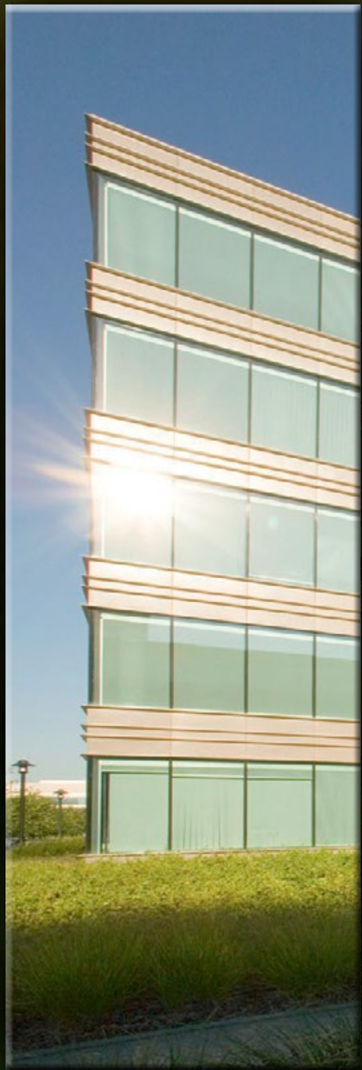
SHOPPING CENTRES

OFFICES



PROPERTY DEVELOPMENT

Annual financial report 2012

Wereldhave. Value for tomorrow.

WERELDHAVE BELGIUM

Contents

Consolidated annual report of the Board of Directors of the Management Company 2012

- Key figures past 5 years 3
- Key information, financial calendar 4
- General 5
- Strategy outline 6
- Corporate Governance and structures 7
- Report to the shareholders 29
- Results 30
- Development of the property portfolio 32
- Corporate social responsibility 33
- The Belgian real estate market 35
- Prospects 36

Real estate portfolio

- Portfolio summary 39
- Investment properties 40
- Development projects 41
- Real estate experts report 43

Consolidated annual accounts 2012

- Consolidated balance sheet 47
- Consolidated profit and loss account 48
- Global result statement 50
- Consolidated cash flow statement 50
- Consolidated statement of movements in equity 51
- Notes to the consolidated annual accounts (1 to 37) 52

Auditor's report 74

Statutory balance sheet and profit and loss account 78

Statement 81

General information about Wereldhave Belgium 82

Only the annual financial report 2012 drawn up in Dutch is legally binding.

Consolidated annual report of the Board of Directors of the Management Company 2012

Key figures past 5 years

	2008	2009	2010	2011	2012
Results *(x € 1,000)*					
Net rental income	25,157	25,947	25,322	26,238	**33,170**
Profit	26,567	15,793	21,054	38,301	**36,465**
Direct result [1]	22,291	22,768	22,495	23,126	**29,415**
Indirect result [1]	4,276	-6,975	-1,441	15,175	**7,050**
Balance sheet *(x € 1,000)*					
Investment properties [2]	381,095	381,873	395,381	398,408	**499,801**
Development projects	9,558	13,179	27,815	74,428	**55,244**
Shareholders' equity	383,801	380,980	380,691	397,909	**480,720**
Number of shares	5,331,947	5,331,947	5,331,947	5,331,947	**6,308,198**
Fair value investment properties [2] *(x € 1,000)*					
Retail	231,575	237,090	252,221	256,913	**377,503**
Offices	149,520	144,783	143,160	141,495	**122,298**
	381,095	381,873	395,381	398,408	**499,801**
Share data *(x € 1)*					
Direct result	4.18	4.27	4.22	4.34	**4.87**
Indirect result	0.80	-1.31	-0.27	2.84	**1.17**
Gross dividend	3.86	3.92	3.92	4.00	**4.25**
Net dividend	3.28	3.33	3.33	3.16	**3.19**
Net asset value before profit distribution	71.98	71.45	71.40	74.63	**76.21**
Direct result per share	4.18	4.27	4.22	4.34	**4.87**
Profit per share	4.98	2.96	3.95	7.18	**6.04**

[1] see note 3.23

[2] Fair value has been computed after deduction of the transaction costs (10% – 12,5%) incurred at the sales process, The independent real estate expert has carried out the valuation in conformity with 'International Valuation Standards' and 'European Valuation Standards',

Key information

	2008	2009	2010	2011	2012
Share price 31/12	48.01	61.5	68.5	66.9	82.50
Share price / Direct result 31/12	11.5	14.4	16.2	15.4	16.9
Market capitalisation 31/12 (mln)	256.0	327.9	365.2	356.7	520.4
Net asset value per share	71.98	71.45	71.4	74.63	76.21
Dividend	3.86	3.92	3.92	4.00	4.25
Dividend yield op 31/12	8.04 %	6.37 %	5.72 %	5.98 %	5.15 %
Pay-out ratio	92.3 %	91.8 %	92.9 %	92.2 %	87.3 %
Free float	30.7 %	30.7 %	30.7 %	30.7 %	30.6 %

Information

Information is available at Wereldhave Belgium:

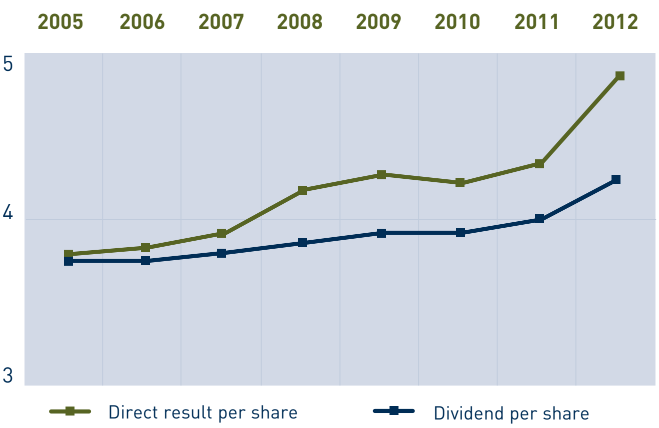
Tel: +32 2 732 19 00
investor.relations@wereldhavebelgium.com
www.wereldhavebelgium.com

Wereldhave Belgium shares are traded at the NYSE Euronext continuous stock exchange in Brussels.
Tickercode: WEHB / ISIN BE0003724383

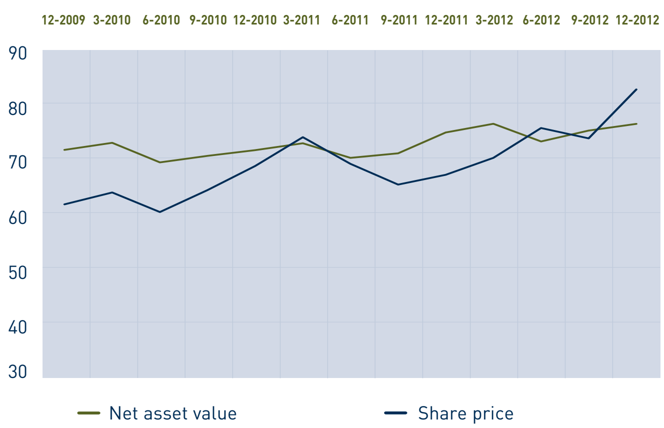
Financial calendar

10.04.2013	Annual General Meeting of Shareholders
15.04.2013	Ex-dividend date
17.04.2013	Dividend record date
18.04.2013	Dividend payable
03.05.2013	First quarter results 2013
31.07.2013	Half-year results 2013
30.10.2013	Third quarter results 2013
March 2014	Financial report 2013

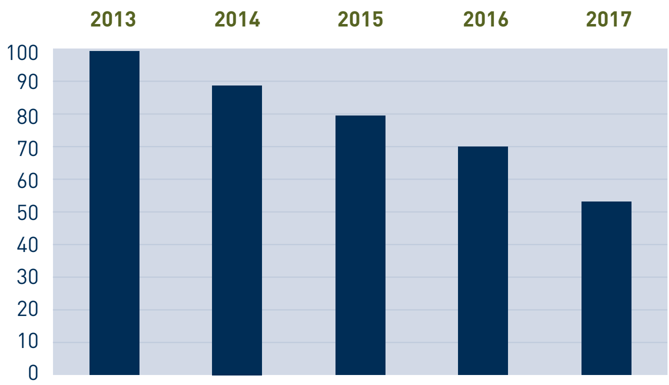
Direct result and dividend per share (x €1)



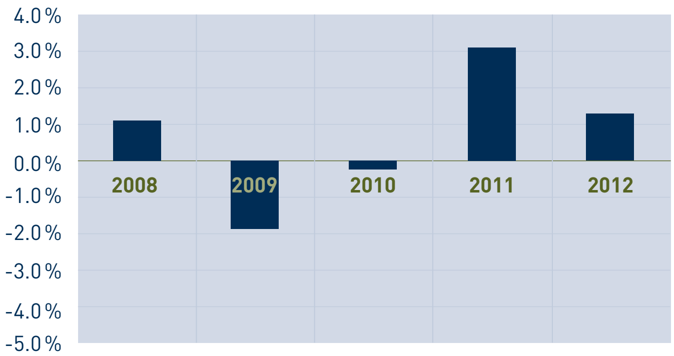
Share price / Net asset value (before distribution of profit, x €1)



Guaranteed rent compared to 2012 (in %)



Revaluation real estate portfolio



Organisation

Wereldhave Belgium is a listed investment company with a focus on commercial real estate in Belgium. For its new investments, Wereldhave Belgium focuses on shopping centres. The value of the investment properties portfolio, including development properties, amounts to € 555.0 mln. The existing retail portfolio of € 377.5 mln (75 % of the total portfolio) contains shopping centres in Liège, Nivelles, Tournai and Genk. In addition, the portfolio contains offices in Brussels and Antwerp. The development portfolio of € 55.2 mln comprises renovations and expansions of shopping centres in Genk, Gent, Tournai and Waterloo.

Wereldhave Belgium wants to create value by actively managing shopping centres and (re)developing shopping centres for its own portfolio. Via its own employees, Wereldhave Belgium maintains direct contact with the tenants. That way, Wereldhave Belgium is immediately aware of the concerns of its tenants and has recent market information at hand. This knowledge is also used when developing other projects.

Structure

Wereldhave Belgium has been a Real Estate Investment Fund (Sicafi) since 15 January 1998. The fund is governed by the Royal Decree of 7 December 2010 and by the law of 20 July 2004 and is recognized as such by the Financial Services and Markets Authority.

The company has the fiscal status of a Real Estate Investment Fund and is, therefore, not subject to corporate tax, except on possible exceptional profits and on disallowed expenditures.

Wereldhave Belgium Services SA, a wholly-owned subsidiary of Wereldhave N.V., acts as real estate manager of the investment properties portfolio.

Wereldhave Belgium shares are traded at the NYSE Euronext continuous stock exchange in Brussels.

Wereldhave N.V., The Hague, held 69.41 % of the shares directly or indirectly at 31 December 2012.

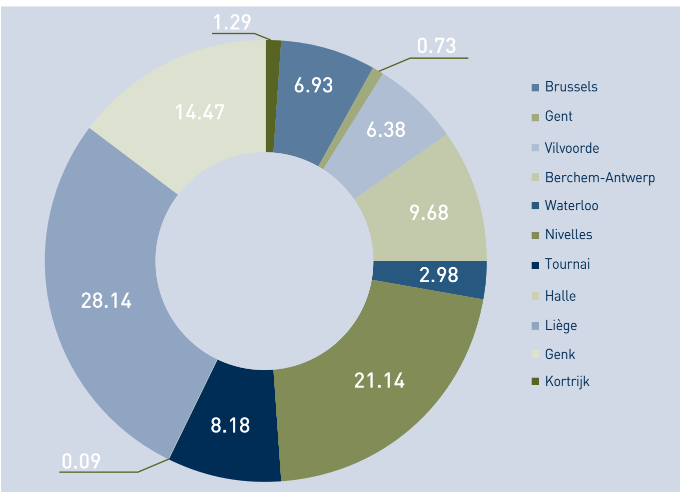
Property valuation

Wereldhave Belgium values its properties at market value, less transaction costs. The portfolio investment properties is valuated externally every three months by independent real estate experts.

Financial position

Wereldhave Belgium has solid balance sheet ratios. With a debt ratio of 16.2 % (statutory 16.2 %) and a solvency of 83.0 %, Wereldhave Belgium is one of the most solid property funds listed in Europe.

Geographical breakdown (as a % of fair value)



Rental income vs. market rent (x € 1000)

Strategy outline

Mission

Wereldhave Belgium's mission is to be a professional property investor and landlord generating an attractive long-term investment result in combination with a low-risk profile on its entire property portfolio. Shopping centres are preferred as future investments and/or expansions.

Strategy

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

1. achieving rent growth through active management of shopping centres
2. (re)developing shopping centres for its own portfolio.

Wereldhave Belgium spreads the risks of its investments across different regions in Belgium.

Active management

Wereldhave Belgium invests in shopping centres that are dominant in their catchment areas. With active management by its own specialists, the sicafi continues to reinforce the market position of its centres, focusing on increasing visitor numbers, retail sales and rental income. It invests in the appeal, quality and sustainability of its shopping centres. With their high occupancy levels, shopping centres contribute to the consistency of Wereldhave Belgium's results.

In-house development

The second method of value creation is to develop high-quality property at cost for the Company's own portfolio. In-house development of projects makes it possible to optimally gear the quality to user demands and the timing of the investment to market conditions.

Objectives

Wereldhave Belgium aims to achieve stable growth in the direct result per share and dividend, with a payout ratio of at least 80 % (legal minimum).

Wereldhave Belgium aims to an increase in its shopping centre exposure in the portfolio investment properties. The gradual disposal of the office properties will be continued when sales opportunities occur.

Wereldhave Belgium has solid capital ratios with a current solvency rate of approximately 83.0 %. In view of this context, the Management Company considers it acceptable to fund growth by lowering the solvency margin. This will enable Wereldhave Belgium to utilise any attractive acquisition opportunities as they come up in the period ahead.

Corporate Governance and structures

Introduction

Wereldhave Belgium attaches great importance at achieving a balance between the interests of the providers of risk-bearing capital and the other stakeholders in the company. Matters such as transparency, adequate provision of forward-facing information and business ethics, form a part of this philosophy. Business ethics is anchored in 'Business Principles' and Code of Conduct for staff, both of which are published on our website www.wereldhavebelgium.com.

Wereldhave Belgium fully applies the Belgian Corporate Governance Code 2009. The code can be found on http://www.corporategovernancecommittee.be
The size the Company is considered here as is the specific management structure of Wereldhave Belgium, and therefore the Corporate Governance Principles are relevant for the management structure of the Management Company.

The Board of Directors shall dedicate a specific chapter to Corporate Governance in its Annual Report, in which the Corporate Governance practices in the tax year of the Company are discussed, including the specific information required by the applicable legislation and the Corporate Governance Code. In compliance with Section 96 §2 of the Companies Act, the Corporate Governance Statement must at least include the following information:

- the Corporate Governance Code applied by the company;
- the main characteristics of the internal systems for control and risk management (regarding financial reporting);
- the shareholders structure, as deducted from the transparency statements the company has received from its shareholders and specific financial and business information and
- the composition and operation of the management and its committees.

The Company is a partnership limited by shares offering an issue for public subscription and whose shares are noted on the NYSE Euronext Brussels stock exchange. The Company is listed as investment company as provided by Section 19 of the Law of 20 July 2004 regarding some forms of collective management of investment portfolios, and is recognised by the FSMA as public Real estate investment fund under Belgian law (Real estate investment company with fixed capital).

The Company endeavours stable growth of the direct result and dividend. In order to achieve this, value creation and risk spreading are central to the Company's strategy. Value creation for the Shareholders mainly occurs by:

1. Realising rental growth by active management of shopping centres;
2. (Re)developing shopping centres for the own portfolio.

The Company spreads the risk of its investments over the various regions in Belgium.

The rules, procedures and work methods on which the management and control of the Company are based are defined in the Corporate Governance Charter and its Annexes.

Compliant to Section 96, §2, 1° of the Companies Code (as modified by the Law of 6 April 2010 to reinforce the good governance of listed companies) and the Royal Decree of 6 June 2010 including the Corporate Governance Code for good governance by listed companies the Company applies the Corporate Governance Code as its reference code.

The Corporate Governance Charter is subject, without prejudice to the articles of association of the Company and the relevant provisions in Belgian law, like the Company Code. Possible summaries or descriptions of legal and statutory provisions, Company structures or contractual relations in the Corporate Governance Charter are only clarifications and should not be construed as judicial or fiscal advice on the interpretation or enforcement of such provisions or relations.

The Corporate Governance Charter must be read together with the articles of association of the Company, the Annual report and other information made available by the Company occasionally. Additional information on any fiscal year relating to the pertinent changes and events of the previous fiscal year will be communicated in the Corporate Governance Statement, which is a specific chapter of the Annual report.

The Corporate Governance Charter can be consulted on the website of the Company (www.wereldhavebelgium.com) and will be revised as often as necessary.

Description of the structure of the Corporate Governance

The Company has the legal form of a Partnership limited by shares under Belgian law.

The Company has active and sleeping partners. The active partners are principally and unlimited liable of all obligations of the Company. The sleeping partners are responsible for the debts and losses of the Company merely up to the amount of their input, providing that they do not carry out any management acts.

1. Statutory Management Company

Based on its articles of association, the Company is managed by one or several Management companies, which must have the capacity of acting partner.

The Management Company is appointed by an Extraordinary General Meeting of Shareholders, held before a notary public and in accordance with the requirements for change of its bylaws.

The Management Company is competent to carry out all actions of internal management which are necessary or useful to realise the Company's object, with the exception of those actions legally reserved to the General Meeting of Shareholders.

The Management Company carries out its duty through its Board of Directors. The appointment as Management Company is unlimited in time.

2. Board of Directors

According to Law and its articles of association, the Company is managed autonomously and exclusively in the interest of the Shareholders. This principle is very strictly applied: the Company, the Board of Directors and the Executive Managers do not pay attention to special interests of Shareholders, of the Management Company, of the Directors, of the Promotor or of the Executive Managers. The interests considered in the scope of the management of the Company are not limited to the Shareholders and extend to all elements of the notion 'social interest' to which is referred in the Belgian Companies Code.

The Board of Directors is the leading body of the Company. It acts collegially.

The Board of Directors has the task of defining the strategic direction of the Company, the supervision of the management of the Managing Directors and the general state of affairs in the Company and its Affiliates, in order to raise the long term value of the Company on behalf of the Shareholders. For that purpose it examines whether the risks are assessed correctly and verifies if they are addressed through regular and strict controls.

The Company's responsibility, mix and diversity in general, are a.o. criteria helping the Board of Directors in its decision making process.

The Board of Directors has both a supervisory and advising role directed to the interest of the Company, the company and all its Shareholders. The Board of Directors acts as a college with a mutual responsibility without mandate and independent of the partial interests involved in the Company.

2.1 Composition

The Board of Directors is composed of a minimum of four members, of which:

- a majority are non-executive Directors, i.e. Directors who have no active functions in the Company;
- at least three Directors qualify as 'independent' in the sense of the Companies Code and Annex A of the Corporate Governance Code; and
- a majority of Directors have no connection with the promoter.

The list of the members of the Board of Directors, published in the Corporate Governance Statement, indicates which Directors are independent.

The Board of Directors is composed in such a way that a balance of competences and professional experience in disciplines such as real estate, finance and general management exists, without excluding candidate Directors whose experience in other areas and personality would be assets to the Company.

Every Director also must have the personal attributes enabling him to execute his mandate flexibly and collegialy, but with full independence of mind. He must have an immaculate reputation of integrity (mainly at the level of confidentiality, conflicts of interest and the prevention of abuse of privileged information), have a critical and business-like attitude and be able to develop a strategic vision.

Every Director must also be sufficiently motivated and have enough time to be present at the meetings of the Board of Directors – and if need be at the meetings of the committees he is member of – and prepare those meetings.

For the composition of its Board of Directors the Company prefers complimentarity of the competences, experience and knowledge and, as much as possible, a mix of genders and diversity in general.

Two Directors are appointed as Managing Directors and are in charge of the day-to-day management of the Company. In accordance with Section 38, § 2 of the Law of 20 July 2004 on certain types of collective management of investment portfolios, they qualify as 'Executive Managers'. The Managing Director does not also act as Chairman of the Board of Directors. The Managing Directors are assisted by a compact management organisation in the execution of their duties.

The Board of Directors decided not to create a 'management committee' in the sense of the Companies Code.

2.2 Duration, appointment, evaluation and extension of the Directors' mandates

2.2.1 Duration

The duration of the Directors' mandates is limited to four years. The mandates are renewable.

The Directors are appointed and their mandate is renewed by the General Meeting of Shareholders of the Management Company, on proposal by the Board of Directors.

In order to ensure the continuity of duties of the Board of Directors and to prevent several Directors resigning concomitantly, the Board of Directors establishes a schedule on the basis of which Directors step down.

2.2.2 Appointment

In accordance with Section 38, § 2 of the Law of 20 July 2004 on certain types of collective management of investment portfolios the persons involved in the management or policymaking of the Company, without participating in the effective management, must possess the required know-how and appropriate experience for the execution of their task.

Before submitting proposals to the General Meeting of Sharholders the Board of Directors shall:

1) Collect advice and recommendations, in particular:
- regarding the number of Directors it deems desirable, without falling under the legal minimum,
- regarding the consistency of the profile of the Director whose mandate could be extended as required by the Board of Directors,
- regarding the definition of the suitable profile, based on the general selection criteria for the Directors and based on the latest evaluation of the operation of the Board of Directors (which demonstrates the current and required competences, know-how and experience within the Board of Directors), and possible special criteria applied in the search for one or several new Directors,

2) for its part interview the candidates, if required check their *curriculum vitae* and references, take note of their other mandates (in listed Companies or other) and evaluate them.

The Board of Directors ensures that appropriate plans exist for the succession of the Directors, ensures that each appointment or each renewal of Directors mandates, both for Executive and non-executive Directors, guarantee the continuity of operations of the Board of Directors and its committees and maintain the balance in the competences and experience amongst their members.

Non-executive Directors are fittingly made aware of the scope of their duties when they place their candidature, in particular on the time management in the context of their assignment. They may not consider more than five directorships in listed Companies. Possible changes in their other relevant commitments and new commitments outside the Company, are communicated to the Chairman of the Board of Directors at the appropriate time.

Each proposal for appointment of a Director by the General Meeting of Shareholders is associated with a recommendation by the Board of Directors. The proposal indicates the proposed duration of the mandate, which may not be longer than four years, and contains relevant information about the professional qualifications of the candidate, together with a list of the functions already filled by the candidate. The Board of Directors indicates which candidates meet the independence criteria of Annex A of the Corporate Governance Code. Without prejudice to the applicable legal provisions in this matter, appointment proposals are notified at least 30 days before the General Meeting of Shareholders together with the other topics on the agenda.

In case of (re)appointment, it is necessary to proceed to a prior review to the profile's attributes. The reasons for re-appointment will be explained to the General Meeting of Shareholders. For re-appointment the way the candidate has filled his task as Director is considered. The presence during the underlying session period of a conflict of interest will be involved in the decision.

If one or more Directors' mandates become available, the remaining Directors have the right to fill these provisionally until the next General Meeting of Shareholders which will carry out the final election.

2.2.3 Professional development

The Chairman ensures that new Directors receive an adequate initial training to enable them to contribute quickly to the Board of Directors.

The Directors shall permanently update their knowledge of the business of the Company and the development of the real estate sector. The Directors allocate sufficient time to efficiently carry out their function and take on their responsibilities.

2.2.4 Evaluation

Under the leadership of its Chairman, the Board of Directors regularly evaluates (at least every two to three years) its extent, composition, performance and that of its committees, as well as its interaction with the Executive Managers.

This evaluation process strives for four objectives:

- assess the operation of the Board of Directors and its committees;
- check whether the important subjects were appropriately prepared and discussed;
- evaluate the actual contribution of every Director, his presence at the meetings of the Board of Directors and the committees as well as his constructive involvement in the discussions and the decision making process; and
- determine whether the current composition of the Board of Directors or the committees is in line with the desirable one.

The non-executive Directors regularly evaluate their interaction with the Executive Managers. They meet at least once a year for that purpose.

The contribution of each Director is periodically assessed to – considering changing circumstances – adapt the composition of the Board of Directors. In case of re-appointment the commitment and efficiency of the Directorit is evaluated, in accordance with a previously defined transparent procedure.

Based on the results of the evaluation, the Board of Directors acts by identifying strengths and dealing with weaknesses. As the case may be, this entails that new members are presented for appointment, that there are proposals for not renewing the mandate of existing members or that measures deemed necessary to the efficient operation of the Board of Directors are taken.

The Board of Directors can decide to be assisted by external specialists in this evaluation process.

Under the leadership of the Chairman, the Board of Directors notes the self assessment reports of the Committees it created, evaluates the composition and extent of these Committees and decides on the possible adjustments proposed by these Committees.

Upon preparation of the Corporate Governance Statement of the Annual report, there will be an annual evaluation of the compliance with procedures, rules and regulations applicable to the Board of Directors.

The Corporate Governance Statement contains information on the main characteristics of the evaluation process of the Board of Directors, its committees and its individual Directors.

2.3 Remuneration of the Directors

The amount of the remuneration of the non-executive Directors is defined by the General Meeting of Shareholders of the Management Company, upon proposal of the Board of Directors.

The total remuneration consists of an annual fixed amount.

The amount of remuneration of the executive Directors is defined in an agreement with the Management Company and is defined by the Board of Directors. The same procedure applies to any review of the remuneration of the Executive Managers.

The Remuneration policy of the Company aims to offer to those involved in the management of the Company such a remuneration that enables to attract the desired profiles, keep and motivate them, which is in line with the characteristics and challenges of the Company, while the risks are managed healthily and effectively and the costs for the various remunerations remain under control.

The Company wishes to offer those involved a remuneration level that equals the fees offered by other Companies for similar functions.

To remain up-to-date with the remunerations paid out in the market, the Company participates in benchmarks by social secretariats or specialised consultants. It sometimes consults those specialists, outside any benchmark.

For the identity of the various categories of beneficiaries of fees, please refer to the other chapters of the Corporate Governance Charter.

Management Company

For the execution of its mandate, the Management Company receives a fixed fee. This fee covers the expenses of the independent Directors. For the non-independent Directors, no expenses are currently charged to the Company. The remuneration reflects the responsibilities and the time allocation of the independent Directors, in relation to the limited scope and complexity of the Company.

The remuneration method of the Statutory Management Company is described in the articles of association of the Company. It can therefore only be modified by a decision of changing the articles of association by the General Assembly of Shareholders. The fee of the Management Company in 2012 is set at € 95,000.

The fee is due per calendar year, but only becomes payable after approval of the annual accounts of the tax year by the General Meeting of Shareholders.

The calculation of the fee is subject to control by the Auditor.

Directors

Directors do not receive performance-linked remuneration and no remuneration in shares or stock options, nor advantages in kind or benefits linked to pension schemes.

List of individual remunerations on tax year 2012:

Non-executive Directors	**Fixed**
Dirk Goeminne BVBA (as from 1 April 2011) represented by Dirk Goeminne	15,000
MDCS BVBA (as from 1 April 2011) represented by Philippe Naert	15,000
GEFOR SA (as from 1 April 2011) represented by Jacques de Smet	15,000

Executive Directors

J. (Hans) Pars (till 31 July 2012)	unpaid mandate
D. Anbeek (as from 31 July 2012)	unpaid mandate
L. Plasman	unpaid mandate (employee statute)

2.4 Current members of the Board of Directors

The Board consists of the five following members:

- Johannes (Hans) Pars (50) residing at Nieuwegracht 52, 3512 LT Utrecht, NL, was Managing Director until 31 July 2012.
  (attendance rate in 2012: 100 %)

- Dirk Anbeek (49) residing at Breelaan 55, 1861 GD Bergen, NL, is Managing Director since 31 July 2012. His mandate terminates immediately after the General Meeting of Shareholders of 2016. Mr. Anbeek is also Managing Director of Wereldhave SA.
  Nationality: Dutch
  (attendance rate in 2012: 100 %)

- Luc Plasman (59), residing in Puydt 20, 1547 Bever, Director and Managing Director since 1 July 2011, forms the executive management of Wereldhave Belgium with D. Anbeek. He has long experience in (re)development of property projects and also is Chairman of the Belgian Luxembourg Council for shopping centres.
  His mandate terminates on 30 June 2015.
  Nationality: Belgian
  (attendance rate in 2012: 100 %)

- Dirk Goeminne BVBA (Oudeheerweg-Heide 77, 9250 Waasmunster) permanently represented by Dirk Goeminne (57), qualifies as independent Director. Dirk Goeminne has international experience in various retail groups and therefore can have important input in strategic decision making.
  His mandate terminates on 31 March 2015.
  Nationality: Belgian
  Other directorships in listed companies:
  VandeVelde SA, Ter beke
  (attendance rate in 2012: 100 %)

- MDCS BVBA (Fairybankhelling 2/202, 8670 Koksijde), permanently represented by Philippe Naert (69), qualifies as independent Director. Philippe Naert has international experience in general management and marketing.
  His mandate terminates on 31 March 2015.
  Nationality: Belgian
  Other directorships in listed companies: none
  (attendance rate in 2012: 100 %)

- GEFOR SA (Hagedoornlaan 96, 1180 Brussels), permanently represented by Jacques de Smet (63), qualifies as independent Director. Jacques de Smet has international financial experience in various types of Companies.
  His mandate terminates on 31 March 2015.
  Nationality: Belgian
  Other directorships in listed companies:
  Elia SA, SABCA SA
  (attendance rate in 2012: 100 %)

2.5 Statements on Directors and Executive management

Wereldhave Belgium NV, Statutory Management Company, confirms, based on the information at its disposal, that:

- for at least the past five years neither it, nor its Directors or, in case of Companies acting as Director, their permanent representative, nor members of the Executive Management:
  - have been convicted of fraud;
  - were the subject of official or publicly expressed accusations and/or imposed sanctions by a legal or supervisory authority (including recognised professional organisations), or ever been declared incompetent to act as member of the management of a Company or to act in the context of the management or the execution of the activities of a Company;
  - have had a leading function as member of the management, leading or supervisory bodies of a Company that have been declared bankrupt, under legal composition or in liquidation.
- there are currently no employment agreements or service providing agreements with Directors, nor with the company, nor with the Statutory Management Company, providing for specific payments at the termination of employment;
- the employment agreements or service providing agreements concluded between the Statutory Management Company and/or the Company and the members of the Executive Management do not provide specific payments at the termination of employment.

2.6 Chairmanship

The Board of Directors appoints one of its independent Directors as Chairman, based on his knowledge, know-how, experience and mediation skills.

The role of the Chairman consists in independently facilitating the operation of the Board of Directors and promoting the quality of the management of the Company.

The Chairman has the specific duties of:

- communication with the Managing Director(s);
- standing as Chairman of the Board of Directors and the associated tasks, as set out in the Corporate Governance Charter and the articles of association of the Company;
- leading the General Meeting of Shareholders;
- negotiating with the possible advisors appointed by the Board of Directors;
- discussing the results of the annual evaluation of the operation of the Board of Directors with the members of the Board;
- The Chairman also takes initiatives on subjects such as selection, (re)appointment of members of the Board of Directors, fees, contacts/communication with external advisers, in preparation of the debate on these subjects at the plenary meeting of the Board of Directors; and
- The Chairman ensures in particular that best practice for Corporate Governance is applied to the relations between the Shareholders, the Board of Directors and the Executive Managers.

The Chairman further ensures that:

- new members of the Board of Directors follow an introduction and training programme;
- the members of the Board of Directors receive all required information for the correct execution of their task on time; and that
- there is enough time for consultation and decision making by the Board of Directors.

Furthermore, the Chairman carries out the tasks appointed to him by law, the articles of association of the Company and the Board of Directors.

2.7 Tasks of the Board of Directors

In addition to its legal and statutory obligations, the Board of Directors carries out the assignment of Management Company and in such capacity is entrusted with the following tasks:

- The Board of Directors will watch over the values and the strategy of the Company, its willingness to take risks and the main management policies.
  - Strategic decisions including investments and disinvestments, lease strategy, the general operation of the Company and decide on any iniative presented to the Board of Directors;
  - The Board of Directors provides the necessary financial and human resources to enable the Company achieving its objectives;
  - When achieving its objectives the Board of Directors takes social responsible enterprising and diversity in general into account.

- The Board of Directors supervises:
  - the performance of the Executive Management and the achievement of the Company's strategy;
  - the efficiency of the Audit committee;
  - the integrity of the Company;
  - the timely publication of financial and non-financial information in compliance with existing legislation and regulations;
  - approving a structure of internal control and risk management and evaluate its implementation, taking the evaluation of the Audit committee into account;
  - the performance of the Auditor and the internal audit

function, taking the evaluation of the Audit committee into account;
   - a description of the main features of the internal control and risk management systems and their publication.

- The Board of Directors decides on the structure of the Executive Management and defines the competences entrusted to the Executive Managers. They will be integrated in the internal regulations of the Board of Directors and the executive management.

- Taking measures for a smooth and effective dialogue with the current and potential Shareholders, based on mutual understanding of objectives and interests.

- Ensuring that the obligations to all Shareholders are met.

2.8 Compliance with applicable rules

By accepting his mandate, the Director complies with all the applicable rules of the Management Company and with regard to the Company, and in particular the legislation on real estate management companies, the articles of association of the Company and the Management Company, the Corporate Governance Charter and the Terms of Reference.

2.9 Right of information

Any Director, both of the Management Company and the Company, has the right to receive all information and documents required for the correct execution of his function, except information and documents relating to 'corporate opportunities', defined in the Corporate Governance Charter, and in the cases defined therein.

2.10 Operation

General

The articles of association of the Company provide that the Management Company must be organised in such a way that within its Board of Directors at least two physical persons collegialy supervise the Managing Directors for actions relating to the Company.

Frequency

The Board of Directors meets at least four times a year, and as often as necessary.

Frequency and schedule of the meetings are defined by the Board in close consultation with the Managing Directors. The meeting schedule is defined for the whole calendar year at the end of the third quarter of the previous calendar year at the latest.

The Board of Directors discusses the strategy and the risks related to the Company at least once a year.

Notice of meeting and agenda

The Board of Directors meet after notice by its Chairman or two Directors. The notice must occur at least 24 hours before the meeting.

The notices are validly made by letter or any other telecommunication means with a material carrier. They include the agenda.

The agenda indicates the topics that will be addressed at the meeting.

The Chairman ensures that the Directors receive appropriate and correct information in due time before the meetings in order to enable the Board of Directors to make knowledgeable deliberations.

In the preparation of the meeting of the Board, the Directors spend enough time on examining the information and the documents they receive, and request additional information and documents when they deem it appropriate. They shall actively participate in the work of the Board of Directors.

Chairmanship and secretariat

The Chairman presides every meeting. If absent he will be replaced by the oldest Director.

The Board of Directors has appointed a secretary of the Company, who also fills the function of Compliance Officer. All Directors have access to the secretary.

Proxies

Any Director unable to attend can be represented by another member of the Board of Directors at a specific meeting. The proxy must occur in writing, or by any other means of telecommunication with a material carrier.

A Director can represent several colleagues and vote, in addition to his own vote, as many times as he had proxies.

Decisions, quorum and majority

Unless in case of force majeure, the Board of Directors can only validly deliberate and decide if at least half of its members are present or represented. If that condition is not met, a new meeting must be called which, providing that two Directors are present or represented, will validly deliberate and decide on the topics on the agenda of the previous meeting.

Any decision of the Board of Directors is taken by absolute majority of the present or represented Directors and, if one or several abstains, at majority of the other Directors. In case of division, the vote of the person presiding the meeting is decisive.

All Directors have one vote. Blank votes and abstentions are considered as not cast when the number of votes is counted. If after a second vote the majority about a decision to be made is not obtained, the proposal is considered rejected.

In exceptional cases that can be suitably justified by utmost urgency and the interest of the Company the Board of Directors can take decisions in writing. However, this procedure can not be used for the approval of annual accounts and, as the case may be, for a call of the authorised capital. The wrtitten decisions must be taken by unanimous agreement of the Directors. The signature of the Directors will be placed either on a single document, or on several copies thereof. Those decisions will have the same validity as if they were taken at a regular meeting of the Board of Directors and will carry the date of the latest signature placed by the Directors on the document mentioned above.

Minutes

The deliberations and votes of the Board of Directors give a summary of the discussions, specify the decisions taken and indicate possible reservations of specific Directors.

They are signed by the Chairman of the Board of Directors and at least one other Director and the members who so wish.

The original is destined for archiving by Wereldhave Belgium NV, the Company keeping a copy for its own archives.

The Chairman, a Managing Director, both acting together with another Director, are autorised to certify copies or excerpts of the minutes.

2.11 Conflicts of interest and conflicts of functions

The Director arranges his personal and business interests in such a way that any conflict with the interest of the Company is excluded and is in the sole interest of the Shareholders.

The Director informs the Board of Directors of any conflict of interest and in such case does not take part to the vote on the item concerned, in compliance with the Company Code.

Any Director who detects that an action presented to the Board of Directors is of such nature to interest another Company in which he holds a Director's mandate or any other mandate, immediately informs the Chairman of the Board of Directors. Unless if the unit to which he belongs applies appropriate 'Chinese Walls' procedures, he withdraws from any deliberation and decision process relating to this action and does not receive the information relating to it, in accordance with the provisions in the Corporate Governance Charter .

A Director may accept mandates in other Companies, if he does not execute more than five Directorships in listed Companies and complies with the transactions on the publication of these mandates defined in the Corporate Governance Charter. Any Director planning to accept a directorship in addition to the one carried out (with the exception of Director mandates in Companies controlled by the Company and Director's mandates which in the opinion of the Director involved are not of such nature to influence his availability), reports this fact to the Chairman with whom he examines whether this new burden leaves him sufficient availability for the Company.

2.12 Transactions in securities of the Company

For transactions in securities of the Company, the Director is subject to preventive rules on market abuse in Annex 7 to the Corporate Governance Charter.

He must inform the Compliance Officer prior to any transaction, among others.

2.13 Integrity and dedication

For all Directors, both executive and non-executive, and for the latter irrespective of whether they are independent or not, it is necessary that they can decide based on independent judgement.

The Directors ensure that they receive detailed and accurate information, they will study in depth to obtain and maintain good insight in the main aspects of the company activities. They request clarification whenever they deem it necessary.

Although they are part of the same body, both executive and non-executive Directors each play a specific complementary part in the Board of Directors:

- the executive Directors provide the Board of Directors with any relevant and financial information to ensure the latter can effectively fulfil his role;
- the non-executive Directors present the strategy and the main policy lines, as proposed by the Executive Managers, in a critical and constructive way for discussion, and help elaborating it further;

- the non-executive Directors meticulously assess the performance of the Executive Managers in view of the agreed objectives.

Directors must cautiously treat the confidential information they received in their capacity of Director.

A Director will intermittently resign in case of insufficient participation, structural discordance of insights, incompability of interests or when it is otherwise warranted, such as if it has appeared on sufficient grounds that the integrity of the Director is jeopardised.

A business relation between a Director and the Company will be reported in the Annual report.

A Director immediately reports a (potential) direct or indirect conflict of interest to the Chairman. A Director involved in a conflict of interest situation shall provide all information to the Chairman, including the relevant information on his spouse, registered partner or other life partner, foster child and blood relatives and relatives in the second degree. This Director will not participate in the evaluation of the Board of Directors on the existence of a conflicting interest.

A 'conflicting interest' exists when the Company plans to enter a transaction with a legal entity:
(i) in which the Director has a personal financial interest;
(ii) a manager of which has a family relation with a Director; or
(iii) for which a Director fills a managerial or supervising function.

The number of management mandates of a member of the Board of Directors in other listed companies and similar functions in unlisted companies or organisations is limited to guarantee a good distribution of tasks. For defining the number of director mandates can be deemed acceptable in such Company types in individual cases, the work burden resulting from thise functions is ultimately decisive. The maximum number of directorships in listed companies is five however.

Each Director states all director's positions and similar other functions in November, which are likely to influence the work load. Declaration is made by updating a curriculum vitae to be sent out by the Secretary for publication in the Annual report. In the Annual report the age, profession, main function, nationality and all other director's mandates in listed companies of all individual directors are provided for. Furthermore the main side functions, if interesting for the fulfilment of the task of Director, are indicated.

The Directors need the approval of the Board of Directors for accepting directorships in other listed companies and similar functions in unlisted companies or organisations. The members of the Board of Directors will request approval prior to the publication of a possible appointment. The request will be submitted to the Chairman. The Chairman shall submit such a request relating to himself to two other members of the direction.

The Board of Directors takes all necessary and useful measures for effective and efficient application of the Belgian regulation on market abuse. In that context it complies with the provisions and directives included in a policy (Annex 7) to the Corporate Governance Charter which is an integral part of it.

3. The committees of the Board of Directors

In compliance with the Sections 522, 526bis and 526quater of the Companies Code, the Management Company may, in its lap and under its exclusive liability, create one or several advisory committees, such as, for example, a strategic committee, an audit committee, an appointment committee and a remuneration committee, and set their internal regulations.

The Board of Directors has created an Audit committee. The role, the composition and the operation thereof are defined in the Internal Regulation of the Audit Committee in Annex 3 to the Corporate Governance Charter and is an integral part of it. Moreover, the Board of Directors defines the composition and the operation of the committee in the Corporate Governance Statement.

As the Company only meets one of the three criteria defined by Section 526 of the Companies Code, the Board of Directors has decided not to create a strategic committee, an appointment committee and a remuneration committee. The Board of Directors considers the tasks concerned as tasks of the plenary Board of Directors. The Board of Directors is of the opinion that its limited scope enables efficient consultation on the concerned topics, which means those separate committees are superfluous. For the same reason no supervisory college of the Executive Managers is created as the responsibilities are executed by the Directors who are not Executive Managers.

3.1 The strategic committee

The strategic committee discusses subjects which can impact on the Company strategy. In view of the limited number of Directors and the importance of strategic thinking exercises this task is filled by the plenary Board of Directors. The strategic committee is presided by the Chairman.

3.2 The Audit committee

3.2.1 Composition and remuneration

The committee consists of two members appointed by the Board of Directors of the Management Company from the independent Directors. Complying with the recommendation of the Corporate Governance Code that the Audit committee at least needs to have three members would lead to it that almost the whole Board is part of the Audit committee.

The members of the Audit committee must have relevant knowledge and experience corresponding with the provisions of Corporate Governance Code, in particular in accounting, audit and financial matters, with a least one 'independent' Director holding a higher studies certificate in economics or finance or has acquired relevant experience in these matters. The Chairmanship of the Audit committee is not filled by the Chairman.

The length of the mandate of the members of the Audit committee may not exceed the length of their Director's mandate. The end of the mandate of Director of a member of the Audit committee results in the end of his mandate in the Audit committee.

If a maximum of four meetings are held per year, the members of the Committee are not paid session fees, unless otherwise decided by the Board of Directors.

3.2.2 Chairmanship

The Board of Directors of the Management Company appoints the Chairman of the committee. He may not be the Chairman of the Board of Directors of the Management Company.

The Chairman of the Audit committee calls the meetings and defines the agenda, after consulting the Financial Director (CFO).

The Financial Director (CFO) ensures that the members of the Committee, after critical and constructive discussion of the points on the agenda, reach a consensus.

The Chairman takes the necessary measures to create a climate of trust within the Committee and ensures its efficient operation. He ensures amongst others that each new member of the Committee is induced smoothly, with the necessary personal contacts and the communication of useful information regarding the operation of the Committee to guarantee a quick and efficient co-operation.

The Chairman is also the privileged conversation partner of the Board of Directors for any matter the Committee is competent for.

3.2.3 Responsibilities

The Audit Committee helps the Board of Directors and the Executive Managers with monitoring the accuracy and sincerity of the Company accounts and the quality of internal and external audits and the information supplied to Shareholders and the market. With that purpose the Committee advises and makes the necessary recommendations to the Board of Directors of the Management Company and the Executive Managers.

Special tasks of the Audit committee:

1. In the context of financial reporting and monitoring of the process for its compilation:
    - ensure the accounting integrity of the financial information provided by the Company; compiling statutory annual accounts, consolidatd accounts, quarterly reports and designing important financial communication for publication;
    - examine any change in application of the accounting principles, analyse and validate the evaluation rules and reporting;
    - inform with the Financial Director (CFO) on methods used for accounting processing of significant and unusual operations; when various accounting processes are possible;
    - discuss the main financial reports with the Financial Director (CFO) and the Auditor.

2. in the framework of the monitoring of the efficiency of the internal audit systems and the risk management of the Company:
    - the procedures for internal audit and risk management applied by the Company and its affiliates to ensure that the risks were identified, managed and reported correctly to the Audit committee;
    - check the description of procedures for internal audits and risk management which must be included in the management report ;
    - examine the report the Executive Managers must present to the Board of Directors, the FSMA and the Auditor on the evaluation of internal audit procedures, examine its clarification and the risk management in the Annual Report;
    - examine the specific measures created to enable staff or other persons in contact with the Company expressing their concern on possible irregularities in financial reporting or other matters in confidence;
    - approve the operational rules of internal audit and their possible modifications; ensure the monitoring of efficiency of the internal audit and execute the task it was given according to the relevant rules of operation.

3. in the context of the monitoring of the annual and half-yearly accounts:
    - ensure the follow-up of the questions and recommendations of the Auditor;
    - previously examine the drafts of statutory annual accounts and consolidated annual accounts and express their opinion before presenting it to the Board of Directors;
    - if necessary hear the Financial Director (CFO) and the Auditor.

4. in the context of the follow-up of the external audit:
    - advise the Board of Directors on appointment, re-appointment or dismissal of the Auditor and the amount of fees that must be defined for the execution of its task;
    - check the independence of the Auditor from the Company;
    - previously approve any assignment entrusted to the Auditor of the Company and which falls outside their legal task. Check the nature and scope of other than audit services provided, and define and apply a formal policy which defines which types of other than audit services are excluded, allowed after examination by the Committee or automatically allowed, all this in consideration of the 'one-to-one' rule;
    - be informed of the work programme of the Auditor of the Company;
    - check the efficiency of the procedure for external audit.

For the execution of its tasks the Committee discusses the main subjects with the Financial Director (CFO), the Auditor and any other person in the Company whose hearing is deemed necessary.

After reporting to the Chairman of the Board of Directors the Audit Committee can request any advice and assistance it deems necessary for the execution of its tasks from legal, accounting or other advisers.

The Board of Directors has the sole decision competence however.

The execution of its tasks by the Audit committee does not in any way release the Board of Directors and its members from their own obligations and responsibilities.

3.2.4 Operation

The Audit committee meets as often as necessary for the correct operation and at least four times a year, upon request of its Chairman, one of its members, the Chairman, a Managing Director and the Financial Director (CFO). If necessary or upon request of one of its members or the Auditor the Chairman of the Audit committee can call extraordinary meetings.
The members are expected they attend all meetings of the committee. The Audit committee can speak with any relevant person, without the presence of an Executive Manager. The Chairman of the Audit committee can request the Auditor to attend a meeting of the Audit Committee if needed.

The Audit Committee meets at least once a year with the Auditor for an exchange of ideas on any matter under its competence, and any matter raised by the audit process.

The Audit committee may be assisted by the secretary of the Company for the execution of its duties.

After each meeting of the Audit committee the Chairman of the Audit committee (or in his absence, another member of the Audit committee appointed for this) reports at the next meeting of the Board of Directors on the execution of his tasks and in particular after meetings dedicated to the compilation of the annual accounts destined for publication.

3.3 The appointment committee

The appointment committee was created to advise the Board of Directors on appointments submitted to the General Meeting of the Management Company. It also advises on key position recruitments within the Management Company and the Company, even if these do not need to be approved by the General Meeting of the Management Company.

Due to the limited size of the Board of Directors the appointment committee is composed of the plenary Board of Directors, and is presided by the Chairman of the Board.

The appointment committee meets at least twice a year.
If circumstances request it, it will also meet at intervals.

3.4 The remuneration committee

As the Company only meets one of the three criteria defined by Section 526 of the Company Code, the Board of Directors sees the tasks concerned as tasks of the plenary Board of Directors. The Chairman of the Board of Directors (if he is a non-executive Director) or another non executive Director presides this committee.
The remuneration committee has the following tasks:
- it makes proposals on the remuneration policy for Directors and the members of executive management to the Board of Directors, and where applicable, the result-ing proposals which need to be presented to the Shareholders by the Board of Directors;

- it makes proposals to the Board of Directors on the individual remuneration of the Directors and the members of the executive management, including variable remuneration and long term performance bonuses of any type,
- it prepares the remuneration report that is added to the Corporate Governance Statement in the annual financial report by the Board of Directors;
- it clarifies the remuneration report at the ordinary General Meeting of Shareholders.

The remuneration committee meets at least twice a year and as often as it is deemed necessary.

4. Executive Managers – Executive management

In accordance with Section 38 of the law of 20 July 2004 on certain types of collective management of investment portfolios, the actual management of the Company is entrusted to at least two persons, who hold the title of 'Executive Manager'.

The Executive Managers currently are:

- D. Anbeek, Managing Director of the Board of Directors of the Management Company
- L. Plasman, Managing Director of the Board of Directors of the Management Company

4.1 Role

The roles of the Executive Managers mainly are to:

- propose the strategy of the Company to the Board of Directors;
- the preparation of all decisions to be taken by the Board of Directors to fulfill its obligations;
- execute the decisions of the Board of Directors regarding the acquisition or the transfer in any form of properties of shares of real estate companies;
- decide on any acquisition or transfer of properties or shares of real estate companies with a value, acccording to the general strategy defined by the Board of Directors;
- lease real estate properties, and more generally enter into agreements in this respect, in accordance with the general strategy defined by the Board of Directors;
- ensure the day-to-day management of the Company and report to the Board of Directors;
- follow-up the thesaury status of the Company; the presentation to the Board of Directors of a current, accurate and comprehensive view on the operational and financial developments of the Company and its affiliates;
- internal audits (systems for the identification, evaluation, management and follow-up of financial, property-linked and other risks, including the internal audit and risk management systems relating to the process of financial reporting, including the Annual report and the Consolidated annual accounts), organise, without prejudice to the supervisory role of the Board of Directors, based on the framework approved by the Board of Directors;
- supervise the preparation of the financial statements, corresponding to the applicable standards for Annual accounts, accounting standards and valuation rules of the Company;
- the mandatory publication of the annual accounts by the Company;
- present an objective and understandable evaluation of the financial situation, the budget and the business plan and the follow-up thereof to the Board of Directors; and
- hire and dismiss staff members and define their remuneration.

4.2 Assignments

The Executive Managers participate in the execution of activities of the Company and the definition of its business policy. In that context their main tasks are:

- overall, apply the decisions of the Board of Directors,
- analyse the general business policy and general strategy of the Company and, if needed, make proposals in this respect to the Board of Directors, actually implement the general strategy and general business policy of the Company as decided by the Board of Directors,
- define the opportunities or the needs at investment, disinvestment and funding level, and as the case may be make proposals in the matter to the Board of Directors,
- steer and lead the management team of the Company conform with the decisions of the Board of Directors,
- monitor the executable, targeted, reliable and correct preparation of the financial statements, according to accountancy standards and the evaluation rules of the Company, present the financial statements to the Board of Directors,
- assess the financial situation, the budget and the business plan of the Company objectively and understandably, and submit the evaluation to the Board of Directors,

- carry out internal audits (systems for the identification, the assessment, the evaluation, the management and the follow-up of financial and other risks), without prejudice to the monitoring role of the Board of Directors and the Managing Directors,

- report to the Board of Directors, the FSMA and the Auditor on the evaluation of the internal audit system,

- prepare the publication of the financial statements and the other financial and non-financial information.

The Executive Managers of the Company execute their assignments without prejudice to the competencies of the Board of Directors.

4.3 Operation

The Executive Managers meet as often as required and at least twice a month.

The Executive Managers take the necessary measures in view of a climate of trust and close mutual co-operation, by contributing to open discussions and the constructive presentation of diverging opinions.

The Executive Managers carry out their assignments collegially.

4.4 Corporate Governance

The Executive Managers act in the sole interest of the Shareholders. They organise their personal and business activities in such a way as to avoid any direct or indirect conflict of interests with the Company (as explained in Annex 8 to the Corporate Governance Charter).

They make no decisions and do not act in matters within their responsibility, but where they are likely to be placed in a situation of conflict of interest with the Company or the sole interest of its Shareholders.

The Executive Managers shall comply with the provisions of the Belgian Corporate Governance Code and the Corporate Governance Charter, in particular regarding the rules to prevent the conflicts of interest and market abuse. The provisions in chapter 3 regarding 'Integrity and dedication' of Directors apply to Executive Managers.

4.5 Supervision

The Executive Managers are responsible for the execution of their assignments that they carry out under supervision of the Board of Directors and without prejudice to the assignments of the members of the Board of Directors. The Executive Managers regularly report to the Board of Directors on the execution of the assignments.

4.6 Remuneration

The remuneration policy of Wereldhave Belgium relating to the Executive Management is a concern of the Board of Directors. The remuneration of the executive management is assessed each year. The Board of Directors has developed and approved an appropriate remuneration policy consisting of two parts:

- a fixed fee, including a contribution for insurance and pension;
- a variable fee, paid after the end of the tax year involved.

Wereldhave Belgium complies with the provisions of the Company Code and the Royal Decree regarding Property management companies, as well as with the principles of the Corporate Governance Code.

The Board of Directors annually analyses the remuneration policy by the members of the Executive Management and examines wheter adjustments are needed to adapt the policy. All components of the remuneration policy are analysed. The analysis involves benchmarking to the remuneration policy of other listed property Companies.

Remuneration of the members of the Executive Management
The amount of the remuneration of the members of the Executive Management consists of the following components: a fixed remuneration, a variable remuneration in the short term and a pension scheme.

The **fixed remuneration** of the members of the Executive Management is defined according to their individual responsibilities and competences. That remuneration is not related to the result of the Company.

The **variable remuneration** is defined based on the effective realisation of financial and qualitative objectives which are defined and assessed annually by the Board of Directors. Those objectives are defined according to specific criteria, weighed according to importance, approved by the Board of Directors.

For the tax year 2012 the evaluation criteria for the definition of the variable fees are the following: result per share, level of attendance, the evolution of the development portfolio and general management.

The Board of Directors evaluated the realisation of these objectives for 2012 and set the variable fee to 37.5% of the fixed fee. Regarding tax year 2013 the variable fee will depend on the realisation of the following objectives: the net result per share, the degree of occupancy, the level of debt, the evolution of the development portfolio and the general management.

The Board of Directors shall submit the non-spread in time of the variable remuneration to the General Meeting of Shareholders.

The members of the executive management benefit from a **group insurance** of the type 'defined benefit' with the Vivium company. The group insurance has the objective (i) the payment of a capital life benefiting the subscribed on the date of retirement (ii) the payment of a capital death in case of death of the subscribed before retirement, in favour of his beneficiaries (iii) the payment of a disability benefits in case of accident or illness.

The other benefits include a hospitalisation insurance (€ 800), the availability of a company car and the refund of professional expenses made in the context of their function.

The Ordinary General Meeting deciding on the annual report of the Board of Directors, shall also decide on the remuneration report in a separate vote.

Remuneration of the Executive Management:

2012	Salary	Bonus	Pension scheme	Total
L. Plasman	€ 186,771	€ 70,000	€ 126,841	€ 383,612
D. Anbeek (as from 31/07/2012)				Honorary mandate
J. Pars (till 31/07/2012)				Honorary mandate

2011	Salary	Bonus	Pension scheme	Total
L. Plasman	€ 168,192	€ 66,500	€ 106,838	€ 341,530
J. Pars				Honorary mandate

Currently no employment agreements or service providing agreements are concluded with the members of the Executive Management which provide specific cash benefits upon termination thereof.

5. Shareholding

5.1 Capital

All shares of the Company are ordinary shares and provide equal rights.

Each share is entitled to one vote.

The Company has not issued other than ordinary shares.

There are no shares with special voting or powers of control rights. The Company is not aware of any Shareholders or voting agreements between Shareholders.

The General Meeting of Shareholders of the Board of Directors can decide on an increase of the authorised capital or on an increase thereof within the limits provided for in the articles of association.

The current amount of the authorised capital of the Company and the current number of shares of the Company can be consulted on the website of the Company (www.wereldhavebelgium.com).

5.2 Structure of the Shareholding

The Promotor holds, directly and indirectly, 69.4% of the shares of the Company in total.

The other shares are held both by institutional and private investors.

There are no share packages greater than 5% known in the Company, other than the share package held directly and indirectly by the Promotor.

5.3 Relation with the Shareholders

The Company ensures equal treatment of the Shareholders and respects their rights.

The Management Company is fully accountable to the providers of the risk bearing capital. This justification is done at the General Meeting of Shareholders. Hence, the Company attaches great importance to the presence of the Shareholders at this General Meeting of Shareholders. The Company encourages the Shareholders to attend the General Meetings of Shareholders.

The General Meeting of Shareholders is used to communicate with the Shareholders. The Board of Directors will provide such information that together with additional sound sector and investment analyses, render good communication and critical evaluation of strategy, risks, activities and financial results possible.

Each Shareholder can participate in the General Meeting of Shareholders and exercise his voting right according to legal provisions. Shareholders who cannot attend the General Meeting of Shareholders have the right to exercise their voting right by proxy. All available documentation and meeting documents are obtainable in advance on the website of the Company (www.wereldhavebelgium.com).

The required percentage of shares to be held by a Shareholder to be allowed to submit proposals to the General Meeting of Shareholders, is 3% of the capital of the Company. The processing thereof should not affect the orderly process of the General Meeting of Shareholders.

When calling a General Meeting of Shareholders the Company provides sufficient information on the topics on the agenda and the resolutions submitted by the Board of Directors. In addition to the formalities imposed by the Companies Code in this matter, the Company uses its website to divulge all relevant information and documentation regarding the exercise of voting rights of the Shareholders.

The Chairman presides the General Meeting of Shareholders and takes the necessary measures to ensure that any relevant question of the Shareholders is answered. During the General Meeting of Shareholders the Directors answer questions asked by the Shareholders about the Annual report or the topics on the agenda.

The Secretary of the Company draws up the minutes of the meeting. The minutes are signed by the Chairman and the Secretary of the Company. In principle the minutes are published within one month after the General Meeting of Shareholders on the Company's website and sent by mail upon request, free of charge. The minutes are in principle not a topic of the next General Meeting of Shareholders agenda. By doing so one would insufficiently consider the fact that the Shareholding could have significantly changed in the meantime and that the vote on the minutes would therefore be held by Shareholders who might not have been present at the previous General Meeting of Shareholders.

6. Other provisions relating to Corporate Governance, as published in the Corporate Governance Charter

6.1 Rules of conduct regarding financial transactions

6.1.1 Introduction

Insider trading is purchasing or selling shares or other financial instruments using accurate and important, but unpublished information on the Company, its clients or suppliers in view of obtaining an unfair advantage. Privileged information is information that could be used by a reasonal invester in his investment decision. Insider trading is unethical and illegal in most countries. It is also unethical and as the case may be illegal to divulge privileged information obtained in the context of one's function, other than in the normal context of exercising one's function.

The Company has decided to improve the prevention against insider trading by adopting a policy and implementing a specific procedure. Abuse of privileged information falls under Criminal Law: the persons involved as well as the Company can be the subject of criminal and/or administrative prosecutions. They also increase the risk that procedures are introduced against the Company, its Directors and the Executive Managers and that their liability is entailed in procedures regarding fraud on financial instruments. Nonwithstanding its Insiders policy, the Company expects a legal and ethical conduct from its Directors, Executive Managers and employees.

6.1.2. Objective

The Company has adopted the Insiders policy for the attention of its Directors, Executive Managers, employees, their family members and appointed third parties who have access to privileged information on the Company, to prevent any (indication of) violation of the Law on

- the purchase and sale of securities issued by the Company while the person involved held privileged information (unpublished, accurate and important information which could considerably affect the rate of the financial instruments involved),
- the divulgation of privileged information to third parties.

6.1.3 Application area

The present Insiders policy applies to Directors, Executive Managers, employees of the Wereldhave group, their relatives and all third parties which hold privileged information on the Company through their relations (together the *'**Insiders**'*).

The policy applies to all transactions on securities issued by the Company, including the shares, share options and any securities the Company could issue, such as preferential shares, convertible bonds, warrants and listed options or any derivated product. The policy also applies to all securities whose underlying value is the Company share irrespective of the issuer. The securities purchased or sold on behalf of a Director, Executive Manager or employee of the Wereldhave group in application of a contract for the discretionary management of a securities portfolio concluded with a bank or registered financial intermediary, are not considered as being bought or sold by the Insider.

After approval of the text of the policy by the members of the Board of Directors, a copy is provided to any Director, Executive Manager, employee or appointed third party. Any new Director, Executive Manager, employee and appointed third party will receive a copy of the policy at the time of employment or the start of his relation with the Company.

6.1.4 Directors, Executive Managers and key employees

6.1.4.1 Directors and Executive Managers

The Directors and Executive Managers have regular or occasional access to privileged information. They are recommended to be very cautious when buying or selling securities of the Company, as listed in point 6.1.3 above. In case of doubt they can consult the Compliance Officer.

6.1.4.2 Key employees

Key employees have due to their position in the Company and their regular or occasional access to privileged information and must therefore be very cautious when buying or selling securities of the Company, as listed under 6.1.3 above. The Company shall update the list of key employees when appropriate to include the name of new key employees and to delete the name of the key employees who left the Company.

6.1.5 Compliance Officer

The Company has appointed the Financial Director (CFO) as Compliance Officer.

The responsibilities of the Compliance Officer include among others the following tasks:

- Managing the Insiders policy, implementing and controlling the provisions of thereof and its procedure.
- Answer all questions on the policy and its procedures.
- Define and inform those concerned on the special closed periods in which Insiders may not buy or sell securities of the Company.
- Supply any existing or future Director, Executive Manager and employee and any person who, according to the Compliance Officer has access to privileged information on the Company, with a copy of the policy and any associated document.
- Apply the Law on the prohibition of acting with privileged information. Manage and control this application.
- Adapt the policy if needed to include legal changes.
- Maintain the originals and copies of all documents required by the policy in the archives of the Company.
- Update the list of Directors, Executive Managers and key employees when required to include the new members and delete the name of the members who left the Company.

The Compliance Officer can appoint one or several persons who would take on his tasks if it would be impossible for him to exercise his tasks or if he was unavailable.

6.1.6 Definition of 'privileged information'

6.1.6.1 'Rate sensitive' information

Information on the Company is 'rate sensitive' when it can be expected it could have a considerable influence on the investment decision of a reasonable invester or on the vote decision of a reasonable shareholder, or if it can be expected that its publication could have a considerable influence on the whole information available on the market on the Company. Briefly worded accurate and important information is any information of which it can reasonably be expected that it would affect the price of the securities of a Company. It is impossible to draw up an exhaustive list of information to be considered 'accurate and important' but below is a list of information that usually is considered as such:

- Financial results, and more specifically the quarterly, half-yearly and annual results, and important changes in financial results or liquidity.
- The future expectations of the Company and its strategic plans.
- Possible joint ventures and acquisitions or sale of assets of a Company or the subsidiaries.
- New important contracts or the loss thereof.
- Important rent adjustments
- Share division, public or private offer of shares or bonds, or change in the dividend policy of the Company.
- Important change in the composition of higher management.
- Important social conflicts.
- Existing or potential disputes or the end thereof.

6.1.6.2 'Not public' information

Accurate and important information is 'not public' unless if informed appropriately to the public via large, national and financial press services. The information must be available and the market as a whole must have had sufficient time to gain knowledge of it, before the sale of purchase of securities based on that information becomes legal.

6.1.6.3 Consultation of the Compliance Officer

Any Insider who wishes to know with certainty whether the information at his disposal is accurate, important and public is recommended to consult the Compliance Officer in the matter before selling or buying securities of the Company.

6.1.7 Policy of the Company and procedures

6.1.7.1 Prohibited activities

- Insiders may not trade in securities of the Company when they hold privileged information on the Company.
- Insiders may not trade in securities of the Company outside the trading windows as described in point 6.1.7.2 below or during special closed periods as defined by the Compliance Officer.
- Directors, Executive Managers and key employees may only trade in securities of the Company after informing the Compliance Officer according to the procedure under 6.1.7.3 below. The Directors, Executive Managers and Key employees are recommended as much as possible to preserve the documents that support the reason for trading.
- Insiders may not transfer privileged information on the Company to third parties (including their relatives, analysts, private investers, members of the investment group and the news media) except in the framework of the normal execution of their function within the Company and only after obtaining approval by the Compliance Officer. If privileged information is supplied to third parties, the Company shall take the necessary steps to guarantee the confidentiality of the information, by for example requesting the third party to confirm in writing he shall respect the provisions of the policy and/or making him sign a confidentiality agreement. Any question by third parties regarding accurate and important as yet unpublished information on the Company must be transmitted to the Compliance Officer.
- Insiders may not make recommendations on the buying or selling of securities of the Company while they hold privileged information on the Company, with the exception that Insiders must recommend third parties not to buy or sell securities of the Company if this purchase or sale would consist a violation of the law or the policy. The Company strongly recommends Insiders not to make recommendations to third parties on the buying or selling of securities of the Company, even if they have no privileged information on the Company.
- Insiders may not buy or sell securities of another listed Company or recommend third parties to buy or sell those securities or divulge privileged information on that other public Company while they hold privileged information on that Company in the context of their function within the Company.

6.1.7.2 Trading windows and closed periods

6.1.7.2.1 The trading windows for Directors, Executive Managers and Key employees.

After having informed the Compliance Officer according to the procedure described below, the Directors, Executive Managers and key employees may trade securities of the Company during a period starting at closing of the stock exchange on the second complete business day following the publication by the Company of its report on its (quarterly, half-yearly) annual results, and which ends at the closing of the stock exchange on the last day of the relevant quarter.

6.1.7.2.2 The trading windows for other Insiders.

Insiders who are not Directors, Executive Managers or Key employees may trade in securities of the Company during a period starting at stock exchange closing on the second complete business day following the publication by the Company of its report on its (quarterly, half-yearly) annual results, and which ends at the closing of the stock exchange on the last day of the relevant quarter.

6.1.7.2.3 No purchase or sale during a trading window by persons holding privileged information.

Insiders holding privileged information on the Company may not purchase or sell securities of the Company, even during the trading windows. Those who hold privileged information may only purchase or sell during a trading window after closure of the stock exchange on the second complete business day following the publication of the said information by the Company.

6.1.7.2.4 No purchase or sale during closed periods or during special closed periods.

Insiders may not purchase or sell securities of the Company outside the applied purchase or sale windows or during special closed periods defined by the Compliance Officer. Insiders may not divulge to third parties that a special closed period was defined.

6.1.7.2.5 Exceptions for extraordinary circumstances.

The Compliance Officer may, on an individual basis, authorise the purchase or sale of securities of the Company outside the applicable purchase or sale windows (with the exception of the special closed periods), in consideration of special (financial or other) circumstances.

6.1.7.3 Procedure

Directors, Executive Managers and Key employees may only purchase or sell securities of the Company after:

- having informed the Compliance Officer in writing on the involved number of securities and the nature of the planned transaction and
- having confirmed in writing to the Compliance Officer not to have held privileged information on the Company, at the latest two business days before the planned transaction.

The Compliance Officer may, on individual basis, authorise to purchase or sell securities of the Company outside the applicable trading windows due to special (financial or other) circumstances. In that case, the following procedure applies:

- the person concerned informs the Compliance Officer in writing of the special circumstances and the number of securities involved and the nature of the planned transaction,
- the person concerned confirms to the Compliance Officer in writing that he has no privileged information on the Company and this at the latest two business days before the planned transaction, and
- the Compliance Officer authorises this transaction in writing.

6.1.7.4 Priority of the legal restrictions

If the Law imposes additional restrictions than the Company's policy, the restrictions imposed in the Law apply. Insiders wishing to know whether there are more strict legal restrictions may consult the Compliance Officer.

6.1.8 Possible civil, criminal and disciplinary sanctions

6.1.8.1 Civil and criminal sanctions

The consequences of insider trading or divulging privileged information to third parties can be very serious. Those who violate the laws on insider trading and divulging privileged information to third parties can be condemned to paying the amount of realised profit or the avoided loss, to paying the amount of loss incurred by the person having bought the securities or to whom the securities were sold, to paying a civil compensation or a criminal fine, or to a prison sentence. The Company and/or the persons in charge of the person who committed the offence can also be condemned to paying a civil compensation or a criminal fine.

6.1.8.2 Disciplinary sanctions

In case of violation of the Insiders policy by an Executive Manager, an employee or a family member a disciplinary sanction can be imposed on the Executive Manager or the employee. The sanction can go up to dismissal due to gross negligence.

6.1.8.3 Notification of violations

Insiders who become aware of a violation of the policy provisions or the Law on insider trading or the divulgation of privileged information by another Insider, must immediately inform the Compliance Officer. The Compliance Officer who is informed of the violation decides in conjunction with the legal adviser of the Company, whether the Company should publish the privileged information or not and whether the Company should report the violation to the competent authorities.

6.1.9 Reporting obligation for the Executive Managers

Persons with managerial responsibility of the Company and closely associated persons must report their personal transactions in certain categories of securities of the Company to the FSMA. This must occur within five business days after the execution of the transaction at the latest.

As long as the total amount of transactions does not exceed 5,000, the report may be delayed, at the latest until 31 January of the next calendar year. If the threshold is exceeded all the transactions carried out previously must be reported within five business days after execution of the latest transaction.

6.1.10 Questions

All questions on the provisions of the Insiders policy and its procedures should be directed to the Compliance Officer.

6.2 Internal control and risk management systems

Control environment

6.2.1 Organisation of the Company

The Management Company is responsible for the design, the implementation and the operation of the internal risk management and control systems matching the business activities of Wereldhave Belgium. The Management Company is aware that no risk management and control system can provide an absolute guarantee for achieving the company objectives and preventing considerable errors, losses, fraud or the violation of laws or regulations.

The instruments for internal control and risk management are formed by the tailored administrative organisation, the investment plan to be approved yearly by the Management Company and the Business Principles and the Code of Conduct. The Company has a regulation for warning of abuses. The integrity-sensitive functions are inventorised. Special procedures apply to the recruitment of employees in such positions.
Wereldhave Belgium applies strict procedures for the periodical compilation of quarterly and annual figures based on the defined bases. The internal management reports are directed to immediate reporting of developments in the value of investments and in result by share. Electronic data processing in an automated central information system is used for this purpose.

6.2.2 Organisation and internal control

The Company has created an appropriate administrative organisation in which the internal control is anchored. The business processes are documented in a database accessible to all employees online. The system not only guarantees the continuity of the business processes, but also stores and shares the knowledge present in the Company. The business processes are further detailed in task descriptions per function. The system of Administrative Organisation/Internal Control is based on function division where possible. The system also includes an automated information system with access based on task descriptions. Both assignments and payments occur based on the 4 eyes-principle.

6.2.3 Risk analysis and control actions

The analysis of the risks is described in the section 'Risk factors' of this annual financial report (see page 27). This also describes which measures Comm. VA Wereldhave Belgium takes and the strategy applied to limit the potential impact of the risks when they could occur.
It is the task of the Board of Directors to evaluate those risks at regular intervals.

6.2.4 Financial information and communication

The process for the compilation of the financial information is structured based on previously defined tasks to be executed and time schedules to be met.

After all figures are processed and the accounting tasks are finished, the figures are verified by the department 'control & administration'. The control mainly consists of:

- The variations between the actual and budgeted figures; the budgeted annual figures and updated quarterly;
- A variation analysis between the actual and historic figures;
- An ad-hoc analysis of all material amounts and entries.

6.2.5 Parties involved in the evaluation of the internal control

The quality of the internal control is assessed during the year by:

- the commissioner in the context of the control of the half-yearly and annual figures. Based on the commissioner's recommendations internal control processes are adjusted where necessary.
- The control committee: as indicated above the control committee fills a specific task regarding internal control and risk management of Comm. VA Wereldhave Belgium.

The Board of Directors of the Management Company supervises the execution of the tasks of the Audit committee in the matter, among others by reporting by the Audit committee to the Board of Directors.

7. Statutory provisions on the Management Company and relating to a modification of Articles of Association

The Company is founded as a partnership limited by shares with one Statutory Management Company, appointed for an unlimited period. Wereldhave N.V. holds 100 % of the shares of the Statutory Management Company .

There is no legal or statutory restrictions to the transfer of securities.

Subject to legal provisions no special powers of control are linked to shares in the Company. Decisions or actions which are the competence of the General Meeting of Shareholders must be approved with consent of the Statutory Management Company.

There is no legal or statutory restriction to the exercise of voting rights.

The Company is not aware of shareholders' agreements which could lead to restriction of transfer of shares and/or exercise of voting rights.

Modifications to articles of association and appointments or replacements of the members of the Management Company are applied in compliance with the Company Code. The Management Company is appointed by an Extraordinary General Meeting of Shareholders, before a notary, considering the requirements for modification to articles of association. For the appointment of an additional Management Company the approval of the other Management Company is required. The task of the Management Company can only be revoked by judgment on request of the General Meeting of Shareholders for legal reasons. The General Meeting of Shareholders needs to decide without the Management Company participating in the vote.

Pursuant to a decision by the General Meeting of Shareholders of 16 December 2011 the Management Company is authorised to increase the capital of the Company in one or several times up to a maximum of € 225 mln by contribution in cash or in kind; as the case may be by incorporating reserves or issue premiums, in accordance with the rules provided for in the Companies Code, the articles of association or the Royal Decree of 7 December 2010. This authorisation is valid for a period of five years.

There are no important agreements entered into force and to which the Company is party, that will be modified or terminated in case of modification of control on the Company after a public bid.
No agreements are entered into between the Company and the Management Company or staff that provide in remunerations when, as a result of a public take-over bid, the Management Company resigns or has to lay off personnel without valid reason or to terminate the employment contract of employees.

8. Other information according to article 34 of the Royal Decree of 14 November 2007 regarding the obligation of issuers of financial instruments who are authorised to trade on a regulated market

8.1 Capital structure

At the date of this annual financial report the authorised capital of Comm. VA Wereldhave Belgium amounts to € 266.2 mln, divided over 6,308,198 shares, which each represent 1/6,308,198 part of the authorised capital.
There is no legal or statutory restriction to the transfer of securities.

8.2 Equity plan for employees

There currently is no equity plan for employees.

8.3 Shareholder agreements which could lead to transfer restrictions or restrictions of the exercise of voting rights

Wereldhave N.V. and Wereldhave International N.V. have reported on 28 October 2008, by virtue of Section 74, § 7, section 3, of the Law of 1 April 2007, holding in mutual consultation more than 30 % of the shares with voting right in the Company as at 1 September 2008.

Upon 31 december 2012 6,308,198 shares are in circulation, of which 36.22 % are held by Wereldhave N.V., 33.19 % held by N.V. Wereldhave International and 30.59 % by the public.
N.V. Wereldhave International is a 100 % subsidiary of Wereldhave N.V.

9. Insurance Cover

Comm. VA Wereldhave Belgium and its subsidiaries must subscribe an appropriate insurance cover for the property investment portfolio. The insurance cover must meet the usual market conditions.
The Company insures the property investment portfolio at new built value. The paid premiums in 2012 amount to € 30,748. The insured value of the portfolio is € 364,4 mln.

Risk factors

Risks and risk management

Wereldhave Belgium recognises strategic, operational and financial risks.
Strategic risks are linked to strategic choices of the company, operational risks are directly related to the company's activities and financial risks are related to developments on the financial markets.

Hereafter follows a description of the most important business risks, the specific procedures to control the risk and the possible influence on the result or assets.

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 keeping with contractual rent fees, as a result of which adjustments to the rental income can be necessary when extending leases or renovating. Wereldhave Belgium keeps a constant and close eye on market rent movements.

With its strategy of portfolio renewal, Wereldhave Belgium has grown a portfolio of modern, first-class property with good letting prospects. The sicafi maintains direct contact with the tenants and regularly reports to the Management Company on all relevant market developments. The standard lease terms state that rent is to be paid in advance. Another fixed component in Wereldhave Belgium's lease agreements is formed by payment guarantees. A change of 0.5% in the occupancy levels has an effect on the direct result of € 0.2 mln (€ 0.03 per share).

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

The focus on shopping centres involves a higher geographical concentration, in the sense that the apportionment is implemented only on a limited number of real estate as well as a higher risk concentration.

Wereldhave Belgium's strategy safeguards its portfolio of attractive properties with excellent letting prospects. However, even the value of first-class property can decrease. The development of the portfolio's value is monitored closely. Wereldhave Belgium values its properties at market value (at the buyer's expense). The entire portfolio is valued each quarter. External valuations by independent valuers are performed. With its solid capital ratios, Wereldhave Belgium is well able to absorb any decreases in property values. A change in the average initial yield of 0.25% has an effect of € 20.0 mln on equity (€ 3.17 per share).

Financial risks

Changes in interest rates may affect the results, the yield and the value of the property.

Of the interest-bearing debt of € 91 mln, 100% was borrowed at variable interest rates as at 31 December 2012 (2011: € 67 mln). Inflation rates, in combination with interest rates, are included in the management information and in the parameters set by the Management Company for the projections and forecasts that are used in determining policy. With a debt/equity ratio of 16.2% as at year end 2012, Wereldhave Belgium is one of the most soundly funded property funds listed in Europe (2011: 18.3%). A change of 0.5% in the money market interest rate has an effect of € 0.5 mln on the direct result and equity (€ 0.07 per share).

Financial transactions are only concluded with the prior approval of the Management Company.

The exemption in accordance with Article 39 § 3 of the 2010 Royal Decree relating to the shopping centre 'Belle-Ile' in Liège on the prohibition of investing more than 20% of the assets in a single property project has been renewed till 31 December 2014.
The company refers to note 30 with regard to the legal procedure.

Other risks

Operational

The bad debt risk is the risk of a contract party defaulting on payments to Wereldhave Belgium. If 1% of the debtors were to default, this would have an effect of € 0.4 mln on the direct result (€ 0.06 per share). With an on-line application, Wereldhave Belgium monitors outstanding receivables and assesses the adequacy of its provision for bad debts 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. The Company also endeavours to ensure that it can determine itself whether and when the various project phases commence. Completion and purchase obligations are only concluded subject to an explicit decision of the Management Company.

Financial

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

Financial transactions comprise the risk that is attached to financial transactions such as interest rate swaps. 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 Management Company.

Strategic risks

In order to maintain the fiscal statute sicafi, a number of statutory requirements have to be met. The Management Company 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 Belgium satisfied the requirements for the fiscal status during 2012.

Risk management

The Management Company is responsible for the organisation, implementation and functioning of the internal risk management and control systems that are geared to Wereldhave Belgium's business activities. The Management Company 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, to be approved on a yearly basis by the Management Company and the Business Principles and Code of Conduct. Wereldhave Belgium 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 Belgium has set up its own, tailor-made administrative organisation in which internal control is embedded. The business processes are documented in a database that is available on-line to all employees. This system not only safeguards the continuity of business processes, but also records and disseminates the knowledge present in the company. The business processes are further defined in task descriptions per function.

The Administrative Organisation / Internal Control system is based on a division of functions to the greatest possible extent. This system includes a computerised information system with access being based on the task descriptions. Both contracting and payment take place based on the 'four-eyes' principle.

Wereldhave Belgium 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.

Wereldhave Belgium aims to guarantee the reliability and continuity of its IT 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. A fallback agreement has been established with an external service provider.

Investor relations

For all Wereldhave Belgium stock related questions:
investor.relations@wereldhavebelgium.com.

2012 in short

Shopping centres

For future investments, Wereldhave Belgium focuses to increase the importance of shopping centres in the portfolio. The sicafi focuses on mid-sized centres that are dominant in their catchment area, and preferably with the potential for further expansion. Through proactive management the sicafi works to further reinforce the market position of its shopping centres.

Portfolio

By the end of 2012, the importance of shopping centres amounted to 75 % of the portfolio investment properties.
On 30 March 2012, the extension of the shopping centre in Nivelles opened successfully its doors to the public.
In the shopping centre 'Belle-Ile' in Liège, several commercial leases were subject to renewal after 9 years. The rental negotiations were completed successfully with a significant rent increase. All shopping centres are nearly fully let.

Offices

During 2012 eight new leases were signed, both in the business park 'De Veldekens' in Antwerp and in the 'Business & Mediapark' in Vilvoorde for a total area of approximately 6,000 m². The net uptake of office space in 2012 remained positive.
Consolidation of the current occupancy and the renegotiation of rental agreements that are coming to an end are of prime importance to the Management Company.
On 21 December 2012, the office building 'Orion' at Bischoffsheimlaan 22-25 in Brussels was sold to its actual tenant, Bruxelles-Formation. The sales price of € 11.8 mln was in line with the book value (€ 11.7 mln). Over 2012, the average occupation rate of the offices portfolio amounted to 81.3 %.

Development properties

By developing projects for its own portfolio and at cost, Wereldhave Belgium aims to create value for its shareholders. Wereldhave Belgium aims to maintain a healthy balance between the size of the development portfolio and the existing investment properties portfolio.

The construction of the extension (12,500 m²) of the shopping centre in Nivelles was realised within the set time frame. The opening of the extension to the public, which was scheduled for the end of March 2012, was very successful. In the meantime, 100 % of the project is let.

The redevelopment and extension of the shopping centre 'Shopping Genk 1' started during the third quarter of 2012. The works are evolving on schedule and completion is foreseen for the fourth quarter of 2014.

The project in Tournai also involves a substantial expansion of the shopping centre whilst a retail park will also be integrated. The building/planning permit application was submitted mid 2012.

The permits regarding the redevelopment of the mixed inner city project (retail 3,700 m² – 119 student accommodations), located Overpoortstraat in Gent, have also been delivered. Construction works have started during the month of August and are on schedule.

All other development projects are still in the planning and consent stages.

For more detailed information, see chapter 'Development projects'.

Results

Profit

The profit for 2012 amounts to € 36.5 mln (2011: € 38.3 mln). The profit per share amounts to € 6.04 (2011: € 7.18). The decrease of the profit is due to lower valuation results. The positive revaluation of the investment properties amounts to € 7.2 mln (2011: € 15.2 mln). The profit consists of the direct and indirect results.

Direct result

The direct result for 2012 amounts to € 29.4 mln (2011: € 23.1 mln). This increase is mainly due to the combination of low external financing costs and an extension of the portfolio investment properties, particularly the extension of the shopping centre in Nivelles and the contribution in kind of the shopping centre 'Shopping 1' in Genk and the retail complex 'Genk Stadsplein'. A higher occupancy rate in the office portfolio and higher contractual rents in the shopping centres also had a positive impact on the direct result per share of € 4.87 (2011: € 4.34).

EPRA occupancy on 31 December 2012 stood at 93.7 (31 December 2011: 93.1%). EPRA occupancy levels per sector were 98.7% (100%) for retail and 81.3% (83.1%) for offices.

Indirect result

The indirect result arises mainly from realised and unrealised changes in the value of assets in the portfolio. The positive revaluation of the investment properties for 2012 amounts to € 7.2 mln (2011: € 15.2 mln).
On 21 December 2012, the office building 'Orion' at Bischoffsheimlaan 22-25 in Brussels was sold to its actual tenant, Bruxelles-Formation. The sales price of € 11.8 mln was in line with the book value (€ 11.7 mln).

Dividend

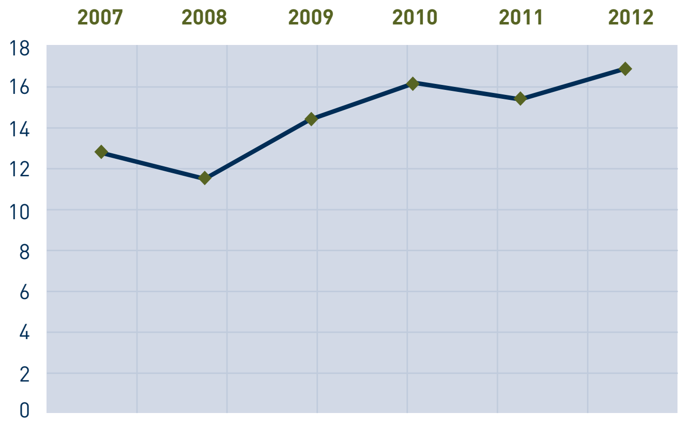
A gross dividend of € 4.25 (net € 3.19) will be proposed to the General Meeting of Shareholders resulting in a pay-out level of 87.3%, compared to the direct result. The dividend is payable as of 18 April 2013, against delivery of coupon 16. Financial services are provided by BNP Paribas.

Stock market development

In 2012, Wereldhave Belgium shareholders achieved a return (incl. dividend) of 28.3% (2011: 3.4%). The return of the EPRA Index Europe amounts to 28.0%. The price/direct result ratio at the end of 2012 was 16.9.

Share price 2012 (x €1)

Share price/direct result ratio



Equity and debt

Shareholders' equity at the end of 2012 before distribution of profit amounted to € 480.7 mln, i.e. 83.0 % of the balance sheet total (2011: € 397.9 mln or 80.2 %). Wereldhave Belgium's guideline for the longer term is a solvency ratio of about 70 %. Strong balance sheet ratios reduce the sensitivity to interest rate movements and increase the ability to make new investments.

Of the 6,308,198 shares in circulation at 31 December 2012, 36.22 % were held by Wereldhave N.V., 33.19 % by Wereldhave International N.V. and 30.59 % by the general public (free float).

The net asset value per share at 31 December 2012, including the profit for the current year, amounts to € 76.21 (31 December 2011: € 74.63).

At 31 December 2012 the Company had utilised three external financings: two revolving credits of € 90 mln expiring on 16 April 2016 (€ 60 mln) and 11 April 2017 (€ 30 mln) and a non committed credit line (€ 26 mln) with no end date. The loans are at floating interest rates and are presented at fair value in the balance sheet. As the company does not make use of any hedging instruments, variations in interest charges may influence the result. It concerns only credit facilities for which there are no guarantees. Fair value does not differ from the nominal value as it concerns short term advances at floating interest rates.

In accordance with the Royal Decree of 7 December 2010, the debt ratio on the total of assets to 31 December 2012 amounts to 16.2 % (2011: 18.3 %). The disputed fiscal claim of € 50.9 mln is not taken into account in the calculation. For that matter, the total sum of the fiscal claim is guaranteed by Wereldhave N.V., shareholder of Wereldhave Belgium.

Developments in the case regarding the matter of a penal dispute arising from the sale of a company in 1993 can be found in note 30.

Development of the property portfolio

On 30 March 2012, the extension of the shopping centre in **Nivelles** opened successfully its doors to the public. The shopping centre is fully let. The BLRW (Belgian-Luxembourgian Council of Shopping Centres) awarded Shopping Nivelles with the prizes for both the best and the most sustainable shopping centre. These prizes are awarded every two years.

At the beginning of September, the construction works consisting in the redevelopment and extension of the shopping centre 'Shopping 1' in **Genk** have started. After completion of the extension (11,500 m²), the total lettable area will amount to 27,100 m². The number of parking places will increase by 530 to 1,250.

The project in **Tournai**, consists in a substantial extension of the shopping centre (14,500 m²) whilst a retail park (10,000 m²) will also be integrated. The socioeconomic permit was delivered during the second quarter and the building permit application was filed in July.

The permits regarding the redevelopment of the mixed inner city project (retail 3,700 m² – 119 student accommodations) located Overpoortstraat in **Gent** have also been delivered. Construction works have started during the month of August and are on schedule.

All other development projects are still in the planning and consent stages.

On 21 December 2012, the office building 'Orion' at Bischoffsheimlaan 22-25 in Brussels was sold to its actual tenant, Bruxelles-Formation. The sales price of € 11.8 mln was in line with the book value (€ 11.7 mln).

EPRA occupancy on 31 December 2012 stood at 93.7 (31 December 2011: 93.1 %). EPRA occupancy levels per sector were 98.7 % (100 %) for retail and 81.3 % (83.1 %) for offices.

The exemption in accordance with Article 43 § 3 of the 1995 Royal Decree relating to the shopping centre 'Belle-Ile' in Liège on the prohibition of investing more than 20 % of the assets in a single property project has been renewed and is valid till 31 December 2014.

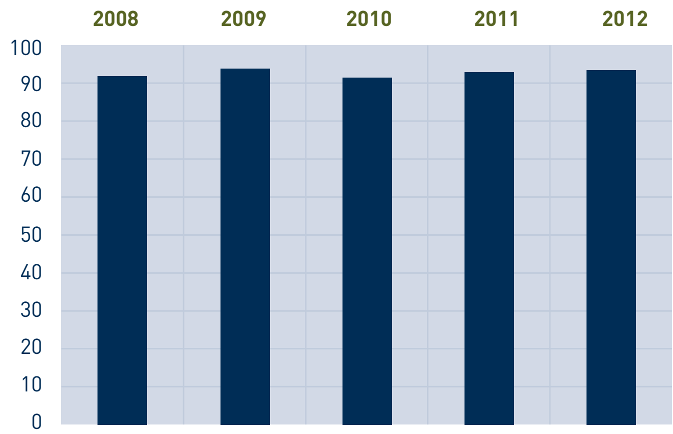
The value of the investment properties portfolio, excluding development projects, amounted to € 499.8 mln at 31 December 2012.

The average yield of the investment properties portfolio with a 100 % occupation amounts to 7.4 %.

Ultimo 2012, Wereldhave Belgium has a stake in the listed stock exchange real estate certificates 'Kortrijk Ring Shopping Centre' (16.2 %) and 'Basilix' (17.8 %). At 31 December 2012, fair value of the portfolio real estate certificates amounted to € 15.5 mln (31 December 2011: € 11.4 mln). In 2012, an additional 14,588 real estate certificates 'Basilix' were acquired.

Property valuation at 01/01/12 ***(x € 1,000)***	
Retail	256,913
Offices	141,495
	398,408
Property valuation at 31/12/12 ***(x € 1,000)***	
Retail	377,503
Offices	122,298
	499,801
Insured value of property portfolio at 31/12/12 ***(x € 1,000)***	
Retail	244,927
Offices	119,476
	364,403
Prospective theoretical rent (based on 100% occupancy) for 2013 ***(x € 1,000)***	
Retail	26,834
Offices	11,341
	38,175

Average occupancy rate (as a % of rental income)



Introduction

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

Within these themes Wereldhave Belgium annually sets targets and initiatives. For the year 2012 the following initiatives were formulated: the implementation of an energy-management system, the procurement of green energy, the certification of buildings with BREEAM and the implementing of green leases for retail property.

Organisation

Sustainability is a process of continuous improvement. For this reason Wereldhave Belgium is convinced that sustainability needs to form an integral part of its business. Chaired by the CEO, Wereldhave's sustainability task force meets every month to initiate new sustainability programmes and to evaluate current programmes.

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

In 2011 Wereldhave Belgium started using sustainability contracts for service providers. Wereldhave Belgium furthermore shares knowledge for sustainability cooperation projects.

New investments

In de In the future Wereldhave Belgium shall assess the quality of prospect buildings with the BREEAM in use guideline. This guideline is not yet in use for retail and further elaboration will have to prove whether this methodology will indeed become the standard for standing investments. For the time being Wereldhave Belgium applies its own criteria for standing investments. A good location with a range of facilities and access to good public transport are part of these criteria.

Construction and property development

Wereldhave Belgium's principle with regard to new developments is to achieve at least a BREEAM 'Good' rating, but preferably a BREEAM 'Very Good' rating. Energy and water reducing measures, attention for a healthy indoor environment and excellent accessibility by public transport make this score possible.

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

The construction works regarding the projects in Gent Overpoort, Genk Shopping 1 and Tournai 'Les Bastions' are also subject to BREEAM assessments.

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

In addition, during the previous year Wereldhave Belgium has taken measures for the safety of people who work in, for or at Wereldhave Belgium properties. Examples are roof safety and the installing of cameras in shopping centres and office buildings.

Property management

Tenants increasingly attach importance to sustainability and now also take initiatives themselves. Wereldhave Belgium is pleased with these developments and encourages sustainability suggestions from its tenants. Active shopping centre management provides opportunities to improve the sustainability of the retail portfolio. In 2011, Wereldhave Belgium connected energy meters to an energy management system for a substantial part of the portfolio. 'Measuring is knowledge' and therewith the start of active energy management. The platform registers 15 minute energy-use values, which are used to distinguish the various energy consumption profiles and to analyse energy consumption during the course of the day.
As from the end of 2012, it will become possible to determine a carbon footprint of all energy procured by Wereldhave Belgium using the energy management system, since the data is based on the actual energy use. Wereldhave Belgium procures 100 % green energy.

In 2012, solar panels have been installed on the extension and on the existing roof of Nivelles shopping centre. With the procurement of green energy and the installation of sustainable energy sources, Wereldhave Belgium already pushed back its carbon footprint considerably, even before the metering has started.

Retailers are confronted actively with the analysis of energy consumption, aiming for cooperation. Greenleases are applied, including a sustainable fitting out. All new tenants of the 12,500 m² newly developed extension of the Nivelles shopping centre signed a (light) greenlease. This process will be pursued in other projects.

Although over the last few years a lot of progress has been achieved, further improvement will always remain possible. 'Value for tomorrow' starts with taking responsibility today.

The Belgian real estate market

Despite the still uncertain macroeconomic situation, the real estate market in Belgium maintained its position pretty well. Real estate in top locations is much in demand amongst investors but lower quality assets are having a tougher time. The Belgian retail market once again proved to be very strong and stable in 2012, with turnovers lightly increasing in comparison to those of the neighbouring countries such as The Netherlands and France. This stability could also be recorded in rental levels, which slightly increased in the main shopping streets and shopping centres. On the other hand, secondary locations rents remained under pressure. These trends are very similar for shopping centres. Better located centres do not suffer from vacancy and benefit from slightly increased rental levels.

In general, retailers have become more careful and opportunistic when it comes to renting new retail units, but top locations remain very popular amongst established retailers as well as newcomers.

In 2012, a number of brands, such as Albert Heyn, Calzedonia, Veritas and Claire's, were very expansively oriented.

The pressure on good locations is also being reinforced because of the few introduction of important new projects to the market in 2012 and a scarce offer in 2013.

In addition, current and forthcoming legislation impedes the realisation of new projects outside city centres.

An investment in well-located retail property is considered as a good defensive investment and continues to perform well. The share of retail in investment transactions continues to increase. In 2012, the investment volume in retail was, for the first time, larger than the volume in the office segment.

The demand for offices in Brussels remained quite low but was slightly higher than in 2011. Companies are postponing their strategic decisions because of the economic climate. The uptake in Brussels in 2012 was 412,000 m² or 21 % higher than in 2011.

As there are few new transactions, the focus of owners is first and foremost on keeping current tenants. The vacancy rate amounts to 10.4 % and is stable.

Top rents in Brussels have remained fairly stable. Lease agreements and contributions towards modern buildings at good locations have hit rock bottom. Lease agreements for less prestigious buildings or locations could still drop in view of the high vacancy and the negative economic climate.

The investment volume in Belgian real estate in 2012 amounted to € 1.7 billion and was slightly higher than in 2011. Due to the scarcity of top products, yields have dropped to 5 % or even less for top locations in main shopping streets. There have been almost no transactions regarding secondary locations.

Prospects

Rental growth by active shopping centre management remains one of the key tasks for the Management Company. The Management Company closely monitors the development projects in Genk, Gent, Tournai and Waterloo and will be watchful as to their positive contribution to the profits of the company upon their operational implementation.

The Management Company of Wereldhave Belgium declares:

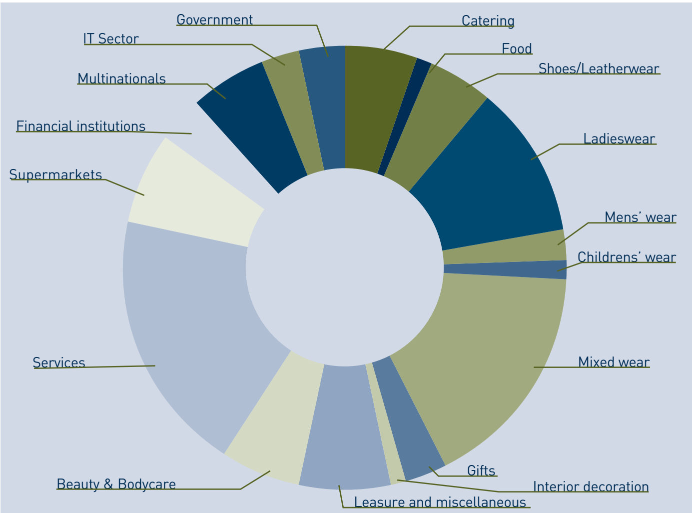
1. that based on the assessment performed and taking into account the recommendations of the Corporate Governance Code, the internal risk management and control systems of Wereldhave Belgium are adequate and provide a reasonable degree of certainty that the financial reporting as included in this Annual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

Statutory Management Company
Wereldhave Belgium SA

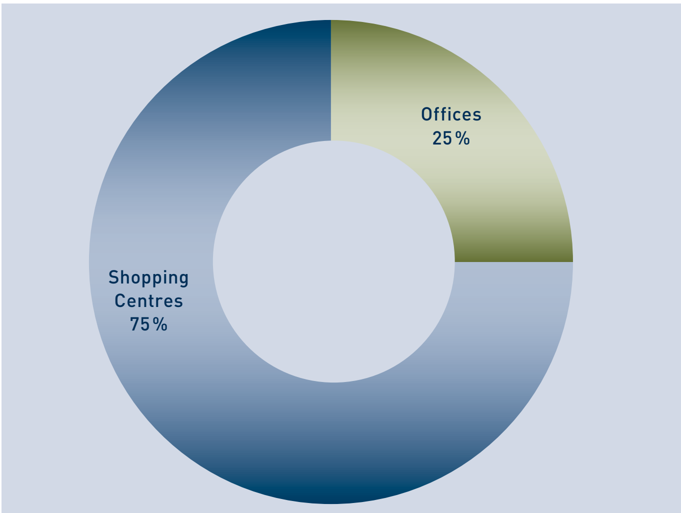
D. Goeminne, Chairman
J. de Smet
P. Naert
D. Anbeek
L. Plasman

Vilvoorde, 18 February 2013

Breakdown investment properties (as a % of rental income)



Breakdown by sector (as a % of fair value)



Real estate portfolio


Place
des Vennes
FORTIS
BANQUE

Portfolio summary at 31 December 2012

	Diversification of the portfolio (in % of valuation)	Lettable area (in m²)	Parking spaces (number)	Number of tenants	Rental income at 31 December, 2012 (€ x 1.000)	EPRA occupancy at 31 December 2012
Commercial						
Shopping Centre 'Belle-Ile' – Liège	28.14 [1]	30,252	2,200	95	9,860	96.6 %
Shopping Centre Nivelles	19.85	28,292	1,452	99	6,087	99.5 %
Shopping Centre 'Les Bastions' – Tournai	7.30	15,540	1,260	54	2,988	98.4 %
Genk – Stadsplein	8.60	15,618	44	58	2,477	99.5 %
Waterloo	2.17	3,347	95	13	832	100.0 %
	66.06	**93,049**		**319**	**22,244**	**98.7 %**
Offices						
Madou Centre	5.51	12,162	150	1	2,520	100.0 %
Brussels		504 *				
Orion Center	0.00	5,205	64	6	928	0.0 %
Brussels		25 *				
Jan Olieslagerslaan	0.57	3,048	82	2	256	62.6 %
Vilvoorde		29 *				
Business- & Mediapark	1.49	5,449	178	8	558	74.3 %
Vilvoorde (30)		201 *				
Business- & Mediapark	1.07	3,907	123	3	564	84.5 %
Vilvoorde (32)		120 *				
Business- & Mediapark	3.25	12,772	305	5	1,393	78.0 %
Vilvoorde (28)		246 *				
De Veldekens I	2.88	11,192	238	3	525	43.2 %
Berchem – Antwerp		368 *				
De Veldekens II	4.14	16,003	316	12	1,931	87.3 %
Berchem – Antwerp		1,008 *				
De Veldekens III	2.66	11,192	217	15	1,010	87.0 %
Berchem – Antwerp		208 *				
	21.57	**83,639**		**55**	**9,686**	**81.3 %**
Development projects						
Genk Shopping 1	5.87	N/A	N/A	16	1,001	
Projects	3.79	N/A	N/A		5	
	9.66			**16**	**1,006**	
Real estate certificates						
Kortrijk Ring	1.29	N/A	N/A			
Basilix	1.42	N/A	N/A			
	2.71					
Total	**100.00**	**176,688**		**390**	**32,935**	**93.7 %**

* storage

(1) concerning the risk of seizure of the shopping centre, see page 71 'Claim'

'Belle-Ile' Shopping Centre

Quai des Vennes 1, 4020 Liège
Year of construction: 1994
Location: Belle-Ile is located to the Southeast of Liege, by the 'Autoroute des Ardennes' – E25
Rentable area: 30,252 m²
The shopping centre houses 96 shops
Parking: 2,200 spaces

Shopping centre in Nivelles

Chaussée de Mons 18A, 1400 Nivelles
Year of construction: 1974 – Extension: 2012
Location: The Nivelles Shopping Centre is located on the outskirts of Nivelles, at the 'Nivelles-Sud' exit of the E19 motorway between Brussels and Paris
Rentable area: 28,600 m²
The shopping centre houses 101 shops
Parking: 1,452 spaces

'Les Bastions' Shopping Centre

Boulevard Walter de Marvis 22, 7500 Tournai
Year of construction: 1979 – Renovatie: 1996
Location: The 'Les Bastions' shopping centre is situated along the ring road around Tournai
Rentable area: 15,540 m²
The shopping centre houses 56 shops
Parking: 1,260 spaces

Retail complex in Waterloo

Chaussée de Bruxelles 193-195,
1410 Waterloo
Year of construction: 1967
Location: Centre of Waterloo
Rentable area: 3,347 m²
The retail complex houses 11 shops
Parking: 95 spaces

Genk Stadsplein

Stadsplein 39, 3600 Genk
Year of construction: 2008
Location: The retail complex 'Stadsplein' is located in the centre of Genk
Rentable area: 15,400 m²
The retail complex houses 28 shops
Parking: 44 spaces

Office buildings in Vilvoorde

Jan Olieslagerslaan 41-45, 1800 Vilvoorde
Year of construction: 1998
Location: in the 'Business Class' office park, near the station of Vilvoorde
Rentable area: 3,048 m² offices

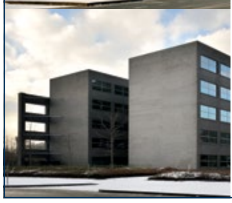
Medialaan 30-32, 1800 Vilvoorde
Year of construction: 1999
Location: in the 'Business- & Mediapark', in the immediate vicinity of the Brussels Ring Road (exit 6) and the airport
Rentable area:
Medialaan 30: 5,449 m² offices
Medialaan 32: 3,907 m² offices

Medialaan 28, 1800 Vilvoorde
Year of construction: 2001
Location: in the 'Business- & Mediapark', in the immediate vicinity of the Brussels Ring Road (exit 6) and the airport
Rentable area: 12,772 m² offices

Office buildings in Antwerp 'De Veldekens'

Veldekens I
Roderveldlaan 1-2,
2600 Berchem – Antwerp
Year of construction: 2001
Location: alongside the Antwerp ring road
Rentable area: 11,192 m² offices

Veldekens II
Roderveldlaan 3-4-5,
2600 Berchem – Antwerp
Year of construction: 1999
Location: alongside the Antwerp ring road
Rentable area: 16,003 m² offices



Veldekens III
Berchemstadionstraat 76-78,
2600 Berchem – Antwerp
Year of construction: 2002
Location: alongside the Antwerp ring road
Rentable area: 11,192 m² offices

Office buildings in Brussels

Madou Center
Bischoffsheimlaan 1-8, 1000 Brussels
Year of construction: 1975 – Renovation: 2002
Location: along the inner ring road, in the Art-Loi quarter
Rentable area: 12,162 m² offices

Genk Shopping 1

Sector
Retail

Type
Redevelopment/Extension

Size
Extension shopping centre: 11,500 m² GLA
Total shopping centre after extension: 27,100 m² GLA

Estimated completion
4th quarter 2014

Expected yield
6.50 % – 7.00 %

Status
The project consists in the renovation and extension of Genk Shopping 1, in the city centre of Genk. Wereldhave Belgium owns approximately 86 % of the co-ownership. Important tenants are Carrefour, Sportsdirect, M&S, WE, Etam, America Today and Hunkemöller. After completion the total floor space will amount to ca. 27,100 m².

Shopping centre 'Les Bastions' in Tournai

Sector
Retail

Type
Extension

Size
Retail park: 10,000 m² GLA
Extension shopping centre: 14,500 m² GLA
Total shopping centre after extension: 32,500 m² GLA

Estimated completion
Retail park: 2014
Extension shopping centre: 2016

Expected yield
Tournai I: 7.00 % – 7.50 %
Tournai II: 6.50 % – 7.00 %

Status
Tournai I consists of a retail park of 10,000 m² with 360 parking spaces and about 16 apartments on a plot of land opposite of the Les Bastions shopping centre. Tournai II relates to the extension of the existing centre with 14,500 m² on the current parking lot. Both projects are still in the planning phase. The permits applications were filed in July 2012. Several sustainability items have been included in the design.

Forum Overpoort in Gent

Sector
Retail/student homes

Type
Redevelopment/Extension

Size
3,700 m² GLA
119 student homes with shared facilities

Estimated completion
September 2013

Expected yield
6.50% – 6.75%

Status
The project consists of the (re) development and conversion of the former students restaurant of the University of Gent that opened its doors in 1971. The University of Ghent has given the building in leasehold ('erfpacht – emphytéose') to Wereldhave Belgium for a period of 99 years.
The concept behind the (re)development of 'Forum Overpoort' includes the development of shops, services and catering functions specifically targeted at university and college students as well as 119 new student homes (different types). There is also a studio for a concierge, who guarantees a permanence/sustainability in the students' residence. Both the programs will function autonomously in the same building. Construction works started in August 2012.

Waterloo

Sector
Retail

Type
Redevelopment

Size
10,000 m² GLA

Estimated completion
2016

Expected yield
6.75% – 7.25%

Status
The project consists of the redevelopment of an existing shopping centre in Waterloo, a wealthy city just below Brussels with spending power above the national average. The development plan consists of a non covered shopping centre of 10,000 m² with a parking garage, an attractive square and a pedestrian area.

Real estate experts report

Resolutions of the real estate experts, prepared on 31 December 2012, following the valuation of the property portfolio at 31 December 2012, as referred to in Section 29, paragraph 1, of the Royal Decree of 7 December 2010 with respect to real estate investment funds.

Troostwijk – Roux C.B.V.A.

Evaluation principles for the property portfolio

The value is based on an inspection carried out by one or more chartered surveyors, taking into account the location, construction type, zoning requirements and maintenance status at the time of assessment. The valuations are also based on data supplied by the client and/or third parties if necessary, which we assume to be correct.

The valuation has been carried out in conformity with IVS and EVS.

Investment Properties

Investment properties are valued at fair value. Fair value is based on the market rent minus the operating costs. To determine the fair value, the net capitalization factor and the net present value of the difference between market rent and contractual rent, of forecasted vacancy and of necessary future investments are determined for each object. This value is reduced by the standard transaction costs (registration tax 10 % – 12.5 %).

Development projects

Property that is being constructed or developed for future use as investment property is classified as a development project. Development projects are initially valued at cost and are subsequently valued at fair value. Fair value measurement on development projects is only applied if the fair value is considered to be reliably measurable.

At 31 December 2012, the fair value of the offices portfolio and the shopping centre 'Les Bastions' in Tournai, registered in the real estate expert report of Troostwijk-Roux amounted to € 165,066,000.

Cushman & Wakefield

Our methodology is based on the Market Value. The method used is the capitalization of the estimated market rent (MR) with corrections to take account of the rent effectively paid and/or any other element that could influence the value of the property such as cost of void.

In a first step, we determine the market rent. We analyze at which level the individual shops could be let tomorrow in the market. To determine this value, we based ourselves on our experience, our internal data and on transactions currently going on in the market, while taking into account the market conditions, the location, the accessibility, the efficiency for retail, the site, and the buildings' characteristics both of the shopping centre as a whole and of the individual units.

The assigned rental price per m² for each individual shop is applicable over the total area of the shop and is not based on the 'Zone-A' principle. Consequently to arrive at an annual estimated rental value (ERV) per shop we only have to multiply the rental price per m² with the total area for each individual shop. This 'Zone-A' principle is mostly only used for inner-city shops. It means that over the full width of the shop, the area situated in the first 10 m starting from the front and going to the back are seen as having a rental level of 100 % of the estimated rental value/m², where the area situated in the next 10 m only counts for 50 % of the estimated rental level per m² and all the other area (including all the upper floors) only counts for 25 % or is estimated on a flat rate bases depending on the location and usability.

Once an ERV is assigned to each shop we then calculate the adjusted ERV; depending on the current rental level, this will be the current passing rent (PR) plus 60 % of the difference between the current rent and the ERV or this will be 100 % the ERV. The first occurs when the ERV is higher than the current PR. In this case, during renegotiations, the landlord will seldom succeed in attaining a new rent of 100 % the ERV. Most of the time the tenant will undertake legal steps to avoid this and it is common practice for judges to determine the new rent equal to the old rent + 60 % of the difference between the PR and the MR. It is very unlikely that a landlord will be able to attain this before the end of the current contract. The second scenario occurs when the current PR is higher than the ERV. This is very unlikely to continue after the first break and so estimate that the rent after renegotiation will be brought down to the ERV level.

The second step consists in evaluating at which yield an investor would be ready to buy the entire property. This is not done on the individual shops level, but is done for the shopping centre as a whole. Again we base ourselves on our market experience and that of retail investment team including the info derived from recent deals. We obtain a Gross Market Value before corrections.

In a third step we take into account all necessary corrections which influence the gross market value.
The corrections include current or future void, foreseeable (re) letting cost and incentives, planned refurbishments, etc…
These corrections will come in addition or in deduction of our initial Gross Market Value to arrive at the Gross Market Value after corrections or also called: the Investment Value.

To finally arrive at the Net Market Value, we exclude from the Investment Value; the registration duties of 10 % in Flanders and of 12.5 % in Brussels and Wallonia and also the notary fees. These notary fees are legally fixed and are proportional and degressive. This means that the percentage decreases as the investment price increases.

At 31 December 2012, the fair value of the shopping centre 'Belle-Ile' in Liège, the shopping centre in Nivelles, 'Genk Stadsplein' and 'Waterloo Shopping' in Waterloo, registered in the real estate expert report of Cushman & Wakefield, amounted to € 335,906,000.

Consolidated Annual Accounts 2012

Contents

Consolidated balance sheet at 31 December 2012		47
Consolidated profit and loss account to 31 December 2012		48
Global result statement 2012		50
Consolidated cash flow statement 2012		50
Consolidated statement of movements in equity for 2012		51
Notes to the consolidated annual accounts		
1	General information	52
2	Fiscal status	52
3	Accounting policies	52
4	Direct and indirect result	60
5	Segment information	61
6	Investment properties	63
7	Development projects	64
8	Other tangible assets	65
9	Financial assets	65
10	Trade receivables and other non-current assets	66
11	Current receivables	66
12	Cash and cash equivalents	66
13	Share capital	66
14	Variations in the fair value of financial assets and liabilities	67
15	Pension obligations	67
16	Long-term financial debts	67
17	Other long term liabilities	68
18	Deferred taxes	68
19	Current liabilities	68
20	Securities	68
21	Rental income	69
22	Property charges	69
23	General expenses	69
24	Result disposals of investment properties and valuation differences	70
25	Financial result	70
26	Taxes on result	71
27	Goodwill	71
28	Result per share	71
29	Dividend	71
30	Claim	71
31	Related Group companies	72
32	Events occurred after the financial year	72
33	Investment obligations	72
34	Remuneration auditor	72
35	Financial instruments	72
36	Branches	72
37	Research and development	72

Consolidated balance sheet at 31 December 2012

(x € 1,000)

		Note	31 December 2012		31 December 2011	
	Assets					
I.	**Non-current assets**					
A.	Goodwill	27	2,020		2,020	
C.	Investment properties	6		2,020		2,020
	Investment prop. excl. dev. projects.	6	499,801		398,408	
	Development projects	7	55,244		74,428	
				555,045		472,836
D.	Other tangible assets	8	519		358	
E.	Financial tangible assets					
	Assets available for sale					
	Real estate certificates	9	15,481		11,371	
G.	Trade receivables and other non-current assets	10	1,203		1,341	
				17,203		13,070
II.	**Current assets**					
D.	Trade receivables	11	1,798		4,517	
E.	Tax receivables and other current assets	11	1,209		695	
F.	Cash and cash equivalents	12	2,015		3,281	
				5,022		8,493
	Total assets			579,290		496,419
	Shareholder's equity					
A.	Capital	13	266,160		224,969	
B.	Issue premiums		27,759			
C.	Reserves					
	Available reserves		5,627		5,627	
	Accumulated result		144,327		127,395	
	Variations in the fair value of financial assets available for sale	14	382		1,617	
D.	Net result book year		36,465		38,301	
				480,720		397,909
	Liabilities					
I.	**Non-current liabilities**					
A.	Provisions					
	Pensions	15	109		188	
B.	Non-current financial debts					
a.	Credit institutions	16	90,000		60,000	
	Rent guarantees received	17	159		156	
F.	Deferred taxes – liabilities	18	1,157		1,186	
				91,425		61,530
II.	**Current liabilities**	19				
B.	Current financial debts					
a.	Credit institutions		1,000		7,000	
c.	Other		181		307	
D.	Trade payables and other current debts					
c.	Other					
	Suppliers		2,020		23,029	
	Taxes, remunerations and social security contributions		531		428	
F.	Accruals and deferred income					
	Real estate income received in advance		853		629	
	Other		2,560		5,587	
				7,145		36,980
	Total shareholder's equity and liabilities			579,290		496,419
	Net asset value per share (x € 1)			76.21		74.63

Consolidated profit and loss account to 31 December 2012

(x € 1,000)

		Note	2012		2011	
I.	Rental income	21				
	Rent		32,935		25,235	
	Indemnification for early termination of lease		235		1,003	
	Net rental income			33,170		26,238
V.	Recovery of rental charges and taxes normally paid by the tenant on let properties		1,135		1,144	
VII.	Rental charges and taxes normally paid by the tenant on let properties		-1,343		-1,370	
				-208		-226
	Property result			32,962		26,012
IX.	Technical costs					
	Recurrent technical costs					
	Repairs		-334		-222	
	Compensation for total guarantees		-157		-144	
	Insurance premiums		-31		-43	
				-522		-409
X.	Commercial costs					
	Agency commissions		-274		-278	
	Publicity		-79		-113	
				-353		-391
XI.	Charges and taxes on non let properties					
	Costs on non let properties		-666		-292	
	Real estate tax on non let properties		-42		-333	
				-708		-625
XII.	Property management costs					
	(Internal) property management costs		-549		-519	
				-549		-519
	Property charges	22		-2,132		-1,944
	Property operating results			30,830		24,068
XIV.	General company costs	23				
	Staff costs		-797		-859	
	Other		-911		-730	
XV.	Other operating income and charges		254		714	
				-1,454		-875
	Operating results before result on the portfolio			29,376		23,193

Consolidated profit and loss account to 31 December – continued

	Note	2012	2012	2011	2011
XVI. Result on disposals of investment property					
Net property sales (selling price – transaction costs)		11,773		2,698	
Book value of the property sold		-11,878		-2,782	
	24		-105		-84
XVII. Result on disposals of other non financial assets					
Net sales of other non financial assets (sale price – transaction costs)		10		4	
Book value of the sold other non financial assets					
			10		4
XVIII. Variations in the fair value of investment property					
Positive variations in the fair value of investment property		17,063		21,050	
Negative variations in the fair value of investment property		-9,908		-6,303	
	24		7,155		14,747
			7,060		14,667
Operating result			36,436		37,860
XX. Financial income					
Interest and dividends received		1,189		898	
XXI. Net interest charges					
Nominal interest charges on loans		-1,042		-784	
XXII. Other financial charges					
Bank charges and other commissions		-47		-28	
Financial result	25		100		86
Pre-tax result			36,536		37,946
XXIV. Corporate tax					
Corporate tax		-71		-157	
Positive deferred taxes on market fluctuations				512	
Tax	26		-71		355
Net result			36,465		38,301
Net result shareholders of the Group			36,465		38,301
Result per share (x € 1)			6.04		7.18
Diluted result per share (x € 1)			6.04		7.18

Global result statement 2012

(x € 1,000)

		2012		2011	
I.	Net result		36,465		37,789
II.	Other elements of the global result				
C.	Variations in the fair value of financial assets available for sale	-1,235		-152	
F.	Taxes on result regarding 'other elements of the global result'			512	
			-1,235		360
	Global result		35,230		38,149
	Minority interests				

Consolidated cash flow statement to 31 December 2012

(x € 1,000)

	01-01-2012/31-12-2012		01-01-2011/ 31-12-2011	
Cash flow from operating activities				
Net result	36,465		38,301	
Interest and dividends received	-1,189		-856	
Result exclusive of dividend received		35,276		37,445
Depreciation tangible assets	95		60	
Rental discounts and investments	262		279	
Interest paid	-1,042		-784	
Variations in the fair value of investment property	-7,155		-14,747	
Movements in provisions	530		-1,098	
Movements in short term debts	-3,140		429	
		-10,450		-15,861
Net cash flow from operating activities		24,826		21,284
Cash flow from investment activities				
Acquisition real estate certificates	-5,344			
Investments	-36,226		-19,900	
Income sale investment property	11,698			
Acquisition furniture and vehicles	-262		-328	
Dividends received	1,189		856	
Net cash flow from investment activities		-28,945		-19,372
Cash flow from financing activities				
Credit institutions	24,000		19,720	
Dividends paid	-21,147		-20,550	
Net cash flow from financing activities		-2,853		-830
Net cash flow		-1,266		1,382
Cash & bank balances				
At 1 January		3,281		1,899
Increase/decrease cash and bank balances		-1,266		1,382
At 31 December		2,015		3,281

Consolidated statement of movements in equity for 2012

(x € 1,000)

	Notes	Shareholders					Total
		Share capital	Issue premiums	Reserves	Result	Variations fair value of financial assets	
Balance at 1 January 2011		224,969		5,627	148,173	1,769	380,691
Variations in the fair value of financial assets available for sale	a					-152	-152
Transfer from reserves					-30		-30
Net result					38,301		38,301
Dividend 2010	b				-20,901		-20,901
Balance at 31 December 2011		224,969		5,627	165,696	1,617	397,909
Balance at 1 January 2012		224,969		5,627	165,696	1,617	397,909
Capital increase		41,191					41,191
Issue premiums			27,759				27,759
Variations in the fair value of financial assets available for sale	c					-1,235	-1,235
Transfer from reserves					-41		-41
Net result					36,465		36,465
Dividend 2011	d				-21,328		-21,328
Balance at 31 December 2012		226,160	27,759	5,627	180,792	382	480,720

Notes

a	Variations in the fair value of financial assets available for sale	
	Real estate certificates	-152
b	Dividend paid 2010	
	€ 3.92 (net € 3.332) per share	-20,901
c	Variations in the fair value of financial assets available for sale	
	Real estate certificates	-1,235
d	Dividend paid 2011	
	€ 4.00 (net € 3.16) per share	-21,328

1. General Information

Wereldhave Belgium (the company) has the status of a Real Estate Investment Fund with fixed capital (sicafi). The company invests in offices, shopping centres, possibly (additionally) residential property and other real estate. Shopping centre renovations and/or extensions are preferred as future investments.

The company is managed by the sole Statutory Management Company, represented by the Board of Directors. The Board of Directors of the Management Company, Wereldhave Belgium NV, is composed of at least four members. One is Executive Board member of Wereldhave N.V. and three have the legal position of Independent Director.

The company quotes at the NYSE Euronext continuous stock exchange in Brussels.

The consolidated annual accounts from 1 January to 31 December 2012, are the result of the consolidation of Wereldhave Belgium with its subsidiaries. The consolidated annual accounts and consolidated annual report were approved by the Board of Directors of the Management Company on 18 February 2013. The General Meeting of Shareholders will be held on 10 April 2013 at the registered offices of the company. The General Meeting of Shareholders is authorised to change the approbation of the result within legal limits.

Wereldhave N.V., Nassaulaan 23, The Hague, held 69.41% of the shares directly or indirectly at 31 December 2012.

2. Fiscal status

The company has the fiscal status of a Real Estate Investment Fund and is, therefore, not subject to corporate tax, except on possible exceptional profits and on disallowed expenditures.

3. Accounting policies

3.1 Basis of preparation annual accounts 2012

The Group's functional currency is the Euro. The financial statements of Wereldhave Belgium have been presented in Euros, rounded to the nearest thousand. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. The consolidated financial statements and the company financial statements have been prepared on the historical cost basis, unless specified otherwise.

The accounts have been prepared before distribution of profit. The consolidated balance sheet and the profit and loss account are established in accordance with the scheme applicable to all Belgian sicafis, conforming to the Royal Decree of 7 December 2010.

In 2012 the below mentioned new IFRS standards or interpretations thereon became applicable. These new or adjusted standards and interpretations did not affect Wereldhave Belgium's reporting for the year 2012. It concerns the following standards and interpretations:

- IFRS 7 Financial instruments: disclosures and
- IAS 12 Income taxes.

The IASB has made adjustments to IAS 12 'Income Tax' which have been ratified by the EU. The adjustments provide for an exemption to the general principles of this standard for real estate investments that are incorporated using the fair value model in accordance with IAS 40 Investment Property.
The adjustments assume that for the evaluation of deferred taxes, there is a refutable assumption that the balance sheet value of such an asset will be entirely realised by selling it. This change is relevant if the tax rate to be applied differs depending on whether the asset is sold or used. This can occur within Wereldhave Belgium in certain situations.
In the years to come, the following (amended) standards will become applicable:

- IAS 1 Presentation of financial statements;
- IFRS 9 Financial instruments and subsequent amendments;
- IFRS 10 Consolidated financial statements;
- IFRS 11 Joint arrangements;
- IFRS 13 Fair value measurement and
- IAS 19 Employee benefits.

The adjustments to IAS 19 concern the incorporation in the accounts of pledged pension schemes and severance pay. The most important adjustment relates to incorporating changes in the pledged pension schemes and the fund investments. The adjustments require the direct acknowledgement of the changes in the pledged pension schemes and in the fair value of the fund investments via the realised and unrealised result statement as they occur, and eliminate the 'corridor method' that was permitted in the previous version of IAS 19. The impact of this change in accounting treatment would have a negative effect of € 0.6 mln on equity for the book year.

The adjustment to IFRS 11 concerns the incorporation of joint ventures for which the economic reality is decisive ('substance over form'). The legal structure of a joint venture is no longer decisive for the reporting. In addition, the number of options for incorporating joint ventures has been limited: proportional consolidation of joint ventures is no longer permitted.

3.2 Consolidation

Subsidiaries

Subsidiaries are those entities for which the group has the power to determine the financial and operating policies, generally speaking for a participation of more than half the voting rights. The existence and the impact of potential voting rights that may be exercised or converted at that time are included in the assessment of whether the group has control over another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are consolidated until the date on which control ends.

Acquired identifiable assets and liabilities and conditional obligations in a business combination are initially valued at the fair value on the acquisition date. For each acquisition, the choice can be made to either value the minority interest at fair value or to value the proportional part of the minority interest in the net assets of the party taken over. The surplus costs of the acquisition above the fair value of the group's share of the identifiable acquired net assets are included as goodwill. If the costs of the acquisition are lower than the fair value of the net assets of the subsidiary acquired, the difference is incorporated in the profit and loss account.

Intercompany transactions, balances and unrealised profits on transactions between subsidiaries are eliminated. Unrealised losses are also eliminated. The basic principles of financial reporting for subsidiaries have where necessary been adapted to guarantee the consistency with the basic principles for the group.

Incorporating acquisitions

For acquisitions, Wereldhave Belgium assesses whether it is IFRS 3 R 'Business Combinations' or IAS 40 'Investment Property' that applies. Acquisitions are deemed to be a business combination if there is an acquisition of assets, rental activities and such a management organisation that the acquired entity can function autonomously as a company, with the aim of generating economic profits. Wereldhave Belgium does not necessarily consider acquisitions of real estate that for business economic reasons are purchased within a legal company to be a business combination, but assesses each acquisition individually on the basis of the aforementioned business characteristics.

For the acquisition of business combinations, the fair value of the participation acquired is offset against the price paid for the acquisition. If the fair value is lower, the difference between the sums paid and the fair value is accounted for as goodwill. If the sums paid are lower, the difference is accounted for directly in the profit and loss account.

If an acquisition is not qualified as a business combination, it is incorporated on the basis of the individual assets and liabilities; additional acquisition costs are capitalised and no goodwill or tax deferrals are taken into account.

The purchase method is used to incorporate the acquisition of subsidiaries by the group. The cost price of an acquisition is determined on the basis of the fair value of the assets, any equity instruments issued and any obligations contracted or taken over on the date of the transaction. Costs relating directly to the acquisition are incorporated in the profit and loss account.

3.3 Equity

The objective of Wereldhave Belgium, when managing capital (as presented in the annual accounts), is to safeguard the group's going concern, provide returns for the shareholders, benefits for other stakeholders and to maintain such a capital structure to optimize the cost of capital. The definition of equity used by the company equals the judicial definition of Company Law, corrigated with the expected payment of dividend. Further Wereldhave Belgium manages its capital to ensure that it meets the requirements from laws and regulations (Royal Decree of 7 December 2010). The share capital is described in note 3.13.

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

3.4 Business Combinations and goodwill

When the company takes control of an activity, as defined in IFRS 3 R– Business Combinations, the assets, liabilities and possible identifiable liabilities of the acquired activity are entered at their fair value. The difference between the fair value of the consideration transferred to the seller and the share of Wereldhave Belgium in the fair value of the acquired net assets is a goodwill asset on the balance sheet. If the difference is negative, then this surplus (negative goodwill or badwill) is booked into the result after confirmation of the values.

The costs related to the acquisition, such as advisor fees, are booked directly as expenses (indirect result).

3.5 Impairment of non-financial assets
Assets having an indefinite useful life, e.g. goodwill, are not subject to amortization and are tested on an annual basis for impairment. Assets subject to amortization are reviewed for impairment when events or changes in circumstances occur which give an indication that the book value may not be recoverable. Impairment is recognized in the profit and loss account for the amount that the book value of an asset exceeds the recoverable amount, being the fair value minus selling costs. Non-financial assets other than goodwill, which are impaired, are assessed for possible recovery of the impairment on each reporting date.

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

Fair value is based on the capitalisation of market rents less operating costs like maintenance, insurances costs and fixed charges. The net capitalisation factor and the present value of the differences between market rent and contracted rent, of vacancies and of maintenance expenditure to be taken into account are calculated for each property individually. Sale costs at the expense of the purchaser, among which transfer tax, are deducted from the fair value. At first balance sheet date after purchase, these sale costs are recognised in the income statement. After acquisition subsequent expenditure is added to the asset's carrying amount when it is probable that future economic benefits will flow to the entity. All other expenditure, such as repairs and maintenance, are charged to the income statement during the financial period in which they are incurred. The part property in own use is not significant and therefore not classified separately as property in own use.

Real estate investments that are located on an emphyteutic lease parcel are valued at fair value in the same way as other real estate investments, providing that the fair value of the real estate includes the cash value of the obligations to pay the lease as a deduction. For reporting purposes, emphyteutic lease is incorporated as financial rental, so that the balance sheet value of these future obligations is added to the value of the real estate. At the same time, the emphyteutic lease obligations are initially valued on the balance sheet for the lowest of either the fair value of the obligation of the cash value of the minimum emphyteutic lease payments. Valuation then occurs at the amortised cost price.

The portfolio is valued quarterly at fair value by an independent external valuer in conformity with 'International Valuation Standards' and 'European Valuation Standards'. Valuation differences are recognised in the income statement.

Development projects
Property that is being constructed or developed for future use as investment property is classified as a development project. Development projects are initially valued at cost and are subsequently valued at fair value. Fair value measurement on development projects is only applied for if the fair value is considered to be reliable measurable. If not, development projects are valued at historical cost less durable impairments. The following criteria are adopted to determine when a reliable fair value of development projects can be determined:

- building permit obtained;
- agreements with general contractors signed;
- sufficient finance arrangements in place;
- > 70 % pre let.

The cost price comprises the cost price of the work carried out, the costs of personnel directly related to the project, charged with technical supervision and project management on the basis of time spent and the capitalised interest charges until the delivery date on the basis of the interest charges to be attributed directly to the development project or on the basis of the group's average effective interest rate if there is no specific project financing. Interest charges comprise interest and all the costs of Wereldhave Belgium relating to attracting money.

The fair value of project developments is determined in exactly the same way as real estate investments providing that the capitalisation factor is adjusted for any development risks present. If possible, the fair value is determined by independent real estate experts. If this is not possible, an internal calculation model with similar parameters is used.

Impairment losses are recognised in the income statement. Development projects are transferred to investment properties on the date of technical completion.

3.7 Other tangible assets

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

- Office furniture: 10 years
- Equipment: 3-5 years
- Cars (excl. residual value): 4 years

Other tangible assets are yearly tested for impairment. Gains and losses on disposals are recognised in the income statement.

3.8 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 Belgium 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. In case that the valuations are not available on markets, the fair value is based on information from banks, which is recalculated in an internal calculation model. When information from banks is also not available only internal calculation models are used.

Financial assets at fair value through profit or loss

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

Financial assets at fair value through the income statement are initially and subsequently valued at fair value. The fair values are current bid prices in case these are available. In case an open market value is not available, the fair value is based on information of banks, which is recalculated with internal calculation models.

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 income and expense on the basis of the effective interest method.

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

Financial assets available for sale

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

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

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

3.9 Other long term assets

Rent free periods and other leasing expenses

These costs are initially recognised at cost and subsequently valued at amortised cost over the remaining term of the lease and are recognized via non-current assets under 'trade receivables and other non-current assets'.

3.10 Non-current assets available for sale

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

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

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

3.11 Trade receivables

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

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and cash deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.13 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.

3.14 Provisions

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

3.15 Interest bearing debt

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

3.16 Employee benefit plans

Defined contribution plans

Defined contribution plans are pension schemes to which a group company makes a fixed annual contribution. The movement in obligations for defined contribution pension plans are recognised as an expense in the income statement.

Defined benefit plans

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

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

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are recognised under financial income and expenditure, over the average remaining service period of employees, if and as far as the balance of these gains and losses exceeds 10% of the higher of the actuarial obligations or the value of assets ('corridor method') – see note 3.1: 'Basis of preparation annual accounts 2012'.

3.17 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.

3.18 Leases

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

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

3.19 Revenue

Rental income

Rental income from investment property leased out under operating lease is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives having the nature of rent free periods are recognised as an integral part of the rental income. The incentives are amortised over the term of the lease, limited to the first break of the lease. Amortizations are charged to rental income.
Rental income does not include amounts charged to tenants in respect of common costs. Rental income is shown on an accrual basis.

Variable rental income such as rental income from investment property or rental income from incidental rental are accounted for in the profit and loss account for the period to which they relate if they can be reliably assessed. If assessment is not possible, they will be incorporated at the time of realisation.

3.20 Expenses

Charges and taxes payable by tenants on let properties (+/-)

These are shown on a gross basis when the property owner acts as a principal. In the presentation on a gross basis costs and charges are shown separately. Costs and charges are shown on an accrual basis.

Property expenses

The amount consists of operating cost for the account of the owner attributable to the accounting period, such as:

- technical costs
- charges and taxes of vacant properties
- insurance premiums
- property management
- commercial costs

Technical costs include (major) repairs to and maintenance of the buildings, costs of studies regarding maintenance and repairs, costs for total guarantees (a 'Total Guarantee' maintenance contract guarantees a constant level of yearly maintenance fees even if major repairs become necessary in case of unforeseen failures or breakdowns) as well as costs of vacant properties.

Commercial costs include the depreciation of expenditure in connection with a letting. The expenditure is depreciated over the term of the lease.

Investment property depreciation charges are not recognised since investment properties are valued at fair value (see note 3.6 'Investment properties'). The fair value calculation takes into account technical and economical obsolescence.

General costs

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

3.21 Interest

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 paid. Due to the amortised cost valuation of interest bearing debts as well as amortization of the liability portion of convertible bonds, interest will include interest addition to interest bearing debts on the basis of the effective interest rate per loan.

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 are capitalised as part of the cost of the respective assets, starting at the moment of undertaking activities that are necessary to prepare the asset for its intended use till completion unless no further development takes place. The interest capitalised is calculated the groups weighted average cost of borrowings or the borrowing cost of a specific project financing.

3.22 Corporate tax

Income tax on profit and loss for a year comprises current tax. Current income tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates prevailing at the balance sheet date and any adjustment to taxation in respect of previous years.

3.23 Direct and indirect result

In the notes to the consolidated financial statements Wereldhave Belgium presents results as direct and indirect results, enabling a better understanding of results. The direct result consists of rental income, property charges, general costs and financial result. The indirect result consists of the valuation results, results on disposals, actuarial profit and losses from pension schemes and other results not taken into account for the direct result. This presentation is not obligatory under IFRS.

3.24 Segment reporting

A segment consists of assets and activities with specific risks and results, with differences per sector. As Wereldhave Belgium's portfolio investment properties is only located in Belgium, segment information is provided by investment property type, offices and retail. Segment reporting presents results, assets and liabilities per sector. Results, assets and liabilities by segment contain items that can be directly attributed to that sector.

3.25 Dividends

Dividends are recognised as debts to shareholders in the year in which they are attributed.

3.26 Important assessments

Investment properties

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

An independent external valuer bases his fair value valuation on his own market knowledge and information.

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

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

General assumptions with regard to the valuation of investment property have been disclosed in note 3.6.

4. Consolidated direct en indirect result *(x € 1,000)*

In accordance with note 3.23, the company itemises hereafter the result. The statutory direct investment result is retained and is the base for the distribution obligation.

		01-01-2012/31-12-2012		01-01-2011/31-12-2011	
		Direct	**Indirect**	Direct	Indirect
	Net rental income	33,170		26,238	
	Rental charges and taxes normally paid by the tenant on let properties	-208		-226	
	Properties charges				
IX.	Technical costs	-522		-409	
X.	Commercial costs	-353		-391	
XI.	Charges and taxes on non let properties	-708		-625	
XII.	Property management costs	-549		-519	
XIV.	General company costs	-1,708		-1,589	
XV.	Other operating income and charges	254		714	
	Operating results before result on the portfolio	29,367		23,193	
XVI.	Result on disposals of investment property		-105		-84
XVII.	Result on disposals of other non financial assets	10		4	
XVIII.	Change in fair value of the investment properties				
	- positive		17,063		21,050
	- negative		-9,908		-6,303
XIX.	Other portfolio result				
	Operating result	29,386	7,050	23,197	14,663
	Financial result	100		86	
	Pre-tax result	29,486	7,050	23,283	14,663
	Corporate tax	-71		-157	
	Positive deferred taxes on market fluctuations				512
	Net result	29,415	7,050	23,126	15,175
	Profit per share (x € 1)	4.87	1.17	4.34	2.84

5. Segment information *(x € 1,000)*

The segmentation of rental income, property charges, investment properties and revaluations to the following sectors occurs as follows:

	2012	Offices	Retail	Total
	Net rental income	9,845	23,325	33,170
	Recovery of rental charges and taxes normally paid by the tenant on let properties	-102	-106	-208
IX.	Technical costs			-522
	Repairs	-176	-158	
	Compensation for total guarantees	-93	-64	
	Insurance premiums	-12	-19	
X.	Commercial costs			-353
	Agency commissions	-266	-8	
	Publicity	-24	-55	
XI.	Charges and taxes on non let properties			-708
	Costs on non let properties	-599	-67	
	Real estate tax on non let properties	-25	-17	
XII.	(Internal) property management costs	-165	-384	-549
	Property operating results	8,383	22,447	30,830
XIV. XV.	General company costs and other operating income and charges			-1,454
	Operating result before result on the portfolio			29,376
XVI.	Disposals of investment property			-105
	Net property sales	11,773		
	Book value of the property sold	-11,878		
XVII.	Disposals of other non financial assets			10
XVIII.	Variations in the fair value of investment property			7,155
	Positive variations in the fair value of investment property	502	16,561	
	Negative variations in the fair value of investment property	-8,162	-1,746	
	Operating result			36,436
	Financial result			100
	Result before taxes			36,536
	Corporate tax			-71
	Positive deferred taxes on market fluctuations			
	Tax			-71
	Net result			36,465

Investment properties

Investment properties excl. development projects

	Offices	Retail	Total
Balance at 1 January	141,495	256,913	398,408
Investments	235	974	1,209
Transfer of development project to investment property		54,620	54,620
Disposals	-11,772		-11,772
Capital increase by means of contribution in kind		49,468	49,468
Revaluation	-7,660	15,528	7,868
Balance at 31 December	122,298	377,503	499,801

Development projects

	Offices	Retail	Total
Balance at 1 January		74,428	74,428
Purchases		1,416	1,416
Capital increase by means of contribution in kind		19,630	19,630
Transfer of development project to investment property		-54,620	-54,620
Investments		14,680	14,680
Revaluation		-714	-714
Capitalised interest		424	424
Balance at 31 December		55,244	55,244

Segment information – continued

2011

		Offices	Retail	Total
	Net rental income	9,769	16,469	26,238
	Recovery of rental charges and taxes normally paid by the tenant on let properties	-119	-107	-226
IX.	Technical costs			-409
	Repairs	-115	-107	
	Compensation for total guarantees	-86	-58	
	Insurance premiums	-19	-24	
X.	Commercial costs			-391
	Agency commissions	-275	-2	
	Publicity	-44	-70	
XI.	Charges and taxes on non let properties			-625
	Costs on non let properties	-300	8	
	Real estate tax on non let properties	-310	-23	
XII.	(Internal) property management costs	-193	-326	-519
	Property operating results	8,308	15,760	24,068
XIV. XV.	General company costs and other operating income and charges			-875
	Operating result before result on the portfolio			23,193
XVI.	Disposals of investment property			-84
	Net property sales	2,698		
	Book value of the property sold	-2,782		
XVII.	Disposals of other non financial assets			4
XVIII.	Variations in the fair value of investment property			14,747
	Positive variations in the fair value of investment property	1,786	19,264	
	Negative variations in the fair value of investment property	-2,746	-3,557	
	Operating result			37,860
	Financial result			86
	Result before taxes			37,946
	Corporate tax			-157
	Positive deferred taxes on market fluctuations		512	512
	Tax			355
	Net result			38,301

Investment properties

Investment properties excl. development projects

	Offices	Retail	Total
Balance at 1 January	143,158	252,223	395,381
Investments	2,059	-447	1,612
Disposals	-2,762		-2,762
Revaluation	-960	5,137	4,177
Balance at 31 December	141,495	256,913	398,408

Development projects

	Offices	Retail	Total
Balance at 1 January		27,815	27,815
Investments		31,611	31,611
Purchases		1,683	1,683
Reclassification of land		2,084	2,084
Revaluation		10,569	10,569
Capitalised interest		666	666
Balance at 31 December		74,428	74,428

6. Investment properties *(x € 1,000)*

	2012	2011
Balance at 1 January	398,408	395,381
Transfer of development project to investment property	54,620	
Disposals	-11,772	-2,762
Reclassification of land		-2,084
Capital increase by means of contribution in kind	49,468	
Investments	1,209	3,696
Revaluations	7,868	4,177
Balance at 31 December	499,801	398,408

Transfer of development project to investment property: In the first quarter of 2012, the extension of the shopping centre in Nivelles was subject to provisional acceptance. Upon commissioning of this development project, it was classified under investment properties excluding development projects, in accordance with IFRS (€ 54.6 mln).

Disposals: In December 2012, the office building 'Orion' at Bischoffsheimlaan 22-25 in Brussels was sold (€ -11.8).

Capital increase by means of contribution in kind: On 11 April 2012, a capital increase with issue of new shares by means of a contribution in kind (Genk Stadsplein – € 49.5 mln) took place.

Investments: The investments (€ 1.2 mln) concern investments in the existing portfolio.

Revaluations: The revaluation result (€ 7.9 mln) is the result of the positive and negative valuation results of the portfolio investment properties excluding development projects.

The investment properties portfolio, valued at € 44.5 mln, is charged with securities. These securities are the subject of a legal mortgage with reference to the disputed tax claim (see notes 20 and 30).
The investment properties portfolio was valued by CVBA Troostwijk-Roux and Cushman & Wakefield, independant real estate experts, at 31 December 2012.

Value investment properties according to the external valuation reports	500,972
Book value of rent free periods and other leasing expenses to be amortised. This amount is recognised in the balance sheet under 'Non-current assets – Trade receivables and other non-current assets'.	-1,171
Balance sheet valuation	499,801

Investment properties are valued at fair value. Fair value is based on the market rent minus the normative operating costs. To determine the fair value, the net capitalisation factor and the net present value of the difference between market rent and contractual rent, of forecasted vacancy and of necessary future investments are determined for each object. This value is reduced by the normative transaction costs (registration tax 10% – 12.5%).

7. Development projects *(x € 1,000)*

	2012	2011
Balance at 1 January	74,428	27,815
Purchases	1,416	1,683
Capital increase by means of contribution in kind	19,630	
Transfer of development project to investment property	-54,620	
Reclassification of land		2,084
Investments	14,680	31,611
Revaluations	-714	10,569
Capitalised interest (average interest rate 1,69 %)	424	666
Balance at 31 December	55,244	74,428

Purchases: The purchases concern the acquisition of a commercial unit (€ 1.4 mln) in the shopping centre 'Shopping 1' in Genk.

Capital increase by means of contribution in kind: On 11 April 2012 a capital increase by means of a contribution in kind (Genk 'Shopping 1' – € 19.6 mln) with the issue of new shares took place. The redevelopment and extension of this development project started in September and will last till end 2014.

Transfer of development project to investment property: In the first quarter of 2012, the extension of the shopping centre in Nivelles was subject to provisional acceptance. Upon commissioning of this development project, it was classified under the heading 'investment properties excluding development projects' in accordance with IFRS (€ -54.6 mln).

Investments: The investments (€ 14.7 mln) concern mainly the construction works regarding the redevelopment and extension of the shopping centre in Genk. These have started on 1 September 2012 and will continue until the fourth quarter of 2014. The construction works regarding the construction and redevelopment of the inner city project in the Overpoortstraat in Gent have started mid 2012 and will continue until the third quarter 2013. The realised project costs related to the other development projects are run-up and study costs.

Revaluations: The portfolio investment properties/development projects is measured at cost as fair value can not adequately be determined given the fledgling state of the projects (see accounting policies 3.6). The Management Company decided to operate a value reduction (the run-up costs of € -0.7 mln) regarding the development projects (Tubize, Halle). The value reduction is motivated by the investment focus of the company on shopping centres and by the negative prospects of a number of permit procedures.

Capitalised interest: Interest (€ 0.4 mln) directly attributable to a development project that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as part of the cost of the respective asset. The interest capitalised is calculated the groups weighted average cost of borrowings or the borrowing cost of a specific project financing.

8. Other tangible assets *(x € 1,000)*

	Office equiment	Cars	Total
Balance at 1 January 2012	283	75	358
Purchases (+/-)	47	122	169
Depreciation (+/-)	-49	41	-8
Balance at 31 December 2012	281	238	519
Balance at 1 January 2011	78	12	90
Purchases (+/-)	240	60	300
Depreciation (+/-)	-35	3	-32
Balance at 31 December 2011	283	75	358

	31 December 2012	31 December 2011
Total purchase cost	875	739
Total depreciation	-356	-381
Net book value	519	358

9. Financial assets *(x € 1,000)*

	31 December 2012	31 December 2011
Financial assets available for sale: real estate certificates		
Balance at 1 January	11,371	11,523
Purchase real estate certificates	5,345	
Revaluation (via shareholder's equity – note 14)	-1,235	-152
Balance at 31 December	15,481	11,371

The portfolio investments in real estate certificates consists of

1. an interest of 16.22 % (18,382 real estate certificates) in the shopping centre at Kortrijk – Kuurne.
   By the end of 2012, fair value amounted to € 7.4 mln (2011: € 8.0 mln).
   By the end of 2012, the closing price on NYSE Euronext, fixing market, amounted to € 416.8.
2. an interest of 17.82 % (23,730 real estate certificates) in the shopping centre 'Basilix' in Brussels.
   By the end of 2012, fair value amounted to € 8.1 mln (2011: € 3.4 mln).
   By the end of 2012, the closing price on NYSE Euronext, fixing market, amounted to € 350.
   In 2012, an additional 14,588 real estate certificates 'Basilix' were acquired.
   The portfolio real estate certificates is valued at fair value based on the quotation market (level 1, IFRS 7).

Real estate certificates are current values representing a long term liability in a proportional share of the earnings of a specific real estate. Part of the value of the attached coupons is represented by said earnings and the balance by amortisation of capital.

10. Trade receivables and other non-current assets *(x € 1,000)*

	31 December 2012	31 December 2011
Loans	31	41
Guarantee		8
Capitalised rent investments	190	256
Capitalised rent free periods	982	1,036
Total	1,203	1,341

The accounting policies regarding the trade receivables can be found in note 3.11.

11. Current receivables *(x € 1,000)*

	31 December 2012	31 December 2011
Trade receivables (tenants)	1,798	4,517
Tax receivables and other current assets	1,209	695
Total	3,007	5,212

As it concerns short term financing, the fair value of the receivables corresponds with the book value. The property tax to be recovered due to vacancy amounts to € 144 at 31 December 2012 (2011: € 144).

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

	31 December 2012	31 December 2011
Bank	2,015	3,281

This heading gives an overview of the financial accounts at different financial institutions.

13. Share capital *(x € 1,000)*

	Amounts	**Number of shares**
Capital		
At 31 December 2011	224,969	5,331,947
At 31 December 2012	266,160	6,308,198
Weighted average number of shares for the calculation of the result per share		6,038,795
Bearer shares, dematerialised shares, and registered shares without nominal value		
Registered		4,421,766
Bearer/dematerialised		1,886,432
Total		6,308,198

Shareholders

Of the 6,308,198 shares in circulation at 31 December 2012, 36.22 % were held by Wereldhave N.V., 33.19 % by N.V. Wereldhave International and 30.59 % by the general public.

The Statutory Management Company is entitled to increase the company capital in one or more issues by a maximum amount of € 224,968,917.27. This authorisation has been renewed on 16 December 2011 and is valid for five years.

Issue premiums

Following the capital increase (contribution in kind of real estate in Genk) by means of the issuance of new shares (976,251), an amount of € 27.8 mln was qualified as issue premium.

Available reserves

These reserves are held according to the continuity principle because of the take-over of 'NV Grooter Berchem' as from 1 January 1999. These reserves were definitively taxed at the moment of take-over.

14. Variations in the fair value of financial assets and liabilities

	2012	2011
Financial assets available for sale		
Situation at 1 January	1,617	1,769
Revaluation	-1,235	-152
Situation at 31 December	382	1,617

The portfolio investments in real estate certificates consists of

1. an interest of 16.22 % (18,382 real estate certificates) in the shopping centre at Kortrijk – Kuurne. By the end of 2012, the closing price on NYSE Euronext, fixing market, amounted to € 416.8.
2. an interest of 17.82 % (23.730 real estate certificates) in the shopping centre 'Basilix' in Brussels. By the end of 2012, the closing price on NYSE Euronext, fixing market, amounted to € 350.0.

15. Pension obligations *(x € 1,000)*

	2012	2011
Net liability at 1 January	188	252
Movements in liabilities	-79	-64
Net liability at 31 December	109	188

With reference to the 'Defined Benefit Plan' in favour of the staff of the sicafi (18.9), a provision of € 109 is foreseen. The provision has been recalculated by an external actuary. The actuarial assumptions are in conformity with the market. No specific assets were used for these liabilities.

16. Long-term financial debts

Wereldhave Belgium has two credit lines (revolving credit) of € 90 mln expiring on 16 April 2016 (€ 60 mln) and 11 April 2017 (€ 30 mln). Both have been completely called up by the end of 2012. The loans are at floating interest rates (weighted average interest rate of 1.7 %) and are presented in the balance sheet at fair value. As the company does not make use of any hedging instruments, variations in interest charges may influence the result. It concerns only credit facilities for which there are no guarantees. Fair value does not differ from the nominal value as it concerns short term advances at floating interest rates.

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

	31 December 2012	31 December 2011
Guarantee tenants	159	156

18. Deferred taxes *(x € 1,000)*

	31 December 2012	31 December 2011
Deferred taxes	1,157	1,186

The provision for deferred taxes (Immo Guwy – Waterloo shopping) is the result of the difference between the fair value of the investment properties and the fiscal book value.

19. Current liabilities *(x € 1,000)*

	31 December 2012	31 December 2011
Credit institutions	1,000	7,000
Other		117
Trade payables	2,020	22,912
Taxes, remunerations and social security	531	428
Unclaimed dividends previous book years	181	307
Rental income received in advance	853	629
Other	2,560	5,587
Total	7,145	36,980

Credit institutions: Wereldhave Belgium disposes of a credit line (not committed) of € 26 mln with no end date of which € 1 mln had been taken by the end of 2012. The loans are at floating interest rates (weighted average interest rate 0.9 %) and are presented in the balance sheet at fair value. As the company does not make use of any hedging instruments, variations in interest charges may influence the result. It concerns only credit facilities for which there are no guarantees. Fair value does not differ from the nominal value as it concerns short term advances at floating interest rates.

Trade payables: the trade payables concern, on the one hand, the short-term trade payables obligations related to the construction of the development projects and, on the other hand, the suppliers obligations (€ 2.0 mln).

20. Securities

Debt guaranteed by securities on Company assets for a principal amount of € 44.5 mln (2011: € 50.9 mln). These securities are the subject of a legal mortgage with reference to the disputed tax claim. With reference to the above, a guarantee was submitted by Wereldhave N.V. (see note 30).

21. Rental income *(x € 1.000)*

Office and trade properties are subject to (trade) lettings with various expiry dates. Rents are adjusted yearly on the basis of the 'health' index. The leases define the rent, the rights and obligations of the lessor and the lessee, notice and renewal options and the common charges. Recovery income of charges and taxes are not included in the rental income. Rent loss as a result of vacancy, expressed as a percentage of theoretical rent amounted to 6.3 % (2011: 6.9 %).
The five main tenants represent 22.1 % of the rental income.

The future aggregate contractual rent from leases as to 31 December 2012 is shown in the following table:

	2012	2011
Year 1	27,888	24,718
Year 2 – year 4	31,247	40,593
Year 5	3,802	6,944
Total	62,937	72,255

22. Property charges *(x € 1,000)*

	2012	2011
Technical costs	1,188	701
Commercial costs	353	391
Property tax due to vacancy	42	333
Management costs (note 23)	549	519
Total	2,132	1,944

Technical costs comprise the cost of vacancy (€ 666) of the investment properties (note 3.20).

23. General expenses *(x € 1,000)*

	2012	2011
Staff costs		
Salaries	1,503	1,524
Social security	555	482
Allocation salary cost development projects	-2,069	-1,652
Profit sharing	487	252
Pension and insurance costs	431	384
Other staff costs	113	112
Subtotal staff costs	1,020	1,102
Allocated to management/property charges (22 %)	-223	-243
Staff costs	797	859
Other costs		
Audit fees	111	77
Advisory fees	170	94
Other costs	887	765
Subtotal other costs	1,168	936
Allocated to management/property charges (22 %)	-257	-206
Other costs	911	730

Other operating income and charges

Other income	-728	-1,107
Sicafi costs	223	160
Investment fund tax	320	305
Subtotal other operating income and charges	-185	-642
Allocated to management/property charges (22 %)	-69	-72
Other operating income and charges	-254	-714
Total	1,454	875

Apportionment key relating to the appropriation of general costs to property charges.

Over 2012, 22 % of the general costs (€ 549) have been assigned to management/property charges (2011: 22 %). This apportionment key has been computed normatively considering the distribution of tasks inherent to the employees and other general costs.

Pension costs

Pension costs comprise premiums relating to the employee pension plan.

Employees

During 2012 an average of 18.9 (FTE) people (2011: 20.6) were employed by the sicafi.
The profit share, paid to employees, is based on four indicators. These are the occupancy rate, property charges, general costs and sustainability. For each indicator, a target has been set. The score against the target determines the final result.

Management Company

The remuneration of the Management Company is decided upon by the General Meeting of Shareholders and is fixed on € 95,000.

Wereldhave Belgium SA and the members of the Board of Directors of the Management Company do not hold any shares or options in Comm. VA Wereldhave Belgium SA and/or Wereldhave Belgium SA. No loans, advances or guarantees have been extended by the Company to Wereldhave Belgium SA nor to members of the Board of Directors.

24. Result disposals of investment properties and valuation differences *(x € 1,000)*

	2012	2011
Result disposals of investment properties	-105	-84
Gains	17,063	21,050
Losses	-9,908	-6,303
Total	7,050	14,663

25. Financial result *(x € 1,000)*

		2012		2011
Financial income				
Coupon real estate certificates	1,189		856	
Interest received	35		42	
		1,224		898
Interest costs	-1,077		-784	
Other	-47		-28	
		-1,124		-812
Total		100		86

Interest costs (€ -1,077) comprise the interest paid regarding the cash management of the company.

26. Taxes on result *(x € 1,000)*

Taxes are calculated on possible exceptional and favourable advantages and on rejected expenditures. The affiliated companies are subject to the common tax regime and thus pay corporate tax under the normal regime.

	2012	2011
Corporate taxes	-71	-157
Positive deferred taxes on market fluctuations		512
Total	-71	355

27. Goodwill

On 31 December 2010, Wereldhave Belgium took over the staff organisation and several development projects of ING REDH Belgium. The acquisition resulted in a goodwill which originates from a positive difference between the acquisition cost and the fair value of the acquired asset (see annual report 2010 – note 26 'Business Combinations'). This is mainly due to the development project 'Genk Shopping 1'.

Depreciation test

At the end of the financial year of 2012 the goodwill was subjected to a depreciation test by comparing the net book value of the project developments (in other words the fair value plus 100 % of the goodwill allocated minus the deferred taxes) to their utility value. The test showed that no depreciation needed to be booked for the goodwill.

28. Result per share

The result per share is calculated on the basis of the total profit after tax and the average number of outstanding shares during the year (2012: € 4.87; 2011: € 4.34). No financial instruments convertible into shares have been distributed.

The weighted average number of outstanding shares at 31 December 2012 amounted to 6,038,795.

29. Dividend

The Board of Directors of the Management Company proposes a gross dividend per share of € 4.25; net: € 3.19 (2011: gross € 4.00; net: € 3.16), totalling to € 26.8 mln (2011: € 21.3 mln). The dividend is not provided in the consolidated financial statements. Calculation of the dividend is made in accordance with the Royal Decree of 7 December 2010.

30. Claim

On 23 December 1996 Wereldhave Belgium NV (former MLO NV and eligible party of Wereldhave Belgium) received a registered supplementary assessment in the amount of € 35.9 mln for the 1994 tax year. This assessment relates to a notification of reorganization dated 18 November 1996, whereby the administration maintains that, in this case, the succession of a number of actions should be considered as a hidden distribution of dividends to the shareholders of MLO NV. The Management is of the opinion that the imposed supplementary assessment is by no means justified, as neither the company nor its shareholders were in any way involved in the transactions to which the administration refers, and the company has always accepted all judicial consequences of the various legal transactions, and that any hidden distribution of dividends as described in the notification of reorganization was out of the question. On the basis of the above and advice obtained from an external fiscal advisor, the Manager is convinced that the company has strong arguments to contest the supplementary assessment successfully. For the 1993 tax year the tax administration has imposed a direct advance income tax assessment in the amount of € 15.07 mln, on (as the administration maintains) the 'hidden distribution of dividends' to the shareholders of NV MLO on 15 December. The notice of assessment relating to the above was sent on 28 July 1999. As the Manager contests the principle of 'hidden distribution of dividends', and has always observed all judicial consequences of the various transactions, he is of the opinion that this direct tax assessment is not justified. These assessments represent a legal mortgage inscription for a principal amount of € 50.9 mln. With reference to the above, a guarantee was submitted by Wereldhave N.V. to the sicafi covering the full registered amount of the disputed fiscal claim. This case is also the subject of a penal procedure. On 7 June 2007 the Raadkamer / Chambre du Conseil decided to remand the company as well as its representatives to the Court. Wereldhave Belgium lodged an appeal against this decision. On 19 November 2009, the Court's Indictment Division of Brussels has pronounced the prosecution against Wereldhave Belgium largely inadmissible, particularly in relation to tax fraud and money laundering. Wereldhave Belgium was only referred to the Penal Court because

of the existence of complaints of tax falsehood and use of false tax documents. The Penal Court decided at the audience of 18 November 2010 to declare the case as inadmissible due to an exceeding of the reasonable period. The Public Ministry lodged an appeal against this ruling. On the hearing of the Court of Appeal held on 7 February 2012, the case was set into continuation at the hearing of 8 March 2012. The final hearing, scheduled on 9 November 2012, was ex officio postponed by the Court to 11 March 2013.
The prosecutor is demanding the liquidation of Wereldhave Belgium; the disqualification of several officials of the company and the seizure of Belle-Ile in Liege. On 31 December 2012 the fair value of the shopping centre amounts to € 163.4 mln.
Only the amount of the contested tax charges (€ 50.9 mln) has been guaranteed by the Dutch company Wereldhave N.V. The Board of Directors of the Management Company, advised by external consultants, confirms that both the administrative and the penal procedure can be disputed successfully.
The findings of external advisors confirm the opinion of the Board of Directors of the Management Company. As a result, no impairment provision was posted.

31. Related Group companies

The remuneration of the Management Company is decided upon by the General Meeting of Shareholders and is fixed at € 95,000.
The principal amount of the contested tax charges (for a principal amount of € 50.9 mln – see note 30 'Claim') has been guaranteed by the Dutch company Wereldhave N.V. Besides the decreed dividends and above mentioned remuneration to the Management Company, there have been no transactions with Group companies in 2012.

32. Important events occurred after the financial year

No significant events occurred after the end of the year influencing the Company or requiring adjustments to the accounts closed on 31 December 2012.

33. Investment obligations

Within the context of the ongoing development projects in Genk (redevelopment and extension), Gent (redevelopment mixed inner city project), Tournai (extension shopping centre and retailpark) and Waterloo (redevelopment inner city shopping centre), the total amount of investments is estimated at € 220 mln including VAT. Upon signature of the contracts with the contractors, the company will be legally bound.

34. Remuneration auditor

Fees paid for auditing activities over 2012 amounted to € 64,695 excluding VAT and on non-auditing activities to € 72,750 excluding VAT. No other fees were paid.

35. Financial instruments

The company does not make use of financial instruments.

36. Branches

The company has no branches.

37. Research and development

In view of the nature and specific activity of the company, no operations are connected to research and development.

Statutory Auditor's report on the consolidated accounts as of and for the year ended 31 December 2012

Statutory auditor's report to the General Shareholders' Meeting on the consolidated accounts as of and for the year ended 31 December 2012

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report includes our report on the consolidated financial statements for the year ended 31 December 2012 as defined below, as well as our report on other legal and regulatory requirements.

Report on the consolidated financial statements

We have audited the consolidated financial statements of Wereldhave Belgium SCA/Comm. VA ('the Company') and its subsidiaries (jointly 'the Group'), prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2012, the consolidated profit and loss account as at 31 December 2012, the global result statement 2012, the consolidated cash flow statement of movements in equity for 2012 and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR (000) 579,290 and the consolidated profit and loss account shows a profit for the year, part Group, of EUR (000) 36,465.

The Statutory Manager's responsibility for the preparation of the consolidated financial statements

The Company's Statutory Manager is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the Statutory Manager determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated 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 group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Statutory Manager, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the company's officials and the Statutory Manager the explanations and information necessary for performing our audit.

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

Unmodified Opinion

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and consolidated financial position as at 31 December 2012 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Emphasis of Matter regarding a particular dispute

Without qualifying our opinion, we draw the attention to the disclosure 30 'Claim' the Statutory Manager of the company has included in the consolidated accounts, regarding the referral of the company by chambers ('raadkamer/chambre du conseil'), in the context of the penal dispute related to the sale of a company. The public prosecutor claims the confiscation of the commercial centre 'Belle-Ile' and the forced liquidation of Wereldhave Belgium SCA/Comm. VA. The Statutory Manager, assisted by the legal councils of the company, believes that both the administrative and the penal procedure can be disputed successfully. As a result, no adjustments were posted to the consolidated accounts, nor did the company post any impairment provision.

Report on other legal and regulatory requirements

The Statutory Manager is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the framework of our mandate our responsibility is to verify compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the group is facing, and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Sint-Stevens-Woluwe, 28 February 2013

The Statutory Auditor
PwC Reviseurs d'Entreprises sccrl / Bedrijfsrevisoren bcvba
Represented by

Roland Jeanquart
Réviseur d'Entreprises / Bedrijfsrevisor


TAXI
TAXI
SHOPPING
NIVELLES


Helixir

Statutory balance sheet and profit and loss account 2012

Statutory balance sheet at 31 December 2012

(x € 1,000)

	31 December 2012		31 December 2011	
Assets				
Non-current assets				
Investment prop. excl. dev. projects	487,416		385,208	
Development projects	48,660		68,751	
Other tangible assets	519		358	
Financial tangible assets				
Assets available for sale				
Real estate certificates	15,481		11,371	
Participations in affiliated companies	10,798		10,798	
Receivables in affiliated companies	11,885			
Trade receivables and other non-current assets	1,203		1,333	
		575,962		477,819
Current assets				
Current financial assets				
Trade receivables	1,849		12,676	
Tax receivables and other current assets	994		498	
Cash and cash equivalents	1,427		2,322	
		4,270		15,496
Total assets		580,232		493,315
Shareholder's equity				
Capital	266,160		224,969	
Reserves	27,759			
Available reserves	5,627		5,627	
Accumulated result	146,635		127,463	
Variations in the fair value of financial assets available for sale	382		1,618	
Net result book year	37,262		40,499	
		483,825		400,176
Liabilities				
Non-current liabilities				
Provisions				
Pension obligations	109		188	
Non-current financial debts				
Credit institutions	90,000		60,000	
Leasehold obligations				
Rent guarantees received	160		156	
		90,269		60,344
Current liabilities				
Current financial debts				
Credit institutions	1,000		7,000	
Other	181		307	
Trade payables and other current debts				
Other			114	
Suppliers	2,070		22,946	
Taxes, remunerations and social security contributions	499		492	
Accruals and deferred income				
Real estate income received in advance	813		629	
Other	1,575		1,307	
		6,138		32,795
Total shareholder's equity and liabilities		580,232		493,315
Net asset value per share (x € 1)		76.70		75.05

Statutory profit and loss account to 31 December 2012

(x € 1,000)

	2012		2011	
Rental income				
Rent	32,104		24,475	
Indemnification for early termination of lease	235		1,003	
Net rental income		32,339		25,478
Recovery of rental charges and taxes normally paid by the tenant on let properties	1,135		1,123	
Rental charges and taxes normally paid by the tenant on let properties	-1,343		-1,370	
		-208		-247
Property result		32,131		25,231
Technical costs				
Recurrent technical costs				
Repairs	-334		-222	
Compensation for total guarantees	-157		-144	
Insurance premiums	-31		-43	
Non recurrent technical costs				
Major repairs (building contractors, architects, engineering firm, etc.)				
Accidents				
Commercial costs				
Agency commissions	-274		-278	
Publicity	-79		-108	
Charges and taxes on non let properties				
Costs on non let properties	-666		-292	
Real estate tax on non let properties	-41		-329	
Property management costs				
(Internal) property management costs	534		-526	
Property charges		-2,116		-1,942
Property operating result		30,015		23,289
General company costs				
Staff costs	-769		-902	
Other	-884		-708	
Other operating income and charges	333		637	
		-1,320		-973
Operating result before result on the portfolio		28,695		22,316

Statutory profit and loss account to 31 December 2012 – continued

Result on disposals of investment property				
Net property sales (selling price – transaction costs)	11,773		2,698	
Book value of the property sold	-11,878		-2,782	
		-105		-84
Result on disposals of other non financial assets				
Net sales of other non financial assets (sale price – transaction costs)	10		4	
Book value of the sold other non financial assets				
		10		4
Variations in the fair value of investment property				
Positive variations in the fair value of investment property	17,063		21,050	
Negative variations in the fair value of investment property	-8,579		-2,820	
		8,484		18,230
Other portfolio result				
		8,389		18,150
Operating result		37,084		40,466
Financial income				
Interest and dividends received	1,189		898	
Net interest charges				
Nominal interest charges on loans	-852		-741	
Other financial charges				
Bank charges and other commissions	-47		-18	
Financial result		290		139
Pre-tax result		37,374		40,605
Corporate tax				
Corporate tax	-112		-106	
		-112		-106
Net result		37,262		40,499
Net result shareholders of the Group		37,262		40,499
Result per share (x € 1)		6.17		7.60
Diluted result per share (x € 1)		6.17		7.60

The statutory annual accounts, the notes, the statutory report of the Management Company and the Auditor's report concerning the statutory annual accounts of Wereldhave Belgium can be obtained, free of charge, at the Company's Head Office. These documents are also available on our website: www.wereldhavebelgium.com

With regard to these documents, the Auditor delivered an unqualified audit opinion on the financial statements with an explanatory paragraph referring to the note of the Statutory Management Company regarding the dispute about the sale of a company.

The statutory annual accounts, the notes, the annual report and the Auditor's report will, according to the legal regulations, be deposited at the National Bank of Belgium.

Responsibility statement according to Article 12 § 2 of the Royal Decree of November 14, 2007

The Management Company of Wereldhave Belgium declares:

1. that based on the assessment performed and taking into account the recommendations of the Corporate Governance Code, the internal risk management and control systems of Wereldhave Belgium 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 Management Company has no evidence that this risk management and control system would not have functioned in accordance with the description or that this system would not have functioned properly in the current year;
2. that the Annual Accounts present a true and fair view of the assets, liabilities, financial position and result of Wereldhave Belgium;
3. that the Annual Report provides a true and fair view of the situation on the balance sheet date, the course of business during the financial year of Wereldhave Belgium; and
4. that the main risks confronting Wereldhave Belgium have been described in this Annual Report.

The Management Company
Wereldhave Belgium SA
D. Goeminne, Chairman
J. de Smet
P. Naert
D. Anbeek
L. Plasman

Vilvoorde, 18 February 2013

Other information

1. Identification of Wereldhave Belgium

Comm.VA Wereldhave Belgium, Real Estate Investment Fund (Sicafi) according to Belgian Law, registered at Medialaan 30 box 6 – 1800 Vilvoorde is a limited share partnership according to Belgian Law, which has made a public appeal to the savings domain. Wereldhave Belgium was established under the name of Rank City Wall by deed executed by Pierre Spaey, notary in Sint-Jans-Molenbeek on 8 August 1972, subsequently published in the Appendices to the Belgian Bulletin of Acts, Orders and Decrees on 18 August, under reference number 2520-9. The articles of association have been changed several times, the last time on 11 April 2012, by deed executed by Denis Deckers, notary in Brussels. Wereldhave Belgium was established for an indefinite period. The articles of association of the Property Investment Fund and the Management Company can be viewed at the Registry of the Commercial Court in Brussels, or at the company's Head Office. The annual accounts are deposited at the National Bank of Belgium, and are deposited for inspection at the Registry of the Commercial Court in Brussels.
The annual reports and accounts of Wereldhave Belgium are sent each year to the registered shareholders and, by request, to other interested parties. Decrees with respect to the appointment and/or dismissal of members of the Board of Directors of the Management Company, Wereldhave Belgium SA, are published in the Appendices to the Belgian Bulletin of Acts, Orders and Decrees. Financial reports relating to Wereldhave Belgium are published in the financial press. Other documents available to the general public are open for inspection at the registered offices of Wereldhave Belgium.

2. Main Statutory dispositions

Objective

The main objective of Wereldhave Belgium is the collective investment of publicly attracted capital in the 'property' category, as referred to in Section 7, 5° of the Act of July 20, 2004 on certain forms of collective management of investment portfolios.

Nominal Capital

The authorised capital to 31 December 2012, amounts to € 226.2 mln, represented by 6,308,198 fully paid up shares, without mention of nominal value.

Authorised Capital

The Statutory Management Company is entitled to increase the authorised capital in one or more issues by a maximum amount of € 224,968,918.27. This authorisation has been renewed on 16 December 2011 and is valid for five years.

Type of shares

The company has bearer shares, dematerialised shares and registered shares.

Preferential rights in the event of capital increase

In the event of an increase in capital, the new shares, which are subscribed to in cash, are preferentially offered to shareholders, in relation to the capital share represented by their shareholding on the day of issue.

Management

The Real Estate Investment Fund is managed by one or more Management Companies. Wereldhave Belgium SA is appointed as the sole Statutory Management Company.

General Meeting of Shareholders

The annual General Meeting is held on the second Wednesday of April at 11.00 am.

Financial year

The financial year is equal to the calendar year.

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