4	-23.6%
Netherlands	541.5	-37.0	-6.4%
United Kingdom	302.6	-47.1	-13.5%
United States	n.a.	-70.5	n.a.
Total portfolio	**2,087.8**	**-167.8**	**-7.4%**
IFRS Adjustments	-14.8	-4.2	
	2,073.0	**-172.0**	**-7.7%**

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	2.6	6.6	6,734	8,652	15,389
Finland	4.3	4.5	5,452	1,605	8,153
France	5.4	5.5	165	206	2,598
Spain	2.2	5.0	2,585	550	3,198
Netherlands	2.7	3.1	5,076	7,921	16,746
United Kingdom	7.6	8.8	4,373	2,155	7,925
Total portfolio	**4.0**	**5.6**	**24,385**	**21,089**	**54,009**

* Excluding leases without end date

INVESTMENT PROPERTY - LIKE-FOR-LIKE NET RENTAL INCOME

(x € 1,000)

					NET RENTAL INCOME 2012	
	Properties owned throughout the 2 years	Acquisitions	Disposals	Development properties	Other / Currency differences	Total net rental income
Belgium	24,813	3,501	792	2,704	-58	31,752
Finland	23,551		14			23,565
France	9,448		1,053			10,501
Spain	5,878		913		105	6,896
Netherlands	34,639	280	14		69	35,002
United Kingdom	8,015	11,334	3,598		148	23,095
United States	20,169		3,060	-3,086		20,143
Total portfolio	**126,513**	**15,115**	**9,444**	**-382**	**264**	**150,954**
net *like-for-like* rental growth	**0.0%**					

					NET RENTAL INCOME 2011	
	Properties owned throughout the 2 years	Acquisitions	Disposals	Development properties	Other / Currency differences	Total net rental income
Belgium	23,738		110	175	550	24,573
Finland	22,367		2,920	3,199	-265	28,221
France	9,238		3,061		-129	12,170
Spain	6,355		968		256	7,579
Netherlands	33,620	211	3,137		1,153	38,121
United Kingdom	8,341	577	9,419		-344	17,993
United States	22,863		11,688		-1,722	32,829
Total portfolio	**126,522**	**788**	**31,303**	**3,374**	**-501**	**161,486**

Calculation EPRA 'triple NAV' per share	**31-12-2012**	**31-12-2011**
Shareholders' equity per share	64.09	73.44
Effect of conversion	2.17	-0.01
Adjustments for fair value of derivatives	-0.98	-0.94
Adjustments for deferred taxes	3.05	3.98
Adjustment goodwill	-0.07	-0.07
EPRA net asset value per share	68.26	76.40
Fair value of derivatives	0.98	0.94
Fair value of interest bearing debt	-1.34	0.30
Fair value of deferred tax	-1.82	-2.39
EPRA 'triple NAV' per share	66.08	75.25

location	retail	office	other	parking spaces	year of acquisition	year of construction or renovation	annual rent 2013
	m² n.l.a.	m² n.l.a.	m² n.l.a.	number			(x € 1m)
Belgium *)							
RETAIL PORTFOLIO							
Genk							
Sint Martinusplein	15,400			600	2012	2008	3.4
Liege							
Quai des Vennes 1	30,252			2,200	1994	1994	11.1
Nivelles							
Chaussée de Mons 18	28,600			1,300	1984	2012	8.2
Tournai							
Boulevard Walter de Marvis 22	15,540			1,260	1988	1996	3.0
Waterloo							
Chaussée de Bruxelles 193-195	3,347			95	2010	1967	0.9
	93,139						26.6
OTHER PROPERTIES							
Brussels							
Boulevard Bischoffsheim 1-8		12,666		150	1988	2002	2.5
Medialaan 28, Vilvoorde		13,018		305	1998	2002	1.7
Medialaan 30, Vilvoorde		5,650		178	1999	2001	0.8
Medialaan 32, Vilvoorde		4,027		123	1999	2001	0.5
Jan Olieslagerlaan		3,077		82	1999	1999	0.3
Antwerp							
Roderveldlaan 3-4-5, Berchem		17,011		316	1999	2001	2.0
Berchemstadionstraat 76-78, Berchem		11,400		217	1999	2002	1.4
Roderveldlaan 1-2, Berchem		11,560		238	1999	2001	1.4
	93,139	**78,409**					**37.2**
Finland							
RETAIL PORTFOLIO							
Helsinki							
Itis	85,009	9,537		1,700	2002	2012	29.0
	85,009	**9,537**					**29.0**
France							
OFFICE PORTFOLIO							
Paris and environs							
45-49 Rue Kléber, Levallois-Perret		19,679		351	1999	1999	8.8
Avenue Jules Rimet, Saint-Denis		10,921		124	1999	2001	2.6
		30,600					**11.4**

location	retail	office	other	parking spaces	year of acquisition	year of construction or renovation	annual rent 2013
	m² n.l.a.	m² n.l.a.	m² n.l.a.	number			(x € 1m)
Netherlands							
RETAIL PORTFOLIO							
Arnhem							
Shopping Centre Kronenburg (leasehold until 2110)	31,752			1,000	1988	1985	9.1
Kronenburgsingel 505/515	2,506				2011	1985	0.3
Purmerend							
Shopping Centre Eggert	19,381			375	2010	1992	5.8
Leiderdorp							
Shopping Centre Winkelhof	17,857			830	1993	1999	4.3
Eindhoven							
Shopping Centre Woensel	10,145				2010	2006	3.2
Etten-Leur							
Shopping Centre Etten-Leur	22,146				1991	1995	4.0
Roosendaal							
Shopping Centre De Roselaar	12,736				2010	1996	3.5
Capelle a/d IJssel							
Shopping Centre De Koperwiek	9,103		60 app.		2010	1995	2.9
Maassluis							
Shopping Centre Koningshoek	14,638				2010	1973	3.2
Geldrop							
Heuvel 62-89A and Achter de Kerk 1, 3, 5 and 15	4,537		30 app.		1978	1996	1.1
	144,801						37.4
OTHER PROPERTIES							
The Hague							
Laan van Ypenburg 20-160			47,179	155	1996	1993	2.9
Moerdijk							
Middenweg 6			8,779	126	1997	1988	1.0
Alphen aan den Rijn							
R. Wallenbergplein 21-37		6,177		108	1999	2002	0.5
Delft							
Delftechpark		2,050					0.3
Valkenburg ZH							
Voorschoterweg 45-47			4,642				0.3
	144,801	**8,227**	**60,600**				**42.4**
			90 app.				

location	retail	office	other	parking spaces	year of acquisition	year of construction or renovation	annual rent 2013
	m² n.l.a.	m² n.l.a.	m² n.l.a.	number			(x € 1m)
Spain							
OFFICE PORTFOLIO							
Madrid							
15 Avenida de la Vega, Alcobendas		22,579		421	1999	2000	3.6
15 Calle Fernando el Santo		3,254		39	1991	1993	0.9
		25,833					4.5
OTHER PROPERTIES							
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
	17,735	**25,833**	**35,248**				**8.8**
United Kingdom							
RETAIL PORTFOLIO							
Poole							
Kingland Crescent & 175 High Street (leasehold until 2112)	50,600			35	2010	1985	8.8
Falkland Square	4,307				2011	1985	0.8
London and environs							
The Broadway, Ealing W5	28,200			611	2011	1984	12.7
56-70 Putney High Street, SW15	4,369			44	1988	1971	0.9
326-334 Chiswick High Road, W4	2,307				1988	1974	0.7
186-188 Fulham Road	1,048			7	1988	1979	0.4
	90,831						24.3
OTHER PROPERTIES							
London and environs							
126-134 Baker Street, W1	605	934			1988	1999	0.8
26-28 Great Portland Street, W1 (leasehold until 2105)		1,290			1988	1990	0.6
	91,436	**2,224**					**25.7**
Total	**432,120**	**154,830**	**95,848 m²**				**154.5**
			90 app.				

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 69,4% interest in the properties in Belgium.

Independent valuers

Catella Property Group, Helsinki
CBRE, Amsterdam
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, 2012. Foreign currencies have been converted at rates of exchange ruling at December 31, 2012. The annual rent is shown on the assumption that the buildings are fully let and before deduction of property expenses.

(amounts x € 1m)	retail		offices		other		total	
	market value	annual rent	market value	annual rent	market value	annual rent	market value	annual rent
Belgium	377.5	26.6	122.3	10.6	-	-	499.8	37.2
Finland	458.3	29.0	-	-	-	-	458.3	29.0
France	-	-	174.7	11.4	-	-	174.7	11.4
Netherlands	498.6	37.4	5.6	0.8	36.5	4.2	540.7	42.4
Spain	16.7	2.5	61.9	4.5	18.8	1.8	97.4	8.8
United Kingdom	280.6	24.3	8.8	0.6	12.7	0.8	302.1	25.7
Total	1,631.7	119.8	373.3	27.9	68.0	6.8	2,073.0	154.5

SUMMARY OF REVALUATIONS OF THE INVESTMENT PROPERTIES

This summary shows the revaluation in 2012 of investment properties by country and sector. The revaluations have been converted at average exchange rates.

	value at 31-12-2012	revaluation in 2012	as a % of the value before revaluation			
	(x € 1m)		retail	offices	other	total
Belgium	499.8	7.9	4.3	-5.9	-	1.6
Finland	458.3	1.1	0.2	-	-	0.2
France	174.7	8.3	-	5.0	-	5.0
Netherlands	540.7	-36.8	-3.8	-54.4	-22.7	-6.4
Spain	97.4	-30.7	-56.1	-2.8	-28.5	-23.9
United Kingdom	302.1	-47.0	-15.2	36.5	8.4	-13.4
United States	-	-74.8	-0.5	-16.4	-0.5	-12.7
Total	2,073.0	-172.0	-4.6	-9.2	-8.4	-6.2

FINANCIAL STATEMENTS 2012

Consolidated financial statements 2012

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CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2012

(amounts x € 1.000)

	Notes	December 31, 2012		December31,2011	
ASSETS					
Non-current assets					
Investment properties in operation		2,073,027		2,830,169	
Investment properties under construction		240,044		227,932	
Investment properties	5		2,313,071		3,058,101
Property and equipment	6	4,450		6,720	
Intangible assets	7	3,993		6,753	
Financial assets	8	47,702		42,375	
Deferred tax assets	9	3,129		5,200	
Other non current assets	10	17,908		47,291	
			77,182		108,339
			2,390,253		3,166,440
Current assets					
Trade and other receivables	11	26,126		26,947	
Tax receivables	12	5		140	
Cash and cash equivalents	13	44,406		24,400	
		70,537		51,487	
Assets held for sale	14	543,166		-	
			613,703		51,487
			3,003,956		3,217,927
EQUITY AND LIABILITIES					
Equity					
Share capital	15	216,796		216,796	
Share premium	16	767,315		767,315	
Reserves	17-20	405,436		607,803	
			1,389,547		1,591,914
Non-controlling interest			147,187		122,060
			1,536,734		1,713,974
Long-term liabilities					
Interest bearing liabilities	21	1,213,778		1,224,088	
Deferred tax liabilities	22	87,492		115,835	
Financial liabilities	26	-		555	
Other long-term liabilities	23	3,721		4,650	
			1,304,991		1,345,128
Short term liabilities					
Trade payables		9,371		12,656	
Tax payable	24	599		924	
Interest bearing liabilities	21	75,000		64,965	
Other short term liabilities	25	77,261		80,280	
			162,231		158,825
			3,003,956		3,217,927

CONSOLIDATED INCOME STATEMENT FOR 2012

(amounts x € 1.000)

	Notes		2012		2011
Gross rental income	28	147,574		143,453	
Service costs charged		30,031		30,547	
Total revenues			177,605		174,000
Service costs paid		-33,494		-33,555	
Property expenses	29	-13,300		-11,788	
			-46,794		-45,343
Net rental income			130,811		128,657
Valuation results	30		-78,559		17,478
Results on disposals	31		8,941		-672
General costs	32		-21,004		-14,013
Other income and expense	33		-1,981		1,787
Operational result			38,208		133,237
Interest charges		-30,305		-30,848	
Interest income		362		464	
Net interest	34		-29,943		-30,384
Other financial income and expense	35		1,197		-3,717
Result before tax			9,462		99,136
Taxes on result	36		25,544		12,038
Result from continuing operations			35,006		111,174
Result from discontinued operations	37		-122,100		-48,189
Result			-87,094		62,985
Profit attributable to:					
Shareholders			-98,439		51,296
Non-controlling interest			11,345		11,689
Result			-87,094		62,985
Basic and diluted earnings per share from continuing operations (x € 1)	39		1.09		4.61
Basic and diluted earnings per share from discontinued operations (x € 1)	39		-5.63		-2.23
Basic earnings per share (x € 1)	39		-4.54		2.38
Diluted earnings per share (x € 1)	39		-4.54		2.38

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(amounts x € 1.000)

		2012		2011
Result from continuing operations	35,006		111,174	
Result from discontinued operations	-122,100		-48,189	
Result		-87,094		62,985
Other comprehensive income:				
Exchange rate differences	356		13,600	
Revaluation of financial assets available for sale	-1,236		-151	
Effective portion of change in fair value of cash flow hedges	-568		730	
Total of other comprehensive income		-1,448		14,179
Total comprehensive income		-88,542		77,164
Total comprehensive income from continuing operations	22,592		113,710	
Total comprehensive income from discontinued operations	-122,100		-48,189	
Shareholders		-99,508		65,521
Non-controlling interest		10,966		11,643
Total comprehensive income		-88,542		77,164

(amounts x € 1.000)

	Attributable to shareholders								
	Share capital	Share premium	General reserve	Revaluation reserve	Hedge reserve	Reserve for exchange rate differences	Total attributable to share-holders	Non-controlling interests	Total
Balance at January 1, 2011	214,485	777,728	656,639	1,456	-	-39,077	1,611,231	116,832	1,728,063
Comprehensive income									
Result 2011	-	-	51,296	-	-	-	51,296	11,689	62,985
Exchange rate differences	-	-	-	-	-	13,600	13,600	-	13,600
Revaluation of financial assets available for sale	-	-	-	-105	-	-	-105	-46	-151
Effective portion of change in fair value of cash flow hedges	-	-	-	-	730	-	730	-	730
Total of comprehensive income	-	-	51,296	-105	730	13,600	65,521	11,643	77,164
Transactions with shareholders									
Equity component convertible bond	-	-8,102	8,102	-	-	-	-	-	-
Purchase shares for remuneration	-	-	-299	-	-	-	-299	-	-299
Stockdividend 2010	2,311	-2,311	-	-	-	-	-	-	-
Dividend 2010	-	-	-84,539	-	-	-	-84,539	-6,415	-90,954
Balance at December 31, 2011	216,796	767,315	631,199	1,351	730	-25,477	1,591,914	122,060	1,713,974
Balance at January 1, 2012	216,796	767,315	631,199	1,351	730	-25,477	1,591,914	122,060	1,713,974
Comprehensive income									
Result 2012	-	-	-98,439	-	-	-	-98,439	11,345	-87,094
Exchange rate differences	-	-	-	-	-	356	356	-	356
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	-	-	-98,439	-857	-568	356	-99,508	10,966	-88,542
Transactions with shareholders									
Release shares for remuneration	-	-	299	-	-	-	299	-	299
Purchase (extension) share capital [38]	-	-	-1,264	-	-	-	-1,264	20,706	19,442
Dividend 2011	-	-	-101,894	-	-	-	-101,894	-6,545	-108,439
Balance at December 31, 2012	216,796	767,315	429,901	494	162	-25,121	1,389,547	147,187	1,536,734

CONSOLIDATED CASH FLOW STATEMENT FOR 2012

(amounts x € 1.000)

	Notes	2012	2012	2011	2011
Operating activities					
Result			-87,094		62,985
Adjustments:					
Valuation results	30-37	197,033		51,331	
Net interest charge	34-37	39,280		37,048	
Other financial income and expense	35	-1,197		3,717	
Results on disposals		-7,896		4,097	
Deferred taxes		-26,094		-14,131	
Other non cash movements		1,389		1,011	
			202,515		83,073
			115,421		146,058
Movements in working capital			-7,046		11,335
Cash flow from company activities			108,375		157,393
Interest paid		-38,666		-33,305	
Interest received		155		860	
Income tax paid		-700		-2,247	
			-39,211		-34,692
Cash flow from operating activities			69,164		122,701
Investment activities					
Proceeds from disposals direct investment properties		332,403		168,589	
Proceeds from disposals indirect investment properties		-		48,824	
Investments in investment property	5-38	-208,414		-340,538	
Investments in equipment		197		-881	
Investments in financial assets		-5,209		4,712	
Investments in intangible assets		-606		-973	
Investments in other long-term assets		-4,353		-3,793	
Cash settlement forward transactions		-610		-8,181	
Cash flow from investment activities			113,408		-132,241
Financing activities					
New loans interest bearing debts	21	575,290		586,630	
Repayment interest bearing debts	21	-581,521		-508,467	
Transactions with shareholders	38	-47,769		-	
Repayment other long-term liabilities		-806		-624	
Other movements in reserves		299		-299	
Dividend paid		-108,439		-90,954	
Cash flow from financing activities			-162,946		-13,714
Increase / Decrease (-) cash and bank			19,626		-23,254
Cash and bank balances at January 1	13		24,400		32,096
Foreign exchange differences			380		15,558
Cash and bank balances at December 31	13		44,406		24,400

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 Europe and the United States. The group is principally involved in leasing out investment property under operating leases.
The property management is performed by group property and management companies. The company is a limited liability company incorporated and domiciled in the Netherlands.
The address of the company's registered office is Nassaulaan 23, The Hague. The shares of the company are listed on the NYSE Euronext Stock Exchange of Amsterdam. The consolidated financial statements for the year ended December 31, 2012 have been authorised for issue by the Supervisory Board on March 1, 2013 and will be presented to the shareholders for approval on April 22, 2013.

2. TAX STATUS

Wereldhave N.V. has the tax status of an investment company in accordance with section 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969'. This means that no corporation tax is due in the Netherlands, provided that certain conditions are met. The main conditions concern the requirement to distribute the taxable profit as dividend and the restrictions with respect to financing of investments with loans. There is no requirement to include surpluses, arising on disposal of investments, in the taxable profit to be distributed.
The subsidiaries in Belgium, France and the United States have a similar status. Subsidiaries in other countries have no specific tax status.

3. ACCOUNTING POLICIES

3.1. BASIS FOR PREPARATION OF 2012 FINANCIAL STATEMENTS

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

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

In 2012 the below mentioned new IFRS standards or interpretations thereon became applicable, which are relevant for Wereldhave:
- IAS 12 Income taxes;
- IFRS 7 Financial Instruments: Disclosures.

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

IFRS 7 has been amended with regard to the transfer of financial assets. These amendments promote transparency in the disclosure of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets, in particular in case of securitisation of financial assets. The adoption of this amendment did not have significant impact on the Wereldhave disclosures.

In coming years the following (adjusted) standards become in force:
- IAS 1 Presentation of Financial Statements;
- IAS 19 Employee Benefits.
- IFRS 9 Financial Instruments and subsequent amendments;
- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint arrangements;
- IFRS 12 Disclosures of Interest in Other Entities;
- IFRS 13 Fair Value Measurement.

Except as explained below the above mentioned standards will not have a significant impact on the Wereldhave reporting.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and eliminate the current 'corridor approach'. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income. For 2012, the impact of the revised IAS 19 standard would amount to € 0.1m negative in the income statement and € 10.1m negative in other comprehensive income and balance sheet.

IFRS 13, 'Fair Value Measurement' aims to improve the consistency and reduce the complexity of fair value measurement by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It is expected that the impact of IFRS 13 will be limited for Wereldhave.

Wereldhave has not early adopted standards which are not mandatory.

3.2. CHANGE IN ACCOUNTING POLICY

In order to bring the accounting for leasehold contracts more in line with general accounting practice in the real estate branch, the leasehold contracts are as per 2012 presented as operational lease contracts, instead of using the option to present them as investment property with a corresponding debt for future payments. As a result of this change in accounting policies, the interest costs over 2011 have been adjusted downwards with € 2.0m as well as the valuation result with € 0.1m, whilst the property expenses have increased with € 2.1m. In the balance sheet per December 31, 2011 the items "investment properties in operation" and "other long-term liabilities" have been adjusted downwards with € 32.3m This change in accounting policies does not have effect on result and equity.

3.3. DISCONTINUED OPERATIONS

In 2012 Wereldhave decided to sell its US portfolio. Therefore it has been decided to present the US portfolio as assets held for sale on the balance sheet. On January 7, 2013, Wereldhave has announced that it has sold its US portfolio through an asset deal and that it will stop its presence in the United States before end of 2013. Wereldhave will end all its operations in the USA in the year 2013. As the operations present a major geographical area the disposal group is classified as discontinued operations in the income statement. The 2011 figures of the income statement have been restated for the discontinued operations.

3.4. CONSOLIDATION

Subsidiaries

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

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

Acquired identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the consideration transferred 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 on transactions between subsidiaries are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions and non-controlling interests

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

Processing acquisitions

Wereldhave evaluates for acquisitions if IFRS 3R "Business Combinations" or IAS 40 "investment property" applies. Acquisitions are considered a business combination if there is an acquisition of assets, rental activities and such a management organisation, that the acquired entity can operate as a company independently, with the aim of generating economic profits. Wereldhave considers acquisitions of properties within a legal company not necessarily as a business combination, but evaluates these acquisitions individually 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 which 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 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 rates prevailing at the dates of the transactions. Balances in foreign currencies are translated using the exchange rates 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 classified from equity to profit or loss (as a reclassification adjustment) 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 differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to 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 countries in which Wereldhave has operations, the following exchange rates against the euro, were used for these consolidated financial statements:

	average		year-end	
	2012	2011	2012	2011
GBP	1.23357	1.15283	1.22534	1.19717
USD	0.77859	0.71947	0.75792	0.77286

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 are presented as investment activity. Investments to reduce non-controlling interests are presented as investment under financing activities.

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 is presented in other comprehensive income. Purchases and sales are recognised and derecognised using the value at transaction date.

3.10. HEDGE ACCOUNTING

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

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

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

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

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

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

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

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

3.11. 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 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 valuators with relevant qualifications and knowledge of the location and category of the investment property subject to the valuation. All properties are valued internally at fair value per March 31 and September 30. Valuation differences are recognised in the income statement. Adjustments for rent rebates and investments in favour of tenants which are amortised during the term of the leases are amortised, are taken into account in the valuation of properties. Properties eligible for disposal are classified as assets held for sale if the criteria in paragraph 3.16 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.

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

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

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

Properties in own use
Properties in own use are classified under property and equipment and its fair value at the date of reclassification is considered to be its cost for depreciation purposes of property in own use.

3.12. PROPERTY AND EQUIPMENT

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

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

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

3.13. 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. FINANCIAL ASSETS

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

Wereldhave classifies its financial assets in the following categories:

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

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

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

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading or derivatives. 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 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 non collectability are amongst others significant financial difficulties of a debtor, non-compliance of 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 moment the dividend entitlement was established.

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

3.15. OTHER NON-CURRENT ASSETS

Rent free periods and other leasing expenses
Rent-free periods and investments made or allowances granted to tenants by Wereldhave (so called "lease incentives") are allocated on a linear basis over the 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 granted rent-free periods and other lease incentives is amortised over the term of the lease contracts against rental income. In determining the properties at fair value capitalised rent free periods and other leasing incentives are adjusted for the valuation results, to avoid double counting.

Pension plans

The capitalised net receivable from defined benefit plans is accounted for as mentioned in note 3.23, 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 the income statement as other financial income and expenses.

3.16. NON-CURRENT ASSETS HELD FOR SALE

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

Non-current assets (or disposal group) classified as held for sale shall be measured at the lower of its carrying amount and fair value less costs to sell. No remeasurement takes place when the assets are already measured at fair value under IAS 40. Non-current assets held for sale or the assets from a disposal group shall be presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale shall be presented separately from the other liabilities. Those assets and liabilities that are held for sale shall not be offset.

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

3.17. TRADE RECEIVABLES

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

3.18. 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 which are subject to an insignificant risk of changes in value.

3.19. 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.

3.20. DIVIDEND POLICY

Due to the tax status of an investment company in accordance with section 28 of the Dutch 'Wet op de Vennootschapsbelasting 1969', the company is required to distribute at least the taxable profit as dividend. After 2013 Wereldhave aims for a dividend pay-out ratio of 85% of the 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 leasehold obligations, the interest addition to the real value of the conversion rights of convertible bonds, premiums paid on repurchased interest bearing debt and actuarial gains and losses on employee benefit plans) and tax charges on direct result).

3.21. PROVISIONS

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

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

Other long-term liabilities
Long-term debts from employee benefit plans are accounted for in accordance with paragraph 3.23.

3.23. PENSION PLANS

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

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

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

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are recognised as financial income and expenses, over the average remaining service period of employees, if and as far as the balance of these gains and losses exceeds 10% of the higher of the actuarial obligations or the value of assets ('corridor method'). We refer to paragraph 3.15 for more information with regard to defined benefit plans with a net asset.

3.24. 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.

3.25. 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.

3.26. REVENUE

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

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

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

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

3.27. EXPENSES

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

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

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

Letting expenses include the depreciation of expenditure in connection with a letting, such as lease incentives and tenant investments paid by Wereldhave. The expenditure is depreciated over the term of the lease. Investment property depreciation charges are not recognised, since investment properties are valued at market value (see paragraph 3.11). The market value calculation takes technical and economical obsolescence into account.

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

3.28. 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 and
(e) costs already incurred and the costs that (possibly) still must be made with respect to the transaction can be measured reliably.

3.29. 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 a specific project financing.

3.30. EMPLOYEE BENEFITS

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

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

For the long-term executive benefit, in addition to continued employment, the direct result per share is used for the performance measurement. The direct result consists of 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 benefits plans) and tax charges on direct result.

3.31. TAX CHARGES

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

Deferred tax assets

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

Deferred tax liabilities

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

Applicable corporate tax rates are used to determine the deferred tax liabilities, fiscal facilities and different tariffs applicable at the moment of 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 which is not a business combination and at the time of the transaction, affects neither accounting profit nor tax profit or loss.

3.32. 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.

3.33. 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 valuators. The appraiser bases the valuation at fair value on his own market knowledge and information. The valuation is prepared by the appraiser and verified and approved by Wereldhave.

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

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

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

General assumptions with regard to the valuation of investment property have been disclosed in paragraph 3.11 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 have impact on assets, liabilities and results on future periods. In order to mitigate risks Wereldhave uses external experts for the measurement of defined benefit plans. Other assumptions have been disclosed in notes 10 and 23.

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

GEOGRAPHICAL SEGMENT INFORMATION - 2012

	Belgium	Finland	France	The Netherlands	Spain	United Kingdom	United States	Headoffice and other	Total
Result									
Gross rental income	33,407	24,709	10,939	40,701	8,604	29,214	-	-	147,574
Service costs charged	6,252	6,369	4,207	5,724	2,268	5,211	-	-	30,031
Total revenues	39,659	31,078	15,146	46,425	10,872	34,425	-	-	177,605
Service costs paid	-7,127	-6,626	-4,303	-6,134	-3,260	-6,044	-	-	-33,494
Property expenses	-780	-887	-342	-5,289	-716	-5,286	-	-	-13,300
Net rental income	31,752	23,565	10,501	35,002	6,896	23,095	-	-	130,811
Valuation results	7,155	1,101	28,306	-36,812	-30,637	-43,887	-	-3,785	-78,559
Results on disposals	-105	-19	668	245	1,043	7,109	-	-	8,941
General costs	-3,100	-998	-777	-3,023	-648	-2,271	-	-10,187	-21,004
Other income and expense	1,624	-	-	-	-	-	-	-3,605	-1,981
Interest charges	-1,157	-14,173	-2,045	-2,288	-4,027	-11,368	-	4,753	-30,305
Interest income	44	7	97	163	2	49	-	-	362
Other financial income and expense	85	-	-	-	-	-	-	1,112	1,197
Taxes on results	-66	-2,205	-47	-	2,479	-2,313	-	27,696	25,544
Result from continued operations	36,232	7,278	36,703	-6,713	-24,892	-29,586	-	15,984	35,006
Result from discontinued operations	-	-	-	-	-	-	-122,100	-	-122,100
Result	36,232	7,278	36,703	-6,713	-24,892	-29,586	-122,100	15,984	-87,094
Total assets									
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	768,873	1,058,184
minus: intercompany	-	-	-	-65,000	-	-45,950	-	-799,515	-910,465
	580,369	501,153	303,358	626,181	106,537	374,345	542,655	-30,642	3,003,956
Investments in investment properties	86,527	30,846	94,475	10,716	6,409	12,163	38,727	-	279,863
Gross rental income by type of property									
Retail	23,537	24,709	1,153	35,726	1,598	24,307	-	-	111,030
Offices	9,846	-	9,786	1,090	5,267	4,199	-	-	30,188
Other	24	-	-	3,885	1,739	708	-	-	6,356
	33,407	24,709	10,939	40,701	8,604	29,214	-	-	147,574

In 2012 none of the tenants is responsible 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.

GEOGRAPHICAL SEGMENT INFORMATION - 2011

	Belgium	Finland	France	The Netherlands	Spain	United Kingdom	United States	Headoffice and other	Total
Result									
Gross rental income	26,344	30,048	12,665	43,967	9,502	20,927	-	-	143,453
Service costs charged	6,969	7,484	4,534	5,667	2,291	3,602	-	-	30,547
Total revenues	33,313	37,532	17,199	49,634	11,793	24,529	-	-	174,000
Service costs paid	-7,453	-7,996	-4,617	-6,046	-3,046	-4,397	-	-	-33,555
Property expenses	-1,287	-1,315	-412	-5,467	-1,168	-2,139	-	-	-11,788
Net rental income	24,573	28,221	12,170	38,121	7,579	17,993	-	-	128,657
Valuation results	14,747	407	4,001	-1,782	-5,682	5,836	-	-49	17,478
Results on disposals	-84	-392	-	695	-	-1,741	-	850	-672
General costs	-2,180	-550	-654	-1,536	-672	-2,231	-	-6,190	-14,013
Other income and expense	1,793	-	-	-	-	1	-	-7	1,787
Interest charges	-849	-15,337	-2,644	-2,656	-4,739	-4,902	-	279	-30,848
Interest income	49	22	155	197	19	22	-	-	464
Other financial income and expense	84	-	-	-	-	136	-	-3,937	-3,717
Taxes on results	287	7,753	-17	-	1,231	-1,071	-	3,855	12,038
Result from continued operations	38,420	20,124	13,011	33,039	-2,264	14,043	-	-5,199	111,174
Result from discontinued operations	-	-	-	-	-	-	-48,189	-	-48,189
Result	38,420	20,124	13,011	33,039	-2,264	14,043	-48,189	-5,199	62,985
Total assets									
Investment properties in operation	398,408	456,549	181,226	568,211	135,907	415,678	674,190	-	2,830,169
Investment properties under construction	74,428	6,504	3,479	1,792	-	14,617	127,112	-	227,932
Assets held for sale	-	-	-	-	-	-	-	-	-
Other segment assets	25,681	2,840	13,105	148,694	10,414	23,159	43,092	748,917	1,015,902
minus: intercompany	-	-	-	-65,000	-	-	-	-791,076	-856,076
	498,517	465,893	197,810	653,697	146,321	453,454	844,394	-42,159	3,217,927
Investments in investment properties	41,056	6,535	1,170	8,988	4,251	205,750	73,493	-	341,243
Gross rental income by type of property									
Retail	16,554	29,778	3,203	37,337	1,752	10,849	-	-	99,473
Offices	9,768	-	9,462	1,167	5,455	9,236	-	-	35,088
Other	22	270	-	5,463	2,295	842	-	-	8,892
	26,344	30,048	12,665	43,967	9,502	20,927	-	-	143,453

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

5. INVESTMENT PROPERTIES (x € 1,000)

			2012
	Investment properties in operation	Investment properties under construction	Investment properties
Balance at January 1	2,830,169	227,932	3,058,101
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	-7,579	-514,236
Disposals	-307,555	-8,408	-315,963
Revaluations	-171,967	-21,281	-193,248
Capitalised interest	247	5,521	5,768
Other	890	-	890
Exchange rate differences	-601	-1,735	-2,336
Balance at December 31	2,073,027	240,044	2,313,071

			2011
	Investment properties in operation	Investment properties under construction	Investment properties
Balance at January 1	2,815,881	134,517	2,950,398
Purchases	202,947	-	202,947
Investments	27,295	106,251	133,546
Transfer from and to investment properties under construction	-2,084	2,084	-
Disposals	-216,853	-	-216,853
Revaluations	-26,523	-24,840	-51,363
Capitalised interest	388	4,362	4,750
Other	1,935	-	1,935
Exchange rate differences	27,183	5,558	32,741
Balance at December 31	2,830,169	227,932	3,058,101

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 US portfolio have been transferred to assets held for sale (see note 14). In 2012 acquisitions have taken place for a consideration of € 68m (2011: none) by way of contribution in kind against shares issued by C.V.A. Wereldhave Belgium S.C.A. (see note 38).

In total 97% (2011: 98%) 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.

Overview of measurement of total investment properties:	31 December 2012	31 December 2011
Fair value		
- Investment properties in operation	**2,073,027**	2,830,169
- Investment properties under construction ('IPUC')	**160,870**	180,430
	2,233,897	3,010,599
At cost less impairment	**79,174**	47,502
	2,313,071	3,058,101

Investment properties in operation
During the financial year three purchase transactions occurred. In the Netherlands Wereldhave bought two extensions in existing shopping centers for € 3.0m. In Belgium, shopping center Genk Stadsplein was purchased for € 49.5m. Furthermore, in 2012 the Eilan mixed-use project in San Antonio (USA) and the Nivelles Extention (Belgium) have been been transferred from the development project into investment properties in operation for an total amount of € 151.6m.

In line with the strategy adopted in 2009 in the year a total of 10 properties were sold. This concerns one property in Belgium, the Netherlands, France and Spain, four in the United Kingdom and two in the United States. In total, for an amount of € 332.3m of properties has been sold, leading to a positive result of disposals of € 7.9m.

The revaluations can be broken down as follows:
(x € 1,000)

	2012	2011
Belgium	7,869	4,178
Finland	1,102	337
France	8,306	4,001
Netherlands	-36,812	-1,783
Spain	-30,637	-5,682
United Kingdom	-47,030	3,112
United States	-74,765	-30,686
Total	-171,967	-26,523

The valuation of the US portfolio is based on the sale prices of the properties. As mentioned as event after balance sheet date on page 106, Wereldhave has sold its UK portfolio (except for two properties and a plot of land) in 2013. The valuation of the UK portfolio is in line with the sale prices.

Investment properties are subject to mortgage to an amount of € 118m (2011: € 146m). An amount € 73m (2011: € 92m) relates to English debentures. Furthermore, the Belgian tax authorities have established a legal mortgage on two properties for an amount of € 45m, as security in a fiscal disagreement (see note 44). The market value of these properties amounts to € 50m (2011: € 54m).

All properties in the investment property in operation portfolio were valued externally at December 31, 2012. Independent external valuers involved in the valuation of properties in 2012 are: Jones Lang LaSalle, Cushman & Wakefield, Catella, CBRE and Troostwijk-Roux Expertises cvba.

At December 31, 2012 the carrying amount of investment properties valuation is as follows:

	31 December 2012	31 December 2011
Total investment property values according to internal and external valuation reports	**2,087,845**	2,874,978
Deduct: carrying amount of rent free periods and other leasing expenses to be amortised	**-14,818**	-44,809
Carrying amount	**2,073,027**	2,830,169

The carrying amount of rent-free period and other capitalised leasing expenses is presented under other non-current assets (note 10).

Property expenses and service costs of unlet properties amount to nil (2011: nil).

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

2012	Belgium	Finland	France	The Netherlands	Spain	United Kingdom	United States
Total market rent per sq^2 (€)	217.20	334.80	371.63	198.41	111.21	288.58	-
Cap rate	6.4%	6.1%	6.1%	6.4%	8.4%	7.1%	-
Average vacancy rate	6.3%	1.5%	1.0%	3.9%	22.3%	3.1%	-
Average vacancy period (in months)	4	-	6	8	13	4	-
Bandwith vacancy (in months)	0 - 25	-	3 - 9	0 - 24	0 - 29	1 - 12	-

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

The cap rate is the calculation of the net market rent (gross market rent minus property expenses) divided by the gross market value including transfer costs. The total average cap rate amounts to 6.51% (2011: 6.26%). A change in the cap rate with 0.25% results in a change of € 78m in equity (€ 3.58 per share) and the result. A 5% drop of the estimated market rent, assuming stable cap rates, has a negative impact on shareholders' equity of € 137m (€ 6.32 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	2.6	6.6	6,734	8,652	15,389
Finland	4.3	4.5	5,452	1,605	8,153
France	5.4	5.5	165	206	2,598
Netherlands	2.7	3.1	5,076	7,921	16,746
Spain	2.2	5.0	2,585	550	3,198
United Kingdom	7.6	8.8	4,373	2,155	7,925
Total portfolio			24,385	21,089	54,009

Investment properties under construction

In 2012 the Eilan mixed-use project in San Antonio (USA) and the Nivelles Extension (Belgium) have been transferred from the development projects into investment properties in operation for an total amount of € 151.6m. Furthermore, in Belgium the development project Genk Shopping Center was purchased for € 24.5m. Two plots of land in the Unites States were sold for an amount of € 8m, leading to a negative result of disposals of € -0.1m.

The revaluations can be broken down as follows:

(x € 1,000)

	2012	2011
Belgium	-714	10.569
France	20,000	-
United Kingdom	3,142	2,724
United States	-43,709	-38,133
Total	-21,281	-24,840

There are five development projects at fair value. This concerns Genk Shopping Centre (Belgium), Ghent (Belgium), Itis (Finland), Joinville-le-Pont (France) and Richmond (United Kingdom). The fair values have been obtained from external appraisers except for Joinville. Joinville has been sold and will be delivered to the buyer after completion. The fair value of Joinville has been obtained from the sale price.

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 € 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 € 0.6m.

Itis

The redevelopment of the Itis shopping centre in Finland is going according to schedule. Total renovation costs will amount to € 95m. If the yield on this project changes with 25 basis points, it will have an impact of € 3.3m.

Joinville-le-Pont

In France, the construction of the Urbagreen office building in Joinville-le-Pont is on schedule. Wereldhave has sold the building to a French bank, which after completion, probably at the end of 2013, will be transferred for € 91m.

Richmond

The mixed retail and offices project in Richmond is nearing completion. At year end, the project is appraised externally. The project is 50% prelet. If the yield on this project changes with 25 basis points, it will have an impact of € 1.1m.

The remaining projects concern in particular 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.

Overview of the committed development pipeline:

(x € 1,000)

Location	Country	Total investment	Capex so far	Estimated completion
Richmond	United Kingdom	28	25 *	Q1-2013
Ghent	Belgium	15	4	Q4-2013
Joinville-le-Pont	France	71	38	Q4-2013
Itis (Refurb + Extension)	Finland	95	37	Q2-2014
Issy-Les-Moulineaux (Noda)	France	138	59	Q4-2014
Genk (Refurb + Extension)	Belgium	84	34 *	Q4-2014
Total commited		431	197	
Fair value adjustments & other			43	
Total Investment properties under construction			240	

* Including value of current investment

6. PROPERTY AND EQUIPMENT (x € 1,000)

	Property in own use	Office equipment	Cars	Total
Balance at January 1, 2011	4,175	1,483	841	6,499
Investments/purchases	8	596	453	1,057
Disposals	-	-4	-172	-176
Depreciation	-67	-342	-261	-670
Exchange rate differences	-	6	4	10
Balance at December 31, 2011	4,116	1,739	865	6,720
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	2,074	1,875	501	4,450

31 December 2012	Property in own use	Office equipment	Cars	Total
Total acquisition at cost	4,748	4,749	835	10,332
Total depreciation	-2,674	-2,874	-334	-5,882
Net book value	2,074	1,875	501	4,450

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

7. INTANGIBLE ASSETS (x € 1,000)

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

	31 December 2012	31 December 2011
Capitalised cost of internally developed software	**1,973**	4,733
Goodwill	**2,020**	2,020
	3,993	6,753

Capitalised cost of internally developed software

(x € 1,000)			**2012**			**2011**
	Internal cost	External cost	Total	Internal cost	External cost	Total
Balance at January 1	**1,113**	**3,620**	**4,733**	895	3,535	4,430
Investments	**192**	**560**	**752**	320	524	844
Impairment	**-616**	**-2,384**	**-3,000**	-	-	-
Depreciation	**-115**	**-397**	**-512**	-102	-439	-541
Balance at December 31	**574**	**1,399**	**1,973**	1,113	3,620	4,733

	31 December 2012	31 December 2011
Total acquisition at cost	**2,319**	5,747
Total depreciation	**-346**	-1,014
Net book value	**1,973**	4,733

The internal costs refer to internal hours spent,

During 2012 Wereldhave has decided to dispose the USA operations. Furthermore, a number of modules of the ERP system have been retired. As a consequence of these events a part of the investment in the ERP system has been impaired. The impairment amounted to € 3,0m.

Goodwill

	2012	2011
Balance at January 1	2,020	1,891
Acquisitions	-	129
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 has been performed based upon valuations, feasibility analysis and future cash flows related to the projects taken over from ING RED Belgium. Based on this analysis, no impairment of goodwill is necessary.

8. FINANCIAL ASSETS (x € 1,000)

	IFRS Category	December 31, 2012	December 31, 2011
Loans	*Loans and receivables*	3,498	3,248
Deposits paid	*Loans and receivables*	1,459	1,600
Financial assets available for sale	*Available for sale*	15,481	11,371
Derivative financial instruments	*Fair value through P&L*	27,264	26,156
Total		47,702	42,375

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 € 1.4m (2011: € 1.5m). Where applicable all financial assets are fully collectible and not passed due date.

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

Part of the issued loans is a subordinated loan to the pension fund of the company for an amount of € 3.2m (face value € 3.3m) which has been issued in 2008. Due to the financial situation of the pension fund (coverage under Dutch law of 104.1%) repayment of the loan by the pension fund is not allowed within one year.

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 € -1.2m revaluation result has been accounted for directly in equity (2011: € -0.2m). No financial assets available for sale have been sold in 2012 and 2011.

Derivative financial instruments
Further reference is made to note 26.

9. DEFERRED TAX ASSETS (x € 1,000)

	2012	2011
Balance at January 1	**5,200**	5,000
Additions	**-**	200
Compensated	**-2,071**	-
Balance at December 31	**3,129**	5,200

Deferred tax assets relate to capital gain losses in Spain that can be offset against future profits within 15 years. For an amount of € 3.4m 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)

	December 31, 2012	December 31, 2011
Pension plans	**3,090**	2,482
Lease incentives and other incentives	**14,818**	44,809
	17,908	47,291

In 2012 lease incentives for an amount of € 28.9m have been transferred to assets held for sale, due to the sale of the entire US property portfolio.

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

	Netherlands		United Kingdom		Total	
	2012	2011	2012	2011	2012	2011
Fair value of plan assets	49,644	44,791	18,463	16,475	68,107	61,266
Benefit obligations	58,054	44,284	17,419	16,060	75,473	60,344
	-8,410	507	1,044	415	-7,366	922
Past service costs	-88	-109	-	-	-88	-109
Unrecognised gains (-)/losses	9,382	972	1,162	1,095	10,544	2,067
Asset cap	-	-398	-	-	-	-398
Net asset	884	972	2,206	1,510	3,090	2,482

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

The movement in the net asset is as follows:

	Netherlands		United Kingdom		Total	
	2012	2011	2012	2011	2012	2011
Balance at January 1	972	972	1,510	1,328	2,482	2,300
Exchange rate differences	-	-	37	41	37	41
Employer contributions	1,066	1,145	677	98	1,743	1,243
Pension expense	-1,154	-1,145	-18	43	-1,172	-1,102
Balance at December 31	884	972	2,206	1,510	3,090	2,482

The assumptions used:				
- discount rate obligations	3.20%	4.40%	4.80%	4.80%
- long-term rate of return on plan assets*	3.65%	4.55%	4.88%	6.12%
- rate of annual salary increases	2.00%	2.00%	3.00%	3.00%

* No longer applicable under revised IAS 19 as per 2013

The fair value of the assets of the Dutch pension plan consists for 34.3% of shares (2011: 34.3%), 46.7% of bonds (2011: 54.3%) and 19.0% of deposits (2011: 11.4%). The fair value of the assets of the British pension plan consists for 37.5% of shares (2011: 36.5%), 59.4% of bonds (2011: 63.4%) and 3.1% of other products (2011: 0.1%). The assets of the pension plans do not include financial instruments of Wereldhave.

The mortality rates used for the Netherlands are obtained from the mortality tables. "Gehele bevolking mannen en vrouwen 2012-2062", published by the Dutch society of actuaries. For the UK the mortality rates are obtained from the 1992 series of the tables applicable to current experience. In 2012, as well in 2011, the plan assets do not include shares issued by the company. For employee benefit plans with a net liability, reference is made to note 23.

It is expected that the contribution of the employers will amount to € 1.3m in 2013 for the above mentioned pension plans.

The movement in the defined benefit obligation is as follows:		Netherlands		United Kingdom		Total
	2012	2011	2012	2011	2012	2011
Balance at January 1	44,284	38,461	16,060	15,761	60,344	54,222
Exchange rate differences	-	-	378	479	378	479
Net service cost	1,141	885	53	83	1,194	968
Interest cost	1,917	1,887	771	861	2,688	2,748
Employee contributions	202	102	16	24	218	126
Benefits paid	-1,075	-1,146	-689	-986	-1,764	-2,132
Actuarial gains(-)/losses	11,585	4,095	831	-162	12,416	3,933
Balance at December 31	58,054	44,284	17,419	16,060	75,473	60,344

The movement in the fair value of plan assets is as follows:		Netherlands		United Kingdom		Total
	2012	2011	2012	2011	2012	2011
Balance at January 1	44,791	44,744	16,475	15,873	61,266	60,617
Exchange rate differences	-	-	388	484	388	484
Employer contributions	1,066	1,145	678	98	1,744	1,243
Employee contributions	202	102	16	24	218	126
Benefits paid	-1,075	-1,146	-689	-986	-1,764	-2,132
Expected return on plan assets	2,035	2,430	1,595	986	3,630	3,416
Actuarial gains/losses (-) on plan assets	2,625	-2,484	-	-4	2,625	-2,488
Balance at December 31	49,644	44,791	18,463	16,475	68,107	61,266

Historical information

	2012	2011	2010	2009	2008
Fair value of plan assets	68,107	61,266	60,617	56,723	45,737
Benefit obligations	75,473	60,344	54,222	45,674	39,568
	-7,366	922	6,395	11,049	6,169
Experience adjustments arising on plan liabilities, losses / (gain)	-445	6	1,160	-14	-825
Experience adjustments arising on plan assets, losses / (gain)	1,835	-2,481	-1,102	4,893	-8,699
	1,390	-2,475	58	4,879	-9,524

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

	December 31, 2012	December 31, 2011
Tenant receivables	**8,051**	7,450
Prepayments	**6,140**	5,177
Interest to be received	**2,706**	2,470
Withholding tax	**1,526**	2,749
Value added tax	**245**	732
Dividend tax	**2,174**	2,776
Compensation for ground rights to be received	**-**	1,833
Compensation for early lease expiration	**-**	900
Other	**5,284**	2,860
Total	**26,126**	26,947

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 € 3.5m (2011: € 4.3m). As in 2011, other receivables do not include amounts receivable and prepayments with a maturity of more than twelve months.

Maturity of tenant receivables

	December 31, 2012	December 31, 2011
- up to 1 month	**6,986**	3,400
- between 1 and 3 months	**627**	999
- between 3 and 12 months	**1,683**	2,647
- more than 1 year	**4,074**	5,021
	13,370	12,067
Deduct: provision	**-5,319**	-4,617
	8,051	7,450

The tentant receivables category 'up to 1 month' includes debtors which are not immediately due for an amount of € 1.9m (2011: € 1.8m). In 2012 an amount of € 1.3m (2011: € 2.8m) was added to the provision doubtful debtors and an amount of € 0.6m (2011: € 1.5m) was withdrawn.

12. TAX RECEIVABLES (x € 1,000)

	December 31, 2012	December 31, 2011
Company tax	**5**	140

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

	December 31, 2012	December 31, 2011
Bank balances	**23,440**	22,435
Deposits	**20,966**	1,965
Total	**44,406**	24,400

14. ASSETS HELD FOR SALE

Assets held for sale amounts to € 535.1m the USA investment properties. The portfolio has been brought to the market in October 2012 and will be sold by the end of the first quarter of 2013. After the properties of the USA portfolio have been sold Wereldhave will close the USA operations.

Furthermore, assets held for sale amount to € 8.1m to a property in the UK for which a sales contract was signed in 2012. The sales will be completed in 2013.

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, 2011	40,000,000	21,448,525	-	21,448,525
Additions in 2011		231,083	-	231,083
Purchased in 2011	-	-	-4,313	-4,313
Balance at December 31, 2011	40,000,000	21,679,608	-4,313	21,675,295
Rewarded in 2012			4,313	4,313
Balance at December 31, 2012	40,000,000	21,679,608	-	21,679,608

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

The shares for remuneration were rewarded to the Board of Management in the Annual General Meeting of Shareholders of April 23, 2012.

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, 2011	10	10
Additions in 2011	-	-
Balance at December 31, 2011	10	10
Additions in 2012	-	-
Balance at December 31, 2012	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 members of the Supervisory Board of the company and the drawing up of a nomination for their appointment.

Priority shares B	Authorised share capital	Issued share capital
Balance at January 1, 2011	19,999,990	-
Additions in 2011	-	-
Balance at December 31, 2011	19,999,990	-
Additions in 2012	-	-
Balance at December 31, 2012	19,999,990	-

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

Capital management

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

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 (2011: € 733m).

17. GENERAL RESERVE

The dividend paid during the year, relating to the previous year amounts € 4.70 (2011: € 4.70) per qualifying ordinary share.

An amount of € 417m (2011: € 442m) is 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 2011 there were no releases from the revaluation reserve into the profit and loss account in 2012.

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
- the translation differences on results in foreign currencies (difference between year-end and average rates).

	2012	2011
Balance at January 1	**-25,477**	-39,077
Exchange rate differences on net investments in foreign entities	**-3,580**	20,492
Hedges of net investments in foreign entities	**876**	-4,178
Exchange rate differences on results in foreign currencies (difference between year-end and average rates)	**3,060**	-2,714
Balance at December 31	**-25,121**	-25,477

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

Composition

	December 31, 2012	December 31, 2011
Long-term		
Bank loans	**723,776**	740,495
Debentures	**42,790**	41,738
Convertible bonds	**447,212**	441,855
	1,213,778	1,224,088
Short term		
Interest bearing debt	**75,000**	64,965
Total interest bearing liabilities	**1,288,778**	1,289,053

Movements in interest bearing debt

Including short term portion of long-term debt

The movement is as follows:

	2012	2011
Balance at January 1	**1,289,053**	1,148,016
New loans	**575,290**	616,056
Repayments	**-581,521**	-508,467
Use of effective interest method	**6,593**	2,779
Exchange rate differences	**-637**	30,669
Balance at December 31	**1,288,778**	1,289,053

Convertible bonds

Per year end Wereldhave has two convertible debentures outstanding,

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

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

	2012	2011
Balance at January 1	441,855	635,996
Repayment nominal value convertible bond	-	-200,000
Use of effective interest method	5,357	5,859
Interest bearing debt at December 31	447,212	441,855

In 2012 no convertible bonds have been converted.

Significant terms and conditions

Secured interest bearing liabilities consist of two GBP mortgage debentures from 1985 and 1987 until 2015 for which investment properties are secured. Unsecured interest bearing liabilities have financial covenants that include various clauses.
As at December 31, 2012 Wereldhave complies with these clauses.

Ratio’s

	December 31, 2012	December 31, 2011
Loan to value	44%	41%
Solvency	54%	56%
Interest coverage ratio	4.6	5.4

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:

	2012	2011
Euro	2.4%	3.4%
US dollar	3.5%	2.3%
Pound sterling	3.4%	2.8%
Total	2.7%	3.0%

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

				2012				2011
	EUR	**GBP**	**USD**	**Total**	EUR	GBP	USD	Total
Short term interest bearing debt	0.7%	-	-	0.7%	1.8%	-	1.0%	1.1%
Long-term interest bearing debt								
- unsecured								
convertible bonds	4.6%	-	-	4.6%	4.6%	-	-	4.6%
bank debt and other loans	1.3%	3.0%	3.5%	2.1%	2.7%	2.2%	2.5%	2.5%
- secured								
debentures	-	10.5%	-	10.5%	-	10.5%	-	10.5%
interest rate swaps	-	-5.5%	-	-5.5%	-	-5.0%	-	-5.0%
Average	3.2%	3.5%	3.5%	3.3%	4.6%	2.8%	1.7%	3.2%

Fair value

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

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

The carrying amount and fair value of long-term interest bearing debt is as follows:

		December 31, 2012		December 31, 2011
	carrying amount	**fair value**	carrying amount	fair value
Bank debt and other loans	**723,776**	**727,577**	740,495	732,144
Debentures	**42,790**	**52,656**	41,738	49,002
Convertible bond	**447,212**	**465,637**	441,855	426,356
	1,213,778	**1,245,870**	1,224,088	1,207,502

Currencies

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

		December 31, 2012		December 31, 2011
	currency	**EUR**	currency	EUR
Euro	**827,902**	**827,902**	581,140	581,140
US dollar	**356,000**	**269,819**	602,500	465,649
Pound sterling	**155,921**	**191,057**	202,364	242,264
		1,288,778		1,289,053

Interest bearing debt in USD is for an amount of $ 150m converted to € 113m via a cross currency interest rate swap.

Hedge instruments

Interest bearing debt instruments to the amount of € 262m (2011: € 320m) 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, 2012, Wereldhave has a total of € 1,023m (2011: € 1,095m) of financing arrangements that expire within 1 to 5 years. As at December 31, 2012, Wereldhave has undrawn committed loan facilities to the amount of € 157m (2011: € 124m). The average maturity of the financing arrangements at 31 December 2012 was 3.1 years (2011: 2.6 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:

	2012	2011
Balance at January 1	**115,835**	129,277
Movements taken to the result	**-753**	-14,473
Release withholding tax USA portfolio (note 36)	**-27,057**	-
Exchange rate differences	**-533**	1,031
Balance at December 31	**87,492**	115,835

The movement in deferred tax liabilities in 2012 is mainly the result of revaluations, release of liabilities and the selling of investment properties with a tax liability.
For an amount of € nil deferred tax assets and deferred tax liabilities have been netted in 2012 (2011: € 1.0m). The amounts in 2011 have been netted as there was a legal right to set off these amounts.
The deferred tax liabilities relate to unrecoverable withholding tax on dividends from foreign subsidiaries for an amount of € nil (2011: € 28m).

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

	December 31, 2012	December 31, 2011
Pension plans	**103**	186
Tenants deposits	**3,476**	4,313
Other	**142**	151
Total	**3,721**	4,650

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 (final pay) in Belgium is composed as follows:

	December 31, 2012	December 31, 2011
Benefits obligations	3,496	2,698
Fair value of plan assets	2,725	2,297
	771	401
Unrecognised gains (-)/losses	-668	-215
Net obligation	103	186

The movement of the net liability is as follows:

	2012	2011
Balance at January 1	186	254
Employer contributions	-362	-334
Net movement	279	266
Balance at December 31	103	186

The movement of the defined benefit obligation is as follows:

	2012	2011
Balance at January 1	2,698	2,476
Net service cost	256	243
Interest cost	133	123
Employee contributions	14	17
Acquisition	-	-
Benefits paid	-46	-161
Actuarial gains (-) / losses	441	-
Balance at December 31	3,496	2,698

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

	2012	2011
Balance at January 1	2,297	2,047
Employer contributions	362	334
Employee contributions	14	17
Benefits paid	-46	-161
Acquisition	-	-
Expected return on plan assets	111	100
Actuarial gains/losses (-) on plan assets	-13	-40
Balance at December 31	2,725	2,297

The fair value of the assets consists, as in 2011, for 100% of insurance contracts.

The assumptions used are:

	2012	2011
- discount rate obligations	3.00%	4.50%
- long-term rate of return on plan assets	3.00%	4.50%
- rate of annual salary increases	2.00%	2.00%

The mortality rates used for Belgium are the MR/FR series. For the above mentioned pension plan the expected employer's contribution is € 0.3m for 2013. Reference is made to note 10 for employee benefits plans with a net asset.

Historical information

	2012	2011	2010	2009	2008
Benefit obligations	3,496	2,698	2,476	752	616
Fair value of plan assets	2,725	2,297	2,047	643	510
	771	401	429	109	106

The experience adjustments for the Belgium pension plan are currently not available.

24. TAX PAYABLE (x € 1,000)

	December 31, 2012	December 31, 2011
Company tax	**599**	924

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

	December 31, 2012	December 31, 2011
Deferred rents	**14,539**	12,882
Property expenses	**13,247**	11,964
Interest	**9,780**	9,403
General costs	**8,902**	4,692
Capital commitments	**17,057**	28,629
Social securities	**889**	902
Value added tax	**1,544**	3,572
Dividend tax	**2,174**	2,793
Other short term liabilities	**9,129**	5,443
Total	**77,261**	80,280

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 and loans to convert to market rates and vice versa.

Hedging instruments

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

2012	Hedged risk	Principal	Fair value asset	Fair value liabilities
Cashflow hedge				
Cross currency interest rate	Currency	113,688	323	-
Fair value hedge				
Cross currency interest rate swap	Interest	113,688	19,247	-
Net investment hedge				
Forward foreign exchange contracts	Currency	53,054	931	-
Loans	Currency	261,954	-	-261,954
No hedge accounting				
Interest rate swap	Interest	53,915	6,763	-

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

The fair value of a hedging derivative is classified as long-term if the remaining maturity of the hedged item is longer than 1 year and as a current asset or liability when the remaining maturity is less than 1 year.

The remaining term of the derivatives for interest and currency conversion on a nominal basis are as follows:

	December 31, 2012	December 31, 2011
- up to 1 year	**53,054**	46,372
- between 1 and 5 years	**254,602**	372,221
- more than 5 years	**174,955**	115,929
Total	**482,611**	534,522

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

	December 31, 2012			December 31, 2011		
			Total in			Total in
	USD	GBP	EUR	USD	GBP	EUR
FX differences recognised in equity due to retranslation of foreign operations	-9,323	5,743	-3,580	16,771	3,721	20,492
Hedge result	876	-	876	-3,138	-1,040	-4,178
Effective part fair value changes in cashflow hedging	162	-	162	730	-	730
Net effect in equity	-8,285	5,743	-2,542	14,363	2,681	17,044

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

In 2012, a net loss of € 2.0m (2011: € 3.5m) is recognised in the income statement as a result of ineffectiveness on fair value hedges.

Regarding fair value hedge derivatives, a gain of € 0.3m is included in the net interest, and a loss for the same amount is recorded on the same line in the income statement for the hedged item (USPP). The fair value adjustment on the hedged item is € 0.3m negative.

Net investment hedge

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

(amounts in local currency 1,000)		**December 31, 2012**				December 31, 2011
			Total in			Total in
	USD	**GBP**	**EUR**	USD	GBP	EUR
Net investment in foreign subsidiaries before hedging	615,625	270,001	797,438	756,660	343,771	996,345
Hedging instruments:						
- derivatives (principal)	70,000	-	53,054	60,000	-	46,372
- interest bearing debts	150,000	121,000	261,954	154,000	167,500	319,546
Net investment hedge	220,000	121,000	315,008	214,000	167,500	365,918
Net investment hedge after hedging	395,625	149,001	482,430	542,660	176,271	630,427

Derivatives for interest conversion (swaps)

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

The derivative financial instruments for interest conversion are accounted for as financial assets at fair value through profit and loss. During 2012 a negative amount of € 1.7m has been charged to the valuation results (2011: € 49,000 positive) relating to these financial assets. In addition, an amount of € 6.1m has been added to the interest cost (2011: € 4.4m).

Credit risk

During 2012 the market value of the interest swaps has changed as a result of movement in underlying interest rates. The full value of the derivative financial instruments is exposed to credit risk and is not mitigated by other instruments. The creditworthiness of the counter parties is based on Fitch ratings and is presented as follows:

		2012		2011
Derivatives	**Counter party credit risk**	**Amount**	Counter party credit risk	Amount
Derivates for interestconversion (swaps)	**A**	**6,763**	A	8,269
Cross currency interest rate swaps	**AA-/A-**	**19,570**	A+/A	17,886
Forward foreign exchange contracts	**F1+**	**931**	F1+	-555
		27,264		25,600

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

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. Part of the policy is that the bandwidth of the Loan-to-Value ratio is 35%-45% (in 2013 this will change to 30%-40%). Furthermore, there is a link between the ratio and the short and long-term variable executive remuneration.

When the money market interest rates change by 0.5%, result and equity will change with € 3.3m (2011: € 3.7m). This would result in a change of result and net asset value per share of € 0.15 (2011: € 0.17). The Treasury department constantly monitors the debt covenants. The ratio between variable and fixed interest rate is 51% / 49% (2011: 58% / 42%).

Currency risk
Wereldhave owns property investments in USD and GBP areas. Lower exchange rates of GBP and USD compared to the EUR could have a negative impact on the results and on the value of the property investments. That effect can be mitigated by financing in local currency and hedge positions in foreign currency swaps and forward transactions. The hedging policy is determined by the Board of management. The rate of inflation, which has an indirect effect on interest and currency rates, is one of the parameters established by the Board of Management and is used in determining its policy. Information on the actual inflation figures is included in the monthly management reports. Exchange rate developments are continually monitored. The guideline for covering the USD and GBP risk for the portfolio is a covering percentage of 50%, allowing for deviations from 40% to 70%. The risks of lower exchange rates on results are not covered.

If the average exchange rates for USD or GBP change by 5% in respect of the EUR, the result and equity will change with € 1.4m (2011: € 2.0m). This would result in a change of the result per share of € 0.06 (2011: € 0.09). A 5% change of the year-end exchange rates would have a € 1.13 impact on the net asset value per share and € 24m on equity. Wereldhave will leave the non-euro markets in 2013.

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). Management reviews the cash flow forecasts and the resulting funding requirements on a regular basis. In addition, on a quarterly basis stress tests are performed which test to what extent Wereldhave continues to meet bank covenants under different scenarios.

Financial transactions 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 furthermore 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 (excluding USA) is not paid, the effect on the gross rental income amounts to € 1.5m (2011: € 1.4m excluding USA; € 2.1m including USA) and € 0.07 (2011: € 0.07) on the result per share. If 10% of debtors would default on payment, this would impact results by € 0.8m (2011: € 0.7m). As a result of such default, result per share would change by € 0.04 (2011: € 0.03). Wereldhave monitors this creditworthiness per debtor and determines via management reports the adequacy of the provision for doubtful debtors. Furthermore, standard lease terms include that rent has to be paid upfront and every tenant’s creditworthiness is verified before entering a new lease.

Concentration of risk

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

Maturity of nominal amounts principal 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, 2012			December 31, 2011	
	Principal	**Interest**	**Total**	Principal	Interest	Total
- up to 1 year	84,340	33,586	117,926	78,177	36,377	114,554
- between 1 and 2 years	264,336	30,111	294,447	8,372	40,718	49,090
- between 2 and 5 years	758,585	28,929	787,514	1,086,548	61,072	1,147,620
- more than 5 years	190,888	13,681	204,569	129,167	6,596	135,763
Total debt	1,298,149	106,307	1,404,456	1,302,264	144,763	1,447,027

The difference between the sum of the nominal principal values and the carrying amount of € 6.3m (2011: € 0.3m) consists of the equity component of the convertible bond for an amount of € 10.1m (2011: € 14.0m), for an amount of € 6.7m (2011: € 8.9m) due to amortised cost, an amount of € 17.3m (2011: € 17.0m) of the negative fair value adjustment on hedged items and for € 5.8m (2011: € 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 balance sheet date have been used to determine the future outgoing cash flow. Next to the financial liabilities mentioned above, Wereldhave has a tenant deposit liability for an amount of € 3.5m (2011: € 4.3m). The average term of these deposits is 4.6 years (2011: 4.6 years).

On balance financial assets and liabilities

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

December 31, 2012	**Loans and receivables**	**Fair value through P&L**		**Available for sale**	**Total**	**Note**
		Non hedging derivatives	Hedging derivatives			
Assets						
Financial assets	4,957	7,694	19,570	15,481	47,702	8
Trade and other receivables	26,126	-	-	-	26,126	11
Cash and cash equivalents	44,406	-	-	-	44,406	13
	75,489	7,694	19,570	15,481	118,234	

	Hedging derivatives	**Other financial liabilities**	**Total**	**Note**
Liabilities				
Interest bearing debts	-	1,288,778	1,288,778	21
Tenants deposits	-	3,476	3,476	23
Financial liabilities	-	-	-	26
Trade payables	-	9,371	9,371	
	-	1,301,625	1,301,625	

December 31, 2011	Loans and receivables	Fair value through P&L		Available for sale	Total	Note
		Non hedging derivatives	Hedging derivatives			
Assets						
Financial assets	4,848	8,270	17,886	11,371	42,375	8
Trade and other receivables	26,947	-	-	-	26,947	11
Cash and cash equivalents	24,400	-	-	-	24,400	13
	56,195	8,270	17,886	11,371	93,722	

	Hedging derivatives	Other financial liabilities	Total	Note
Liabilities				
Interest bearing debts	-	1,289,053	1,289,053	21
Tenants deposits	-	4,313	4,313	23
Financial liabilities	555	-	555	26
Trade payables	-	12,656	12,656	
	555	1,306,022	1,306,577	

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

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

Off balance assets and liabilities

The group has provided guarantees to non-controlling shareholders for the amount of € 16m (2011: € 16m) with regard to the claim which is described in note 44. The group has contracted capital commitments for the amount of € 164m (2011: € 277m) with regard to investment properties under construction. The group has leasehold liabilities for an amount of € 166m (2011 € 169m). Furthermore, the group has undrawn committed credit facilities to the amount of € 157m (2011: € 124m).

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

	2012	2011
- up to 1 year	**116,095**	80,594
- between 1 and 5 years	**58,033**	206,253
- > year 5	**155,808**	159,209
Total	**329,936**	446,056

28. 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 6.7% in 2012 (2011: 6.3%).

Contingent rental income amounts to 2.7% (2011: 2.9%) of gross rental income. The lease incentives provided to tenants amount to 2.8% (2011: 4.6%) of gross rental income.

A change in the occupancy rate by 0.5% results in a change of gross rental income with € 0.8m.

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):

	2012	2011
- up to 1 year	**116,602**	113,775
- between 1 and 5 years	**211,791**	216,375
- year 5	**41,504**	40,091

29. PROPERTY EXPENSES (x € 1,000)

	2012	2011
Property maintenance	**939**	848
Property taxes	**4,461**	3,730
Insurance premiums	**368**	471
Property management	**2,887**	3,192
Leasing expenses	**1,734**	1,316
Other operating costs	**2,911**	2,231
Total	**13,300**	11,788

Impairments of € 0.7m relate to debtors (2011: € 1.9m). These costs are accounted for in the other operating costs.

30. VALUATION RESULTS (x € 1,000)

		2012		2011
Investment properties				
Valuation gains	17,277		11,628	
Valuation losses	-114,479		-7,394	
		-97,202		4,234
Investment properties under constructions				
Valuation gains	23,142		13,293	
Valuation losses	-714		-	
		22,428		13,293
Property in own use				
Valuation gains	-		-	
Valuation losses	-2,073		-	
		-2,073		-
Financial assets and liabilities				
Valuation gains			-	
Valuation losses	-1,712		-49	
		-1,712		-49
Total		-78,559		17,478

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.

31. RESULTS ON DISPOSALS (x € 1,000)

		2012		2011
Properties				
Gross proceeds from sales	129,331		147,063	
selling costs	-4,062		-2,137	
Net proceeds from sales		125,269		144,926
Book value investment properties	-112,956		-142,647	
Book value lease incentives	-3,372		-3,409	
		-116,328		-146,056
Result on direct sales of properties		8,941		-1,130
Result on indirect sales of properties/subsidiaries		-		458
Total		8,941		-672

Under indirect sales the result of sales of assets included in legal entities are presented.

32. GENERAL COSTS (x € 1,000)

	2012		2011	
Salaries and social security contributions	**13,421**		11,775	
Pension costs	**2,116**		2,025	
Audit and advisory fees	**2,711**		1,705	
Office costs	**4,084**		3,624	
Other general costs	**7,217**		3,763	
		29,549		22,892
Allocated to property expenses/service costs	**-2,904**		-3,212	
Allocated to investments/IPUC	**-3,395**		-3,085	
Allocated to intangible assets	**-115**		-320	
Charged to third parties	**-2,131**		-2,262	
		-8,545		-8,879
Total		**21,004**		14,013

The line "salaries and social security costs" includes an amount for crisis tax of € 140,000, of which € 107,000 for members of the Board of Management.

Pension costs

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

2012	**Belgium**	**Netherlands**	**United Kingdom**	**Total**
Current net service cost	257	1,141	53	1,451
Interest cost	133	1,917	776	2,826
Expected return on plan assets	-111	-2,035	-810	-2,956
Amortisation of unrecognised				
Past service cost	-	-21	-	-21
Net gains (-) / losses	-	-	-	-
Immediate recognition of (gains)/losses under paragraph 58A	-	550	-	550
Changes in irrecoverable surplus, effect of limit in paragraph 58(b)	-	-398	-	-398
	279	1,154	19	1,452

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

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

	2012	2011
Pension cost defined benefit plans	1,810	1,577
Pension cost defined contribution plans	306	776
Movement in pension liabilties with respect tot defined benefit plans (note 34)	3	-209
Total result on pension plans	2,119	2,144

The total cost of defined benefit plans amount to € 1.8m (2011: € 1.4m).

Employees

During the year 2012 an average of 213 persons (2011: 218) were employed by the group, of which 55 (2011: 58) in the Netherlands and 158 (2011: 160) 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

	2012	2011
J.A.P van Oosten	45	39
F.Th.J. Arp	34	33
P.H.J. Essers	33	32
J. Krant [1]	-	14
H.J. van Everdingen [2]	82	21
Total	194	139

1) Resigned in 2011.

2) Appointed in 2011.

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

As from 23 July 2012 Mr Van Everdingen acted as delegated board member for which an additional amount of € 52,500 has been paid.

Board of Management

2012	Fixed income	STI	LTI	One off payments	Pension costs	Social charges	Crisis tax	Total
J. Pars	358	147	52	391	107	9	48	1,112
D.J. Anbeek	364	119	69	50	109	14	59	784
Total	722	266	121	441	216	23	107	1,896

2011	Fixed income	STI	LTI	One off payments	Pension costs	Social charge	Crisis tax	Total
J. Pars	381	57	53	-	114	24	-	629
D.J. Anbeek	335	50	46	-	101	22	-	554
Total	716	107	99	-	215	46	-	1,183

Mr J. Pars has stepped down as CEO of Wereldhave as per 23 July 2012. Mr Pars received a severance payment of € 390,906 in 2012, which is equal to a full year's salary. The contractual period of notice was four months.

The variable remuneration for Mr Pars in respect of the year 2012 was set at € 147,280. The calculation was made as at the date the employment contract was terminated and was paid in full as short term remuneration. The item LTI of € 52K in 2012 relates to the remainder of the vesting period of the 2010 long-term variable income (one third of the total amount).

The short term variable remuneration for Mr Anbeek in respect of the year 2012 amounted to € 119,275. The item LTI of € 69K in 2012 relates for € 47K to the remainder of the vesting period of the 2010 long-term variable income (one third of the total amount) and for € 22K to the long-term variable income for 2012 (one third of the total amount of € 66K).

Mr D.J. Anbeek has been appointed as CEO as per 1 August 2012.

The bonus which can be received by the Board of Management at an 'at target' level is 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 70% conditionally granted long-term bonus. The other component is unconditional and paid as short term.

In 2012 the short-term bonus consists out of 25% personal achieved goals and 7.8% (30% of 26%) out of like-for-like net rental income.

For the year 2012 a long-term variable remuneration will be granted to Mr Anbeek for an amount of € 66,183. The long-term variable remuneration is a share-based payment that is conditionally granted. The condition is that, in addition to continuance of employment, the average like-for-like net rental growth over the next two years will remain positive.

On February 8, 2013, the Supervisory Board has granted an unconditional short term bonus of € 50,000 gross to Mr Anbeek in respect of the year 2012, payable in Wereldhave shares, with a holding period of three years. Mr Anbeek has chosen to block these shares for an additional year. 489 shares were acquired on February 14, 2013.

In respect of the year 2010, a long-term variable compensation of € 158,025 was granted to Mr Pars and € 139,062 to Mr Anbeek. These amounts have been paid out in shares which were held on a blocked account. In 2012 the long-term bonus in respect of the year 2010 has been made unconditional by the General Meeting of Shareholders and therefore the shares account has been unblocked.

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

The vesting period for the 2012 long-term variable bonus is January 1, 2012 to December 31, 2014. The 2010 long-term variable bonus has been paid out in 2012.

Financial year grant	Long-term bonus	Accounted in financial statements 2012	Accounted in earlier financial statements	Total accounted for
2012 - D.J. Anbeek	66	22	-	22
2010 - D.J. Anbeek	139	47	92	139
2010 - J. Pars	158	52	106	158

The requirements for vesting in 2014 concerning are continued employment and the average like-for-like net rental growth over the 2013 and 2014 will remain positive.

As per 31 December 2012 the long-term variable bonus 2012 represent 1,375 shares and will be bought after the approval of the annual accounts in the Annual General Meeting of Shareholders of April 22, 2013. The shares will be accounted for as shares for remuneration as part of the general reserve.

Mr Anbeek holds 4,519 shares in Wereldhave N.V. per December 31, 2012.

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

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

	2012	2011
Dividend received	1,189	856
Impairment intangible assets	-3,000	-
Other	-170	931
Total other income and expense	-1,981	1,787

The line impairment intangible assets relate to the impairment of a part of the ERP system as mentioned in note 7.

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

	2012	2011
Interest charges		
Interest paid *	-28,326	-25,584
Capitalised interest *	4,418	1,507
Amortised costs loans	-2,343	-2,356
Interest charges related to loans	-26,251	-26,433
Interest addition convertible bonds	-4,124	-4,485
Interest addition other loans and receivables	70	70
	-4,054	-4,415
Total interest charges	-30,305	-30,848
Interest income		
Interest received *	362	464
Total interest charges and income	-29,943	-30,384

*) 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 2012, the range of average interest rates used was 1.3% - 3.2% (2011: 3.2% - 3.3%). The average interest rate in 2012 is 3.3% (2011: 3.2%).

The line item 'interest paid' includes costs related to fees paid for undrawn parts of committed financing facilities amounted to € 1.2m (2011: € 1.6m).

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

	2012	2011
Exchange rate differences	**1,200**	-3,926
Movement in pension liabilities	**-3**	209
Total	**1,197**	-3,717

36. TAXES ON RESULT (x € 1,000)

	2012	2011
Profit before tax	**9,462**	99,141
Tax charges according to applicable tax rates	**6,882**	31,202
Tax-exempt income based on fiscal status	**-19,856**	-23,189
Deductible costs	**-2,780**	-5,088
Tax losses	**891**	-507
Change in deferred tax	**6,267**	-9,908
Release of USA withholding tax provision	**-27,795**	-
Change in tax rates	**-**	-4,850
Exempt capital gains	**11,113**	485
Other	**-266**	-183
Taxes on result	**-25,544**	-12,038
Weighted average tax rate	**-270.0%**	-12.1%

For 2012 the current tax charge is € 0.6m negative (2011: € 1.2m negative) and the deferred tax charge is € 26.1m (2011: € 13.2m). The deferred tax amount is mainly due to a release of deferred tax provisions with regard to withholding tax, which is a one-off effect due to the sale of the US portfolio. The applicable tax rates vary from 0% for tax-exempt entities, based on their fiscal status, up to 35%.

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

There are no tax effects relating to other comprehensive income or amounts directly credited to equity (2011: idem).

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

Discontinued operations represent the net result of the US operations that will be sold in 2013 (see also note 14).
The results from discontinued operations are build up as follows:

	2012	2011
Net rental income	20,143	32,829
Valuation results	-118,474	-68,809
General costs	-1,715	-1,969
Net interest	-9,337	-6,664
Other	-12,717	-3,576
Result	-122,100	-48,189

The result for 2012 and 2011 does not include an amount for tax. An amount of € -5.5m is presented in other comprehensive income for the currency translation, which will be recycled through the income statement in 2012.

In the cash flow statement the following amounts have been accounted for in relation to the discontinued operations: operating activities € 4.4m, investment activities € 163.2m and financing activities € -184.7m.

38. TRANSACTIONS WITH SHAREHOLDERS

In 2012 the share capital of C.V.A. Wereldhave Belgium S.C.A. increased due to the Genk acquisition of € 68m by way of contribution in kind against a share issue. Wereldhave has kept its stake in C.V.A. Wereldhave Belgium S.C.A. around 70% by acquiring additional shares from a non-controlling shareholder for an amount of € 47.8m. The acquisition of the new shares impacted the general reserve of Wereldhave N.V. with € -0.8m. The non-controlling interest increased with € 20.7m. The total cash out amounted to € 47.8m.

In Finland, Wereldhave bought all remaining shares of the Agenttitalo building (office premises connected to Itis) which impacted the general reserve with € -0.5m.

39. 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.

	2012	2011
Result attributable to shareholders of the company	-98,439	51,301
Adjustment for effect convertible bonds	22,032	22,032
Result after effect convertible bonds	-76,407	73,333
Number of shares as at January 1	21,679,608	21,448,525
Adjustment for paid stock dividend	-	147,636
Adjustment for purchase of own shares for remuneration	-	-2,923
Weighted average number of shares for fiscal year 2012	21,679,608	21,593,238
Adjustment for convertible bonds	6,022,307	6,022,307
Diluted average number of shares after adjustment for the effects of all dilutive potential shares for fiscal year 2012	27,701,915	27,615,545

See note 41 for the proposed dividend for 2011.

40. NET ASSET VALUE PER SHARE

Net asset value per share

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

	2012	2011
Equity available for shareholders (x € 1,000)	1,389,547	1,591,920
Number of ordinary shares per 31 December	21,679,608	21,679,608
Purchased shares for remuneration	-	-4,313
Number of ordinary shares per 31 December for calculation net asset value	21,679,608	21,675,295
Net asset value per share (x € 1)	64.09	73.44

Net asset value after full conversion

	2012		2011	
	in € 1,000	in € per share	in € 1,000	in € per share
Equity	1,389,547	64.09	1,591,920	73.44
Effect of full conversion	446,435	2.19	441,855	-0.01
Equity after full conversion	1,835,982	66.28	2,033,775	73.43

41. DIVIDEND

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

42. EXPENSE RATIO

The expense ratio for the year 2012, based on the Dutch Financial Supervision Act (Wft), amounts to 4.87% (2011: 3.70%). 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.

43. 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 32. With regard to transactions with the pension fund reference is made to notes 10 and 23.

During the year an amount of € 1.7m was paid to a tenant in which an external board member of a local Wereldhave company has a conflict of interest. The Board of Management has reported this to the Supervisory Board.

In the financial year 2012, no business transactions took place in which conflicts of interest of the Board of Management may have played a role.

44. CLAIMS

In November 1996 the Belgian subsidiary N.V. Vastgoed Maatschappij België (VMB) received a tax assessment to the amount of BEF 1.4 bln (€ 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 owned and the sale of the company as a cash company. The Belgian tax administration does not accept the split-up and claims that these transactions should be considered as a hidden distribution of dividends to the shareholders. In 1999, the Belgian tax administration filed a second assessment to the amount of BEF 0.6 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 € 50.1m at December 31, 2012 (2011: € 54m). Wereldhave maintains that the tax claims are not justified and has filed objections against these claims. For this reason there has not been accounted for a provision for this claim.

In 1999, judicial proceedings were started against Wereldhave Belgium, relating to the sale of a cash-company in 1993. The Chamber of the Court has referred the legal proceeding against Wereldhave Belgium for treatment in first instance. Wereldhave Belgium 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, C.V.A. Wereldhave Belgium S.C.A., as inadmissible due to an excess of the reasonable period for trial. The public prosecutor filed appeal against this decision. The hearing before the Court of Appeal took place on February 7, 2012, a continuation of the hearing is set on March 20, 2013. Wereldhave Belgium is convinced that they have met all relevant law and regulations and therefore there has not been accounted for a provision for this claim.

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

COMPANY BALANCE SHEET AT DECEMBER 31, 2012

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

	Note	December 31, 2012		December 31, 2011	
ASSETS					
Investments					
Investment properties	2	-		-	
Investments in subsidiaries	3	1,566,642		1,721,245	
Other financial investments	4	987,805		756,708	
			2,554,447		2,477,953
Receivables	5				
Group companies		56,601		199,076	
Tax receivables		2,493		3,105	
Accruals		4,343		3,817	
Other receivables		74		111	
			63,511		206,109
Other assets					
Property & equipment			2,000		4,116
			2,619,958		2,688,178
EQUITY AND LIABILITIES					
Equity	6				
Share capital		216,796		216,796	
Share premium		767,315		767,315	
General reserve		86,417		114,025	
Revaluation reserve		442,417		467,229	
Hedge reserve		162		730	
Reserve for exchange rate differences		-25,121		-25,477	
Result current year		-98,439		51,296	
			1,389,547		1,591,914
Long-term liabilities	7		1,052,644		969,916
Short term liabilities	8		177,767		126,348
			2,619,958		2,688,178

COMPANY INCOME STATEMENT FOR 2012

(amounts x € 1,000)

	Note	2012	2011
Result from subsidiaries after tax	3	-92,928	53,761
Other gains and losses after tax		-5,511	-2,465
Result		-98,439	51,296

1. GENERAL

1.1 PRINCIPLES FOR THE PRESENTATION OF THE COMPANY ACCOUNTS

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

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

1.2 INVESTMENTS IN SUBSIDIARIES

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

2. INVESTMENT PROPERTIES (x € 1,000)

	2012	2011
Balance at January 1	-	369,891
Purchases	-	-
Investments	-	-
Disposals	-	-369,891
Revaluation	-	-
Balance at December 31	-	-

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

3. INVESTMENTS IN SUBSIDIARIES (x € 1,000)

Movements are as follows:

	2012	2011
Balance at January 1	1,721,245	1,393,401
Exchange rate differences	573	15,196
Investments / divestments	-4,494	319,164
Revaluation of financial assets held for sale	-857	-105
Result subsidiaries	-92,928	53,766
Dividends	-56,897	-60,177
Balance at December 31	1,566,642	1,721,245

List of subsidiaries

At December 31, 2012, 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 III B.V.	100
Relovast IV B.V.	100
Espamad S.L.	100
Wereldhave U.K. Holdings Ltd.	100

*) Including indirect holdings 69.41%

4. OTHER FINANCIAL INVESTMENTS (x € 1,000)

	Receivables from subsidiaries	Other financial assets	Total
Balance at December 31, 2010	708,723	9,783	718,506
Exchange rate differences	12,112	-	12,112
Investments / withdrawal	441,804	18,081	459,885
Transfer to receivables	-131,462	-	-131,462
Divestments / redemptions	-301,597	-736	-302,333
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 from receivables	131,462	-	131,462
Divestments / redemptions	-71,706	-88	-71,794
Balance at December 31, 2012	959,656	28,149	987,805

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

5. RECEIVABLES

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

6. EQUITY

Share capital

The share capital of the company at December 31, 2012 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.

During 2011 part of the dividend 2010 has been paid out as stock dividend and this has increased the share capital with 231,083 shares of € 10 each. In the year 2011 4,313 shares were purchased for the long-term bonus plan of the Board of Management. These shares were rewarded to the Board of Management due to a decision of the Annual General Meeting of Shareholders on April 23, 2012 and became unconditional.

The movements in equity during 2012 and 2011 were as follows (amounts x € 1,000) **):

	Share capital	Share premium reserve	General reserve	Property revaluation reserve *)	Revaluation reserve subsidiaries *)	Hedge reserve *)	Reserve for exchange rate diff. *)	Result current year	Total
Balance at January 1, 2011	214,485	777,728	71,474	119,362	378,586	-	-39,077	88,673	1,611,231
Result distribution 2010	-	-	81,667	-2,367	9,373	-	-	-88,673	-
Exchange rate differences of foreign participations	-	-	-	-	-	-	13,600	-	13,600
Movement in reserves	-	-8,102	8,102	-116,995	116,890	730	-	-	625
Revaluation realised	-	-	37,620	-	-37,620	-	-	-	-
Purchase remuneration shares	-	-	-299	-	-	-	-	-	-299
Stock dividend over 2010	2,311	-2,311	-	-	-	-	-	-	-
Dividend payment over 2010	-	-	-84,539	-	-	-	-	-	-84,539
Profit for the year **)	-	-	-	-	-	-	-	51,296	51,296
Balance at December 31, 2011	216,796	767,315	114,025	-	467,229	730	-25,477	51,296	1,591,914
Result distribution 2011	-	-	38,064	-	13,232	-	-	-51,296	-
Exchange rate differences of foreign participations	-	-	-	-	-	-	356	-	356
Movement in reserves	-	-	-	-	-857	-568	-	-	-1,425
Purchase Genk (Belgium)-extension share capital Wereldhave Belgium	-	-	-798	-	-	-	-	-	-798
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
Balance at December 31, 2012	216,796	767,315	86,417	-	442,417	162	-25,121	-98,439	1,389,547

*) 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 (2011: € 733m).

General reserve

Allocation of profit over 2011

The General Meeting of Shareholders on April 23, 2012 determined the following allocation of the profit over 2011 (amounts x € 1,000):

Distributed to holders of ordinary shares	101,894
Added/withdrawn:	
- Revaluation reserve subsidairies	13,232
- General reserve	-63,830
Result after tax	51,296

Dividend 2012

The 2012 dividend proposal is explained in the ‘Other Information’.

Property revaluation reserve

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

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

Revaluation reserve subsidiaries

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

7. LONG-TERM LIABILITIES (x € 1,000)

	December 31, 2012				December 31, 2011
	Maturity < 1 year	Maturity 1 - 5 year	Maturity > 5 year	Total	Total
Debts to subsidiaries	45,950	14,100	-	60,050	22,096
Convertible bonds	-	447,212	-	447,212	441,855
Debt to financial institutions	74,000	400,475	190,857	665,332	507,761
Total	119,950	861,787	190,857	1,172,594	971,712

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.

Average effective interest

				2012				2011
	EUR	**GBP**	**USD**	**total**	EUR	GBP	USD	total
Short term interest bearing debt	0.7%	-	-	0.7%	-	1.0%	-	1.0%
Long-term interest bearing debt								
- unsecured								
Debts to subsidiaries	1.2%	0.5%	-	0.7%	2.6%	-	-	2.6%
Convertible bond	4.6%	-	-	4.6%	4.6%	-	-	4.6%
Debt to financial institutions	1.0%	3.0%	4.2%	3.5%	2.3%	2.3%	4.7%	3.5%
Cross currency interest rate swaps	1.9%	-	-	1.9%	-	-	3.2%	3.2%
- secured								
Interest rate swaps	-	-5.5%	-	-5.5%	-	-5.0%	-	-5.0%
Average	2.9%	1.0%	4.2%	2.8%	4.2%	0.8%	4.3%	3.5%

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

Fair value

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

		December 31, 2012		December 31, 2011
	carrying amount	**fair value**	carrying amount	fair value
Debt to group companies	**60,050**	**60,050**	22,096	22,096
Convertible bonds	**447,212**	**465,637**	441,855	426,356
Debt to financial institutions	**665,332**	**669,165**	507,761	499,553
	1,172,594	**1,194,852**	971,712	948,005

Currencies

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

8. SHORT TERM LIABILITIES (x € 1,000)

	December 31, 2012	December 31, 2011
Short term portion of long-term debt	**74,000**	-
Short term portion of long-term group dept	**45,950**	4,007
Cash & Bank	**45,929**	112,528
Other debts	**10,930**	9,640
Intercompany debt	**892**	-
Taxes on profit	**47**	68
Creditors	**18**	105
	177,766	126,348

9. STAFF

During 2012 the legal entity employed an average of 1.5 persons (2011: 2). The employees worked in The Netherlands.

10. AUDIT FEES

In 2012 Wereldhave and her subsidiaries have accounted for the following costs from the group auditor PwC:

	2012	2011
Audit of the Annual Accounts	**400**	360
Other audit services	**71**	96
Tax advisory services	**4**	33
Other non audit services	**13**	20
	488	509

Of the total amount of audit fees € 150,000 (2011: € 215,000) relates to The Netherlands. This consist of an amount of € 148,000 (2011: € 150,000) cost for the audit of the Annual Accounts, € 2,000 (2011: € 54,000) for other audit activities, € nil (2011: € 10,000) for tax advisors fees, whilst the remaining part relates to other non-audit services.

11. MANAGEMENT AND MEMBERS OF THE SUPERVISORY BOARD

For the remuneration of the members of the Board of Management and Supervisory Board reference is made to note 32 in the consolidated annual accounts.

12. RELATED PARTIES

All group entities are treated as related parties. Reference is made to note 43 in the consolidated annual accounts.

13. 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 € 42m (2011: € 486m). Capital investment commitments amount to € nil as per December 31, 2012 (2011: € 133m).

The company is the head of the corporate income tax and VAT units for which Dutch subsidiaries are also included.
The company is also jointly and severally liable for the tax of the tax units as a whole.

The Hague, March 1, 2013	Supervisory Board	Board of Management
	J.A.P. van Oosten	D.J. Anbeek
	F.Th.J. Arp	
	P.H.J. Essers	
	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)

	2012	2011
Profit	-98.4	51.3
Payment to holders of ordinary shares	71.5	101.9
- Revaluation reserve subsidaries	-2.2	13.2
- General reserve	-167.7	-63.8
	-98.4	51.3

Events after balance sheet date

Lone Star Funds and Wereldhave have reached agreement on the purchase and sale of Wereldhave's portfolio in the US on the 7 January 2013. The purchase price amounts to USD 720m and Wereldhave's net proceeds, after deduction of costs, are in excess of the book value at September 30, 2012. The disposal also triggers the release of a provision for deferred withholding tax.
The total proceeds of the disposal are approximately 5% above book value as per 30 September 2012. The transaction is scheduled to be completed during the first quarter of 2013.

On 8 February 2013 Wereldhave has reached agreement on the sale of nearly the entire UK portfolio. Total result on disposals are £ 243m, approximately 4% below book value as at 30 September 2012. The sales were completed in February 2013, with the exception of an office building in London, valued at £ 7m, which was taken out of the transaction.
After the disposals, Wereldhave's UK portfolio consists out of a plot of land, a development property and an office building. The closing cost for the UK amounts to approximately £ 1.5m.

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

Report on the financial statements
We have audited the accompanying financial statements 2012 of Wereldhave N.V., The Hague as set out on pages 48 to 105. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2012, the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2012, the company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Board of Management's responsibility
The Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the report of the Board of Management in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Wereldhave N.V. as at 31 December 2012, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Wereldhave N.V. as at 31 December 2012, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the Board of Management, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the report of the Board of Management, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, March 1, 2013
PricewaterhouseCoopers Accountants N.V.

Original version signed by drs. R. Dekkers RA

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