Consolidated annual report of the Board of Directors of the Management Company 2010

Key figures past 5 years

	2006	2007	2008	2009	2010
Results ***(x € 1.000)***					
Net rental income	22,958	23,559	25,157	25,947	25,322
Profit	44,088	41,174	26,567	15,793	21,054
Direct result [1]	20,411	20,882	22,291	22,768	22,495
Indirect result [1]	23,677	20,292	4,276	-6,975	-1,441
Balance sheet ***(x € 1,000)***					
Investment properties [2]	348,959	370,427	381,095	381,873	395,381
Development projects	6,847	9,079	9,558	13,179	27,815
Shareholders' equity	358,428	378,778	383,801	380,980	380,691
Number of shares	5,331,947	5,331,947	5,331,947	5,331,947	5,331,947
Fair value investment properties [2] ***(x € 1,000)***					
Retail	202,275	217,900	231,575	237,090	252,221
Offices	147,400	152,527	149,520	144,783	143,160
	349,675	370,427	381,095	381,873	395,381
Share data ***(x € 1)***					
Direct result	3.83	3.92	4.18	4.27	4.22
Indirect result	4.44	3.80	0.80	-1.31	-0.27
Gross dividend	3.75	3.80	3.86	3.92	3.92
Net dividend	3.19	3.23	3.28	3.33	3.33
Net asset value before profit distribution	67.22	71.04	71.98	71.45	71.40
Direct result per share	3.83	3.92	4.18	4.27	4.22
Profit per share	8.27	7.72	4.98	2.96	3.95

[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

	2006	2007	2008	2009	2010
Share price 31/12	58.6	50.15	48.01	61.5	68.5
Share price/Direct result 31/12	15.3	12.8	11.5	14.4	16.2
Market capitalisation 31/12 (mln)	312.5	267.4	256.0	327.9	365.2
Net asset value per share	67.22	71.04	71.98	71.45	71.4
Dividend	3.75	3.80	3.86	3.92	3.92
Dividend yield 31/12	6.40%	7.58%	8.04%	6.37%	5.72%
Pay-out ratio	97.9%	96.9%	92.3%	91.8%	92.9%
Free float	31.8%	31.8%	30.7%	30.7%	30.7%

Information

Information is available at Wereldhave Belgium:

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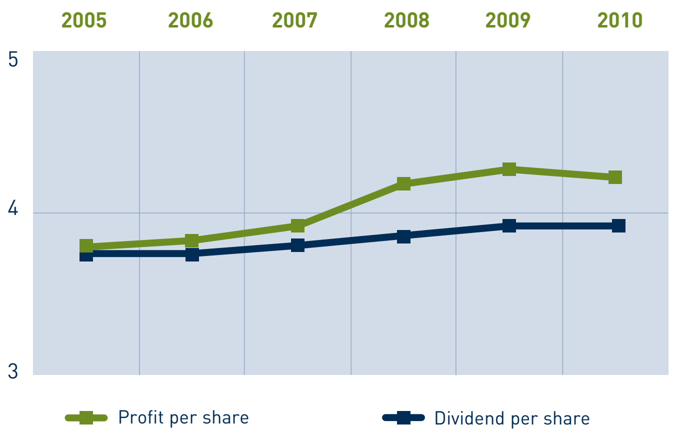
investor.relations@wereldhavebelgium.com
www.wereldhavebelgium.com

Financial agenda

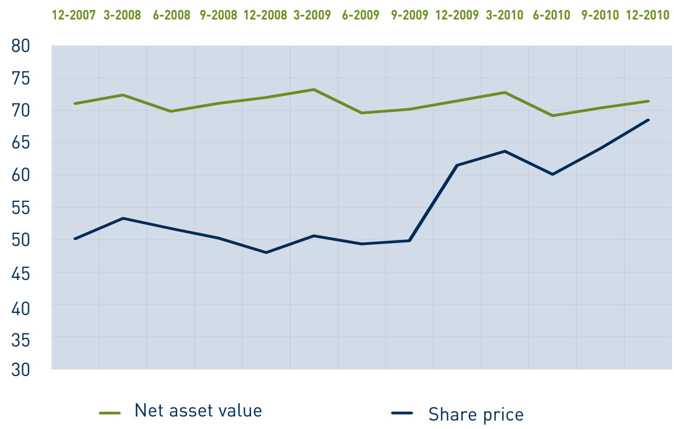
13.04.2011	Annual General meeting of Shareholders
18.04.2011	Ex-dividend date
20.04.2011	Dividend record date
21.04.2011	Dividend payable
11.05.2011	First quarter results 2011
03.08.2011	Half-year results 2011
02.11.2011	Third quarter results 2011
March 2012	Annual report 2011

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

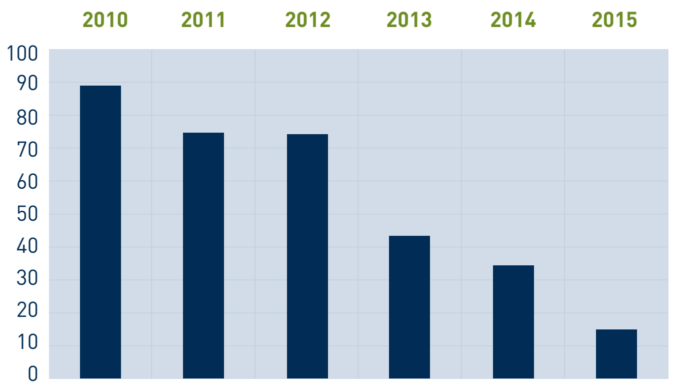
Profit and dividend per share (x €1)



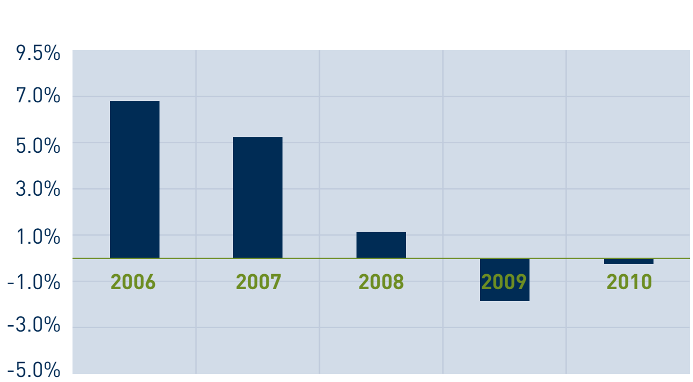
Share price / Net asset value at December 31 (before distribution of profit)



Guaranteed contracted rent compared to 2010 (as a %)



Revaluation real estate portfolio



General

Organisation

Wereldhave Belgium is a listed investment company for commercial real estate in Belgium. For its new investments, Wereldhave Belgium primarily focuses on shopping centres. The existing retail portfolio of € 252 mln (64% of the total portfolio) contains shopping centres in Liège, Nivelles and Tournai. In addition, the portfolio contains offices in Brussels and Antwerp. The development portfolio comprises expansions of shopping centres in Nivelles, Tournai and Waterloo and an interest in the renovation and expansion of a shopping centre in Genk.

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 January 15, 1998. The fund is governed by the Royal Decree of April 10, 1995, June 21, 2006 and December 7, 2010 and by the law of July 20, 2004 and is recognized as such by the Banking, Finance and Insurance Commission.

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 syndic 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 69.31% of the shares directly or indirectly at December 31, 2010.

BNP Paribas Fortis acts as deposit bank and ING Financial Markets as liquidity provider.

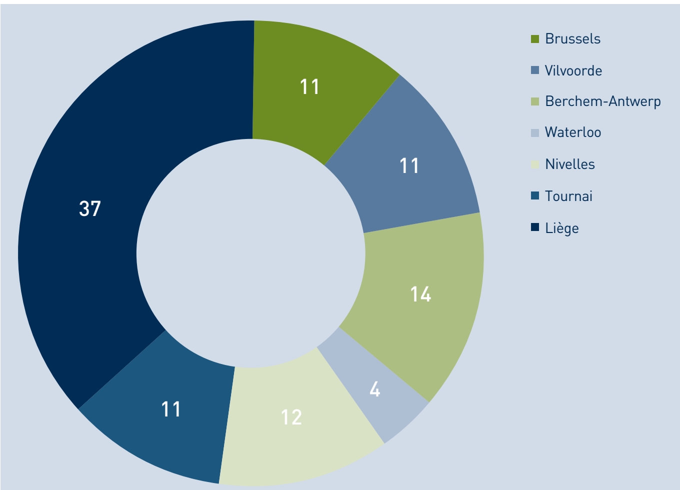
Property valuation

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.

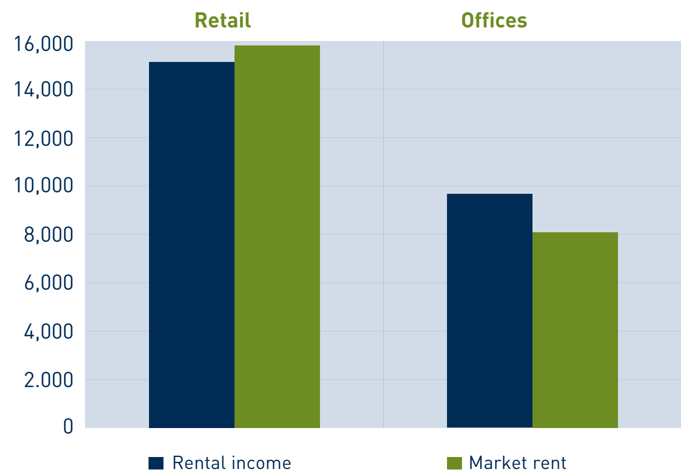
Financial position

Wereldhave Belgium has solid balance sheet ratios. With a debt ratio of 13.2% (statutory 11.0%) and a solvency of 86.2%, 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%.

Wereldhave Belgium aims to an increase in its shopping centre exposure in the portfolio investment properties. In view of their management intensity, smaller office buildings will be gradually sold.

Wereldhave Belgium has solid capital ratios with a current solvency rate of approximately 86%. 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.

Decision-making entities

Management Company

The company is managed by Wereldhave Belgium SA that acts as sole statutory Management Company. Wereldhave Belgium SA is a wholly-owned subsidiary of Wereldhave N.V., Nassaulaan 23, The Hague, the Netherlands. The statutory management company is empowered to perform all actions deemed useful or necessary to fulfil the purpose of the sicafi except in matters which by law fall under the strict purview of the General Assembly of Shareholders.

The Management Company is managed by the Board of Directors, which comprises a minimum of four individuals.

The annual remuneration of the Management Company is fixed at € 55,000.

Board of Directors

The Board of Directors of the Management Company, Wereldhave Belgium SA, is composed of a minimum of four members. One is an Executive Board member of Wereldhave N.V. and three have the legal position of Independent Director. Mr. Benoit Graulich and Mr. Bernard De Corte no longer qualify as independent directors as they reached the end of their maximum legislative period (Belgian Company Code, art. 526 ter). The extraordinary meeting of shareholders of the Management Company on April 1, 2011 intends to appoint following directors, who qualify as independent, for a period of 4 years:

Mr. Dirk Goeminne
Mr. Jacques de Smet
Mr. Philippe Naert

These nominations shall be submitted to the Banking, Finance and Insurance Commission for approval.

In accordance with the Corporate Governance Charter, the independent directors watch, in particular, over the interest of all shareholders.

Mr. Dirk Goeminne will be appointed Chairman of the Board of Directors of the Management Company as of May 10, 2011, replacing Mr. Benoit Graulich.

The directorship of Mr. Bernard De Corte will end on May 10, 2011 and that of Mr. Benoit Graulich on October 31, 2011.

For more information on the composition, meetings and activities of the Board of Directors in 2010, the company refers to the chapter "Corporate Governance".

Changes in the composition of the Board of Directors

Benoit Graulich
Chairman Board of Directors (until May 10, 2011)
Independent Director (end of mandate October 31, 2011)

J. (Hans) Pars
Managing Director
Director Wereldhave Management Holding B.V. from 2009
Director and chairman of the Direction of Wereldhave N.V. from 2009

Bernard De Corte
Independent Director (end of mandate May 10, 2011)

Dirk Goeminne
Chairman Board of Directors (as of May 10, 2011)
Independent Director (as of April 1, 2011)

Jacques de Smet
Independent Director (as of April 1, 2011)

Philippe Naert
Independent Director (as of April 1, 2011)

Executive management

Mr. Paul Rasschaert, general manager and director of the Management Company, deceased unexpectedly on April 15, 2010. Wereldhave Belgium not only lost an excellent manager but also an appreciated colleague. Mr. Luc Plasman, former manager at ING RED Belgium, was appointed general manager of the sicafi as of January 1, 2011.

For more detailed information about the composition of the executive management in 2010, the company refers to the chapter "Corporate Governance".

Corporate governance

Introduction

Wereldhave Belgium attaches great importance to achieving a balance between the interests of the providers of risk-bearing capital and those of other stakeholders in the company. Matters such as transparency, the adequate provision of forward-looking 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 seeks to fully apply the Belgian Corporate Governance Code 2009. The code can be found, free of charge, on http://www.corporategovernancecommittee.be.
Whenever the code is not followed, the principle of "comply or explain ' is applied.

Corporate governance charter

The corporate governance charter is published on our website together with its attachments:

- Terms of reference of the Board of Directors of the Management Company;
- Terms of reference of the Audit committee;
- Terms of reference of the managers;
- Charter of the Supervisory college of the day-to-day management;
- The remuneration policy.

www.wereldhavebelgium.com

Statutory management company

The company is managed by the sole statutory Management Company, Wereldhave Belgium SA. Wereldhave Belgium SA is a 100% subsidiary company of Wereldhave N.V., Nassaulaan 23, The Hague, the Netherlands. The statutory management company is empowered to perform all actions deemed useful or necessary to fulfil the purpose of the sicafi except in matters which by law fall under the strict purview of the General Assembly of Shareholders.
The Management Company is managed by the Board of Directors. The Board is composed of at least four individuals.

Board of Directors of the Management Company

Composition

By the end of the financial year, the Board of Directors of the Management Company, Wereldhave Belgium SA, is composed of three members. Two directors qualify as independent under the Company Law and the Belgian Corporate Governance Code:

- Benoit Graulich (Independent director), Chairman Board of Directors
- J. (Hans) Pars (Managing director)
- Bernard De Corte (Independent director)

The directors are appointed for a maximum of four years and can be re-elected.

Activity report

The Board, presided by Mr. Benoit Graulich, met four times in 2010.
The members of the Board of Directors were present at all meetings.

Regular items on the agenda of these meetings were the company's results and asset performance, developments on the Belgian property markets, investments and disinvestments, financing and the dividend policy. Prior to the meeting of the Board of Directors, members of the Board receive all the documents to be considered as well as all the items on the agenda which need deciding.
The Board of Directors of the Management Company decides in the exclusive interest of all shareholders on strategic choices, investments and disinvestments, and long-term financing.

In 2010 no evaluation of board or board committees took place. In accordance with the Code, such an evaluation is foreseen in 2011.

Audit committee

Composition

The audit committee is composed of two independent members of the Board of Directors:

- Bernard De Corte, Chairman of the Audit committee;
- Benoit Graulich.

It may ask for the assistance of the secretary of the company in order to fulfil its responsibilities.

Activity report

The Audit committee met four times in 2010. The members of the committee were present at all meetings.
The audit committee, in accordance with Company Law, article 526bis, advised the Board of Directors about the functioning of the internal risk control and monitoring system, the communication of financial information of the company and the relationship with the auditor.

Executive management

Composition: Besides the managing director the executive management team of Wereldhave Belgium includes the general manager.
Mr. Paul Rasschaert, general manager and director of the Management Company, deceased unexpectedly on April 15, 2010. Wereldhave Belgium not only lost an excellent manager but also an appreciated colleague. Mr. Luc Plasman, former manager at ING RED Belgium, was appointed general manager of the sicafi as of January 1, 2011.

The executive management consists of:

- J. (Hans) Pars, managing director of the Management Company,
- Luc Plasman, general manager of the sicafi.

Risk management and control systems

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.

Complaints procedure

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

Conflicts of interest

In 2010 no business transactions took place between the members of the Board of Directors of the Management Company and the company.

Compliance officer

The compliance officer is charged with the supervision on the compliance of the rules on market abuse. These rules are imposed by the Law of August 2, 2002, concerning the supervision of the financial sector and the financial services and Directive 2003/6/EC concerning insider trading and market manipulation.

Deviations of the Belgian Corporate Governance Code – "Comply or explain"

Composition Board of Directors

The Board of directors of the management company consists of three persons. Two directors qualify as independent, as stipulated in the Belgian Corporate Governance Code. Consequently, the number of independent directors disagrees with the recommendations of the Belgian Corporate Governance Code and with article 9 of the Royal Decree of December 7, 2010. The Board of directors has the intention to appoint three independent directors at the extraordinary meeting of shareholders of the Management Company of April 1, 2011.

Appointments and Remuneration Committee

The Board of Directors has decided against setting up an Appointments or Remuneration Committee, thus Wereldhave Belgium is departing from the relevant recommendations in the Corporate Governance Code. The Board regards these tasks as those of the entire Board of Directors. As the limited number of Board members allows for an effective debate on these issues, the Board sees no need to create separate committees.

Remuneration report executive management

In 2010 only the managing director and the general manager were part of the executive management of Wereldhave Belgium. Given the limited composition the Board of Directors considers that full compliance with the requirements of the Code on remuneration reports, would imply an unwanted invasion of privacy of those involved.

Remuneration report

The company is managed by Wereldhave Belgium SA that acts as sole statutory Management Company. The annual remuneration of the Management Company is fixed at € 55,000. As of 2011, the annual remuneration will be fixed at € 95,000.

The non-executive directors of the Management Company receive a fixed fee of € 10,000. This covers both their directorship and the membership of the Audit Committee. The managing director of the Management Company receives no remuneration in his capacity as director.

Besides the remuneration received as director of the statutory management company or as an employee of the sicafi, members of the Board of Directors do not derive any advantage in any other way from the activities of Wereldhave Belgium or its affiliated companies. The members of the Board of Directors do not hold any shares or option rights in Wereldhave Belgium.

No loans, advances or guarantees have been extended to members of the Board of Directors by Wereldhave Belgium. The company did not conclude any specific recruitment or leave arrangement with the members of the executive management.

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 € 0.1 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 € 15.1 mln on equity (€ 2.84 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 € 47.3 mln, 100% was borrowed at variable interest rates as at 31 December 2010 (2009: € 27.0 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 13.2% as at year end 2010, Wereldhave Belgium is one of the most soundly funded property funds listed in Europe (2009: 7.1%). A change of 0.5% in the money market interest rate has an effect of € 0.2 mln on the direct result and equity (€ 0.04 per share).

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

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 till September 30, 2012.
The company refers to note 29 with regard to the legal procedure.

Other risks

Operational risks

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 € 0.3 mln on the direct result (€ 0.05 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. The use of financial instruments is restricted to hedging underlying transactions or positions. Only reputable major financial institutions with investment grade credit ratings are eligible as counter parties. Financial transactions are only concluded with the prior approval of the 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 2010.

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.
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Investor relations

For all Wereldhave Belgium stock related questions, visit our website: www.wereldhavebelgium.com.

2010 in short

Shopping centres

Wereldhave Belgium aims to achieve rental growth through active shopping centre management. The sicafi focuses on mid-sized centres that are dominant in their catchment area, and preferably with the potential for further expansion.
During 2010, 13 leases were agreed in the 3 shopping centres. The weighted average rent increase was 18%. Maintaining the attractiveness of the shopping centres is of primary concern to the management. All shopping centres are fully occupied.

Offices

Consolidation of the current occupancy and renegotiation of rental agreements coming to an end is of prime importance to the Management Company.
Therefore, the Management Company will target potential office tenants more actively in 2011.

Other than a limited number of small contracts, no new rental agreements were signed in 2010.
During 2011, the office building Orion, situated Bischoffsheimlaan 22-25 in Brussels, will probably be structurally renovated. It will be available again for the rental market in 2012.
Over 2010, the average occupation rate of the offices portfolio amounted to 80.7%.

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 purchase of the projects of ING RED Belgium fit within the strategic focus of the sicafi and ensures the development pipeline for the coming years.
The extension (12,000 m²) of the shopping centre in Nivelles is in full construction phase. Technical completion is scheduled for March 2012.

The project in Tournai also concerns retail, but with a limited residential element.The building/planning application regarding the extension of the shopping centre by 4,500 m² and a retail park of 10,000 m² will probably be submitted by the end of 2011.

Organisation

Rental growth by active shopping centre management and refurbishment and extension of shopping centres are the key tasks for the sicafi. The organization was strengthened by the experienced development team of ING RED Belgium.

Profit

The profit for 2010 amounts to € 21.1 mln (2009: € 15.8 mln). The profit per share amounts to € 3.95 (2009: € 2.96). The increase is mainly due to the improved revaluation result. The total revaluation of the investment properties portfolio amounts to € -0.9 mln (2009: € -7.0 mln). One off costs regarding the acquisition of the projects of ING RED Belgium amounted to € 0.5 mln. The profit consists of the direct and indirect result.

Direct result

The direct result for 2010 amounts to € 22.5 mln (2009: € 22.8 mln). This slight decrease is mainly due to a lower occupancy rate in the office portfolio resulting in a direct result per share of € 4.22 (2009: € 4.27).
The average occupancy rate, expressed as a percentage of theoretical rent, amounts to 89.0% (2009: 92.8%). By sector the occupancy rate for the offices is 80.7% and 100% for the shopping centres.

Indirect result

The indirect result amounts to € -1.4 mln (2009: € -7.0 mln) and arises mainly from valuation results (€ -0.9 mln) and costs (€ -0.5 mln) regarding the acquisition of the projects of ING RED Belgium. The indirect result per share amounts to € -0.27 (2009: € -1.31).
The average valuation yield of the investment properties portfolio amounted to 6.3% (2009: 6.2%). In 2010, no real estate has been sold.

Dividend

A gross dividend of € 3.92 (net € 3.33) will be proposed to the General Meeting of Shareholders resulting in a pay-out level of 92.9%, compared to the statutory direct result. The dividend is payable as of April 21, 2011, against delivery of coupon 14. Financial services are provided by BNP Paribas Fortis.

Stock market development

In 2010, Wereldhave Belgium shareholders achieved a return (incl. dividend) of 16.8% (2009: 34.9%). This return equals the EPRA (European Public Real Estate Association) Return Index (EUR) or 16.8%. The price/direct result ratio at the end of 2010 was 16.2.

Equity and Debt

Shareholders' equity at the end of 2010 before distribution of profit amounted to € 380.7 mln, i.e. 86.2% of the balance sheet total (2009: € 381.0 mln or 92.4%). 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 5,331,947 shares in circulation at December 31, 2010, 39.10% were held by Wereldhave N.V., 30.21% by Wereldhave International N.V. and 30.69% by the general public (free float).

The net asset value per share at December 31, 2010, including the profit for the current year, amounts to € 71.40 (December 31, 2009: € 71.45).

At December 31, 2010 the company had not utilised any external financing other than external short term liabilities (< 1 year). The borrowings are at floating interest rates and are shown 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 financing at floating interest rates.

In accordance with the Royal Decree of December 7, 2010, the debt ratio on the total of assets to December 31, 2010, amounts to 13.2% (2009: 7.1%). The disputed fiscal claim of € 50.9 mln is

Share price 2010 (x €1)

Share price / direct result ratio

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 29.

Important events occurred after the financial year

After the year end no important events occurred which influenced the development of the company or the annual accounts at December 31, 2010.

Financial instruments

The company does not make use of financial instruments.

Branches

The company has no branches.

Research and development

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

Risk management

The most important risks to which the company is exposed concern business, financial, operational and strategic risks. In accordance with the recommendations of the Corporate Governance Code, the internal risk management and control systems provide reasonable assurance that the financial reporting included in this report are free from material misstatement (see section 'Risk management - Corporate Governance).

Independence – Expertise

In accordance with Company Law, article 526ter, the audit committee is composed of two independent members of the Board of Directors. Both have, in accordance with Company Law, article 119, 6°, the necessary expertise and professional experience regarding accounting and audit (professor corporate finance, ex-partner Ernst & Young).

Responsibility statement in accordance with Art. 12 §2 of the Royal Decree of November 14, 2007

The Board of Directors of the Management Company certifies that, to the best of its knowledge, the consolidated financial statements as of December 31, 2010, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Royal Decree concerning the obligations of issuers of financial instruments, who are admitted to trading on a regulated market (Article 34)

The company is established as a partnership limited by shares with one statutory Management Company, established for an indefinite period. Wereldhave N.V. holds 100% of the shares of the statutory Management Company.
No legal or statutory restriction exists concerning transfer of securities.
Besides statutory provisions, no special control is related to the shares of the company. Decisions or acts to which the General meeting of Shareholders is empowered have to be approved by the statutory Management Company.
No legal or statutory restriction of exercising the right to vote exists.
The company has no knowledge of shareholder agreements which could lead to restriction of transfer of shares and/or to exercise the right to vote.
There is no share scheme for employees.
Amendments to the Articles of Association and appointment or replacement of members of the Management Company are implemented in accordance with Company Law. The Management Company is appointed by an exceptional general meeting, in the presence of a solicitor and with due regard of the requirements needed for amendments. When appointing an

additional Management Company, the approval of the other Management Company is required. The duties of the Management Company can only be revoked by a judicial sentence by the general meeting based on legal grounds. The general meeting has to decide on the subject. The Management Company cannot participate to the vote.

Following the resolution passed by the General Meeting of Shareholders held on April 11, 2007, the Management Company is entitled to increase the authorised capital in one or more issues by a maximum amount of € 200 mln by means of cash contribution or in kind; by incorporating reserves or issue premiums, in accordance with Company Law, the Articles of Association or the Royal Decree of December 7, 2010. This authority is valid till November 26, 2012, and is renewable.

No significant agreements exist to which the Company is a party, effective after a change of control of the Company following a public offer for the shares.

No significant agreements exist between the Company, the Management Company or its employees, providing for compensation payments, following a public takeover offer, where the Management Company resigns, makes employees redundant without sufficient cause or where the employment of the staff ceases.

Public takeover offer, Act of April 1, 2007

On October 28, 2008, under the Act of April 1, 2007, Article 74, § 7, paragraph 3, Wereldhave N.V. and Wereldhave International N.V. stated, by mutual consent, to own more than 30% of the voting shares of the company on September 1, 2008.

Of the 5,331,947 shares in circulation at December 31, 2010, 39.10% were held by Wereldhave N.V., 30.21% by Wereldhave International N.V. and 30.69% by the general public.
Wereldhave International N.V. is a 100% subsidiary company of Wereldhave N.V.
Shares of Wereldhave N.V. are traded at the NYSE Euronext stock exchange in Amsterdam.

Development of the property portfolio

On 31 December, Wereldhave Belgium acquired five development projects from ING Real Estate Development Belgium. The projects consist of an inner-city shopping centre in Waterloo that can be redeveloped to a total size of 10,000 m², and four development projects of which the redevelopment of a 37,000 m² shopping centre in Genk is the most important one. The initial investment was € 19.6 mln and will rise to about € 150 mln by the time the projects are finalized. The first projects are not expected to be ready for operation before the end of 2013. The sicafi also took over ING's development team that will contribute to the development projects in Nivelles and Tournai.

The average occupancy rate of the investment properties portfolio over 2010, expressed as a %age of theoretical rent, amounted to 89.0% (2009: 92.8%).

The Orion building in the centre of Brussels, which became vacant in April 2010 after an 18 year lease, will have to be renovated before it can be leased again. On 28 May, the building permit for expanding the shopping centre in Nivelles became final. Construction of the underground car park started in June and by the end of the year, it was already partially in use. In September, the Walloon government approved the new zoning plan for the shopping centre in Tournai. The requests for a building permit and socio-economic permit will be submitted mid-2011.

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 September 30, 2012.

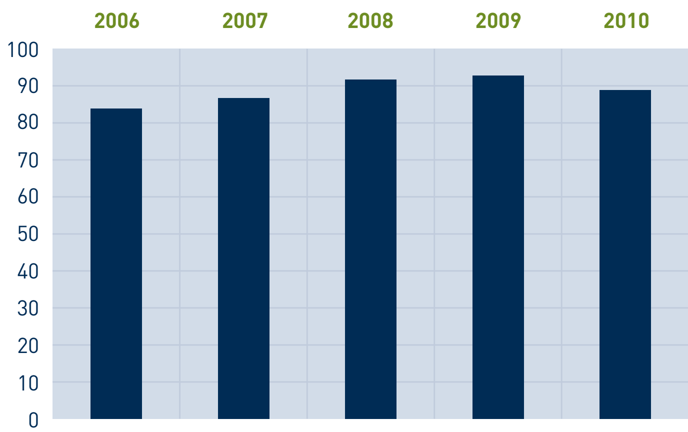
The value of the investment properties portfolio amounted to € 395.4 mln at December 31, 2010.

The average yield of the investment properties portfolio with a 100% occupation amounts to 6.3%.

Ultimo 2010, Wereldhave Belgium has a stake in the listed stock exchange real estate certificates 'Kortrijk Ring Shopping Centre' (16.2%) and 'Basilix' (6.9%). At December 31, 2010, fair value of the portfolio real estate certificates amounted to € 11.5 mln (December 31, 2009: € 11.9 mln).

Property valuation at 01/01/10 ***(x € 1,000)***	
Retail	237,090
Offices	144,783
	381,873
Property valuation at 31/12/10 ***(x € 1,000)***	
Retail	252,221
Offices	143,160
	395,381
Insured value of property portfolio at 31/12/10 ***(x € 1,000)***	
Retail	154,540
Offices	136,836
	291,376
Prospective theoretical rent (based on 100 % occupancy) over 2011 ***(x € 1,000)***	
Retail	15,661
Offices	13,156
	28,817

Average occupancy rate (as a % of rental income)



Introduction

It is important that we take responsibility today if we want to create value for tomorrow. Real estate has a life span of several decades, so the decisions about real estate taken by Wereldhave Belgium today, may affect society for decades to come. Taking sustainable decisions now automatically means taking account of the future. After all, sustainability means taking decisions that meet the needs of the present without compromising the ability of future generations to meet their own needs.

The importance of sustainability is finding its way into Western society. Governments keep tightening sustainability requirements, whilst manufacturers and contractors keep expanding their range of sustainable products and services. An increasing number of tenants attach great value to sustainable buildings and research has shown a link between a building's sustainability and its (lack of) occupancy. In other words, the desire for sustainability should not be ignored lightly. Which is why Wereldhave Belgium has defined four specific points of interest: the own organisation, new investments, construction and real estate development, and real estate management.

Organisation

Sustainable management is a cyclic process of initiating, increasing sustainability and evaluating. To ensure a continued focus on sustainability, it has become a fixed feature in the internal Wereldhave newsletter published three times a year. Every issue highlights different aspects of sustainability, from providing information about a specific topic to communicating decisions/targets adopted by the sustainability task force. This taskforce is chaired by J. Pars and convenes monthly to initiate new sustainability actions and evaluate ongoing ones.

This year, Wereldhave Belgium has calculated the organisation's carbon footprint and is striving to elaborate and evaluate this calculation every year. When purchasing office materials, the cradle-to-cradle concept is applied. The company car policy has also been fine-tuned. This way, Wereldhave Belgium wishes to promote more energy-efficient cars.

Construction and property development

For new real estate developments, Wereldhave Belgium aims to achieve a minimum BREEAM score of 'Good'. To this end, the standard requirement programs used by Wereldhave Belgium in new developments have been amended to include the necessary BREAAM criteria. Since 1998, Wereldhave Belgium has focused on sustainability in the areas of energy, water, materials, environment, flexibility and indoor climate, and it has included all these topics in its requirement programme. While the BREEAM chapters differ slightly in certain respects, the methods are easily reconcilable.

With regard to the expansion of the Nivelles shopping centre, Wereldhave Belgium aims to achieve a 'Very Good' BREEAM rating. Development projects that were introduced to Wereldhave Belgium's development pipeline as a result of the acquisition of the Belgian development division of ING will be reviewed to assess to what extent they already meet Wereldhave Belgium's sustainability ambitions and whether it would be possible to incorporate additional sustainability measures in the design.

Wereldhave Belgium has drawn up a checklist for sustainable building sites to be used during renovation projects. New developments are subject to a more extensive list, which is part of the BREEAM assessment. Contractors must complete this building site checklist regularly during construction to demonstrate that the building site is healthy and safe, and that nuisance to local residents is kept to an absolute minimum.

In recent years, the main focus in new developments has been on achieving high energy performance combined with a high level of user comfort, a trend that will be continued in the near future. In addition, Wereldhave Belgium will increasingly focus on the choice of building materials. The supply and extraction of raw materials will decrease over the next few years, while demand is still increasing. This will inevitably lead to shortages. Only a major degree of product recycling and the application of concepts such as cradle-to-cradle may turn the tide. Wereldhave Belgium recognises this and will endeavour to use more of such products if and when possible.

Property management

Wereldhave Belgium is convinced that building owners and users need to work together to improve the sustainability of buildings. To ensure that both the owner and the user recognize the importance of sustainability, 'Green leases' can be implemented. 'Green leases' contain an extra clause in which an agreement is made about finishing and decorating the building and exchanging information regarding the energy and water consumption. The goal for the upcoming years is that Wereldhave Belgium will close Green leases for new rental agreements when expanding shopping centres and – in the long term – when renewing the lease of an existing shop.

In order to set our sustainability goals, we need to know how a building performs on a number of indicators. That is why Wereldhave Belgium monitors the energy and water consumption of its real estate portfolio. This information stream about the energy and water consumption of our buildings enables Wereldhave Belgium to analyze building performance and detect and improve any underperforming properties.

In the course of 2010, a new garbage management system was introduced in the office buildings. This was a closed underground storage system. The waste is still separated into four fractions, but the number of transport movements needed to transfer the waste for processing, is reduced by 30% in the new system.

Wereldhave Belgium has been purchasing green power for its entire real estate portfolio since a number of years.

The Belgian property market

The recovery of the Belgian economy accelerated in the first half of 2010, but the growth rate then slowed down again. The economic growth eventually led to about 50,000 new jobs last year.

The retail market is consumer-driven. Because of a relatively high unemployment rate and a limited wage growth, consumer's buying power was under pressure during 2010. However, after a difficult year in 2009, an increase in consumer confidence, higher prices and improved economic prospects resulted in higher retail sales than in any other European country.

Thanks to the improved economic outlook, retailers intensified their expansion plans in the course of 2010 after playing it safe in 2009. International chains are actively looking for expansion possibilities for their network. On the retail market, the differences between the top segment and the secondary retail properties are becoming increasingly important. Prime locations and regional shopping centres are becoming more and more important because consumer spending – and thus the demand for retail space – is increasingly focused on these locations. There is a stronger increase of sales in prime locations than in secondary locations.

The Belgian retail real estate market is characterized by a small number of existing shopping centres and a limited development of new ones. The low availability of floor surface in shopping centres resulted in a low take-up in 2010. Retailers still pay key money for the best floor spaces that are rarely put on the market. They have stopped their expansion into secondary and tertiary markets.

The rent for first-class real estate remained at the same level in big cities and in the largest shopping centres. In secondary locations, the rent dropped because demand was shrinking and availability was increasing. Investors are becoming more interested in retail real estate, but the number of transactions in 2010 was still very limited. Large shopping centres are almost never for sale; the best initial yields for good shopping centres remained stable at 5.5%.

The rental market for office space is still in an early phase of recovery. The take-up in Brussels was 492,000 m² and was 15% higher compared to the 2009 level, because tenants made use of lower rent prices when extending their leases. Vacancy varies from 6% in the centre of Brussels to 22% in the suburbs. First class office space rents remained largely stable in 2010. The discounts given to tenants are still high, but could drop in locations where large modern office space is becoming harder to find. Effective rental growth in the suburbs is still nowhere in sight. The investment volume is low and prices for the best office buildings in good locations increased in the second half of the year, resulting in a smaller initial yield of around 5.2%.

Prospects

In 2011, rental growth by active shopping centre management is one of the key tasks for the Management Company. The development projects in Nivelles, Tournai, Genk and Waterloo will continue.
Due to the difficult market conditions in Brussels and Antwerp, and considering the renovation of the Orion building, the occupancy rate of the office portfolio is expected to decline in 2011. The Management Company will do everything possible in order to increase the occupancy rate.

The Management Company of Wereldhave Belgium declares:

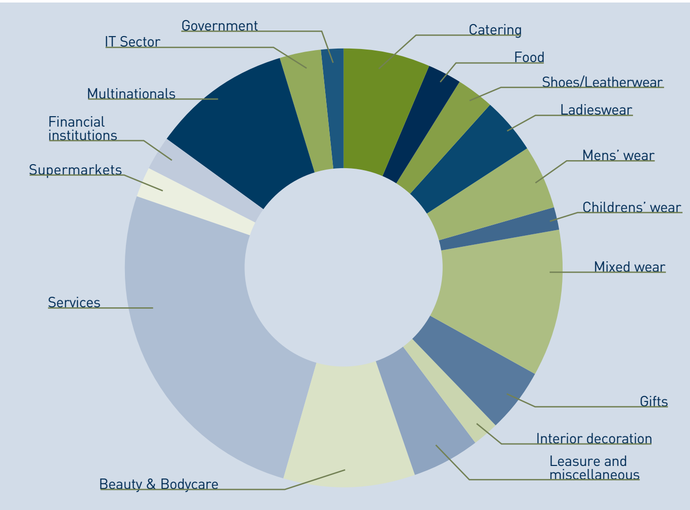
1. that based on the assessment performed and taking into account the recommendations of the Corporate Governance Code, the internal risk management and control systems of Wereldhave Belgium are adequate and provide a reasonable degree of certainty that the financial reporting as included in this Annual 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

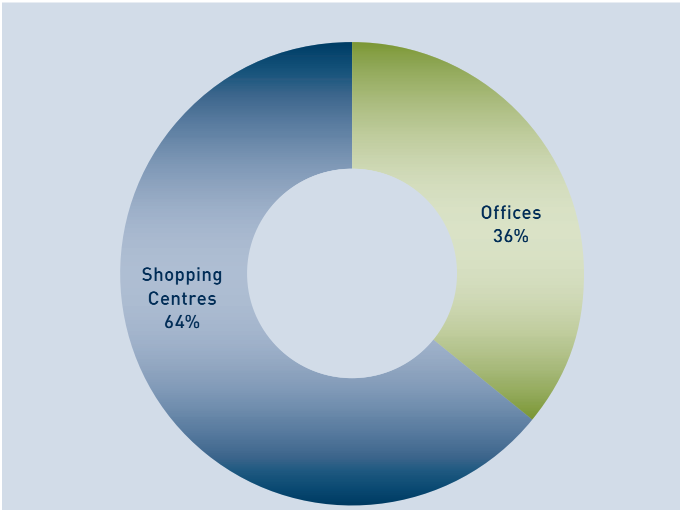
Vilvoorde,March 2, 2010

B. Graulich, voorzitter
B. De Corte
J. Pars

Breakdown investment properties (as a % of rental income)



Breakdown by sector (as a % of fair value)




TWICE
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Real estate portfolio

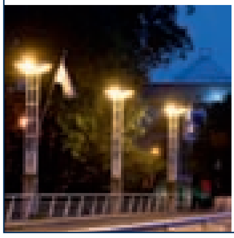
Portfolio summary at December 31, 2010

	Location	Diversification of the portfolio *(in % of valuation)*	Rentable area *(m²)*	Parking spaces *(number)*	Number of tenants	Rental income in 2010 *(x € 1,000)*	Average occupation 2010 *(in % of rental income)*
Commercial							
Shopping Centre "Belle-Ile" **	4020 Liège Quai des Vennes 1	37	30,252	2.200	90	9,457	100
Shopping Centre Nivelles	1400 Nivelles Chaussée de Mons 18	12	16,195	802	59	2,892	100
Shopping Centre "Les Bastions"	7500 Tournai Bd. W. de Marvis 22	11	15,540	1.260	55	2,786	100
Waterloo	1410 Waterloo Chaussée de Bruxelles 193-195	4	3,122	95	11	-	100
Offices							
Madou Center	1000 Brussels Bischoffsheimlaan 1-8	8	12,364 302 *	150	1	2,367	100
Regent 58	1000 Brussels Regentlaan 58	1	3,135 32 *	32	4	198	39
Orion Center	1000 Brussels Bischoffsheimlaan 22-25	2	5,205 25 *	64	5	342	34
Jan Olieslagerslaan	1800 Vilvoorde J. Olieslagerslaan 41-45	1	3,048 29 *	82	4	323	100
Business- & Mediapark	1800 Vilvoorde Medialaan 30	3	5,449 201 *	178	8	645	76
Business- & Mediapark	1800 Vilvoorde Medialaan 32	2	3,907 120 *	123	3	605	84
Business- & Mediapark	1800 Vilvoorde Medialaan 28	5	12,772 246 *	305	4	1,233	72
De Veldekens I	2600 Berchem Roderveldlaan 1-2	4	11,192 368 *	238	1	1,369	80
De Veldekens II	2600 Berchem Roderveldlaan 3-4-5	6	16,003 1,008 *	316	13	1,916	91
De Veldekens III	2600 Berchem Berchemstadionstraat 76-78	4	11,192 208 *	217	9	683	48
Total		100	151,915			24,817	89

* archives

** concerning the risk of seizure of the shopping centre, see note 29

"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 gross lettable area
The shopping centre houses 96 shops
Parking: 2,200 spaces

Shopping centre in Waterloo

Chaussée de Bruxelles 193-195, 1410 Waterloo
Year of construction: 1967
Location: Centre of Waterloo
Rentable area: 3,122 m² gross lettable area
The shopping centre houses 11 shops
Parking: 95 spaces

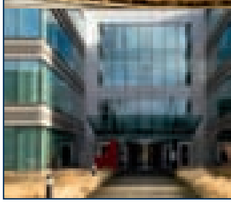
Shopping centre in Nivelles

Chaussée de Mons 18, 1400 Nivelles
Year of construction: 1974 - Upgrading: 2007
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: 16,195 m² gross lettable area
The shopping centre houses 61 shops
Parking: 802 spaces

Business- & Mediapark

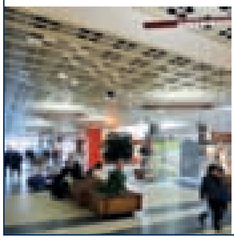
41-45 Jan Olieslagerslaan, 1800 Vilvoorde
Year of construction: 1998
Location: in the "Business Class" office park, near the station of Vilvoorde
Rentable area: 3,048 m² offices

30-32 Medialaan,1800 Vilvoorde
Year of construction: 1999
Location: 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



28 Medialaan, 1800 Vilvoorde
Year of construction: 2002
Location: in the immediate vicinity of the Brussels Ring Road (exit 6) and the airport
Rentable area: 12,772 m² offices

"Les Bastions" Shopping Centre

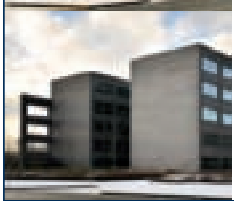


Boulevard Walter de Marvis 22, 7500 Tournai
Year of construction: 1979 - Renovation:1996
Location: The "Les Bastions" shopping centre is situated along the ring road around Tournai
Rentable area: 15,540 m² gross lettable area
The shopping centre houses 56 shops
Parking: 1,260 spaces

Veldekens

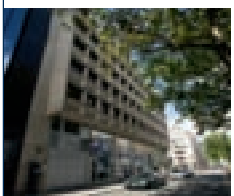
1 -2 Roderveldlaan, 2600 Berchem – Antwerp
Year of construction: 2001
Location: alongside the Antwerp ring road
Rentable area: 11,192 m² offices

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



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

Offices in Brussels



58 Boulevard du Régent, 1000 Brussels
Year of construction: 1975 Renovation: 1997
Location: along the inner ring road, in the Art-Loi quarter
Rentable area: 3,135 m² offices

1-8 Boulevard Bischoffsheim, 1000 Brussels
Year of construction: 1975 - Renovation: 2002
Location: along the inner ring road, in the Art-Loi quarter
Rentable area: 12,364 m² offices

22-25 Boulevard Bischoffsheim, 1000 Brussels
Year of construction: 1990
Ligging: along the inner ring road, in the Art-Loi quarter
Rentable area: 5,205 m² offices

Development projects

Shopping centre in Nivelles

Sector
Retail

Type
Extension

Size
12,000m²

Estimated completion
2012

Expected yield
6.75% - 7.25%

Status
In 2008 the existing shopping centre was completely renovated. Mid 2010, construction of the extension started. The project serves as a pilot project for sustainability of shopping centres. Completion is scheduled for 2012 and the first pre-lettings will probably be signed in 2011. The permit for an adjacent retail park (Nivelles II) has not yet been obtained.

Shopping Genk I

Sector
Retail

Type
Redevelopment/extension

Size
37,000 m²

Estimated completion
2013

Expected yield
6.5% - 7%

Status
The project consists of the renovation and extension of Genk Shopping I, in the city centre of Genk. The centre is largely owned by Redevco. Important tenants are Carrefour, Sportsdirect, M&S, WE, Vero Moda, Etam, America Today and Hunkemöller. After completion the total floor space will amount to ca. 37,000 m². The shopping centre will be developed in a joint venture with Redevco and Wereldhave Belgium will take a 50% stake in the existing Redevco share of the centre and its extension.

Shopping centre «Les Bastions» in Tournai

Sector
Retail

Type
Extension

Size
14,500 m²

Estimated completion
2012-2013

Expected yield
6.75-7.25%

Status
Tournai I consists of a retail park of 10,000 m² with 500 parking spaces and ca. 26 apartments on a plot of land opposite of the Les Bastions shopping centre. Tournai II relates to the extension of the existing centre with 4,500 m² on the current parking lot. Both projects are still in the planning phase and a number of permits still have to be obtained, probably in 2011. Several sustainability items have been included in the design.

Waterloo

Sector
Retail

Type
Redevelopment/extension

Size
10,000m²

Estimated completion
2014

Expected yield
6.5-7%

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

Resolutions of the real estate experts, prepared on December 31, 2010, following the valuation of the property portfolio at December 31, 2010, as referred to in article 56, paragraph 1, of the Royal Decree of April 10, 1995 and the Royal Decree of December 7, 2010 with respect to real estate investment funds.

Troostwijk – Roux CBVA

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 for if the fair value is considered to be reliable measurable.

Analysis portfolio investment properties

At December 31, 2010 the fair value of the portfolio investment properties amounted to € 201,946,000. This amount is recognized for an amount of € 200,206,440 in the balance sheet under "investment properties" and for an amount of € 1,739,560 under "trade receivables and other non-current assets".

***This amount is recognized for an amount of € 200,206,440 in the balance sheet under "investment properties" and for an amount of € 1,739,560 under "trade receivables and other non-current assets".**

At December 31, 2010 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 € 201,946,000.

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 December 31, 2010 the fair value of the shopping centre "Belle-Ile" in Liège and the "Nivelles shopping centre" in Nivelles, registered in the real estate expert report of Cushman & Wakefield amounted to € 195,175,000.

Consolidated Annual Accounts 2010

Contents

Consolidated balance sheet at December 31, 2010

(x € 1,000)

Assets	Note	December 31, 2010		December 31, 2009	
Non-current assets					
Goodwil	26	1,891			
Investment properties	6		1,891		
Investment prop. excl. dev. projects	6	395.381		381,873	
Development projects	7	27.815		13,179	
			423,196		395,052
Other tangible assets	8	90		101	
Financial assets available for sale					
Real estate certificates	9	11,523		11,948	
Trade receivables and other non-current assets	10	1,790		2,870	
			13,403		14,919
Current assets					
Current financial assets					
Trade receivables	11	1,155		511	
Tax receivables and other current assets	11	652		273	
Cash and cash equivalents	12	1,899		2,231	
			3,706		3,015
Total assets			442,196		412,986
Shareholder's equitiy and liabilities					
Shareholder's equity					
Capital	13	224,969		224,969	
Reserves					
Available reserves		5,627		5,627	
Result					
Accumulated result		127,272		132,380	
Result of the financial period		21,054		15,793	
Change in fair value of financial assets and liabilities					
On financial assets available for sale	14	1,769		2,211	
			380,691		380,980
Liabilities					
Non-current liabilities					
Lease hold obligations	26	3,949			
Pension obligations	16	252		66	
Ohter non-current liabilities					
Rent guarantees received	17	156		237	
Differed taxes		1,714			
			6,071		303
Current liabilities	18				
Credit institutions		47,280		27,000	
Trade debts					
Suppliers		4,996		2,057	
Other					
Taxes, salaries and deferred income		99		97	
Other		298		298	
Accrued charges and deferred income		2,761		2,251	
			55,434		31,703
Total shareholder's equity and liabilities			442,196		412,986
Net asset value per share *(x € 1)*			71.40		71.45

The consolidated annual accounts comprise the balance sheet, the profit and loss account, the realised and unrealised result statement, the cash flow statement and the statement of movements in equity together with the notes on pages 37 to 55.

Consolidated profit and loss account till December 31, 2010

(x € 1,000)

	Note	2010		2009	
Rental income					
Rent	20	24,817		25,806	
Compensation to break rental agreements		505		141	
Net rental income			25,322		25,947
Recovery income of charges and taxes payable by tenants on let properties		2,988		3,137	
Charges and taxes payable by tenants on let properties		-3,316		-3,525	
			-328		-388
Property result			24,994		25,559
Technical costs		-1,061		-936	
Commercial costs		-375		-535	
Property management costs		-341		-408	
Property charges	21		-1,777		-1,879
Property operating result			23,217		23,680
General company costs	22				
Staff costs		-487		-736	
Other		-519		-565	
Other operating income and charges		-201		-149	
			-1,207		-1,450
Operating result before result on the portfolio			22,010		22,230
Gains or losses on disposals of other non-financial assets		23		12	
Project costs business combinations	26	-555			
Change in fair value of the portfolio investment properties	23	-886		6,975	
			-1,418		6,963
Operating result			20,592		15,267
Financial income		908		941	
Interest charges		-301		-277	
Other financial charges		-41		-58	
Financial result	24		566		606
Pre-tax result			21,158		15,873
Corporate taxes	25	-104		-80	
Taxes			-104		-80
Net result			21,054		15,793
Net result shareholders of the Group			21,054		15,793
Result per share *(x € 1)*	27		3.95		2.96
Diluted result per share *(x €1)*	27		3.95		2.96

The consolidated annual accounts comprise the balance sheet, the profit and loss account, the realised and unrealised result statement, the cash flow statement and the statement of movements in equity together with the notes on pages 37 to 55.

Realised and unrealised result statement 2010

(x € 1,000)

	2010		2009	
Net result before change in fair value of the investment properties	22,495		22,768	
Change in fair value of the investment properties	-886		-6,975	
Project costs business combinations	-555			
Net result		21,054		15,793
Change in fair value of financial assets and liabilities	-442		1,967	
		-442		1,967
Total of the realised and unrealised result allocated to Shareholders of the Group		20,612		17,760
Minority interests		0		0

Consolidated cash flow statement to December 31, 2010

(x € 1,000)

	01-01-2010/31-12-2010		01-01-2009/31-12-2009	
Cash flow from operating activities				
Net result	21,054		15,793	
Dividend received	-849		-840	
Result exclusive dividend received		20,205		14,953
Less: movements in valuation	886		6,975	
Movements in provisions	1,145		606	
Movements in short term debts	-128		-2,685	
		1,903		4,896
Net cash flow from operating activities		22,108		19,849
Cash flow from investment activities				
Real estate certificates	-16		-259	
Investments	-17,372		-8,417	
Dividend received	849		840	
Net cash flow from investment activities		-16.539		-7,836
Cash flow from financing activities				
Credit institutions	15,000		3,000	
Dividend paid	-20,901		-20,581	
Net cash flow from financing activities		-5,901		-17,581
Net cash flow		-332		-5,568
Cash & bank balances				
At January 1		2,231		7,799
Increase/decrease cash and bank balances		-332		-5,568
At December 31		1,899		2,231

The consolidated annual accounts comprise the balance sheet, the profit and loss account, the realised and unrealised result statement, the cash flow statement and the statement of movements in equity together with the notes on pages 37 to 55.

Consolidated statement of movements in equity for 2010

(x € 1,000)

	Notes	Shareholders				Total
		Share capital	Reserves	Result	Revaluation fair value of financial assets	
Balance at January 1, 2009		224,969	5,627	152,961	244	383,801
Revaluation financial assets available for sale	a				1,967	1,967
Profit book year				15,793		15,793
Dividend over 2008	b			-20,581		-20,581
Balance at December 31, 2009		224,969	5,627	148,173	2,211	380,980
Balance at January 1, 2010		224,969	5,627	148,173	2,211	380,980
Revaluation financial assets available for sale	c				-442	-442
Profit book year				21,054		21,054
Dividend 2009	d			-20,901		-20,901
Balance at December 31, 2010		224,969	5,627	148,326	1,769	380,691

Notes

a	Revaluation financial assets available for sale	
	Real estate certificates	1,967
b	Dividend paid 2008	
	€ 3.86 (netto € 3.28) per share	-20,581
c	Revaluation financial assets available for sale	
	Real estate certificates	-442
d	Dividend paid 2009	
	€ 3.92 (netto € 3.332) per share	-20,901

The consolidated annual accounts comprise the balance sheet, the profit and loss account, the realised and unrealised result statement, the cash flow statement and the statement of movements in equity together with the notes on pages 37 to 55.

1. General Information

Wereldhave Belgium (the company), Medialaan 30 in 1800 Vilvoorde, 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 centres 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.

BNP Paribas Fortis acts as deposit bank and ING Financial Markets as liquidity provider.

The consolidated annual accounts from January 1 to December 31, 2010, 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 March 1, 2011. The General Meeting of Shareholders will be held on April 13, 2011 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 69.31% of the shares directly or indirectly at December 31, 2010.

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

The Group's presentation currency is the Euro. The financial statements of Wereldhave Belgium have been presented in Euros, rounded to the nearest thousand. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The consolidated financial statements and the company financial statements have been prepared on 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, in conformity with the Royal Decree of June 21, 2006.

In 2010 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 2010, with the exception of the adjustments of IAS 27 'Consolidated and Separate Financial Statements' and IFRS 3R 'Business Combinations'. It concerns the following standards and interpretations:

- IFRS 3R Business Combinations;
- IAS 27 Consolidated and Separate Financial Statements;
- IAS 28 Investments in Associates;
- IAS 31 Interests in Joint Ventures;
- IFRIC 17 Distributions of Non-cash Assets to Owners (new);
- IFRIC 18 Transfers of Assets from Customers;
- IFRIC 9 Reassessment of Embedded Derivatives;
- IAS 39 Financial Instruments: Measurement and recognition;
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation;
- IAS 1 Presentation of Financial Statements;
- IAS 36 Impairment of Assets;
- IFRS 2 Share-based Payment and
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

IFRS 3R Business Combinations (revised)

The revised IFRS 3 (IFRS 3R), shows how goodwill should be calculated and how non-controlling interests and contingent elements should be taken into account in the acquisition price. Under IFRS 3R all cost directly related to the acquisition should be charged to the income statement when they occur. Previously, these costs were part of the purchase price.

If there is a non-controlling interest under IFRS 3R there is the ability to measure this per acquisition at either fair value or the proportionate share of the non-controlling interest in the net assets of the acquiree. With respect to contingent payments at fair value which are classified as debt on the acquisition date, IFRS 3R provides that any subsequent changes are revalued through the income statement.

IAS 27 Consolidated and Separate Financial Statements (revised)

This amended standard requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as a transaction with shareholders within equity. When the group loses control of a subsidiary a possible non-controlling interest in the former subsidiary will be measured at fair value with the gain or loss recognised in the income statement.

In 2011 the following (adjusted) standards, applicable for Wereldhave Belgium, become in force:

- IFRS 9 Financial Instruments;
- IAS 24R Related Party Disclosures;
- IAS 32 Financial Instruments: Presentation;
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments and
- IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

It is expected that these adjustments do not have a major impact on the 2011 Annual Accounts of Wereldhave Belgium. The Company has not early adopted standards which will become applicable in 2011.

3.2 Consolidation

Subsidiaries are those entities, including special purpose entities, controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity. The financial statements of subsidiaries are included in the consolidated financial statements. Intra-group balances and unrealized gains and losses are eliminated. In case of control of less than 100 %, subsidiaries are consolidated on a 100% basis. In these cases a minority share is shown in the balance sheet under equity as well as in the profit and loss account as a separate item.

The purchase method is used to account for the acquisition of subsidiaries. The acquisition is measured at the fair value of the assets and liabilities at the date of acquisition.

Re-measurement at subsequent balance sheet dates is based on fair value. As soon as control ceases to exist, subsidiaries are deconsolidated.

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 April, 10, 1995 and June 21, 2006 and the law of July 20, 2004).

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– 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, is 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.

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.

Cost includes the works performed, the costs of staff directly related to technical supervision and project management on the basis of time spent, and capitalised interest costs on the basis of amounts spent and money market rates up to the date of completion.

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-derivatives 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 in one year from the date of classification.

Non-current assets (or disposal group) classified as held for sale shall be measured at the lower of its carrying amount and fair value less costs to sell. No remeasurement takes place when the assets are already measured at fair value. Non-current assets held for sale or the assets from a disposal group shall be presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale shall be presented separately from the other liabilities. Those assets and liabilities that are held for sale shall not be offset. 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 property expenses in the income statement. When trade receivables are uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against property expenses in the income statement.

3.12 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').

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.

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 and maintenance to buildings, costs of studies regarding maintenance and repairs, costs for total guarantees and 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 independant 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. Direct and indirect result *(amounts 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.

Consolidated direct and indirect result to December 31, 2010

In accordance with legal regulations, the direct statutory result is used as basis for the payment of dividend.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.

	01-01-2010/31-12-2010		01-01-2009/31-12-2009	
	Direct	**Indirect**	Direct	Indirect
Rental income	25,322		25,947	
Charges payable by tenants on let properties	-328		-388	
Property charges	-1,777		-1,879	
General costs	-1,200		-1,450	
Operating result before result on the portfolio	22,017		22,230	
Change in fair value of investment properties				
- positive		3,404		1,757
- negative		-4,290		-8,732
Result on the portfolio		-886		-6,975
Project costs business combinations		-555		
Gains or losses on disposals of other non financial assets	23		12	
Operating result	22,040	-1,441	22,242	-6,975
Financial result	559		606	
Pre-tax result	22,599	-1,441	22,848	-6,975
Tax on result	-104		-80	
Net result	22,495	-1,441	22,768	-6,975
Profit per share *(x € 1)*	4.22	-0.27	4.27	-1.31

5. Segment information *(amounts x € 1,000)*

The segmentation of rental income, property charges, investment properties and revaluations are segmented to the following sectors:

2010

	Offices	Retail	Total
Rental income	9,766	15,556	25,322
Rental costs and taxes	-217	-111	-328
Technical costs	-871	-190	-1,061
Commercial costs	-352	-23	-375
Management costs	-133	-208	-341
Property operating result	8,193	15,024	23,217
Unallocated costs			-1,200
Operating result before result on the portfolio			22,017
Project costs business combinations		-555	-555
Revaluation of investment properties	-1.717	831	-886
Sale non financial assets			23
Operating result			20,599
Financial result			559
Result before taxes			21,158
Taxes			-104
Net result			21,054
Investment properties			
Balance at 01/01	144,783	237,090	381,873
Investments	92	14,302	14,394
Revaluation	-1,717	831	-886
Balance at 31/12	143,158	252,223	395,381

2009

	Offices	Retail	Total
Rental income	11,201	14,747	25,947
Rental costs and taxes	-322	-66	-388
Technical costs	-778	-158	-936
Commercial costs	-491	-44	-535
Management costs	-176	-232	-408
Property operating result	9,434	14,247	23,680
Unallocated costs			-1,450
Operating result before result on the portfolio			22,230
Revaluation of investment properties	-6,266	-709	-6,975
Sale non financial assets			12
Operating result			15,267
Financial result			606
Result before taxes			15,873
Taxes			-80
Net result			15,793
Investment properties			
Balance at 01/01	149,520	231,575	381,095
Investments	1,529	6,224	7,753
Revaluation	-6,266	-709	-6,975
Balance at 31/12	144,783	237,090	381,873

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

	2010	2009
Balance at January 1	381,873	381,095
Acquisitions (business combinations - note 26)	15,096	5,631
Investments	-702	2,122
Revaluations	-886	-6,975
Balans at December 31	395,381	381,873

At year end, as part of the acquisition of a number of projects of ING RED Belgium, an operational commercial complex located in Waterloo (€ 15.1 mln) was acquired. The investments concern mainly investments in the shopping centre Belle-Ile (€ 0.4 mln) and the reclassification of investments (€ -1.1 mln) concerning the development project in Nivelles. The investment properties portfolio, valued at € 56.0 mln, has been charged by way of mortgage. These securities are the subject of a legal mortgage with reference to the disputed tax claim (see notes 19 and 29). The investment properties portfolio was valued by CVBA Troostwijk-Roux and Cushman & Wakefield, independant real estate experts, at December 31, 2010.

Value investment properties according to the external valuation reports	397,121
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".	-1,740
Balance sheet valuation	395,381

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)*

	2010	2009
Balance at January 1	13,179	9,558
Acquisitions (business combinations - note 26)	4,312	1,036
Investments	10,142	2,404
Capitalised interest (average interest rate 1.37%)	182	181
Balance at December 31	27,815	13,179

The acquisitions concern the purchase (€ 4.3 mln) of a plot of development land, located in Waterloo.
The construction of the expansion (12,000 m²) in the shopping centre in Nivelles was started in June 2010. The construction is on schedule and the completion is expected to take place in the first quarter 2012. To date, the initial investment amounts to 8.2 mln. In Nivelles, the sicafi also has ground positions with various destinations including retail, leisure, office, seniorie, hotel and apartments. The project in Tournai concerns retail, but with a limited residential element. The building/planning application regarding the extension of the shopping centre by 4,500 m² and a retail park of 10,000 m² will probably be submitted by the end of 2011.
The realized project costs, related to the acquisition of projects of ING RED Belgium, amount to € 1.9 mln. These can mainly be attributed to the development project in Genk, particularly the redevelopment of the shopping centre Genk Shopping I. The portfolio 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).

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

	Office equipment	Cars	Total
Balance at January 1, 2010	35	66	101
Purchases (+/-)	60	-42	18
Depreciation (+/-)	-17	-12	-29
Balance at December 31, 2010	78	12	90
Balance at January 1, 2009	30	63	93
Purchases (+/-)	24	42	66
Depreciation (+/-)	-19	-39	-58
Balance at December 31, 2009	35	66	101

	December 31, 2010	December 31, 2009
Total costs of acquisition	439	421
Total depreciation	-349	-320
Net book value	90	101

9. Financial assets *(x € 1,000)*

	December 31, 2010	December 31, 2009
Financial assets available for sale: real estate certificates		
Balance at January 1	11,948	9,722
Acquisition real estate certificates	17	259
Revaluation (via shareholder's equity - note 14)	-442	1,967
Balance at December 31	11,523	11,948

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 2010, fair value amounted to € 8.1 mln (2009: € 8.7 mln). By the end of 2010, the closing price on NYSE Euronext, fixing market, amounted to € 434.0.
2. an interest of 6.9% (9,142 real estate certificates) in the shopping centre "Basilix" in Brussels. By the end of 2010, fair value amounted to € 3.4 mln (2009: € 3.2 mln). By the end of 2010, the closing price on NYSE Euronext, fixing market, amounted to € 371.0.

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)*

	December 31, 2010	December 31, 2009
Loans	51	718
Capitalised rent investments	315	555
Capitalised brokerage fees	416	408
Capitalised rent free periods	1,008	1,189
Total	1,790	2,870

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

11. Current receivables *(x € 1,000)*

	December 31, 2010	December 31, 2009
Trade receivables (tenants)	1,155	511
Tax receivables and other current assets	652	273
Total	1,807	784

A provision for doubtful debtors (€ 45) is comprised in the trade receivables. As it concerns short term financing, fair value of the receivables corresponds with book value.
The property tax to be recovered due to vacancy amounts to € 144 at December 31, 2010 (2009: € 265).

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

	December 31, 2010	December 31, 2009
Bank	1,899	2,231

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 December 31, 2009	224,969	5,331,947
At December 31, 2010	224,969	5,331,947
Bearer shares, dematerialised shares, and registered shares without nominal value		
Registered		3,636,218
Bearer/dematerialised		1,695,729
Total		5,331,947

Shareholders

Of the 5,331,947 shares in circulation at December 31, 2010, 39.10% were held by Wereldhave N.V., 30.21% by N.V. Wereldhave International and 30.69% by the general public.
The Statutory Management Company is entitled to increase the authorised capital in one or more issues by a maximum amount of € 200,000,000. This authorisation has been renewed on April 11, 2007 and is valid for five years, till November 26, 2012.

Available reserves

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

14. Change in fair value of financial assets and liabilities

	2010	2009
Financial assets available for sale		
At January 1	2,211	244
Revaluation	-442	1,967
At 31/12	1,769	2,211

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 2010, the closing price on NYSE Euronext, fixing market, amounted to € 434.0.
2. an interest of 6.9% (9,142 real estate certificates) in the shopping centre "Basilix" in Brussels. By the end of 2010, the closing price on NYSE Euronext, fixing market, amounted to € 371.0.

15. Loans

At December 31, 2010 the company had not utilised any external financing other than external short term liabilities (< 1 year). Wereldhave Belgium has an uncommitted credit line of € 26 mln and a committed line of € 20 mln of which € 42 mln has been used by end 2010. The borrowings are at floating interest rates (average weighted interest rate of 1.40%) and are shown 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 financing at floating interest rates. The debt ratio on the total of assets at December 31, 2010, amounts to 13.2% (2009: 7.1%).

16. Pension obligations *(x € 1,000)*

	2010	2009
Net liability at January 1	66	55
Movements in liabilities	186	11
Net liability at December 31	252	66

With reference to the "Defined Benefit Plan" in favour of the staff of the sicafi (7,6), a provision of € 252 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.

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

	December 31, 2010	December 31, 2009
Guarantee tenants	156	237

18. Short term liabilities *(x € 1,000)*

	December 31, 2010	December 31, 2009
Credit institutions (note 15)	47,280	27,000
Trade debts	4,996	2,057
Taxes, salaries and social security	99	97
Retained dividends	298	298
Rents received in advance	1,334	814
Other	1,427	1,437
Total	55,434	31,703

19. Securities

Debt guaranteed by securities on company assets for a principal amount of € 50.9 mln (2009: € 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 29).

20. Rental income *(x € 1,000)*

Office and trade properties are subject to (trade)lettings with various expiry dates. Rents are adjusted yearly by the index of health. 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 11.0% (2009: 7.2%).
The five main tenants represent 24.5% of the rental income.

The future aggregate contractual rent from leases as to December 31, 2010 is shown in the following table:

	2010	2009
Year 1	22,225	24,206
Year 2 – year 4	43,381	54,670
Year 5	4,725	9,437
Total	70,331	88,313

21. Property charges *(x € 1,000)*

	2010	2009
Technical costs	1,061	936
Commercial costs	375	535
Management expenses (note 22)	341	408
Total	1,777	1,879

Technical costs comprise the cost of vacancy (€ 638) of the investment properties (note 3.20).

22. General expenses *(x € 1,000)*

	2010		2009	
Staff costs				
Salaries	565		586	
Social security	171		172	
Allocation salary cost development projects	-218		-	
Profit sharing	-11		31	
Pension and insurance costs	95		128	
Other staff costs	22		27	
Subtotal staff costs	624		944	
Allocated to management/property charges (22%)	-137		-208	
Staff costs		487		736
Other costs				
Audit fees	62		53	
Advisory fees	148		122	
Other costs	455		548	
Subtotal other costs	665		723	
Allocated to management/property charges (22%)	-146		-158	
Other costs		519		565
Other operating income and charges				
Other income	-174		-216	
Sicafi costs	127		100	
Real estate investment fund tax	305		307	
Subtotal other operating income and charges	258		191	
Allocated to management/property charges (22%)	-57		-42	
Other operating income and charges		201		149
Total		1,207		1,450

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

Over 2010, 22% of the general costs (€ 341) have been assigned to management/property charges (2009: 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 2010 an average of 6.7 (FTE) people (2009:7.6) 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 the size of the portfolio. For each indicator, a target has been set. The score against the target determines the final result. The maximum profit share is a one month's salary.

Management Company

The remuneration of the Management Company is decided upon by the General Meeting of Shareholders and is fixed on € 55.000.

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.

23. Valuation differences *(x € 1,000)*

	2010	2009
Valuation investment properties		
Gains	3,404	1,758
Losses	-4,290	-8,733
Total	-886	-6,975

24. Financial result *(x € 1,000)*

	2010		2009	
Financial income				
Coupon real estate certificates	869		840	
Interest received	39		101	
		908		941
Interest costs	-301		-277	
Other	-41		-58	
		-342		-335
Total		566		606

Interest costs (€ -301) comprise the interest paid regarding the cash management of the company.

25. Taxes on result *(x € 1,000)*

Taxes are calculated on possible exceptional and favourable advantages and on rejected expenditures.
Deferred taxes are not recognised as there are no differences between the accounting and the fiscal result.

	2010	2009
Corporate taxes	104	80

26 Business Combinations

Acquisition of activities ING Real Estate Development Belgium (ING RED Belgium)

On 31 December 2010, Wereldhave Belgium took over the staff organization (15 people) en several development projects from ING RED Belgium. With this acquisition, Wereldhave Belgium became an important player on the Belgian retail market.

The take-over was completed by acquiring two companies (Waterloo) and several trade associations (Genk, Tubize and Halle). Wereldhave Belgium acquired full ownership, except for some smaller development projects that have not yet been started – for which the entire ING part was acquired within a joint venture structure (in trading companies).

The development portfolio taken over from ING contains five projects, the largest being the renovation and expansion of a shopping centre in Genk and the redevelopment of a shopping centre in Waterloo. The project in Genk is a co-operation with a third party. All projects are in an early development phase. The initial investment for the project take-overs is therefore limited to € 12.5 mln. This amount covers the existing shopping centre in Waterloo, the take-over of the land positions and the projects costs incurred so far. The total future investment volume is approximately € 150 mln. The first projects are not expected to be ready for operation before the end of 2013. The expected initial yield after completion of the projects is ca. 7% on average.

This acquisition will be accounted for as business combination under IFRS 3R. The total transferred consideration for this acquisition amounted to € 12.5 mln. With the measurement of the assets and liabilities of ING RED Belgium at fair value, goodwill arose for the amount of € 1.9 mln on the balance sheet of Wereldhave Belgium. This amount corresponds to the difference between the consideration transferred and the fair value of assets acquired and liabilities.

The overview below contains a breakdown of this (expressed in fair value x € 1,000).

Investment properties	21,311
Receivables	264
Cash & bank balances	252
Differed taxes	-1,714
Leasehold liabilities	-3,949
Short-term loans	-5,280
Other short-term debts	-227
Net identifiable assets and liabilities	10,657
Purchase price	-12,548
Goodwill	-1,891

The fair value of the acquired assets and liabilities from the ING RED Belgium acquisition has been determined on a provisional basis due to the recent transaction date and will be completed in 2011.

During the take-over, agreements were made for additional payments. If certain projects perform better than expected, a subsequent payment will be made of maximum € 1.8 mln. The fair value of this possible subsequent payment is nil on the balance sheet date.

Investment properties
As part of the investment properties a shopping centre in Waterloo has been included for an amount of € 15.1 mln (including a capitalized leasehold contract of € 3.9 mln). An additional amount of € 6.2 mln is recorded in respect of development projects acquired from ING RED Belgium.

Receivables
The receivables amount to € 0.3 mln. With the acquisition a not collectible portion of € 0.1 mln is foreseen. The net position represents the current fair value.

Deferred tax
Deferred tax is the difference between the fair value of the assets and liabilities and the tax base. The deferred tax has been included at a tax rate of 17%.

Short-term debt
With the acquisition a loan by ING RED Belgium is acquired for an amount of about € 5 mln. This loan has been classified as current liability because refinance has been agreed in the transaction. This has occurred in January 2011.

Goodwill
Goodwill arises mainly due to the fact that under IFRS deferred taxes are not discounted. Within the acquisition lower tax rates are reflected. The goodwill is not tax deductible.

Result
The acquisition of ING RED Belgium took place at the balance sheet date of Wereldhave Belgium, therefore no income and expenses were reported in the income statement. In the consolidated income statement the acquisition costs have been recorded for an amount of € 0.6 mln. If the acquisition of ING RED Belgium had occurred in 2011, the revenues of Wereldhave Belgium were € 0.9 mln and the result € 0.6 mln higher. This relates mainly to the regular operation of the current shopping centre in Waterloo.

27 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 (2010: € 4.22; 2009: € 2.96). No financial instruments convertible into shares have been distributed.

28 Dividend

The Board of Directors of the Management Company proposes a gross dividend per share of € 3.92; net: € 3.33, (2009: gross € 3.92; net: € 3.33), totalling to € 20.9 mln (2009: € 20.9 mln). The dividend is not provided in the consolidated financial statements.

Calculation of the dividend is made in accordance with the Royal Decree of December 7, 2010.

29 Claim

On December 23, 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 November 18, 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 December 15. The notice of assessment relating to the above was sent on July 28, 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 June 7, 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 November 19, 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 November 18, 2010 to declare the case as inadmissible due to an exceeding of the reasonable period. The Public Ministry lodged an appeal against this ruling.

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 December 31, 2010 the fair value of the shopping centre amounts to € 145.6 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.

30 Related Group companies

The remuneration of the Management Company is decided upon by the General Meeting of Shareholders and is fixed at € 55,000.

The principal amount of the contested tax charges (€ 50.9 mln) 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 2010.

31 Important events occurred after the financial year

After the end of the financial year, no important events occurred which influenced the development of the company or the annual accounts at December 31, 2010 (see note 28 'Dividend').

32 Investment obligations

Within the context of the ongoing development projects in Nivelles (extension shopping centre) and Tournai (extension shopping centre and retailpark), the total amount of investments is estimated at € 82 mln including VAT. Upon signature of the contracts with the contractors, the company will be legally bound.

33 Remuneration auditor

Fees paid for auditing activities over 2010 amounted to € 50,000 excluding VAT.
Fees paid for auditing activities of J-II SA over 2010 amounted to € 2,133 excluding VAT.
No other remunerations were paid.


celio*

Statutory auditor's report on the consolidated accounts as of and for the year ended 31 December 2010

Statutory auditor's report to the general shareholders' meeting on the consolidated accounts of the company wereldhave belgium sca/cva as of and for the year ended 31 December 2010

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our opinion on the consolidated accounts and the required additional disclosure.

Unqualified opinion on the consolidated accounts, with an explanatory paragraph

We have audited the consolidated accounts of Wereldhave Belgium CVA/SCA and its subsidiary (the "Group") as of and for the year ended 31 December 2010, 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 accounts comprise the consolidated balance sheet as of 31 December 2010 and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The total of the consolidated balance sheet amounts to EUR (000) 442,196 and the consolidated statement of income shows a profit for the year (group share) of EUR (000) 21,054.

The company's Statutory Manager is responsible for the preparation of the consolidated accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated accounts contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the consolidated accounts taken as a whole. Finally, we have obtained from the board of Statutory Manager and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated accounts give a true and fair view of the Group's net worth and financial position as of 31 December 2010 and of its results and 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.

Without qualifying our opinion, we draw the attention to the disclosure 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. 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 consolidate accounts, nor did the company post any impairment provision.

Additional remark

The company's Statutory Manager is responsible for the preparation and content of the management report on the consolidated accounts

Our responsibility is to include in our report the following additional remark, which does not have any effect on our opinion on the consolidated accounts:

- The management report on the consolidated accounts deals with the information required by the law and is consistent with the consolidated accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the companies included in the consolidation, the state of their affairs, their forecast development or the significant influence of certain events on their future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.

Brussels
23 March 2011

The statutory auditor
PricewaterhouseCoopers Revisers d'Entreprises / Bedrijfsrevisoren
Represented by:

Roland Jeanquart
Reviseur d'Entreprises / Bedrijfsrevisor

Statutory balance sheet and income statement 2010

Statutory balance sheet at December 31, 2010

(x € 1,000)

	December 31, 2010		December, 31 2009	
Assets				
Non-current assets				
Investment prop. excl. development projects	380,285		381,873	
Development projects	23,585		13,179	
Other tangible assets	90		101	
Financial assets available for sale				
Real estate certificates	11,523		11,948	
Participations in affiliated companies	10,624		62	
Trade receivables and other non-current assets	1,790		2,870	
		427,897		410,033
Current assets				
Current financial assets				
Trade receivables	1.155		511	
Tax receivables and other current assets	388		273	
Cash and cash equivalents	1,624		2,204	
		3,167		2,988
Total assets		431,064		413,021
Shareholder's equity and liabilities				
Shareholder's equity				
Capital	224,969		224,969	
Reserves				
Available reserves	5,627		5,627	
Result				
Accumulated result	127,307		132,411	
Result of the financial period	21,058		15,797	
Change in fair value of financial assets and liabilities				
On financial assets available for sale	1,769		2,211	
		380,730		381,015
Liabilities				
Non-current liabilities				
Pension obligations	252		66	
Other non-current liabilities				
Rent guarantees received	156		237	
		408		303
Current liabilities				
Credit institutions	42,000		27,000	
Trade debts				
Supplier	4,768		2,057	
Other				
Taxes, salaries and social security	99		97	
Other	298		298	
Accrued charges and deferred income	2,761		2,251	
		49,926		31,703
Total shareholders' equity and liabilities		413,064		413,021

Statutory income statement at December 31, 2010

(x € 1,000)

	2010		2009	
Rental income				
Rent	24,817		25,806	
Compensation to break rental agreements	505		141	
Net rental income		25,322		25,947
Recovery income of charges and taxes payable by tenants on let properties (+)	2,988		3,137	
Charges and taxes payable by tenants on let properties (-)	-3,316		-3,525	
		-328		-388
Property result		24,994		25,559
Technical costs	-1,061		-936	
Commercial costs	-371		-535	
Property management costs	-341		-408	
Property charges		-1,773		-1,879
Property operating result		23,221		23,680
General company costs				
Staff costs	-487		-736	
Other	-519		-565	
Other operating income and charges (+/-)	-201		-149	
		-1,207		-1,446
Operating result before result on the portfolio		22,014		22,234
Gains or losses on disposals of other non-financial assets	23		12	
Project costs business combinations	-555			
Revaluation of investment properties	-886		-6,975	
		-1,418		-6,963
Operating result		20,596		15,271
Financial income	908		941	
Interest charges	-301		-277	
Other financial charges	-41		-58	
Financial result		566		606
Pre-tax result		21,162		15,877
Corporate taxes	-104		-80	
Taxes		-104		-80
Net result		21,058		15,797

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 and its affiliated companies have been described in this Annual Report.

The Management Company
Wereldhave Belgium SA

J. Pars, managing director
B. Graulich, director
B. De Corte, director


UN JOUR

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 August 8, 1972, subsequently published in the Appendices to the Belgian Bulletin of Acts, Orders and Decrees on August 18, under reference number 2520-9. The articles of association have been changed several times, the last time on April 11, 2007 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 article 7, 5° of the Act of July 20, 2004 on certain forms of collective management of investment portfolios.

NominalCapital

The authorised capital to December 31, 2010, amounts to € 224,968,918 represented by 5,331,947 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 € 200,000,000. This authorisation has been renewed on April 11, 2007 and is valid for five years, till November 26, 2012.

Type of shares

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

Repurchase of shares

The Real Estate Investment Fund is entitled to buy back its shares if this action is necessary to protect the company from serious and imminent disadvantage. This authorisation had been renewed on April 11, 2007 and was valid for three years, till November 26, 2010.

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.