Vesteda Annual Report 2011

Total yield of -1.3% as a result of trends in house prices

Occupancy rate improved to 95.7%

Significant steps in implementing the CSR policy

New, more transparent and commercial legal and fiscal structure

Housing market beginning to move; positive effect expected on deregulated rental sector

Vesteda
Annual Report
2011

‘Vesteda offers investors access to the Dutch housing market’

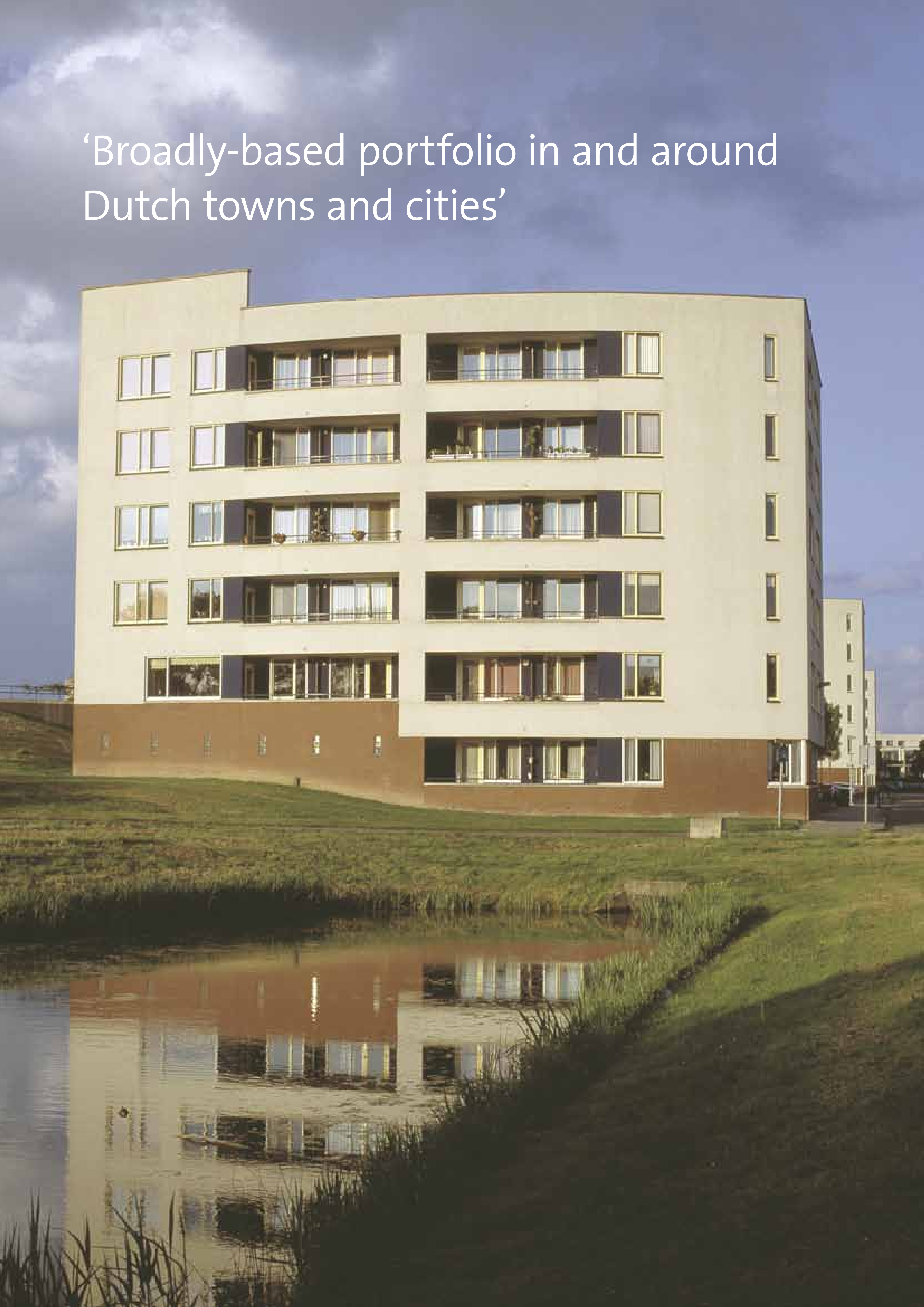
Contents

Vesteda Annual Report 2011

Vesteda Groep bv and Vesteda Groep II bv merged in February 2012 and are continuing under the name of Vesteda Investment Management bv. At the same time, Vesteda Project bv was renamed Vesteda Project Development bv. The old and new names are used in this Annual Report, depending on the reference and date. For more information see the 'Legal Structure' section on page 85.

This Annual Report is an English translation of the Dutch version. The Dutch version will prevail in the event of any differences of interpretation.

‘Broadly-based portfolio in and around Dutch towns and cities’



Summary

- an independent, entrepreneurial property fund
- for sustainable housing-related investments
- in the Netherlands
- for institutional investors

Groene Oever
Dordrecht
84 apartments
average rent €819
occupancy rate 98.81%

Vesteda profile

Vesteda is an independent, entrepreneurial property fund for sustainable housing-related investments in the Netherlands for institutional investors.

Property portfolio

deregulated sector with monthly rents between €665 and €1,200

Vesteda focuses on the deregulated rental sector in the Netherlands, which includes all residential properties with rents from €665 per month. Vesteda mainly targets the mid-range of this sector, where rents are up to €1,200.

Focus on the mid-segment

broadly-based portfolio in and around Dutch towns and cities

The Dutch housing market has insufficient high-quality rental properties in good locations, especially in the mid-segment of the deregulated sector. Vesteda provides comfortable, carefree housing and has a broadly-based portfolio of apartments and houses in and around Dutch towns and cities, mainly in the core regions it has identified. Traditionally, Vesteda has also had a substantial portion of its residential portfolio in the regulated segment below €665. In addition, Vesteda sells new-build and ex-rental residential properties.

For institutional investors

for pension funds, banks and insurance companies

Vesteda is not listed on the stock exchange. Vesteda's investors are institutions including pension funds, banks and insurance companies. Vesteda had seventeen investors at the end of 2011 and aims to increase this figure, nationally and internationally. Vesteda does business by buying, letting and selling residential properties and offers investors access to the Dutch housing market through a 'core' investment fund. There are three key concepts: limited risk, stable distributions to investors and a sustainable investment.

limited risk

Vesteda offers a limited risk profile by making conservative use of loan capital, with the aim of spreading it across various markets, and interest rate risk is largely hedged. Vesteda lowers its risk further by being of a size that reduces those risks within the portfolio, achieving a good spread across the market with the emphasis on strong regions and by focusing within them on growing segments in the market.

stable distributions

Vesteda offers a stable direct yield available for distribution and aims to maintain the long-term indirect yield on invested capital at or above inflation.

flexibility

Vesteda offers its investors flexibility by bringing together a broad group of institutional investors with a long-term outlook. Vesteda has an active investor-relations policy and the fund conditions offer liquidity to accommodate exiting investors and partial participation exits. In addition, once every seven years, there is a liquidity window which offers further support to the liquidity of partnership contributions.

VESTEDA RESIDENTIAL FUND

The key points of Vesteda's fund profile are:

core

Vesteda's profile is that of a 'core' investment fund (INREV classification);

residential sector

Investment is only in residential and housing-related properties;

Netherlands

All properties are situated in the Netherlands. The focus is on specific areas within economically stronger regions such as the Randstad, Utrecht and Noord-Brabant;

loan capital

A deleveraging target has been set for the period 2012-2015, aiming to reduce loan capital to below 30% by the end of 2015;

entrepreneurial nature

As a business, Vesteda achieves the maximum value for its investors by opting at portfolio level for a specific combination of target groups, locations and price segments and maintaining a constant balance between long-term operations and disposals;

stable annual distributions

Vesteda aims to make stable annual distributions of at least 4.5% from operating results and results on disposals. It also aims to achieve an indirect yield over the long term that on average at least equals inflation;

benchmark

Vesteda participates in the IPD Netherlands ‘All Residentials’ benchmark that expresses the average yield of all participating Dutch residential property investments over various periods. Vesteda’s target is to outperform the three-year ROZ/IPD benchmark each year;

good inflation hedge

A residential fund like Vesteda offers a good hedge against inflation: basic rents are linked to inflation and the values of residential properties in the long term;

limited risk

Vesteda has a limited risk profile by being of a size that reduces those risks within the portfolio, achieving a good spread across the market with the emphasis on strong regions and, within those regions, focusing on growing segments in the market;

liquidity

Vesteda is enhancing liquidity for its investors by bringing together a broad group of institutional investors with a long-term outlook, offering an issuance and repurchase process and having an active investor-relations policy;

management

Vesteda has a dedicated management organisation that is not fee-driven. The target for fund management expenses is competitive, at a maximum of 35 basis points of the invested capital at the beginning of the year;

duration

Vesteda is not time-limited;

governance

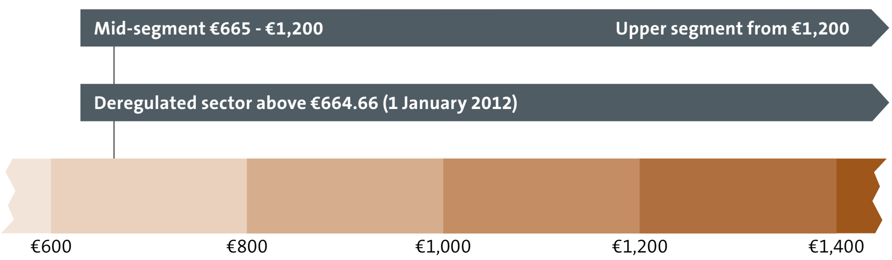
Governance is in accordance with the best-practice guidelines, with the emphasis on transparency and involvement;

socially responsible

Vesteda offers sustainable housing and operates in a socially responsible manner for which specific targets have been set.

The higher-rent sector

The following definitions are used in this annual report (net monthly rent, excluding service costs)



Key figures

OPERATIONS

Balance sheet > page 99

year end, amounts in millions	**2011** €	2010 €	2009 €	2008 €	2007 €	2006 €	2005 €	2004 €	2003 €	2002 €
total assets	**4,513**	4,707	4,932	5,107	5,077	4,630	4,356	4,323	4,288	4,250
equity	**2,671**	2,793	2,941	3,264	3,288	3,169	2,956	2,902	2,877	2,861
loan capital (long-term)	**1,649**	1,695	1,758	1,725	1,650	1,300	1,300	1,300	1,237	1,238

Portfolio value > page 56

year end, amounts in millions	**€**	€	€	€	€	€	€	€	€	€
Development portfolio	**76**	163	254	279	135	176	196	256	218	168
Letting portfolio	**4,248**	4,402	4,484	4,699	4,799	4,306	4,034	3,850	3,866	3,899
total portfolio	**4,324**	4,565	4,738	4,978	4,934	4,482	4,230	4,106	4,084	4,067

Units > page 57

year end, being let										
number of residential properties	**25,828**	26,732	27,243	27,624	28,334	27,990	29,276	31,122	33,474	35,904
number of commercial m^2	**55,410**	57,515	51,663	43,179	39,789	41,725	36,098	40,791	36,960	37,266
number of parking/garage spaces	**10,427**	10,177	9,699	9,457	8,984	8,185	7,203	7,146	6,928	7,420

Occupancy rate > page 58

year end/number of residential properties	**%**	%	%	%	%	%	%	%	%	%
Letting portfolio	**95.7**	95.2	95.3	97.1	97.2	96.8	96.4	97.4	98.4	98.7

Net rental income > page 58

amounts in millions	**€**	€	€	€	€	€	€	€	€	€
Letting portfolio, at start of year	**4,402**	4,484	4,699	4,799	4,306	4,034	3,850	3,838	3,899	3,913
net rental income	**173**	175	180	176	168	159	162	173	178	187
net rental income (%)	**3.9%**	3.9%	3.8%	3.6%	3.8%	3.9%	4.2%	4.5%	4.6%	4.8%

Customer satisfaction > page 50

rating (out of 10)										
Letting portfolio	**7.0**	6.9	7.0	7.0	7.1	7.1	7.0	7.1	7.2	-

Operating result > pages 25 and 100

amounts in millions	**€**	€	€	€	€	€	€	€	€	€
realised result from letting	**89**	110	109	110	137	147	192	199	195	200
realised result from project development	**-13**	-27	-	-3	-4	2	-4	-2	1	1
unrealised result	**-123**	-177	-372	-119	178	285	206	138	137	136
total operating result	**-47**	-94	-263	-12	311	434	394	335	333	337

Operating result > page 25

as% of opening equity	%	%	%	%	%	%	%	%	%	%
realised yield from letting	**3.2**	3.7	3.4	3.3	4.3	4.9	6.6	6.8	6.9	7.1
realised yield from project development	**-0.5**	-0.9	-	-0.1	-0.1	0.1	-0.1	0.1	-	-
unrealised yield	**-4.4**	-6.0	-11.4	-3.6	5.6	9.7	7.1	4.8	4.8	4.8
total operating result	**-1.7**	-3.2	-8.0	-0.4	9.8	14.7	13.6	11.7	11.7	11.9

Employees > page 66

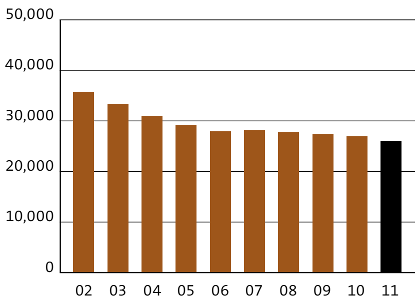
year end										
FTEs	**305**	332	346	337	318	322	298	286	267	189

RESULT, YIELD AND DISTRIBUTION

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Result > page 25										
amounts in millions	**€**	€	€	€	€	€	€	€	€	€
total operating result	**-47**	-94	-263	-12	311	434	394	335	333	337
revaluation of derivatives	**11**	21	-35	-92	18	11	-	-	-	-
total result	**-36**	-73	-298	-104	329	445	394	335	333	337
Yield > page 25										
as% opening equity	**%**	%	%	%	%	%	%	%	%	%
total operating result	**-1.7**	-3.2	-8.0	-0.4	9.8	14.7	13.6	11.7	11.7	11.9
revaluation of derivatives	**0.4**	0.7	-1.1	-2.7	0.6	0.3				
total yield	**-1.3**	-2.5	-9.1	-3.1	10.4	15.0	13.6	11.7	11.7	11.9
Distribution to investors > page 25										
amounts in millions	**€**	€	€	€	€	€	€	€	€	€
opening equity	**2,793**	2,941	3,264	3,368	3,169	2,956	2,902	2,877	2,861	2,845
distribution to investors	**100**	109	109	121	210	232	340	310	315	320
distribution to investors (%)	**3.6%**	3.7%	3.3%	3.6%	6.6%	7.8%	11.7%	10.8%	11.0%	11.3%
Distribution to investors > page 25										
per share	**€**	€	€	€	€	€	€	€	€	€
opening equity	**109.06**	114.87	127.49	131.52	126.74	118.23	116.08	115.08	114.43	113.77
distribution to investors	**3.90**	4.26	4.26	4.72	8.40	9.28	13.60	12.40	12.60	12.80
distribution to investors (%)	**3.6%**	3.7%	3.3%	3.6%	6.6%	7.8%	11.7%	10.8%	11.0%	11.3%

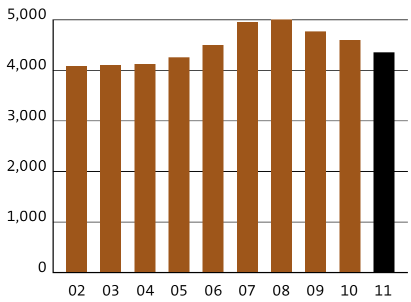
Number of residential properties

Letting portfolio, year end



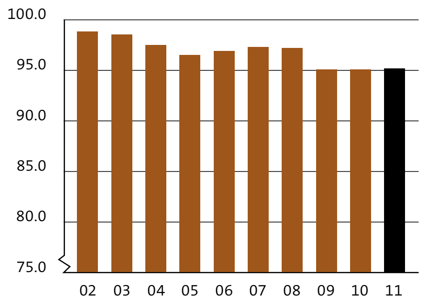
Total portfolio value

millions at year end



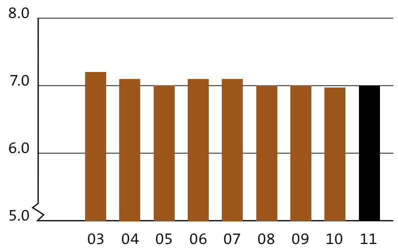
Occupancy rate

% of Letting portfolio, year end, in numbers



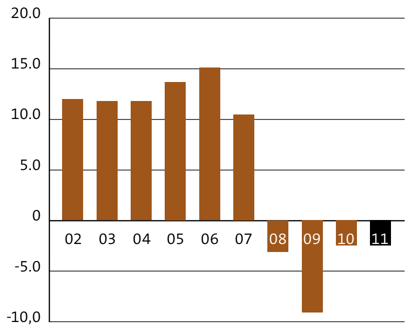
Customer satisfaction

rating (out of 10)



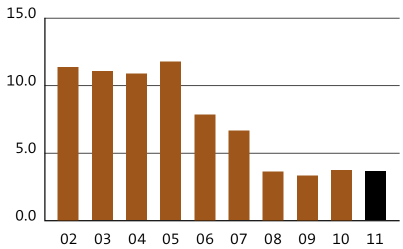
Yield

% of opening equity



Distribution to investors

of opening equity



Key events

2011

Total yield on equity of -1.3%, an improvement compared with -2.5% for 2010 > page 25

Realised yield from letting of 3.2% of opening equity (2010: 3.7%). The fall was caused by non-recurring expenses relating to a restructuring provision and a lower result on disposals in line with price trends in the housing market. Excluding the restructuring provision, the result would have been 3.6% > page 25

Realised yield from project development of -0.5% of opening equity, due mainly to provisions for lower income expected as a result of market trends > page 25

Unrealised yield of -4.4% of opening equity, mainly as a result of the revaluation of the Letting portfolio in line with prices in the market > page 25

Net rental income remained at 3.9% in 2011, partly as a result of a reduction in vacancies in the Letting portfolio > pages 25 and 58

Increase in the occupancy rate in the Letting portfolio to 95.7% at year end, 0.5% higher than at the start of year despite the handovers of new projects and a rise in the tenancy turnover in 2011. The occupancy rate rose thanks to a 5% increase in the number of lets in 2011 > page 58

Increase in the gross/net ratio to 30% in 2011 from 29% in 2010. Letting expenses rose mainly as a result of the non-recurring expenses relating to restructuring provisions in property management. Excluding the non-recurring item, the percentage would not have changed > page 63

Increase in management expenses from 44 bp to 52 bp in 2011 as a result of a restructuring provision that will deliver structural cost savings from 2012. The related costs were provided for in 2011. Excluding the provision, management expenses would have fallen below 38 bp despite the low value of the portfolio > page 63

A €30 million mortgage was contracted in May for properties in Vesteda Woningen II cv. > page 21

Vesteda rated above average for sustainability; in fact, Vesteda was the best in the world when compared with the participating residential funds as shown by the results of the Global Real Estate Sustainability Benchmark (GRESB) > page 45

Sales The sales target of €200 million was almost achieved but the result was disappointing since more complete complexes were sold than in 2010 > page 62

The Managing Board has issued a full 'in control' statement for 2011 covering the financial reporting risks and strategy and operations risk management in the Vesteda Group > page 84

The legal and fiscal restructuring of the fund was finalised in 2011. The decisions on the changes to the structure of the investment fund have been made, the fund conditions have been drawn up and the investors' decision to sign has been taken > page 85

STRATEGIC AGENDA YEAR END 2011

Legal and fiscal restructuring into a modern, transparent and commercially effective structure including provisions on corporate governance that meet current legislation and regulations and the investors' requirements. *Note: the new structure had been successfully implemented by the publication date of this Annual Report in March* > page 85

Refinancing in the spring of 2012 Vesteda proposes to make a private placement of €625 million of bonds (the A8 series) in April for a maximum of 18 months. This amount has been secured subject to continuation of the triple-A credit rating. Together with €125 million of liquid funds, it will be used to repay the A3 and A5 series of €750 million > pages 22 and 72

Attracting new domestic and foreign investors In the second half of 2012, Vesteda will actively approach national and international institutional investors with a view to taking a holding in Vesteda > page 19

Improvement in occupancy rate from 95.7% to at least 96.0% by changes in the portfolio, targeted sales, improving commercial results and other measures > page 25

Improvement in the realised yield by a higher occupancy rate, targeted sales and other measures, so that the realised yield on the investment portfolio will be at least 4.5% of opening equity > page 25

Improvement of the composition of the portfolio according to the framework of the target portfolio by continuing an active on-going acquisition and sales policy > pages 41 and 72

The reformulation of the strategy of the property management department This department will become a separate business unit with a profit target, and also proposes to offer services to third parties > page 72

Smaller organisation The workforce will be reduced in a reorganisation to keep Vesteda competitive as a manager with lower management expenses > page 67

Relocation of head-office departments to Amsterdam During the first half of 2012 a large part of the organisation will relocate from Maastricht to Amsterdam, where the Managing Board is already based. > page 68

Further implementation of the CSR policy with the principal aim of improving the average energy classification to "C" > pages 45 and 73

Board members[1]

SUPERVISORY BOARD

The Supervisory Board has five members. There was one vacancy at the start of 2012.

reappointed July 2011 for a second term of office to July 2015, chairman since January 2012

C.A.M. (Kees) de Boo (67), chairman
Dutch nationality. Former Chairman of the Managing Board of NS Vastgoed. Areas of expertise: management, financial (including property investment), project development, property letting. Ancillary positions: board member of the Central Fund for Social Housing, board member of the Stichting ROZ, member of the advisory board of HD Projectrealisatie Rotterdam, treasurer of the Friends of the Netherlands Architecture Institute, member of the board of Artis (Amsterdam Zoo).

appointed April 2011, first term of office to April 2015

J.A. (John) de Die (51)
Dutch nationality. Chairman of the Audit Committee. CFO-COO of AAC Capital Partners. Former CFO of Rodamco Europe, Geveke and Kempen & Co, Head of finance at KLM. Areas of expertise: risk management & control, corporate finance, investments, reporting. Ancillary positions: supervisory director of Diamond Tools Group. Member of the Advisory Board of Holland Integrity Group.

appointed January 2010, end of first term of office January 2014

C.M. (Charlotte) Insinger (46)
Dutch nationality. Chairman of the Remuneration Committee. Independent management adviser. Areas of expertise: management, financial, tax. Ancillary positions: partner in Nieuwe Commissaris Consult, supervisory director of SNS REAAL nv, member of Advisory Board of Stichting Koninklijke Diergaarde Blijdorp (Blijdorp Zoo), member of the board of Doping Autoriteit (the Anti-Doping Authority of the Netherlands) and member of Advisory Board of Between Us.

appointed July 2011, end of first term of office July 2015

P.J.W.G. (Peter) Kok (57)
Dutch nationality. Member of the Audit Committee. Interim CFRO of APG. Former CFO of Delta Lloyd NV. Areas of expertise: management, property investment, financial reporting. Ancillary positions: supervisory director of Mn Services, Dunea, Optimix Investment Funds NV, Triodos Groenfonds, Triodos Vastgoedfonds and Q-Park. Member of the board of Stichting Toetsing Verzekeraars and member of the board of Stichting Bewindvoering Bewoners 's Heeren Loo West Nederland.

Resigned during 2011
P.S. (Pieter) van den Berg (66)
Dutch nationality. Former controller of and adviser to the Board of PGGM. Areas of expertise: financial (including accountancy and pension investments), tax, remuneration. Ancillary positions: supervisory director of Ampere Equity Fund, a member of Maatschap VC Holland, which visits pension funds for internal supervision purposes.

Resigned at the end of 2011
W.F.T. (Frans) Corpeleijn (64), chairman
Dutch nationality. Lawyer with the law firm Stibbe. Areas of expertise: management, Managing Board appointments, remuneration, legal. Ancillary positions: Managing board chairman of Sibelco nv, supervisory board chairman of Theodoor Gilissen Bankiers nv, supervisory board chairman of De Stiho Groep bv, chairman of the board of United World College Maastricht, chairman of the advisory committee of the Frans Hals Museum.

D.J. (Dick) de Beus (65)
Dutch nationality. Member of remuneration committee. Former chairman of the managing board of PGGM. Areas of expertise: management and financial (including pension investments). Ancillary positions: supervisory director of 's Heeren Loo Zorggroep, supervisory board chairman of Stichting Nederlands Philharmonisch Orkest and Nederlands Kamerorkest (Dutch philharmonic and chamber orchestras), board chairman of the SNS REAAL pension fund, member of the investment advisory committee of the Gasunie pension fund, member of the board and chairman of the balance sheet and risk management committee of the Stork pension fund, expert adviser to Montae Pensioen.

[1] of Vesteda Groep bv, Vesteda Groep II bv and Vesteda Project bv during 2011

The Supervisory Board and the Managing Board, Amsterdam, 5 March 2012. Left to right: John de Die, Luurt van der Ploeg, Peter Kok, Arjan Schakenbos, Charlotte Insinger, Kees de Boo, Not in the photograph: Nico Mol and Onno Breur.

MANAGING BOARD

The managing board had four members during 2011. From April 2012, it will have two members.

CEO since February 2011, end of first term of office January 2015

A.J.M. (Arjan) Schakenbos (54), CEO
Dutch nationality. CEO and member of the management board. Ancillary positions: Member of the Economic Development Board Rotterdam (EDBR), Member of the Board of Supervision of Velthuis Klinieken (five private clinics).
Portfolio in 2011: responsibility for strategy, personnel & organisation and communications.
Portfolio from 2012: asset management, legal affairs, facilities and HR. Also responsible for Corporate Social Responsibility.

Mr Breur will resign as a member of the Managing Board at the end of March 2012

O. (Onno) Breur (61), COO
Dutch nationality. Ancillary position: supervisory director of Westplan.
Portfolio in 2011: responsibility for asset management, property management, research/market research and facilities.

Mr Mol will resign as a member of the Managing Board at the end of March 2012

N. (Nico) Mol (58), Director of Sales and Acquisition
Dutch nationality. Mr Mol has no ancillary positions.
Portfolio in 2011: responsibility for sales, project development (Vesteda Project Development bv) and sustainability.

Member of the Managing Board since October 2010, end of first term of office September 2014

L.A.S. (Luurt) van der Ploeg (41), CFO
Dutch nationality. CFO and member of the management board. Mr van der Ploeg has no ancillary positions.
Portfolio in 2011: responsibility for strategy, investor relations, financial administration, funding, control, tax affairs, legal affairs, ICT/information provision and business development.
Portfolio from 2012: fund management, portfolio management, tax affairs and BSIM (information provision and business development).

Investment strategy

Vesteda's investment strategy focuses on realising an attractive, stable yield for distribution to investors and real long-term value creation. On the basis of its research, Vesteda has compiled a target portfolio that informs its investment policy. In this context, Vesteda undertakes comprehensive portfolio management, constantly balancing letting, redevelopment and sales with the aim of maximising long-term proceeds.

rejuvenation of portfolio through inflows and outflows

Dynamic investment portfolio

A key element of Vesteda's investment strategy is the roll-over principle: making use of opportunities for rejuvenating the portfolio if this is desirable given market conditions and the investment policy. Over the long term, a modest proportion of the portfolio, averaging 2% to 5%, is sold each year, with the value of the inflows and outflows of residential properties over the years and the target to reduce leverage being brought into the best possible balance. These inflows and outflows maintain a good yield/risk profile and consolidate capital gains.

focus on €665 to €1,200 mid-rent segment, focus on Randstad, Utrecht and Noord-Brabant

Comprehensive portfolio management in line with target portfolio

The target portfolio outlines the long-term composition of the portfolio that Vesteda is seeking to achieve. All purchases and disposals are considered against the framework of the target portfolio, which is reviewed and, if necessary, adjusted annually. In due course, most of the invested capital will be in housing in the €665 to €1,200 monthly rent band. The focus in the next few years will be strongly on the Randstad, Utrecht and Noord-Brabant.

IPD Netherlands 'All Residentials'

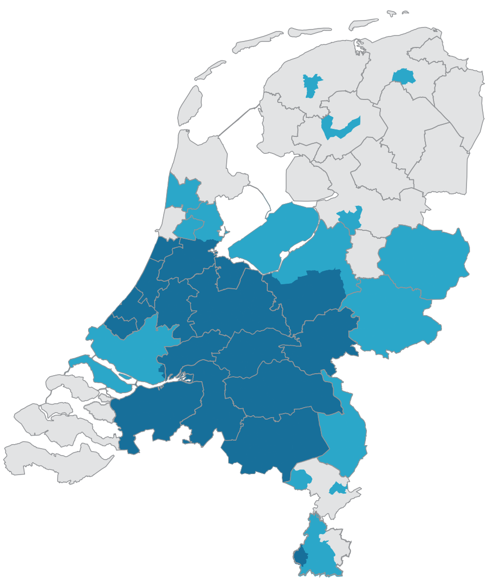
Benchmark

Vesteda compares its yields against those of the IPD Netherlands 'All Residentials' benchmark, which reflects the average yield on all participating Dutch residential property investments for various periods. One of Vesteda's targets is to beat the three-year benchmark each year, i.e. to perform structurally better than the average three-year yield of the participants.

size creates diversification

Risk spreading

Vesteda is one of the largest Dutch residential property investment funds with invested capital of €4.5 billion. This size allows a good spread of the invested capital across geographical markets and price segments. It also ensures good diversification, meaning significant mitigation of risk within the portfolio.



Core Areas

- region 1
- region 2
- region 3

Sales

consolidate capital gains, improve the portfolio

Sales of residential properties are intended to consolidate capital gains and improve the composition, age and quality of the portfolio and to reduce risk. Individual sales of residential properties maximise selling prices and complete complexes are sold for speed and liquidity.

Transparent disposal process

analysis and management by various specialists, sales by external agents

The asset management department makes hold/sell analyses and advises the Managing Board on disposals on the basis of market developments and competitive analysis, inflow of new projects into the Vesteda portfolio, long-term forecasts for portfolio management and liquidity forecasts. After the Managing Board's decision, properties are allocated to the letting/sale phase of the Letting portfolio. The asset management department sets the disposal strategy in part by selecting the phasing and pricing of each individual unit. A central department monitors the process and handles contract management.

Working towards a target portfolio

Disposals contribute to Vesteda being able to adjust the composition of its portfolio gradually towards the target portfolio.

Preference for individual sales

individual sales maximise prices and book profit

Vesteda prefers to dispose of properties through individual sales: direct sales of residential properties to the sitting tenant or with vacant possession to third parties. The best selling price is obtained by selling direct to the new owner/user.

Managing sales of complexes

sales of complexes assist speed of sale and create liquidity

Complexes are sold to supplement individual sales, for example, if there is very low tenancy turnover or in other situations where it is not possible to generate sufficient speed of sale or liquidity. Strictly regulated and transparent procedures are used for sales of properties. As well as screening the potential candidate's financial soundness and source of funds as much as possible, the purchaser's good reputation is a major consideration. The sales terms incorporate the IVBN Sales Code and anti-speculation provisions required by Vesteda.

[1] De Vereniging van Institutionele Beleggers in Vastgoed, Nederland is een belangenbehartigingsorganisatie voor institutionele beleggers in Nederlands vastgoed. Zie ook www.ivbn.nl.

Yield

The total result for 2011 was €-36 million: a total yield of -1.3% of opening equity. The realised result was €76 million or 2.7%. The table on the next page shows the components of the result and yield. Gross rental income increased during 2011 to €250 million. Letting expenses rose €7 million and so net rental income fell by 1%.

RESULT AND YIELD IN 2011

The table on the next page shows the components of the result and yield.

Gross and net rental income

Net rental income €173 million

Gross rental income increased during 2011 to €250 million. Letting expenses rose to €77 million and so net rental income fell by €2 million to €173 million.

Other income

other income €-7 million

Other income was €7 million negative as a result of provisions for future losses on projects at Vesteda Project Development bv.

Management expenses

management expenses €28 million

Management expenses rose from €24 million in 2010 to €28 million in 2011, mainly because of a restructuring provision of €7.8 million, the pay rise under the collective bargaining agreement and general inflation. Ignoring the restructuring provision there would have been a clear reduction.

Net interest

interest expense €70 million

At €70 million interest expense was almost unchanged in 2011 compared with 2010.

Letting result

letting result €68 million

On balance, the letting result rose from €63 million to €68 million in 2011

Result on disposals

result on disposals €8 million

The result on disposals fell sharply from €22 million to €8 million in 2011. A fall in the volume of individual sales with relatively high margins and a relative increase in volume of sales of complexes were the main reasons for this.

Realised result on the Letting portfolio

realised result on letting €89 million

The realised result from letting fell compared with 2010 to €89 million.

Realised result on project development

realised result on project development €-13 million

As a result of project development write downs and the provisions for losses expected in the future on projects at Vesteda Project Development bv, the realised result on project development was €-13 million.

Unrealised result

unrealised result €-123 million

The unrealised result was €-123 million, or -4.4% of opening equity, mainly as a result of falling house prices. Compared with previous years, this has reversed the decline in the yield that deteriorated as a result of the credit crisis.

Revaluation of derivatives

revaluation of derivatives €11 million

There was a positive revaluation of derivatives for 2011 of €11 million, or 0.4% of opening equity, as a result of the shorter period remaining to maturity compared with a year earlier and rising interest rates in 2011.

Total yield

total yield €-36 million

The total result for 2011 was €-36 million: a total yield of -1.3% of opening equity. The total yield is negative but above the levels in 2008, 2009 and 2010.

Result

in millions of euros	**2011**	2010	2009	2008	2007
Gross rental income	**250**	245	245	241	230
- Letting expenses	**77**	70	65	65	62
Net rental income	**173**	175	180	176	168
+ Other income	**-7**	-19	4	3	5
- Management expenses	**28**	24	21	21	21
- Net interest	**70**	69	63	68	52
Letting result	**68**	63	100	90	100
+ Result on disposals	**8**	22	9	20	34
+ Result from participating interests	**0**	-	-	-2	-2
- Tax	**0**	2	-	1	1
Realised result from letting	**89**	110	109	110	137
Realised result on project development	**-13**	-27	-	-3	-4
Unrealised result	**-123**	-177	-372	-119	178
Total operating result	**-47**	-94	-263	-12	311
valuation of derivatives	**11**	21	-35	-92	18
Total result	**-36**	-73	-298	-104	329

Yield

As percentage of opening equity	**2011**	2010	2009	2008	2007
Realised yield from letting	**3.2**	3.7	3.4	3.3	4.3
Realised yield from project development	**-0.5**	-0.9	-	-0.1	-0.1
Unrealised yield	**-4.4**	-6.0	-11.4	-3.6	5.6
Total operating result	**-1.7**	-3.2	-8.0	-0.4	9.8
Revaluation of derivatives	**0.4**	0.7	-1.1	-2.7	0.6
Total yield	**-1.3**	-2.5	-9.1	-3.1	10.4

Equity

Vesteda is a residential investment fund that is not listed on the stock exchange. Vesteda has seventeen investors.

Distribution policy

€100 million dividend for 2011 declared and paid

Vesteda had to make a distribution to investors for 2011 as required by tax law and guided by Vesteda's objective. A distribution of €100 million for 2011, 75% of which was payable as a stock dividend, was proposed and accepted by the General Meeting of Investors on 14 December 2011. This dividend was paid in January 2012.

€20 million interim dividend for 2012 paid in January 2012:

An interim dividend of €20 million has been paid to the investors for 2012. This dividend, 75% of which was payable as a stock dividend, was also paid in January 2012.

INREV classification

'core fund'

INREV has an unlisted style sheet, a summary of the key features of unlisted property funds relating to yield and risk. The table below shows the unlisted style sheet and Vesteda's fund characteristics. Vesteda is a residential property investment fund with its own asset management, project development and property management activities. According to the INREV classification, Vesteda can be regarded as a 'core fund' from a risk perspective, with a 'loan to value' loan capital of no more than 40%.

INREV fund style sheet

- Fund activity:	residential property fund exclusively in the Netherlands
	in-house property management and development
- Direct/indirect:	Letting portfolio ≥80% of assets
	Development portfolio <20% of assets
- Fees:	management expenses: <40 basis points
	dedicated management
- Fund characteristics:	permitted leverage: 40% LTV
	target leverage: 30% LTV
- Diversification:	core area (active/not active)
	housing market areas/municipalities (in core area)
	location type (town centre, edge of town, out of town)
	rent
	product type (single-unit/multiple-residential properties
- Key risks:	letting and disposal risk, development risk, interest risk, financing risk, revaluation risk
- Core, value added or opportunistic:	Core
- Yield:	Target percentage based on realised yield: 4.5%
	Target percentage based on unrealised yield: at least inflation
- Benchmark:	IPD Netherlands 'All Residentials'

Number of participation rights in issue

25.6 million participation rights in issue

25,637,603 partnership contributions were in issue for Vesteda Woningen cv and Vesteda Woningen II cv on 31 December 2011. Vesteda Residential Fund had 25,637,603 participation rights in issue on the date this annual report was signed (following the change in legal structure in early February 2012).

Capital contribution in 2011

capital contribution of €24 million to Vesteda Woningen II cv

The existing investors made a capital contribution of €24 million to Vesteda Woningen cv in 2011.

List of investors

17 investors

Vesteda has seventeen investors, as listed on page 19. During 2011, Stichting Pensioenfonds Schuitema left and Stichting Pensioenfonds C1000 joined. Delta Lloyd Real Estate Management Company sarl left and Delta Lloyd Life nv joined.

[3] European Association for Investors in Non-Listed Real Estate Vehicles. This organisation plays a role promoting transparency in the growing market for unlisted property investment vehicles in Europewww.INREV.org

Investors in Vesteda At year-end 2011 (alphabetical order)

Bouwfonds Nationale Nederlanden nv[1]	Stichting Pensioenfonds ABP[1]
Delta Lloyd Levensverzekering nv	Stichting Pensioenfonds C1000
Delta Lloyd Life nv	Stichting Pensioenfonds voor Fysiotherapeuten
Delta Lloyd Vastgoed Participaties bv	Stichting Pensioenfonds voor de Grafische Bedrijven
Loyalis Leven nv	Stichting Pensioenfonds Openbaar Vervoer
Loyalis Schade nv	Stichting Spoorwegpensioenfonds
Stichting Achmea Dutch Residential Fund	Stichting TKP Pensioen Real Estate Fonds
Stichting Bedrijfstakpensioenfonds voor de Media PNO	Stichting Pensioenfonds Xerox
Stichting Depositary PGGM Real Estate Fund[1]	

[1] interest greater than 5%

INVESTOR RELATIONS

Aim

timely, complete and clear

Vesteda strives for an open dialogue with current and potential investors, analysts and the financial media with the aim of acquainting itself with investors' ideas and raising the profile and attractiveness of Vesteda as a potential investment.

new fund terms and conditions drawn up and agreed with investors

The fund terms and conditions and, consequently, the way in which Vesteda meets the needs and wishes of investors, were fully revised during 2011. The mandate and governance, role of the fund manager, decision-making by investors, entry and leaving and a range of other matters were clarified. The terms and conditions came into effect at the same time as the changes in the legal structure in 2012. The Managing Board of Vesteda instigated this revision and maintained intensive contacts with investors during 2010 and 2011 on developments and decisions on the fund terms and conditions.

Dates of General Meetings of Investors in 2011	Dates of General Meetings of Investors in 2012
Tuesday, 22 March	Wednesday, 21 March
Wednesday, 22 June	Tuesday, 11 December
Wednesday, 14 December	

REPORTING AND INFORMATION PROVISION

IVBN transparency

Vesteda follows IVBN transparency recommendations

The IVBN has drawn up a large number of practical recommendations to enhance the transparency of annual reports in the property sector. IVBN members, including Vesteda, have incorporated the recommendations in their annual reports. Vesteda had implemented more than 95% of the recommendations in its last annual report reviewed by IVBN. > annex 2 on page 132

Global Reporting Initiative

GRI CRESS level C

Vesteda reports in accordance with the recommendations of the Global Reporting Initiative - level C (GRI CRESS) > CSR section on page 45 and annex 3 on page 133

INREV reporting guidelines

Vesteda follows INREV recommendations

Where possible, Vesteda follows the INREV reporting guidelines and had implemented more than 89% of the recommendations in its last annual report reviewed by INREV. Only 43% of the financial statements examined by INREV complied with more than three-quarters of the guidelines.

Transparency on investment policy

annual budget and investment and sales policies discussed each year in the general meeting

Discussions were held with investors in 2011 on the legal structure, fund documentation and revised strategy and also on the 2012 annual budget incorporating proposals for the new investment and sales policies. These are regular subjects for discussion with investors each year.

Loan capital

At around €1.65 billion, the loan capital represents about 38% of Vesteda's total capital. Much of the loan capital was raised by issuing bonds on terms commensurate with a triple-A rating and by mortgage financing. Purchased derivatives limit the interest rate risk. All credit ratios were met.

LOAN CAPITAL FINANCING STRATEGY

combination of bonds and mortgage financing for the investment portfolio

Low interest, maximum flexibility

Vesteda has drawn loan capital from the CMBS market since 2001. This type of borrowing, using bonds, has proved relatively inexpensive, certainly given a triple-A credit rating. The CMBS market has been badly affected by the credit crisis and now offers significantly fewer opportunities for refinancing. Mortgage borrowing was expanded in 2011. Vesteda Project Development bv's revolving credit was repaid during the year.

diversification

The aim is to diversify the loan portfolio by product, market and maturity to further optimise the yield/risk profile. A diversified financing structure offers better opportunities to realise an increased interest gain, reduce risks from breaching credit standards and cut refinancing risks.

Loan capital (long-term)

in millions of euros, year-end	entity	**2011**	2010	2009	2008	2007
Bonds	Vesteda Woningen cv	**1,550**	1,550	1,600	1,600	1,650
Mortgage loans	Vesteda Woningen II cv	**99**	70	48	-	-
Revolving credit facility	Vesteda Project Development bv	**-**	75	110	125	-
Total loan capital (long-term)		**1,649**	1,695	1,758	1,725	1,650

BONDS

triple-A rating

Secured floating rate notes

Vesteda Residential Funding II has issued bonds (secured floating-rate notes) with a nominal value of €500,000 each. These notes are listed on the NYSE Euronext Amsterdam stock exchange. All bonds are based on 3-month Euribor, the eurozone interbank interest rate, plus an interest premium (spread). The bonds have all been given a triple-A rating by Moody's, Standard & Poor's and Fitch Ratings.

derivatives in the form of standard swaps

Derivatives and interest rate risk policy

Vesteda is not exposed to interest rate risk on any loans under the CMBS programme. The loans are hedged by standard swap contracts with ABN AMRO, Deutsche Bank, Rabobank and Royal Bank of Scotland.

€1.55 billion at year-end

List of bonds

The table below shows the bond series.

Bonds (Vesteda Woningen cv)

Bond						**Swaps**		
series	original value (millions of euros)	drawn y/e 2011	start date	maturety to	spread	Swap-rate	start date	maturety to
A3a	100	100	20.07.05	20.07.12	0.20%	3.370%	20.04.07	20.07.12
A3b	300	300	20.07.05	20.07.12	0.20%	3.645%	20.04.09	20.07.12
A4	300	300	20.07.05	20.07.15	0.28%	3.895%	20.04.09	20.07.15
A5	350	350	20.04.07	20.07.12	0.13%	4.236%	20.07.07	20.07.12
A6	150	150	20.07.08	20.07.13	1.00%	4.840%	20.10.08	20.07.13
A7	350	350	20.04.10	20.07.14	1.63%	1.735%	20.07.10	20.07.14
		1,550						

within requirements since introduction

Financing ratios

The financing has to meet set quarterly and annual ratios. The table below shows the year-end ratios compared with the requirements of the rating agencies. The bonds have complied with the ratios since introduction.

Bond financing requirements
at year-end

ratio	requirement	reference date	period	**2011**	2010	2009	2008	2007
Loan to value ratio (LTV)[1]	≤0.45	quarter-end	-	**0.38**	0.36	0.36	0.34	0.34
Debt service cover ratio (DSCR)[2]	≥1.80	quarter-end	quarter	**2.40**	2.24	2.53	2.28	2.77
Debt service cover ratio (DSCR)[2]	≥1.80	quarter-end	year	**2.33**	2.27	2.51	2.28	2.67
Cash flow ratio (CFR)[3]	≥1.50	quarter-end	quarter	**2.09**	2.00	2.07	1.92	2.23
Cash flow ratio (CFR)[3]	≥1.50	quarter-end	year	**2.08**	2.07	2.21	1.95	2.13

[1] LTV: long-term debt divided by property investments
[2] DSCR: EBITDA divided by net interest expense
[3] CFR: freely-distributable funds divided by net interest expense

financing expenses 4.2%

Average financing expenses and maturity of bonds

At 4.2%, net financing expenses on the bonds, including the interest spread, were unchanged compared with the previous year.

average remaining term of approximately 1.7 years

As there were no changes in financing, the average remaining term of the bonds has fallen by one year and was approximately 1.7 years at year-end.

MORTGAGE LOANS

€30 million third mortgage

In May 2011, Vesteda entered into a third mortgage loan of €30 million in favour of Vesteda Woningen II cv, raising the total of the mortgage loans to €99 million at year-end. This H3 loan has a term of two years and a spread of 1.80%. The interest rate is based on 3-month Euribor. 70% of the interest rate risk is hedged by financial instruments.

Mortgage loans (Vesteda Woningen II cv)

bond loans						**financial instruments**	
loan	original value (millions of euros)	drawn y/e 2011	start date	maturety to	spread	amount	Interest rate risk limited/hedged by
H1	47.5	47.5	11.12.09	1.12.14	2.10%	35%	Cap with interest ceiling of 3.125%
						35%	Swap at 3.125%
H2	22.5	22.5	22.10.10	1.11.13	1.95%	70%	Consolidation with interest ceiling of 4.25%
H3	30.0	28.7	11.05.11	11.05.13	1.80%	70%	Consolidation with interest ceiling of 6.00%
		98.7					

VALUE OF FINANCIAL INSTRUMENTS

increase or decrease in value of derivatives affects result; positive revaluation of €11 million in 2011

Swap contracts are recognised as financial instruments at fair value in the balance sheet. The increase or decrease in value of the derivatives during the year is part of the yield. At the start of 2011, 3-month Euribor was 1.0% and so the value of the financial instruments was €66 million negative. By 31 December 2011 Euribor had risen to 1.4% and the fair value of the swap contracts was €55 million negative. As a result of this increase in the interest rate and the elapsed time, the value of the derivatives had risen by €11 million or 0.4% of equity.

Value of financial instruments

millions of euros

To hedge interest rate risk on	**at year end 2011**	revaluation 2011	at year end 2010
Vesteda Woningen cv	**-54**	11	-65
Vesteda Woningen II cv	**-1**	0	-1
Vesteda Project Development bv	**0**	0	0
total	**-55**	11	-66

OUTLOOK

debt reduction, diversification of types of financing and spread of repayment periods

Target
Vesteda wants to reduce its debt in absolute and relative terms and aims to reduce it to below 30% of the value of the property. It is also aiming for a financing structure that allows a flexible response to the money and capital markets. This involves a further diversification of the types of financing which Vesteda uses. Finally, the policy is guided by a managed repayment schedule with a range of maturities for financing, so that the refinancing is spread. This policy, lower debt level, diversification in the types of financing and spread of repayment periods will lead to a further improvement in Vesteda's refinancing position.

The legal structure, which is commercially attractive and tax-efficient for investors, was decided on in 2011 and implemented in 2012 (see page 85) and is also an improvement in terms of making Vesteda's financing opportunities more flexible.

refinancing volume risk 2012 now secured

Refinancing in 2012
Vesteda proposes to make a private placement of €625 million of bonds (the A8 series) for a maximum of 18 months in the first half of 2012. The volume risk is now secured, subject to continuation of the triple-A rating. This amount, together with €125 million of liquid funds, will be used to repay the A3 and A5 series of €750 million.

club deal

Vesteda has concluded a forward start facility of €625 million in a 'club deal' between two banks, so that it can further reduce its refinancing risk. This facility has a maturity of two years with a one-year renewal option.

Performance in 2011, targets for 2012

PERFORMANCE IN 2011

Vesteda's targets and the actual figures for 2011 are shown in the table on page 25.

The investment targets were achieved to a limited extent. Gross revenue per property rose by 2.4%.

Vesteda did not formulate development targets for 2011. The investment in the Development portfolio and completions of residential properties were not a target in themselves.

The management and letting targets were largely achieved: both the rent rise and the customer satisfaction targets were achieved. Customer satisfaction rose marginally to 7.0.

The sales targets were very nearly achieved: volume was €193 million against a target of about €200 million.

Total yield on equity in 2011 was -1.3%, reversing the decline that started in 2008 as a result of the credit crisis. A distribution of 3.6% was made to investors.

Investments and outflow

Vesteda's target is to achieve a volume of disposals higher than the investment level, so that the investments in Vesteda Project Development bv are at least financed by the outflow. This target was achieved: investments were €54 million compared with an outflow of €154 million.

TARGETS FOR 2012

Corporate Social Responsibility

A number of CSR targets were formulated during 2011. The main one is to improve the average energy classification of the residential properties in the Letting portfolio to C by 2015.

Occupancy rate

The occupancy rate is expected to improve further despite the pressure exerted by the new complexes taken into investment in 2011 and expected in 2012. Vesteda has set an occupancy rate target of at least 96.0% measured in units in the Letting portfolio and at least 96.5% measured on the portion let for more than a year.

Annual rent rise for sitting tenants

The annual rent rise for sitting tenants on 1 July is limited in the regulated segment of the portfolio by restrictions on rent rises set by rent policy and in the deregulated segment by maximum rises agreed with tenants in their leases. For 2012 this means a maximum increase of 2.3%: (the inflation rate in 2011) in the regulated segment. Leases on deregulated residential properties permit Vesteda to raise the rent by 2% above the annual inflation rate at the end of March 2012. This is expected to be about 2.5% and so the maximum rent rise in the deregulated segment could be 4.5%. Market rent potential in the deregulated part of the portfolio has fallen, however, and so Vesteda is less likely than in the past to be able to make an above-inflation rise. Vesteda has a target of achieving a rent rise of at least 2.3% on average over the total portfolio.

Customer satisfaction

Average customer satisfaction in the Letting portfolio must be at least 7.0.

Sales volume and result on disposals
The sales volume for 2012 will be at least €250 million. This is a challenging target, given the state of the housing market and the low expectations of an improvement during 2012.

Realised result
The realised result for 2012 is expected to be approximately 4%.

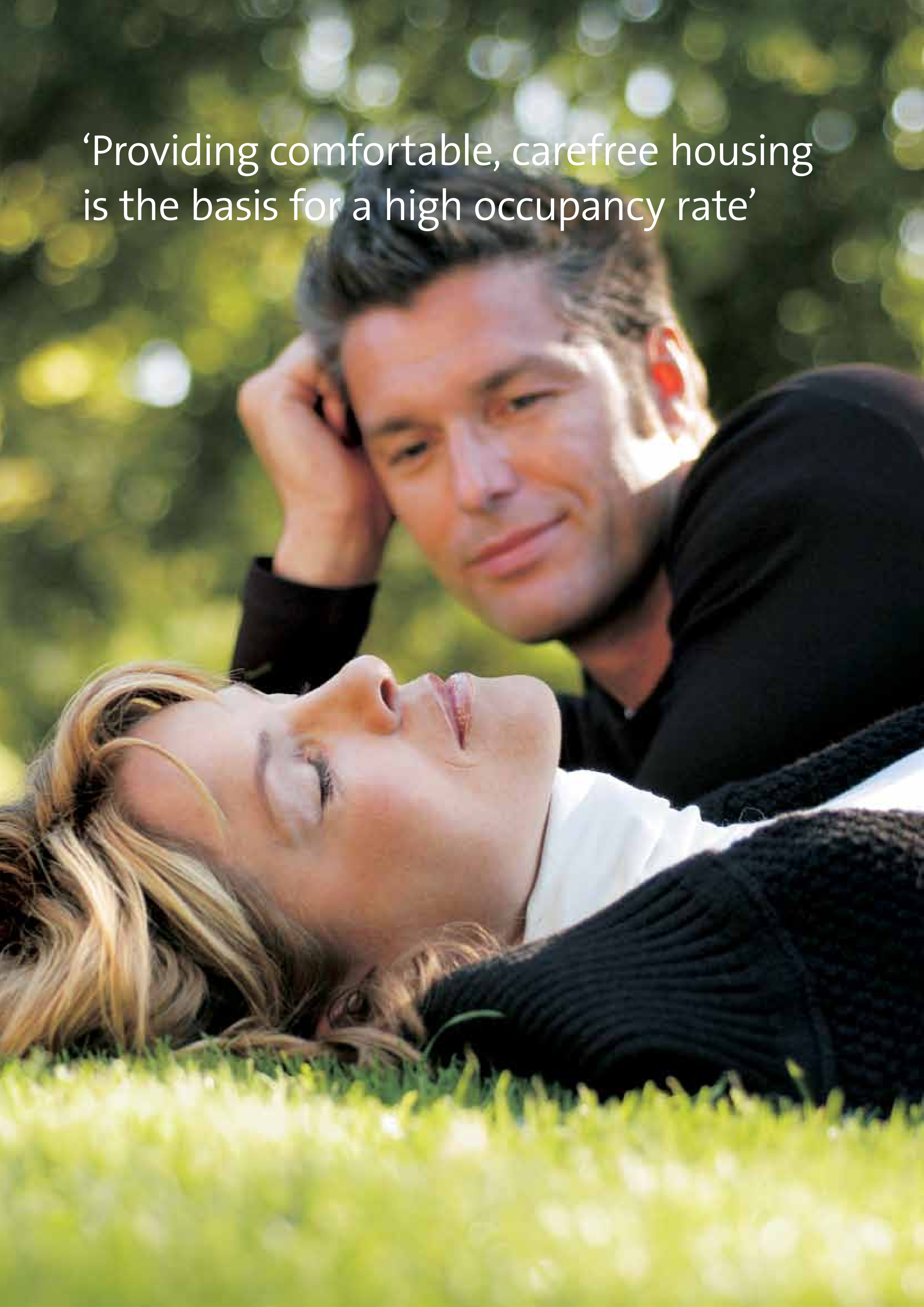
Unrealised yield
Vesteda expects the unrealised yield (after leverage) to be between -2% and -3%.

Total yield and distribution level
In summary, a total yield on equity of about 1.7% is expected. Investors can expect a distribution of approximately the realised yield.

Performance indicator:	**target 2011**	actual 2011	target 2012	LT target
Investment				
Letting portfolio inflow	**approx. € 170 million**	€ 156 million	approx. € 76 million	-
Letting portfolio outflow	**approx. € 200 million**	€ 172 million	approx. € 220 million	-
Letting portfolio energy classification	-	D	-	C (in 2015)
gross revenue per property	**increase**	2.4%	increase	-
letting expenses	**under 28.5%**	30.3%	under 27.5 %	under 25%
management expenses (basis points)	**under 42 bp**	52bp (38bp*)	under 37 bp	under 35 bp
net rental income	**4% or more**	3.9%	4.2% % or more	4.5 % or more
net revenue per property	**increase**	0.0%	increase	-
IPD-Netherlands 'All Residentials'	**above benchmark**	under benchmark	above benchmark	above benchmark
Development				
(work in progress incl VAT)				
investment	**approx. € 120 million**	€ 54 million	approx. € 80 million	-
outflow	**approx. € 175 million**	€ 154 million	approx. € 100 million	-
Management/letting				
occupancy rate:				
- Letting portfolio	**97.0% or higher**	95.7%	96.0% or higher	97.0% or higher
- of which let for more than 1 year	**97.5% or higher**	96.5%	96.5% or higher	98.0% or higher
rent rise (nominal)	**1.7% or higher**	2.0 %	at least 2.3%	at least inflation
customer satisfaction	**7.0 or higher**	7.0	7.0 or higher	7.0 or higher
Sales				
disposal volume	**approx. €200 million**	€193 million	approx. €250 million	-
of w hich result on disposals	**approx. €20 million**	€8 million	approx. €15 million	-
Value creation (of equity)				
realised yield	**approx. 4%**	2.7%	4.0%	4.5% or higher
unrealised yield	**between 0 and 1%**	-4.4%	-2.3%	at least inflation
total operating result	**approx. 4.2%**	-1.7%	1.7%	at least 4.5% + inflation
revaluation of derivatives	**-**	0.4%	-	-
total yield	**approx. 4.2%**	-1.3%	1.7%	at least 4.5% + inflation
distribution to investors	**approx. 3.5%**	3.6%	realised yield	stable dividend policy

* excluding non-recurring restructuring provision

‘Providing comfortable, carefree housing is the basis for a high occupancy rate’



Report of the Supervisory Board

Presentation of the Annual Report and Financial Statements

To the General Meeting of Investors (General Meeting) of Vesteda

request for adoption and ratification

We hereby present the 2011 financial statements as drawn up by the Managing Board and discussed by the Supervisory Board, for adoption by the General Meeting. Pursuant to the Articles of Association, adoption of the financial statements will serve to ratify the actions of the Managing Board in respect of its management and those of the Supervisory Board in respect of its supervision in the past year.

unqualified independent auditors' reports

Vesteda's financial statements have been audited by Ernst & Young Accountants, who issued an unqualified report on them which is included in the financial statements in 'Other information' on page 109. The balance sheets and income statements of Vesteda Woningen cv, Vesteda Woningen II cv and Vesteda Project bv are presented on pages 114 to 119 On page 120, Ernst and Young Accountants confirm that this information was properly derived from the underlying financial statements. Unqualified independent audit reports have been issued on the underlying financial statements.

key events in 2011:

During 2011, in addition to normal supervision, the Supervisory Board gave most attention to the legal and fiscal restructuring of the fund, the strategy for 2011 to 2015 and the reorganisation of Vesteda.

...restructuring

The new structure, a mutual fund, offers new investors the ability to join at one common level and so contributes to the improved liquidity of the participation rights for current and new investors. The Supervisory Board and Management Board had already decided on a more transparent governance structure and these arrangements have been safeguarded in the new legal structure.

...strategy for 2011 to 2015

Along with the restructuring, the Management Board and Supervisory Board discussed the strategy for 2011 to 2015. The key strategic element in this plan is that Vesteda places greater emphasis on its core duty as an investor, in line with the current market view. Investors are putting a greater emphasis on sales and purchases of finished goods.

...reorganisation

The Supervisory Board agrees with the need for reorganisation. It is aware of the impact on the organisation as a whole and on individual employees.

...other key events

A significant number of disposals were discussed during the meetings as was expansion of the portfolio. The focus was on a careful assessment and reduction of the pipeline working with contract partners. There was also considerable discussion of the position of current and future investors, deleverage and refinancing opportunities, slimming down the organisation, cutting costs and, in due course, hiving off the property organisation.

number of meetings

The Supervisory Board and the Managing Board met on four occasions during the year. The Supervisory Board held two meetings when the Managing Board was not present.

Audit Committee

An Audit Committee was appointed in 2011. Its members held three meetings with members of the Managing Board, all of them ahead of regular Supervisory Board meetings. The Audit Committee drew up its regulations. It discussed the quarterly results, valuations, the 2011-2015 strategy, refinancing and financing, treasury, the 2012 budget and monitoring risk management.

Nomination and Remuneration Committee

The Remuneration Committee, inaugurated in 2010, was expanded during 2011 to become the Nomination and Remuneration Committee and held four meetings attended by the CEO. The Nomination and Remuneration Committee drew up its regulations and held further discussions on the remuneration policy, profile of the members of the Supervisory Board, nominations for Supervisory Board membership and the appointment of the new chairman. This year, for the first time, the Supervisory Board's self-evaluation was addressed by the committee, using written input from the members of the Supervisory Board and the Managing Board. The results were discussed during the most recent meeting of the Supervisory Board.

meetings with other layers of management

Both committees have made arrangements for more extensive ad hoc representation of other layers of management in meetings. In this context, the Audit Committee started each meeting in 2011 with a presentation on an aspect of Risk Management by someone not a Managing Board member.

consultations with the Works Council

The chairman of the Nomination and Remuneration Committee participated in the annual consultations with the Works Council.

meetings with investors

The Supervisory Board and the Management Board held three meetings with investors. The financial statements were adopted during the spring meeting, the next meeting was mainly held to decide on the restructuring and the strategy for 2011 to 2015 and the business of the autumn meeting included adoption of the budget for the following year.

meetings with specialists on the restructuring

As part of the restructuring process, there were three meetings of specialists during which the Managing Board gave Investors, accompanied by their legal and tax advisors, the opportunity to participate in drawing up the new fund documentation. A large majority of the Investors and their advisors took part in this process.

The documentation was drawn up and the process of getting the agreement of the tax authorities on specific tax matters was completed by the end of 2011. The Managing Board reported overall progress on this process to the Supervisory Board during regular meetings. The Management Board and the Supervisory Board also met several times to exchange ideas on going as carefully as possible through this process for the governance arrangements agreed with the investors and its relationship with the agreement and wishes of the tax authorities and investors.

relocation of registered office

The registered offices of the Vesteda entities was relocated to Amsterdam on 1 July 2011.

Changes in the membership of the Supervisory Board

departure of former chairman of the Supervisory Board Corpeleijn

Frans Corpeleijn stood down as chairman of the Supervisory Board on 31 December 2011 and resigned on the same date.

departure of member of the Supervisory Board de Beus

Dick de Beus resigned from the Supervisory Board on 31 December 2011.

de Boo new chairman

Kees de Boo took on the position of chairman of the Supervisory Board on 1 January 2012.

van den Berg resigns

Pieter van den Berg resigned as a member of the Supervisory Board on 1 April 2011.

de Die joins

In December 2010, the General Meeting agreed to the appointment of John de Die as a supervisory director from 1 April 2011.

Kok joins

In June 2011, the General Meeting agreed to the appointment of Peter Kok. He joined the Supervisory Board on 1 July 2011.

Supervisory Board vacancy

The was one vacancy on the Supervisory Board at the year end.

Managing Board

Arjan Schakenbos starts as CEO

Huub Smeets resigned on 1 February 2011. On the same date, Arjan Schakenbos took over as new CEO of Vesteda.

full ‘in control’ statement from start of 2011

Each year, the Managing Board issues an ‘in control’ statement on the financial reporting risks. For the first time, a full ‘in control’ statement is being issued for 2011.

Strategy

six projects handed over

During the year, Vesteda Project Development bv handed over six projects. Units in these projects were divided between those taken into investment by Vesteda and those offered for sale to third parties.

annual setting of required yield

The required yield for 2012 was set in December in consultation with the Supervisory Board. The required yield resulted from the strategy for the coming years discussed and adopted earlier by the Supervisory Board and in the General Meeting. As in the past, there are different required yields by region and product type, depending in part on the criteria for the composition of the target portfolio.

2010 financial statements and annual report discussed

The 2010 financial statements and annual report were discussed with the external auditors and adopted accordingly.

2012 business plan discussed

The 2012 business plan was discussed by the Supervisory Board in November and by the General Meeting in December. It is expected that 1,250 units will be sold during 2012. Almost no new investments will be added and rental income will fall: the market allows little scope for rent rises. The occupancy rate is expected to rise slightly and lost rents to fall. Management expenses will fall as a result of the reorganisation.

Deleverage discussed

The Managing Board and Supervisory Board discussed the liquidity and financing requirements and refinancing in the next few years. This incorporated the desire for the fund to deleverage. Bond debt will be reduced by €125 million as a result of the refinancing planned for 2012, funded from equity, thus reducing the leverage.

Portfolio value

valuations discussed regularly, entire portfolio externally appraised

The value of the portfolio was regularly discussed with the Supervisory Board, investors and internal and external valuers. The Supervisory Board and Managing Board discussed the valuation each quarter in 2011. The Supervisory Board believes it is bound by the valuation principles of the ROZ/IPD method, which sets detailed rules for the valuations.

investment proposals, purchases, transfers and disposal proposals discussed

The consideration and approval of investment proposals and purchases from Vesteda Project Development bv and transfers from Vesteda Project Development bv to Vesteda Woningen were discussed, to the extent that they were not covered by the mandate of the Managing Board. The disposal plan for 2011 was discussed in February and has since been revised as a result of a hold/sell analysis following the discussion of the 2011–2015 strategy during the meeting in May.

decision-making on finance

Preparations and decision-making on financing in 2012 were discussed continuously with the Supervisory Board. The decisions were made during the meeting in August.

Conclusion

The Supervisory Board would like to express its appreciation to the employees, Works Council and management of Vesteda for their efforts and enthusiasm and thanks Messrs Corpeleijn, De Beus and Van de Berg for their contributions as Supervisory Directors.

Amsterdam, 5 March 2012

Supervisory Board Vesteda

C.A.M. de Boo, chairman
J.A. de Die
C.M. Insinger
P.J.W.G. Kok

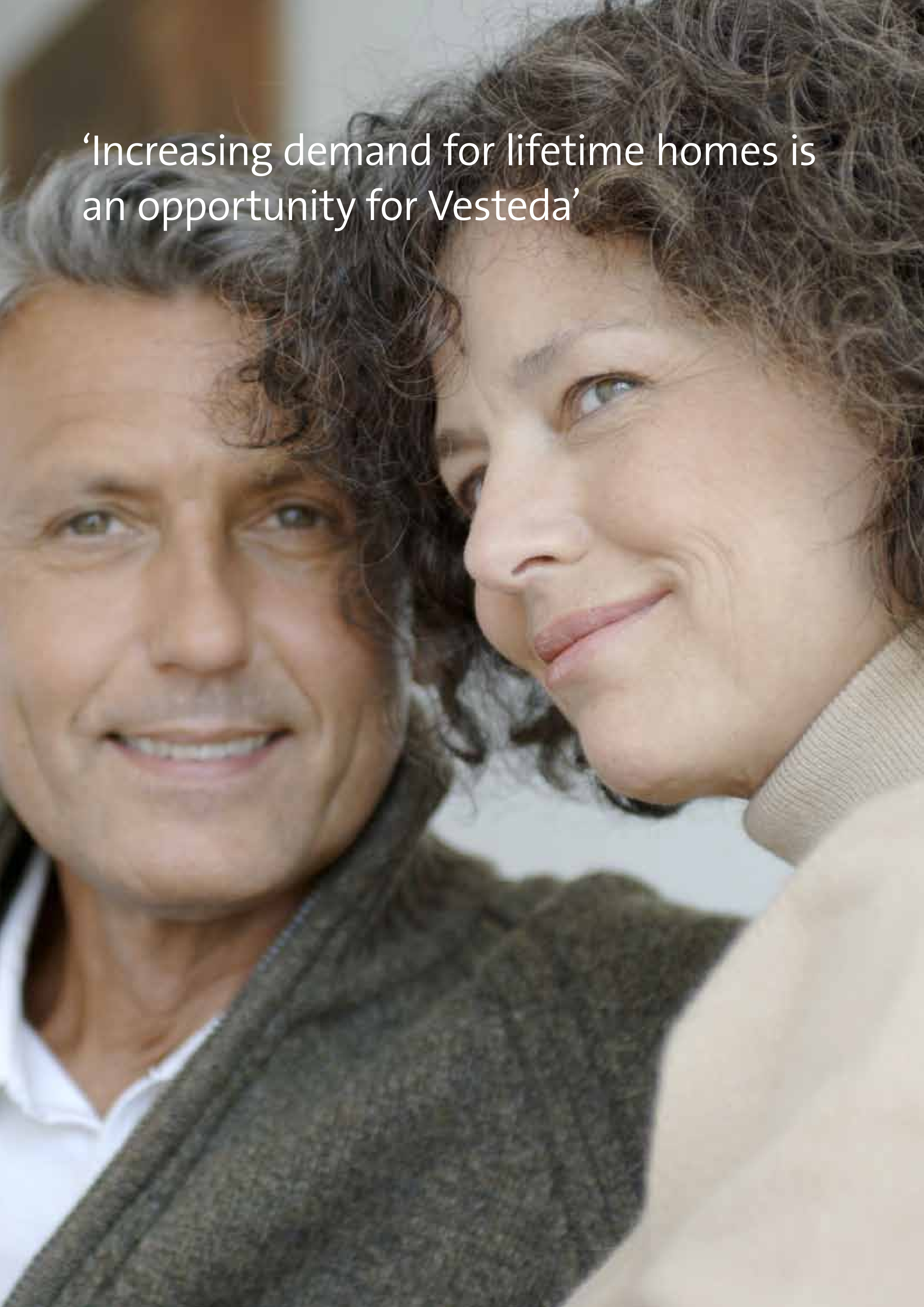
De Europa
Overhoeks/Amsterdam
79 apartments

Communal warming and cooling plant as an environmentally-friendly energy system to heat and cool the apartments in De Europa. It uses thermal energy from the ground: seasonal thermal storage. The system uses its own neighbourhood power plant, built specially for Overhoeks. The thermal storage unit uses the ground as a source of energy. Relatively warm water is pumped up in the winter and topped up to heat the homes, in the summer relatively cold water from the soil is used to cool the homes by a few degrees (underfloor cooling).

What is the benefit?
Geothermal energy is a responsible, environmentally-friendly and sustainable investment. The building has an energy classification of 'A' and the seasonal thermal storage unit offers savings of up to 40% compared with individual central heating boilers, which are not necessary with this system. The meter in the home can be read remotely; the residents do not have to be at home for this.

SUSTAIN ABILITY VESTEDA

‘Increasing demand for lifetime homes is an opportunity for Vesteda’



Report of the Managing Board

The Dutch housing market

DUTCH POPULATION AND HOUSEHOLD TRENDS

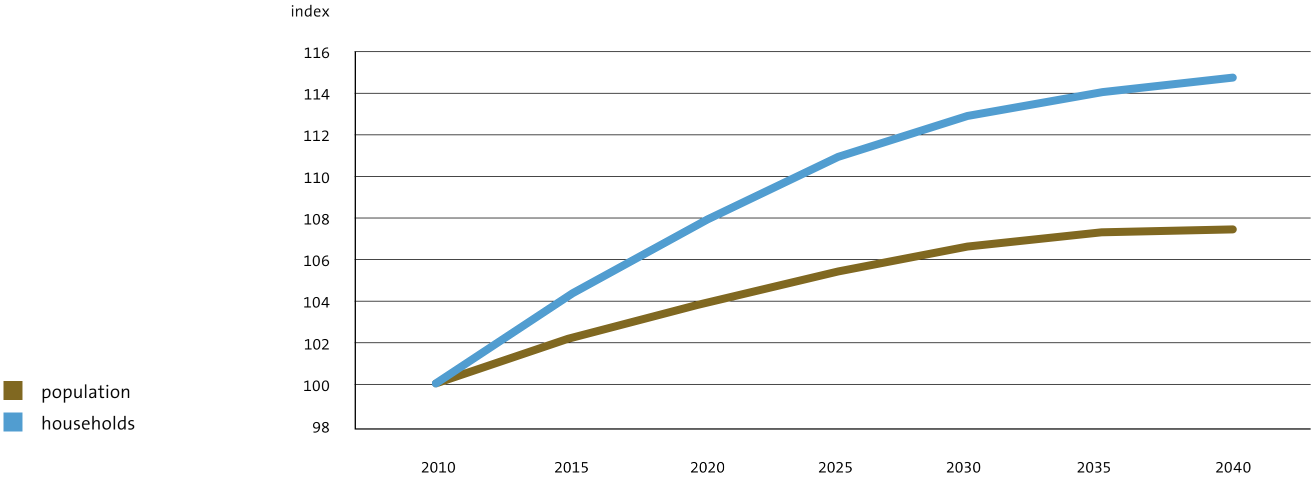
year end 2011:
16.7 million population,
7.5 million households

Population and households
At the end of 2011, the population of the Netherlands was some 16.65 million, living in 7.47 million private households. The average household size was, therefore 2.22 persons.

population growth tails off from 2015

Trend for the coming decades
According to the latest forecast, the population will peak at 17.84 million in 2040. Growing by 7.6%, the population will increase by a further 1.27 million from 2010. Between 2015 and 2020, there will be a limited decline in the annual increase to 55,000. Thereafter, growth will ease off more quickly (on average by 3,000 per year) reaching zero by about 2040.

Index of population and household growth 2010-2040
source: Primos, 2011



additional 1.1 million households by 2040

The chart above shows the number of households rising faster and more strongly than the population. According to the forecast, the number of households, which was 7.47 million in 2010, rises to 8.49 million in 2040. This means that the average household will become steadily smaller: from 2.22 on average in 2012 to 2.13 in 2020 and 2.09 in 2030. Clearly, the trend towards individualism is continuing and so housing demand will continue to increase, in any event until 2040.

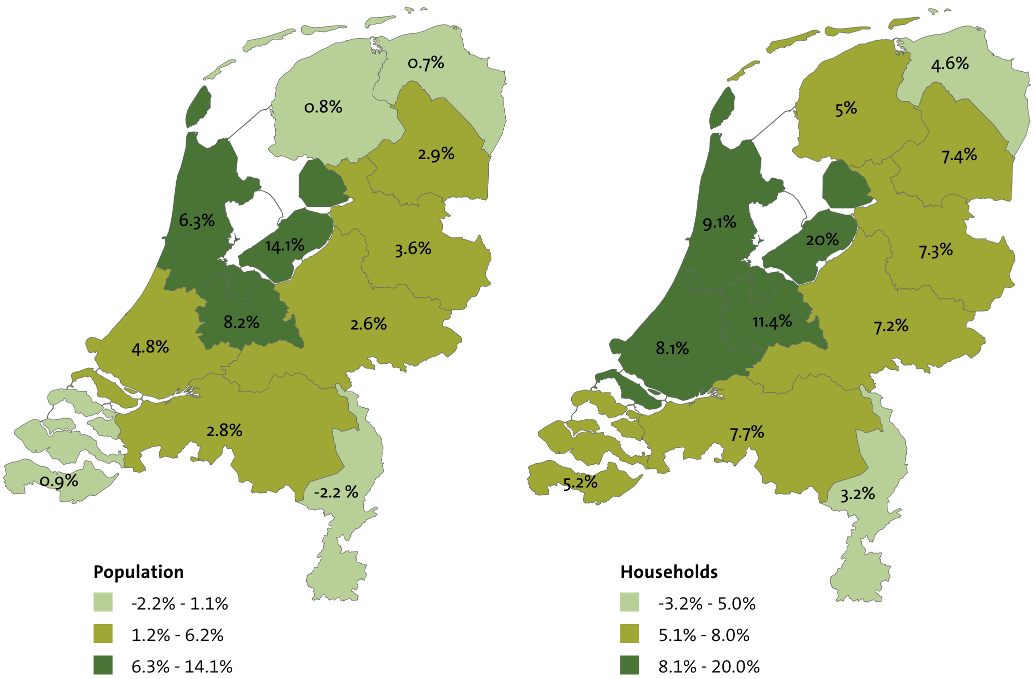
regional differences: strongest growth in centre/Randstad conurbation

There are major regional differences in the growth in population and the number of households. Zuid-Holland and Noord-Holland are the fastest growing provinces in terms of the number of households. Between 2010 and 2020, Zuid-Holland will grow by 130,000 households (8.1%) and Noord-Holland by 114,000 households (9.1%). In relative terms, the province of Utrecht will grow faster, by 11.4%, much more than the national average of 7.9% while Flevoland is the fastest growing province.

ABF Research: Primos forecast 2011, September 2011

Population and household trends by province 2010-2020

Source: Primos (2011)



grey pressure increasing, demand for lifetime homes is an opportunity for Vesteda

Ageing population

In the next 20 years, the proportion of over-65s will increase from 15% of the population in 2010 to 24% in 2030. The proportion of over-80s will rise in the coming years from 3.9% in 2010 to 7% in 2030. The demand for housing for the elderly will, therefore, grow strongly in the next few decades. The Randstad conurbation is ageing less than the more peripheral regions. The needs of these groups will be a strong influence on the development of housing concepts. As a result of the privatisation of the care sector and associated extramuralisation of care, older people will in future be living in their own homes for much longer. This means that there will have to be sufficient housing in which proper care can be offered, resulting in a 'lifetime' home that is age-adapted and meets all requirements. The increasing demand for lifetime homes is an opportunity for Vesteda.

3.8 million households with right income for the deregulated rental segment

Target groups

Based on socio-demographic and household characteristics, Vesteda focuses on groups of tenants who by their age and housing situation can be classified as newcomers, singles and separated people, baby-boomers, over-75s and families. If the Dutch household population classified in this way is further subdivided into those with disposable household income of €29,000 and higher per year (Vesteda's target group), 3.8 million households are within the definition. Their number will be virtually stable until 2020.

target group of singles, over-75s and baby boomers growing

Nevertheless, there are clear differences in the trends of the various target groups within this classification. The sharpest decline will be among two-person households aged between 30 and 55 years; the number of young newcomers and families will also fall. In contrast, there will be more singles, baby-boomers and over-75s.

CONCLUSIONS ON POPULATION AND HOUSEHOLD TRENDS:

- *Both the population and the number of households will continue to increase for the time being;*
- *The number of older people is increasing and there are more single person households;*
- *Demand for homes with a care concept will increase as a result;*
- *Vesteda's target group is a substantial proportion of the market.*

HOUSING MARKET

41% rental, including 8.3% in deregulated segment

The Dutch housing stock was over 7 million units in 2011. Almost 3 million of these are rented, representing about 41% of the occupied housing stock, the remaining 59% being owner-occupied. About 8.3% of the rental segment has a rent above the deregulated level of €664.

Vesteda has 5.2% market share of deregulated segment

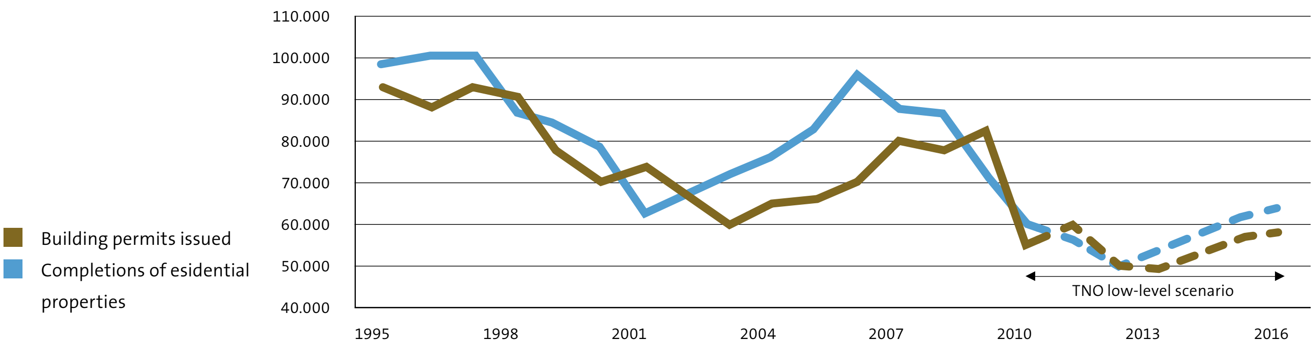
Vesteda has about 12,500 residential properties in its portfolio with a rent higher than €664. Vesteda's market share is 5.2% of the stock of deregulated homes in the Netherlands.

stock stagnating as a result of fall in new building

New build has declined sharply since 2010. An average of 17,600 residential properties were completed each quarter in the period 2007-2011. In the first two quarters of 2011, this number was still at a low level of less than 11,000 properties as a result of the economic crisis. There will be some 61,000 completions in 2011 according to the low-level scenario from the TNO building forecast (prepared for the Ministry of the Interior and Kingdom Relations). An increase in construction is expected for the years after 2011, rising from 62,000 in 2012 to 66,000 in 2015 (TNO low-level scenario).

New build and building permits issued 1995-2016

Source: CBS (2011); TNO (2011)



pressure on housing market increasing

Not only is new build sharply down; the number of building permits issued is also substantially lower, although there was an increase of 6% in the first half of 2011 compared with the first half of 2010. Extrapolation puts the number of building permits issued for 2011 above 64,000, meaning that pressure on the housing market will increase in the next few years, as the trend in household numbers — and so the growth in housing demand — will continue unabated in the short term.

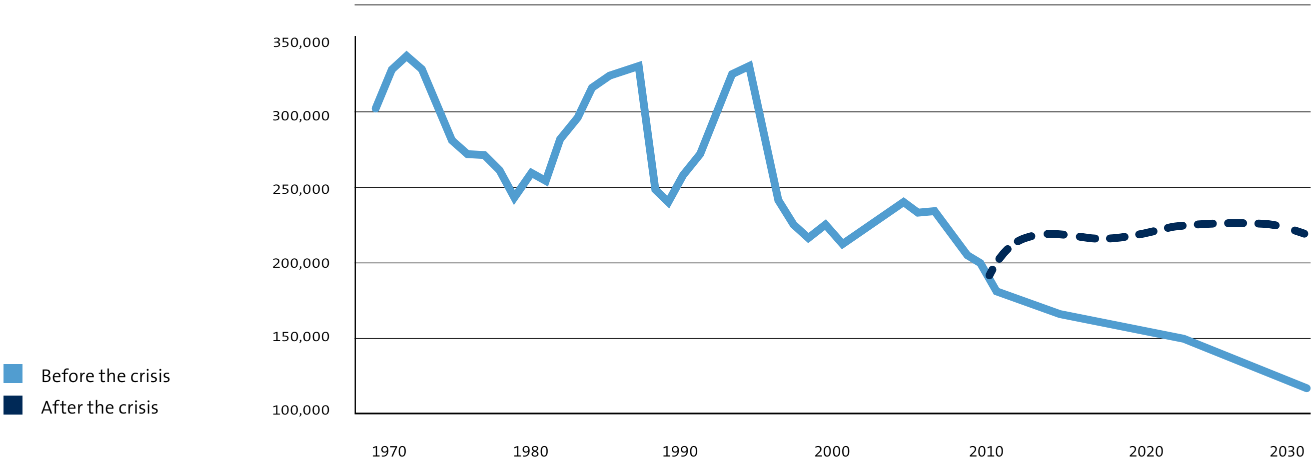
housing shortage increases to 220,000 in 2030

The latest forecast[1] suggests that almost 580,000 residential properties will have to be built between 2010 and 2020 (about 58,000 per year) to meet the growth in housing demand. Building 60,000 new homes would meet this demand if it were not for the existing shortage of 200,000 properties, meaning that pressure on the market is barely falling. As a result of declining construction, the housing shortage in 2030 will be around 220,000 according to the most likely scenario (TNO low-level). Without factoring in the effects of the crisis, the shortage would fall to about 120,000 homes.

[1] ABF Research: Primos forecast 2011, September 2011

Housing shortage 1970-2030

source: CBS, TNO, EIB and Socrates (2011); Vesteda's calculations



CONCLUSIONS ON THE HOUSING MARKET

- *The stock is stagnating, new construction is down as a result of the crisis;*
- *Shortfall of 55,000 in new homes completed in 2011 as a result of the crisis;*
- *There is substantial additional demand for residential properties with a care function.*

PERATION OF THE MARKET IN THE DEREGULATED SEGMENT

demand in the deregulated segment rises 7% to 2020

The number of households living or wanting to live in a deregulated rental home — housing demand — will rise from 247,000 to 368,000 between 2010 and 2020, an increase of almost 50%. The main increase is for flats, which is logical in view of the ageing population and individualisation of the population.

pressure of demand increasing in deregulated rental segment

The operation of the housing market shows that the deregulated rental market is moving well. The market is expanding on the supply side, partly because unsold owner-occupied homes are being offered for letting in this market segment. On the demand side, there are ever more critical consumers and an inflow of tenants from the social sector as a result of new legislation and regulations.

growing demand for renting up to €1,000

The Socrates housing market simulation model shows that a significant part of the demand in the next few years will focus on price bands up to €1,000. This limit will be higher in regions with a tight market. The possible restriction of mortgage interest relief and government measures on further deregulation of the housing market enhance the prospects for properties in the deregulated rental segment. Nevertheless, consumers remain critical about price and quality and this is being reinforced by developments in disposable income and housing costs. They will not only choose 'cheaper' options but above-inflation rent rises will also be considered ever more critically in this light.

Market potential

Vesteda assesses regional market potential

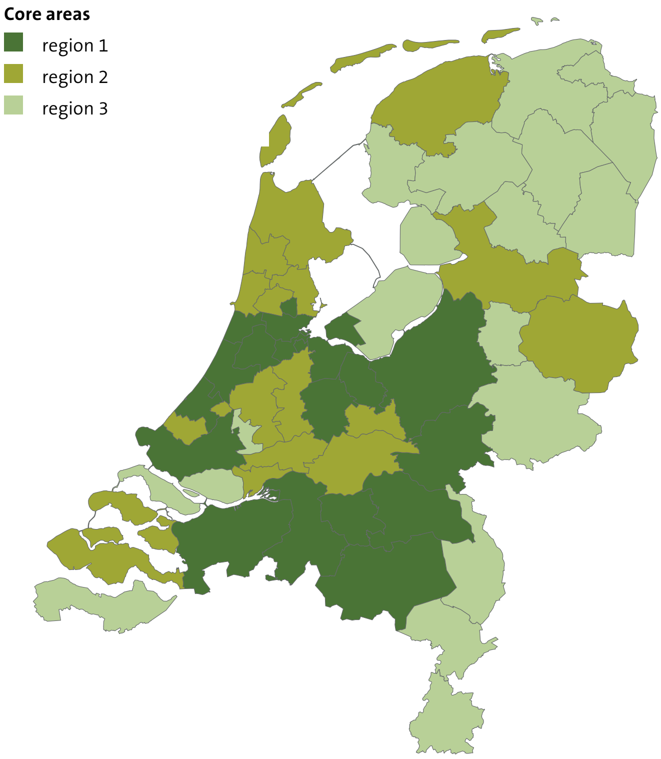
Regions in the Netherlands vary greatly as regards market prospects for Vesteda, with high market potential offering a good probability of a favourable development in the deregulated rental segment and in values and rents and thus of the yield. Vesteda has established the market potential of regions using a number of indicators relating to 'economy', 'house value', 'higher rental market' and 'target groups'. This not only uses historical data but also includes forecasts.

greatest market potential in Randstad conurbation and Noord-Brabant

The outcome of this analysis is a map of the Netherlands showing regions classified by their potential. Region 1 is made up of areas with the highest potential and lowest market risk. Region 3 is made up of areas of highest risk and which, therefore, require a higher yield. Vesteda will focus on region 1, made up of areas concentrated in the Randstad conurbation and Brabant, plus some areas towards the east. Region 1 has a strong economy and owner-occupied market, a deregulated rental market with future prospects and a substantial target group.

Market potential in deregulated rental segment 2011-2020

source: Vesteda (2011)



CONCLUSIONS ON MARKET OPERATION

- *Demand for deregulated residential property up 50% between now and 2020;*
- *Consumers are looking more specifically at price when weighing up price, product and quality;*
- *Demand will focus on the price segment to €1,000 (depending on the region);*
- *Consumers will regard above-inflation rent rises more critically;*
- *The best market prospects are in regions and municipalities in the central part of the country.*

LEGISLATION AND REGULATION

rental market operation affected by government decisions

Since 2011, housing associations have been required to allocate 90% of new letting of residential properties with a rent at or below the deregulation level (€664.66 in 2011) to households with an overall income of up to €33,614 (2011). Households with an income in excess of this will have to seek homes in the deregulated segment. Households in the social rental sector with a higher income (> €43,000) face an additional rent rise of up to 5% above inflation. This discourages skewing (higher income households in cheaper homes) and encourages trading up. The valuations of homes in areas of housing shortage are being increased, allowing landlords to bring rents more closely into line with market rents in areas where there is pressure on housing. All these measures will have a positive effect on demand in the deregulated segment.

The government also intends to change the regulations in the owner-occupied sector. There is a political debate on mortgage interest relief. As it is unclear what measures might be taken, there is a lack of certainty and consumers are consequently less active in the market. If mortgage interest relief is phased out over a very long period, the effects on house prices will be limited in the short term.

CONCLUSIONS ON GOVERNMENT POLICY

- *Deregulation of the housing market, specifically the rental market, offers opportunities to Vesteda;*
- *Despite mortgage interest relief being maintained, the debate on its future is making potential buyers hesitant.*

AFFORDABILITY OF HOUSING

average deregulated rent rise higher than in regulated sector

The average rent rise (including rent harmonisation) in 2011 was 1.8%. Government policy is for the maximum annual rent rise for regulated residential properties to be equal to the rate of inflation in the previous year. In 2011, the average rent rise was 1.3% for housing associations and 2.4% for commercial landlords. Vesteda's average rent rise in 2011 was 2.43% in the deregulated sector. The table below shows that rents in the deregulated segment have risen more than in the regulated segment on average since 2003. Rent rises in the regulated segment have been in line with inflation since 2009.

Housing association and commercial landlord average rent rises

Source: Statistics Netherlands letting survey; Companen's calculations

Rent rise 2003-2011 (including harmonisation) by type

Source: Companen, Feiten en achtergronden huurbeleid 2011; CBS

		2003	2004	2005	2006	2007	2008	2009	2010	2011	ave.
Rent rise	regulated	3.3	3.2	2.0	2.8	1.4	2.0	2.4	1.2	1.3	2.2
	deregulated	3.5	3.1	2.6	3.0	2.6	3.7	2.5	1.8	2.4	2.8
inflation		2.1	1.2	1.7	1.1	1.6	2.5	1.2	1.3	2.0	1.6
rise for deregulated residential units		1.4	1.9	0.9	1.9	1.0	1.2	1.3	0.5	0.4	1.2

Rent rises in the deregulated segment in the period since 2003 have generally been more than 1% above inflation. In 2010 and 2011, they were 0.5% and 0.4% above inflation, respectively, as shown by the above table.

further decline in purchasing power

Consumers were still clearly feeling the effects of the crisis in 2011. Disappointing growth in employment and deteriorating company profitability have put a brake on wages. Purchasing power has been falling since 2010. A fall in purchasing power of 1% is forecast for 2011 and 2012. Those in work are worst affected as a result of lower collectively agreed pay rises, higher inflation and an rise in health care insurance premiums.

CONCLUSIONS ON AFFORDABILITY

- *The trend in market rents is in line with inflation;*
- *Almost no rise in real incomes in the next few years;*
- *Where there is increasing skewing, tenants may be asked to pay an additional 5% rent rise;*
- *Purchasing power and consumer confidence following from the economic situation will put a brake on rent rises in real terms.*

PRICE TRENDS IN THE OWNER-OCCUPIED HOUSING MARKET

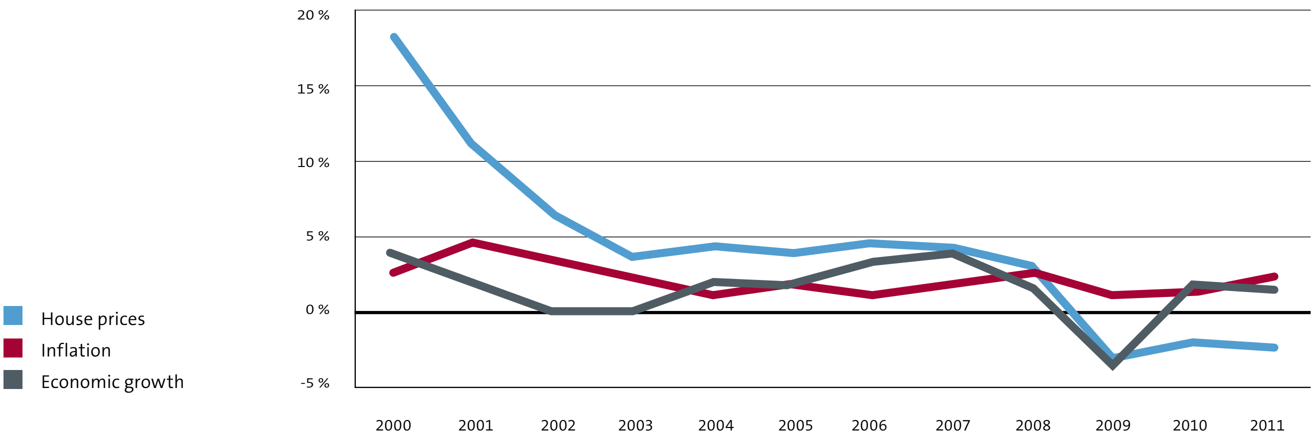
further fall in house prices

The average selling price of existing residential properties in December 2011 was 4.0% lower than in December 2010 putting the selling prices of homes in December 2011 at their lowest level in more than six years. The chart shows that house prices in the Netherlands were above inflation and economic growth from 2000 to 2008, whereas, from 2009, they were below both. On average the price of existing residential properties has fallen by 8.5% since the crisis began in mid-2008.

Owner-occupied house prices in relation to inflation and economic growth 2000 to 2011

Source: Statistics Netherlands/Kadaster (2011), Vesteda's calculations

Year-on-year



further fall expected in 2012

The combination of a loss of household purchasing power, stricter requirements imposed by mortgage lenders, higher taxes resulting from government austerity measures and extremely low consumer confidence mean that the fall in prices is not only expected to continue but even to get worse.

KEY CONCLUSIONS ON THE DUTCH HOUSING MARKET

- *The main conclusion from the external environmental analysis is that households are 'uncertain' about the economy, work and income and the housing market;*
- *Regulation offers opportunities to expand the deregulated market segment;*
- *The deregulated rental segment has become a price-based market;*
- *More focus on the €800 to €1,000 rent bands, with regional price differentiation, is the obvious approach for residential investors such as Vesteda;*
- *Income trends make above-inflation rent rises increasingly difficult; inflation-linked rent rises in regulated segment do not help;*
- *Government policy is leading to increased demand at the lower end of the deregulated segment;*
- *The growth in the number of one-person households requires smaller homes with a rent affordable on a single income;*
- *Demand for lifetime homes is already increasing; living with a care concept will be more in evidence in the following decade;*
- *Real value growth will only be evident in the longer term;*
- *The stronger regions are mainly in the central part of the Netherlands.*

Implementation of strategy

INVESTMENT

Towards the target portfolio

The table below shows the portfolio value at the end of 2011 by rent band and compared with the portfolio expected in 2015 and 2020.

Expected development towards target portfolio

Percentage of value

	2011 year end	Target portfolio
<= € 664	27	10
664 t/m 800	24	
801 t/m 1,000	25	80
1,001 t/m 1,200	9	
> 1,200	15	10
Total	100	100

80% by value in deregulated segment under €1,200

The desired portfolio is also known as ‘the target portfolio’. When the target portfolio is achieved, 80% of the value will be in the deregulated rental segment under €1,200.

focus more strongly on €664 - €1,200 segment

The target portfolio is based on a strategy aimed at increasing the focus on the mid-segment. This means that in addition to sales of older regulated residential properties, attention will be focused on sales of residential properties with a monthly rent above €1,200 in region 1 and above €1,000 in regions 2 and 3.

hold/sell analysis

A hold/sell analysis of the entire portfolio was performed in early 2011. The weighting applied in this analysis was updated and refined further in line with the most recent information and market developments. There was a particular focus on the earning potential of complexes, with cash yield as one of the main variables. Sustainability of the complexes (energy classification) was also a significant element in the hold/sell analysis.

Investment policy

The portfolio policy is a corollary of the fund targets that focus on maintaining a top position in the Dutch residential investment market, offering a realised yield on equity of at least 4.5% per year and reducing risk. This has been translated into the following portfolio targets:

- Increasing the average realised yield to at least 4.5% (letting and disposals result);
- A shift towards the target portfolio, with a clear focus on the mid-segment (€650 - € 1,200);
- Increased focus on strong municipalities in economically robust regions (in particular region 1 see page 38);
- Completion of developments in the existing pipeline;
- Limited new acquisitions in promising market segments;
- Increased sustainability of the portfolio.

Trend of falling yield reversed

In addition to lower risk as a result of moving towards the target portfolio, a number of measures will lead to an increase in the direct yield in the next few years. Risky complexes with little potential and a low direct yield will be sold early. Complexes with high vacancies and so relatively low rental income will be critically assessed. Risk in the portfolio structure will be reduced by increasing the share of mid-segment and deregulated residential properties to €1,000 in region 1. These measures will significantly reduce the volatility of cash flows and improve the direct yield. This reinforces the foundations for a stable and healthy realised yield of 4.5% per year, in line with the long-term target.

DEVELOPMENT

development activity at a minimum level

Acquisition activities were reduced to a minimum during the year, while maintaining attention for Vesteda's often long relationship with municipalities.

targets guided by adjusting portfolio inflow and cost reduction

The main tasks for Vesteda Project Development bv in 2011 were to reduce the pipeline obligations, especially in the higher-rent segment above €1,000, limit management expenses and set up an internal sales organisation.

The investment level in 2011, the number of projects handed over and the pipeline are presented in the section 'movements in property portfolio' on page 52.

LETTING/MANAGEMENT

Organisational reorientation of the property management department

property management target

Property management is an integral part of Vesteda and its task is to ensure optimum management the investment portfolio. There is a permanent balance between the activities to be performed in house and those to be sub-contracted. In-house activities must offer clear added value compared with sub-contracting.

property management strategy redefined

Property management will be organised as a separate department of Vesteda in 2012. The underlying principle is that property management will have to cover its costs and earn a margin on top by applying competitive terms and charges. Working for third parties is part of the strategy.

The costs of the organisation will have to be reduced as part of the conversion into an autonomous unit and to reach a break-even/profit situation. Departmental management and parts of the administration and support departments are relocating to Amsterdam. The customer contact centre including the call centre are remaining in Maastricht. The local offices will be maintained as far as necessary for efficient management and letting activities. Investments are being made in internet applications for marketing, winning customers and service to existing customers to support processes and efficiency.

Letting performance

let at market rents

Almost all the portfolio is let at market rents. This allows Vesteda's organisation to make best use of the supply and demand dynamic in local markets. Where possible, Vesteda will make use of the potential of charging 5% extra rents from 'skew' tenants.

property marketing targets: more registrations, better conversion, more letting

The targets for property marketing and letting are to raise the number of registrations (particularly in the higher segment) and increase conversion of registrations into lets. Thanks to effective marketing, intensive use of online media, sales support and good coordination with the letting teams, vacancies clearly dropped in 2011.

Online marketing

primary channel for communication and letting

The website, www.vesteda.com, is key to communicating with potential tenants. Each day, the website automatically displays an up-to-date list of housing currently available. The registration module can be used by people wishing to register an interest. Their information is sent automatically to the letting planner, a method developed by Vesteda to create a source of screened potential tenants, so that vacant residential properties can be quickly relet. The registration module was updated in 2011 and the revised letting process went online in early 2012.

Tenants' associations

pleasant and useful cooperation

Vesteda holds two formal meetings with tenants' associations and residents' committees each year. There are also frequent informal contacts with the associations or their committee members between the spring and autumn meetings and important matters in and around the building and homes are often discussed informally. Thanks to the efforts of both parties, Vesteda regards these as pleasant and useful contacts. There are about a hundred tenants' associations and a majority, about ninety, of them are members of the Vesteda Platform, the umbrella organisation for Vesteda's tenants.

National umbrella organisation for Vesteda's tenants

positive, critical and constructive cooperation

The Vesteda Platform was set up ten years ago to consult tenants on subjects with a national scope. Its board looks after, in a professional manner, the general interests of tenants which go beyond individual specific projects, such as rent and service charges policy and communications between Vesteda and its tenants. Tenants' associations and residents' committees may join the Platform and Vesteda reimburses the membership fee.

Rent rise

average 2.0% rent rise on 1 July

Vesteda's rents rose by an average of 2.0% on 1 July 2011. The rent policy treats regulated and deregulated residential properties differently.

1.2% rent rise in the social sector from 1 July

This is the first year that energy classification has formed part of the housing valuation system and points allocated under it. As expected, the introduction of this system slightly increased the average number of points (by three). By law, the rent rise for the regulated housing stock is limited to inflation in the previous year, meaning that Vesteda could increase rents by no more than 1.3%. Capping meant that the average rent rise for the regulated homes was 1.2% from 1 July 2011.

2.4% rent rise in deregulated segment on 1 July

The average rent rise in the deregulated segment was 2.4%, based on annual inflation in March 2011 which was 2.0%. Vesteda's rent policy offers tenants protection against high levels of indexation and restricts increases to 2% above inflation. Consequently, the maximum increase was 4.0% but market conditions in the deregulated segment were so poor that this rise could only partly be implemented.

SALES

hold/sell analysis guides sales

Each year, the asset management department makes a hold/sell analysis which is the basis for adjusting the portfolio strategy for 2011 to 2015. The analysis provided a sales guide for 2011, broken down between individual sales and sales of complete complexes. Projects are sold individually unless the rate of sales is expected to be such that this is not possible or if the complex would make a negative contribution to performance and/or risk if it was kept for letting.

focus on improving yield and liquidity position

The strategy for the next few years includes a sales programme aimed at bringing the direct yield on the portfolio to the desired level as quickly as possible while also meeting the organisation's cash requirements. The programme for 2011 was to sell 756 homes individually and to put 933 out to tender, giving a total outflow of 1,689 residential properties.

fall in transactions and prices in housing market

The housing market was far from rosy in 2011. Although there had been some optimism in the owner-occupied market at the beginning of the year, as time went on it became clear that economic developments in Europe were having a major impact on the housing market. The tighter requirements that banks are setting for mortgages, which formally came into effect on 1 August, have added to the doubts in the market. The considerable media speculation on changes to mortgage interest relief became immediately clear in Vesteda's sales processes.

sales promotion led to some improvement

A positive factor was the reduction in property transfer tax to 2%, which led to a temporary rise in the number of viewings. The start of a sales promotion at the same time and widespread announcement that Vesteda would pay the remaining 2% tax until 1 January also led to more sales.

new properties suffer most

Potential purchasers of new homes face considerable problems from not being able to sell their existing homes. The sales of homes where the project has not yet been started and of more expensive properties (rents > €1,000) from existing stocks were, therefore, slower.

CSR and sustainability

During 2011, Vesteda put the concept of sustainability into the broader framework of corporate social responsibility. Vesteda rates above average for sustainability as shown in the recent results of the Global Real Estate Sustainability Benchmark (GRESB), which ranked Vesteda as the most sustainable residential fund in the world.

CORPORATE SOCIAL RESPONSIBILITY

sustainability strategy formulated

As a residential property investor, Vesteda has a long-term vision and strategy in which corporate social responsibility (CSR) plays an important role. To Vesteda, CSR is more than just saving energy or limiting CO_2 emissions. It applies just as much to good operations, reducing the overall environmental footprint, raising the ergonomics and health aspects in developing or constructing and managing the property.

Sustainability is a popular theme. As a result, there are always new developments that demand continuous adjustments to the ambitions that have been set. In 2011, Vesteda converted its existing sustainability policy into a broader CSR policy. This is expressed in ESG (Environment, Social, Government) factors which are broken down further across three categories applicable to Vesteda:

1 Working: the social function of the organisation as a whole;
2 Housing: making our residential buildings sustainable;
3 Living: Vesteda's influence on society and communication with stakeholders.

WORKING

sustainable and social function of the organisation

Vesteda defines the CSR category of 'working' as the social function of the organisation as a whole. Examples are the measures we take in our organisation's operations. Vesteda's operations can make a contribution to minimising the burden on the environment through its operations. The following targets have been formulated:

E A 15% reduction in energy consumption at our offices by 2015 compared with the end of 2009;
E All new premises close to a public transport hub with a minimum burden on the environment from the building's shell and fixtures;
E Introduce a new company car policy in 2012 based on "green" motoring;
E Attention to "new style" working;
E Active deployment of a sustainable ICT policy;
E Sustainability must always be part of the purchasing policy;
S Include the CSR policy in the employees' performance cycle from 2013;
S Measure employee satisfaction from 2013 through a cyclical survey;
G Maintain attention to solid corporate governance.

HOUSING

high quality, small environmental footprint, enhanced values

We include all activities relating to customer satisfaction and making our portfolio more sustainable in the CSR category of 'housing'. The overall aim is to manage the portfolio by simultaneously balancing the highest possible quality with the smallest environmental footprint and enhancing rental and property values. The following targets have been formulated:

E In 2015, Vesteda must have a 'core' portfolio of buildings with on average a C energy classification. This target must be achieved without affecting yields;
E Between 2010 and 2015, cutting electricity consumption in communal spaces in all complexes by 20% compared with 2009. This target must be achieved without affecting yields;
E Introduce Energy Management Systems (EMS) in 2012;
E From 2014, all energy used in communal spaces will be bought from green sources. The interim target is 50% by the end of 2012;
E Aim for the following GPR ambitions when developing and acquiring projects: Energy 6.5, Environment 7.5, Health 8.0, Quality in use 8.0 and Future value 8.0. Level 6 is sufficient for building permits. All projects in the development pipeline must have been analysed by the end of 2012;

- E All timber used in new builds must be from sustainable sources;
- E Sustainability must always be a criterion in the selection of contractors;
- S Maintain customer satisfaction and focus (rating at least 7);
- G Making the portfolio sustainable must contribute to value maximisation.

LIVING

communications with stakeholders

Vesteda defines the CSR category of 'living' as activities that affect society and Vesteda's communications with stakeholders. Communication with stakeholders is an essential part of achieving Vesteda's CSR policy. The accent in deploying the policy is on transparency, credibility and, especially, inspiration. The following targets have been formulated:

- E Start of active communication with tenants in 2010 with information on Vesteda's targets and at the same time encouraging tenants to use less energy and water;
- E Give employees sufficient information to contribute to CSR targets;
- S Contribute to areas where Vesteda has an involvement (engagement);
- G Ensure transparent and active communication of the CSR policy;
- G Active contribution to various CSR initiatives.

GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

Vesteda is the most sustainable residential fund in the world

Vesteda is rated above average for sustainability; in fact, Vesteda was the best in the world according to the results of the Global Real Estate Sustainability Benchmark (GRESB) when compared with the participating residential funds.

The GRESB is designed to identify the environmental performance of the global property sector. It has now grown into an initiative recognised widely in the property sector, including many institutional players and leading property associations including EPRA, INREV and IVBN.

The environmental benchmark rates environmental management practices and their implementation, so that the ratings of different property investments can be compared with corporate sustainability targets. On this occasion, the survey covered 340 listed and unlisted property organisations, including 26 residential property funds and Vesteda had the highest score among them.

CSR & SUSTAINABILITY ACHEIVEMENTS IN 2011

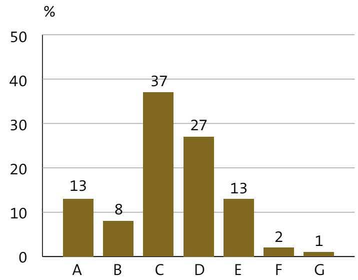
Results on property porfolio

increasingly clear relationship between sustainability and portfolio value

Aiming for housing worth living in goes further than just reducing CO_2 emissions. Such housing is where people want to live and stay for a long time. This means pleasant accommodation where people feel at home, built with respect for the surroundings, in a district or neighbourhood where people want to be. It puts demands on the design, development and letting of the homes and the areas where they are situated and this leads to satisfied tenants, higher rental income and lower tenancy turnover. These elements are growing in importance in the portfolio strategy. Energy classification became part of the housing valuation system on 1 July 2011. Vesteda realises that sustainability and the energy classification will have a ever-greater influence on rental and investment values in the property portfolio in the near future.

Letting portfolio, by energy classification

classification on termination and year of construction, percentage of Letting portfolio measured by number of units (classification by CO_2 emissions)



30 million KWh, 72 tonnes of CO_2

Vesteda uses software to measure average energy consumption for each building using the reported energy classifications. The 22,821 reported residential properties represent 30,220,000 KWh and 72 tonnes of CO_2 emissions annually. Actual usage is measured by the tenants individually.

further improvement in energy classification depends partly on willingness of tenants

Almost all the homes in the Letting portfolio now have an energy classification. The focus in the next few years will be on raising the average. Additional attention will be given to the deregulated segment up to €1,200. Any capital expenditure required will be assessed against yield targets. In the end, the yield will depend on the willingness of tenants to accept the associated rent rises.

Energy conservation measures

implemented/being implemented in 2011

measure:	units:
Under-floor insulation	6
High efficiency glazing	410
Cavity-wall insulation	2
Roof insulation	7
High efficiency boilers	638
Total	1.063

dialogue with tenants: two-way information

Vesteda believes it is important to enter into a dialogue with tenants on sustainability; partly to identify their wishes but also to inform them about their options for cutting energy and water consumption. Initial steps have been taken on this in the past two years. Communications flow though the tenants’ platform, via regular surveys and via the website.

communal spaces and vacant homes

Opportunities for savings and green sources of the energy used in the communal spaces were assessed in 2010 and 2011. The most sustainable solution, for example LED lighting, is always chosen for repairs and replacements. Vesteda has national ‘green energy’ contracts with power companies to supply vacant properties with the required power.

GRP building tool used for most new projects

Vesteda has used the GPR building tool to assess and optimise the environmental impact of projects since 2010. 55% of projects in the pipeline have now been assessed using this method.

sustainability declaration in umbrella agreements with contractors

Sustainable working is only possible by working with parties who also find it important. Sustainability has become a criterion in the selection of suppliers, contractors and architects. To assess this, Vesteda examined contractors’ sustainability policies in 2010 and 2011. At the moment, framework contracts state a preference for an ISO-14001 certificate. In the next few years, there will be a requirement for ISO-14001 certification or an equivalent CSR statement.

Vesteda's results

green energy delivers major CO_2 reduction

Vesteda contributes to minimising its environmental footprint in the use of its own property. To meet this target, the organisation's CO_2 footprint has been examined since 2009. The benchmark relates to Vesteda's waste, heating, transport and electricity consumption. In 2010, Vesteda purchased 3,100 MWh of green energy for its own offices, leading to a substantial reduction in CO_2. Arrangements were made for carbon-neutral post deliveries in 2011.

CO_2 reduction as a result of car lease policy

Vesteda attaches importance to using 'green' cars and so a policy has been developed that encourages company car drivers to choose cars with an A or B label. 51 of the 56 cars leased and ordered in 2010 had an A or B label achieving a 10% reduction in average CO_2 emissions from motoring. In 2011, Vesteda became a contract party to a car sharing pilot scheme with electric cars on the Amsterdam Zuidas which is now under way.

change together

Vesteda sees cooperation with others as the way to change and so it plays an active role in several initiatives that contribute to minimising environmental footprints. One example is the IVBN Sustainability Taskforce in which Vesteda is working on 'the profitability of sustainable investment' and setting up a calculation from the viewpoint of gains to tenants, the 'living expenses approach'. Vesteda is also a participant in the Dutch Green Building Council.

GRI—CRESS reporting level

2011 report at level C

To create transparency in its CSR policy, Vesteda follows the guidelines of the Global Reporting Initiative (GRI) and specifically the Construction Real Estate Sector Supplement (CRESS). Vesteda is reporting at GRI CRESS level C for 2011. The table is presented as Annex 3 of this annual report, see page 133.

La Fenêtre
The Hague
115 apartments/
121 parking spaces

In the Haaglanden region, standard fluorescent lamps have been replaced by LED lighting in eight car parks with over 950 parking spaces in the past two years. LED bulbs are also used when lighting in communal areas is replaced. A start has been made on removing one of the two fluorescent tubes in each light fitting in La Fenêtre's car park and the remaining fluorescent tubes will be replaced with energy efficient LED tubes at a later stage.

What is the benefit?
Removing one in every two fluorescent tubes gives an immediate energy saving of 50%. Although replacing conventional fittings with LED lighting is a major investment, the energy efficiency and longer life of the LEDs give a pay-back period of about two years. After that, the gain comes from a permanent 70% reduction in energy consumption. Both changes have been made without an obvious reduction in lighting levels while maintaining our tenants' feeling of security.

SUSTAIN
ABILITY
VESTEDA

Customer survey

Since it was incorporated, Vesteda has carried out an ongoing survey, the Vesteda Tenants' Monitor, to provide information on the characteristics, views, wishes and opinions of the various groups of tenants. On average, tenants rated the home, surroundings and service from Vesteda at 7 out of 10 in 2011 meaning that Vesteda met its customer satisfaction target for the year.

Structure of the customer survey

by post or internet

All new and departing tenants receive a questionnaire by post or online.

... new tenants

New tenants are asked why they are renting, and about the orientation and decision-making process and their findings as a new customer.

... departing tenants

Departing tenants are asked why they are moving and for suggestions for improving products and services.

... sitting tenants

Each month, a sample of sitting tenants is sent a questionnaire asking about matters such as satisfaction with the home, surroundings and service. About a quarter of our sitting tenants are approached each year and about 10% of the overall population of sitting tenants takes part in this survey each year making it possible to draw valid conclusions for subgroups and at complex level.

abandoned applications give information on reasons for renting elsewhere

The 'leads' survey has been examining the requirements of potential tenants since 2007. Using this information, Vesteda gets to know the decisive reasons why, ultimately, someone did not rent from Vesteda. This information is useful for getting closer to the wishes of our future customers.

representative customer panel gives fast and specific insight into current issues

The views of the customer panel are representative of all Vesteda tenants. The advantage of the panel is the speed with which the preferences and views of our tenants can be measured and the speed of research for urgent decision-making. In 2011, Vesteda surveyed the opinions and attitudes of tenants on energy conservation and sustainability. These results were compared with a survey undertaken in 2008 and the views and attitudes of Vesteda staff.

almost 35,000 surveys processed, report embedded in operations

Almost 35,000 surveys have been processed and analysed since the survey started. The response rate is always about 40%, which is good given that it is an extensive written survey. A move to the internet will be made in the coming year. The various disciplines at Vesteda are provided with a report each quarter. A special theme is highlighted alongside the standard sections of the reports on different aspects of services. The reports have a solid place in the primary operating processes. The survey results and suggestions for improvements by tenants at complex level are an important instrument for the asset management and property management departments to make balanced choices.

Results of the customer survey

tenants rating of quality of the home constant, price/quality improves

Vesteda's tenants are satisfied with their homes; 81% of our sitting tenants are completely satisfied. On average the homes were rated 7.3 in 2011, slightly above the figure for the previous year. Size, layout, orientation and sunny aspect were rated 7.5 or higher as in 2010. Perceptions of the price/quality relationship of the home rose slightly to 6.6.

... and the surroundings

The surroundings were rated 7.3 in 2011, a slight improvement in line with the rating for the homes. Our tenants rated the location of amenities at 7.5. The figures for accessibility by car and public transport are moving towards 8. Tranquillity, security and atmosphere in the neighbourhood continue to be areas for attention with a rating approaching 7.

background and motives of new tenants:

For the vast majority of new tenants, the immediate reason for looking for a home was a change in family membership or circumstances. A change of or move closer to work and renting after selling an owner-occupied home were also often given as a reason. This is the same picture as the previous year. One thing that has changed is where our tenants come from. In 2010, only 45% of our new tenants came from an owner-occupied home, but by last year this had risen to as much as 53% and was, therefore, almost back to the level in 2007 (55%). We conclude that more and more buyers in the current market have at least a temporary preference for a rental home. By comparison, over 60% of our sitting tenants rent because they find it financially more attractive than buying. A higher percentage of households agreed with this statement during the past year. Location remains the decisive reason why new tenants choose a specific home. Rapid availability also plays a major role.

many new tenants move within their municipality or even their neighbourhood

Our new tenants moved greater distances in 2011 than in the previous year. Almost 50% move within the municipality and a fifth of them within the neighbourhood. In the past year, a larger percentage (53%) came from single-unit homes than in the previous year (50%).

service processes

New tenants rated the intake and letting process at 7.3 and departing tenants rated the process for ending a lease and handing over the home at 7.2. Sitting tenants rated our service at 6.5. All these ratings are stable and comparable with the previous year. We are working on improvements for our sitting tenants, with particular attention to complaint handling. The maintenance companies who work for Vesteda again did slightly better in the past year and were rated by our tenants at above 7.3. This is an important subject for our tenants, since over 70% are renting because they do not want worries about maintenance. Our tenants are also very satisfied with our Call Centre; although its rating fell slightly in the past year, the 7.3 it was given in 2011 is a good result.

customer satisfaction sitting tenants 7.0

The overall customer satisfaction rating for home, surroundings and service weighted equally was 7.0 (out of 10) and so Vesteda was rated exactly at its target level.

Customer satisfaction

Vesteda customer survey

Rating (out of 10)

	2011	2010	2009	2008	2007
home	**7.2**	7.1	7.1	7.2	7.2
surroundings	**7.2**	7.1	7.1	7.1	7.2
service	**6.5**	6.5	6.6	6.8	6.8
total	**7.0**	6.9	7.0	7.0	7.1

Movements in the property portfolio

There was a negative revaluation of €167 million in the Letting portfolio in 2011. The net reduction in provisions for future losses on projects in the Development portfolio was €44 million. During 2011, 1,268 residential properties were sold (414 individually and 854 in complexes) and 364 residential properties were added from in-house projects, reducing the Letting portfolio to about 25,800 units. The occupancy rate rose to 95.7%. The average rent increased by 2.9%. The portfolio is still relatively young: more than half of the properties are 20 years old or less. The result on disposal was over €5,600 per property, generating a book profit on sales of over €7 million.

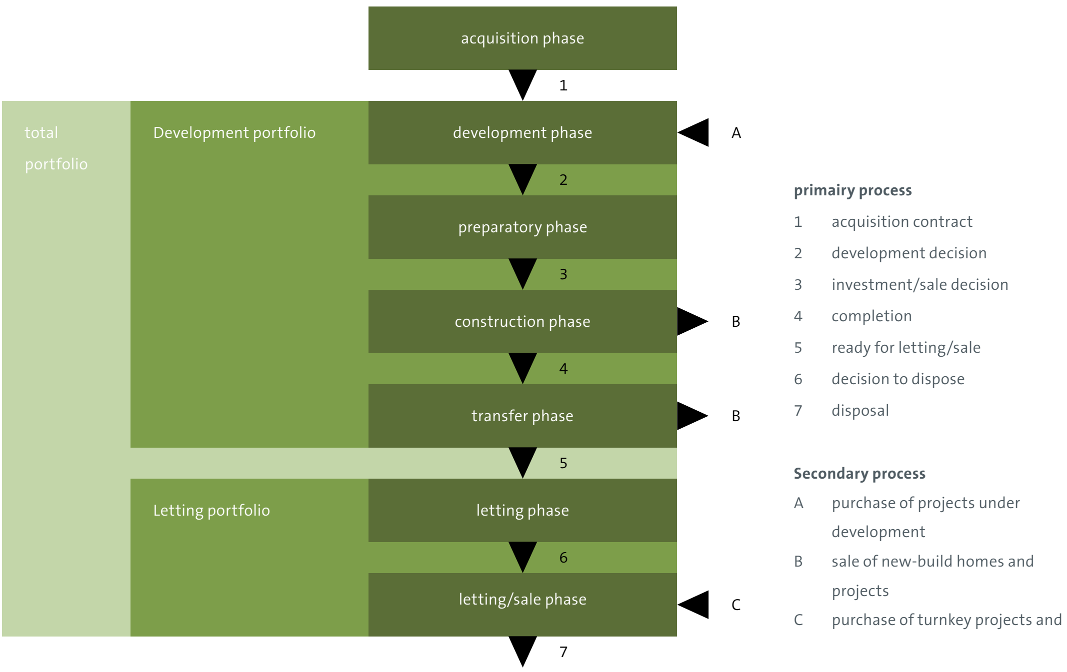
CLASSIFICATION OF THE PORTFOLIO

All complexes and property developments are referred to jointly as the total portfolio. The total portfolio is subdivided into the Development portfolio and the Letting portfolio.

Development portfolio
The Development portfolio includes projects in the development, preparatory, construction and transfer phases. The development phase is for projects where there is an acquisition agreement or contract for an area development or other type of venture or acquisition and for which Vesteda is or will be preparing a development decision. As soon as a development decision has been taken on a project, it moves to the preparatory phase. The project transfers to the construction phase if an investment/sale decision is made and to the transfer phase on completion. Once a project is ready for letting, it is transferred to the Letting portfolio. A project may be transferred in stages.

Letting portfolio
The Letting portfolio includes projects in the letting phase and projects in the letting/sale phase. When a decision is taken to dispose of a project or part of a project, it becomes part of the letting/sale phase.

Classification of the property portfolio



TOTAL PORTFOLIO

5% reduction to €4,324 million

The value of the total portfolio was €4,324 million at year-end 2011, 5% lower than at the start of the year.

Total portfolio, value

Excluding acquisition investments, year-end

(€ millions)	**2011**	2010	2009	2008	2007
	4,324	4,565	4,738	4,978	4,934

DEVELOPMENT PORTFOLIO

Value

53% reduction to €76 million

The value of the Development portfolio was €76 million at year-end 2011, a fall of 53% during the year. There were no new acquisitions in 2011.

Development portfolio, value

Excluding acquisition-investments, excluding vat, year-end

(€ millions)	**2011**	2010	2009	2008	2007
Development portfolio	**76**	163	254	279	135
of which Work in progress	**49**	134	239	260	124

Completions

364 residential properties let

No target was set for completions of residential properties in 2011. The actual figure was 364 residential properties, which were handed over to Vesteda for letting.

Completions

Units	**2011**	2010	2009	2008	2007
Target	**-**	-	-	400	700
Actual	**364**	547	731	344	561

PIPELINE OF PROJECTS UNDER DEVELOPMENT

Contractual pipeline

1,276 residential properties in pipeline with an investment value of €509 million .

At year-end 2011, Vesteda had 377 residential properties in the construction phase; 264 intended for letting and 113 for sale. There were 899 properties in the preparation or development phases. There were no properties in the acquisition phase.

In total the contractual stock in the pipeline was 1,276 residential properties with an investment value including VAT of €509 million.

Pipeline

year-end, hard stock*, letting and sale

	units
Projects in construction phase	377
Projects in preparatory/development phase	899
Total in Development portfolio	1,276
Projects in acquisition phase	0
total contractual stock	1,276

list of projects in annex

Projects in the construction phase
The properties in the Development portfolio, listing the address, number of residential properties, usable area, theoretical year-end rental and whether the project is intended for letting or sale, are set out on page 131.

PROJECTS HANDED OVER IN 2011

Nobelpark, Wageningen
A feature of the Nobelpark project is the original architecture of the building itself and the surrounding homes and structures. Nobelpark comprises four apartment blocks and 24 houses designed by Kuiper Compagnons. Vesteda is letting 28 apartments each of which has an outdoor area and a luxurious kitchen and bathroom. Parking is available in the underground garage.

Vredenbergh, phase 2, Breda
The Vredenbergh apartments, within walking distance of the historic town centre, are situated in two blocks. Building II was handed over in 2011 and comprises 124 spacious luxurious apartments of 102 m2 to 183 m^2. There is a choice of three and four-room apartments, each of which has a balcony and a parking space in the garage below. Vredenbergh's tenants can use the comfort facilities of the Serviceresidentie Vredenbergh.

Zicht op Amersfoort, phase 2
Zicht op Amersfoort is a joint development between Heilijgers and Vesteda Development BV and comprises 121 luxury apartments, commercial space and an underground garage. There is a variety of apartments ranging from 85 m^2 to 135 m^2. The upper apartments overlook a "green" (moss and sedum) roof and attractive garden at the back. The garden is accessible to all residents and admits daylight to the garage. The design is by Rudy Uijtenhaak Architectenbureau.

Drie Hoefijzers, Breda
The former brewery site on the edge of the town centre is being transformed into a lively residential, work and recreational area with urban allure. The brewery's former head office and brewing hall are getting a new use, offering an attractive mix of modern architecture and cultural heritage. The Drie Hoefijzers offers a range of residential properties from town houses to apartments for owner occupation or letting. Vesteda's 42 rental apartments in the Drie Hoefijzers area are part of the Den Hertogh apartment complex. The architect is Gullikers architecten.

Op Buuren Blok 6, Maarssen
The Neerbeek apartments were designed by Mulleners + Mulleners, Bruno Albert architecten, Bureau Arcas and DOK Architecten. The architects were inspired in their designs by the varied streetscapes of the old villages on the Vecht. The living rooms of all 33 apartments in Neerbeek overlook the Vecht. The fifteen different types of apartments in Neerbeek, ranging from 83 m^2 to 156 m^2, offer a wide range of designs and shapes. There is an underground garage.

Overhoeks Blok B11, Amsterdam
The new Overhoeks district is on the former Shell site in Amsterdam North. Portuguese architect Álvaro Siza has designed the Europa apartment building inspired naturally by its unique location on the waterfront. The location also established the choice of facing material: white Prino marble. The Europa has 79 spacious apartments ranging in size from 96 m^2 to 212 m^2 with two to four bedrooms. There is an underground garage.

LETTING PORTFOLIO

Value

The table below shows the value of the Letting portfolio, which fell to €4,248 million at year-end 2011. The proportion of single-unit residential properties remained at 38% by value.

Letting portfolio, value

year-end, (€ millions)	**2011**	2010	2009	2008	2007
Single-unit residential properties*	**1,626**	1,652	1,743	1,925	2,055
Multiple residential properties*	**2,622**	2,750	2,741	2,774	2,744
Total	**4,248**	4,402	4,484	4,699	4,799

* including value of associated parking/garage spaces and commercial space in projects

Movements in value in detail

modest decline of 3.5%

The Letting portfolio changed by a net -3.5% in value. The table below shows the movements and the effect of revaluation.

Letting portfolio, revaluation

(€ millions)	2011	% waarde
Value at start of year	**4,402**	**100**
Movement as a result of roll-over strategy	13	0.3
Movement as a result of revaluation	-167	-3.8
Value at year-end	**4,248**	**96.5**

movement in value: in and out- flows 0.3%, revaluation -3.8%

The inflows and outflows of projects added a net €13 million to the portfolio, an increase of 0.3%. The movement as a result of revaluation was -€167 million or -3.8%. The net movement in the Letting portfolio was a fall of €154 million or 3.5%.

Revaluation in detail

97% appraised at individual sales value

Projects in the Letting portfolio are stated at fair value, being the higher of the investment value, the market value with sitting tenants, and individual sales value, the net realisable value on disposal of complete complexes to organisations specialising in selling individual units. The majority, some 97% of the portfolio at the end of 2011, are stated at individual sales value.

value with vacant possession affects individual sales values

Individual sales value is strongly affected by the value with vacant possession: the prices of residential properties on individual sale with vacant possession. The valuation uses the discounted cash flow method, so tenancy turnover and rent trends also affect the value.

specialists in individual sales hesitant

Although private investors remain active, there were fewer institutional parties in the market to purchase residential complexes and the banks' reticence has made financing transactions more difficult. This all affected the required yield which determines the price.

Units

modest decline of 3%

The size of the Letting portfolio, measured in units, fell by over 3% in 2011 to 25,828 residential properties at year-end 2011. As well as the residential properties, Vesteda owned about 55,500 m^2 of commercial space and some 10,000 parking/garage spaces at year-end.

Letting portfolio (units)

number at year-end	**2011**	2010	2009	2008	2007
Single-unit residential properties	**10,346**	10,517	11,074	11,581	12,034
Multiple residential properties	**15,482**	16,215	16,169	16,043	16,300
Total residential properties	**25,828**	26,732	27,243	27,624	28,334
Parking/garage spaces	**10,427**	10,177	9,699	9,457	8,984
m^2 commercial space	**55,410**	57,515	51,663	43,179	39,789
of which: offices	**39,052**	40,168	40,606	32,511	27,768
of which retail:	**16,358**	17,346	11,057	10,668	12,021

99% let for at least one year

In 2011, the net decrease in the portfolio was 914 residential properties. In total 1,268 properties were sold and 364 were added. All additions of residential properties were in-house developments. At the end of the year, about 25,500 of the over 25,800 units in the portfolio had been let for at least one year.

Movements in Letting portfolio (units)

Number of residential properties	**2011**	2010	2009	2008	2007
at start of the year	**26,732**	27,243	27,624	28,334	27,990
- total sold in year under review	**1,268**	1,054	1,112	1,052	1,263
+ reclassification as a result of change in layout		-4		-2	
+ added by acquisition of portfolios (a)					1,046
At year-end, let for at least one year	**25,464**	26,185	26,512	27,280	27,773
+ added from in-house developments (b)	**364**	547	731	344	561
at year-end	**25,828**	26,732	27,243	27,624	28,334
of which added during the year (a+b)	**364**	547	731	344	1,607

Properties in the portfolio

The properties in the Letting portfolio with the address, number of residential properties, usable area and theoretical year-end rental are listed on page 124.

Value with vacant possession

Value with vacant possession down 4.2%

The value with vacant possession of the Letting portfolio was €5,509 million at the end of 2011, a reduction of 4.2% during the year as a result of inflow, outflow and revaluation.

Letting portfolio, value with vacant possession

year-end, (€ millions)	**2011**	2010	2009	2008	2007
Value with vacant possession	**5,509**	5,752	5,781	5,932	5,785

Average value per residential property

value per residential property unchanged at €161,000

At about €161,000 at year-end 2011, the average value per residential property was unchanged compared with a year earlier as a result of inflow, outflow and revaluation.

Letting portfolio, average value per residential property

year-end (thousands of euros)	**2011**	2010	2009	2008	2007
Average value per home	**161**	161	162	167	167

LETTING PORTFOLIO, RENTAL INCOME AND OCCUPANCY

Market rental value and theoretical rental income

market rental value marginally up theoretical rental income marginally down

At the end of 2011, the annual market rental value of the Letting portfolio was €266 million and the theoretical annual gross rent was €262 million.

Letting portfolio, market rental value and theoretical gross rent

year-end, (€ millions)	**2011**	2010	2009	2008	2007
Market rental value	**266**	265	264	261	259
Theoretical gross rent	**262**	263	261	252	245

Occupancy rate and tenancy turnover

occupancy rate rises to 95.7%, tenancy turnover rises to 14.1%

The occupancy rate in the Letting portfolio rose in 2011 to 95.7%. Vesteda regards the first year of letting as the initial letting phase. If properties added less than a year ago are ignored, the occupancy rate of the Letting portfolio is 96.5%. The tenancy turnover rose to 14.1%.

Letting portfolio, occupancy rate

calculated on number of residential properties percentages, year-end	**2011**	2010	2009	2008	2007
Occupancy rate for Letting portfolio	**95.7**	95.2	95.3	97.1	97.2
of which let for at least a year	**96.5**	96.1	96.4	97.8	97.7

Letting portfolio, tenancy turnover

calculated on number of residential properties percentages	**2011**	2010	2009	2008	2007
Tenancy turnover for the year	**14.1**	13.4	12.3	13.1	11.8
Tenancy turnover, three-year average	**13.3**	12.9	12.3	12.5	12.0
Tenancy turnover, five-year average	**12.9**	12.7	12.4		

Rental income

gross/net-ratio slightly down to 70%

During 2011, total gross rental income receivable rose by about 1% compared with 2010 to €245 million. Of the total gross rental, 97.1% is attributable to residential properties. Net annual rent as a proportion of gross annual rent fell to 70% in 2011.

Letting portfolio, realised rental income

(€ millions)	**2011**	2010	2009	2008	2007
Gross annual rent	**245**	243	241	238	226
Net annual rent	**171**	173	177	174	165
Net/gross annual rent	**70%**	71%	74%	73%	73%

Gross yield

Gross yield rises to 6.2%

The gross yield on the Letting portfolio, defined as the theoretical rent at year-end divided by the value of the portfolio at year-end, rose to 6.2%.

Letting portfolio, gross yield

percentages	**2011**	2010	2009	2008	2007
Gross yield	**6.2**	6.0	5.8	5.4	5.1

Rent trends

2.9% rise in rents, three sources

The average monthly rent per residential unit at year-end 2011 was €793, compared with €771 in 2010. This represents an increase of 2.9%, due to three factors. The first was the inflow and outflow of residential properties to and from the portfolio, which accounted for 1.4 percentage points of this increase, due to the outflow of cheaper properties to make way for more expensive units. The second factor was reletting: rents for new tenants were marginally lower than those of departing tenants, causing a fall of 0.4 points in the average monthly rent. The third factor was the annual rent rise for sitting tenants from 1 July which accounted for 1.9 points of the rise in the average rent.

Letting portfolio, average rent

year-end, in €	**2011**	2010	2009	2008	2007
Average monthly rent	**793**	771	755	721	688

Letting portfolio, average rent rise by source

Start of year compared with year-end, percentages	**2011**	2010	2009	2008	2007
inflow and outflow of properties in the portfolio	**1.4**	1.4	2.0	2.7	1.8
reletting	**-0.4**	-0.9	0.0	0.1	0.4
average rent rise for sitting tenants	**1.9**	1.6	2.8	2.5	1.8
redefinition of rental income as income for short-stay	**-**			-0.5	
Total increase in average rent	**2.9**	2.1	4.8	4.8	4.0

Portfolio by rent

75% of portfolio by rent in segment to €1,000

If the Letting portfolio is analysed by monthly rent, Vesteda earns 75% of its theoretical gross rent from letting in the segment with rents up to €1,000 per month.

Letting portfolio, by rent

Letting portfolio year-end 2011, by theoretical gross rent for 2011, by rent

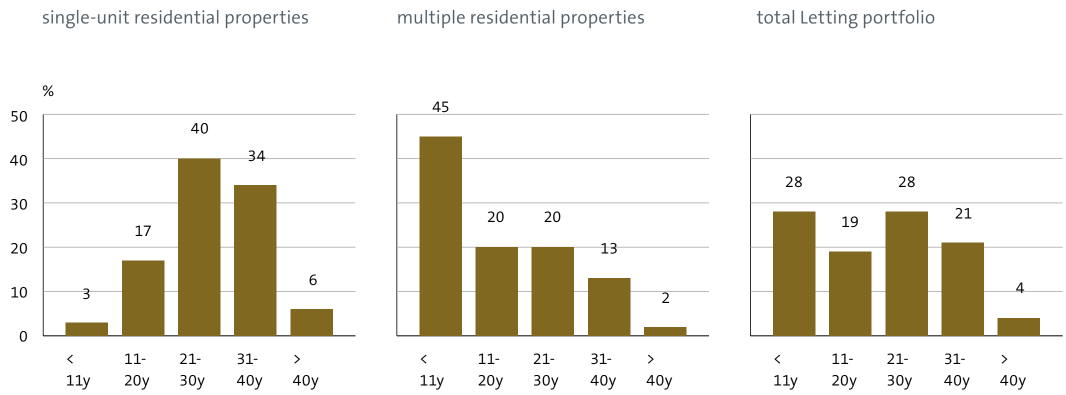
Portfolio composition by age

About half of the portfolio by value is 20 years old or less

The portfolio is still relatively young: about half of the homes by value are 20 years old or less. For multiple residential properties the proportion is more than two-thirds. There are almost no residential properties in the portfolio that are over 40 years old. The Letting portfolio is kept up-to-date mainly by the inflow from Vesteda's Development portfolio. As the inflow consists almost entirely of multiple residential properties, the two types give opposing views by age but overall the distribution is balanced across the four age bands under 40 years.

Letting portfolio, by age

Letting portfolio year-end 2011, percentage of value year-end 2011, by age



SEGMENTATION OF THE LETTING PORTFOLIO BY SUB-PORTFOLIO

This section sets out key figures for the Letting portfolio by sub-portfolio. In line with IVBN definitions, Vesteda breaks this down into single-unit and multiple-residential properties.

Letting portfolio (units)

2011, year-end	single-unit residential prop.	multiple residential prop.	total
Number of properties	10,346	15,482	25,828

Letting portfolio, movement in value*

2011 (€ millions)	single-unit residential prop.	multiple residential prop.	total
Value, at start of year	1,652	2,750	4,402
Investments	4	180	184
Disposals	-25	-146	-171
Transfers	18	-18	0
Revaluation	-23	-144	-167
Value, year-end	1,626	2,622	4,248

* including value of associated parking/garage spaces and commercial space

Letting portfolio by province, value

2011, fair value, year-end	single-unit residential prop.	multiple residential prop.	total
Groningen	13	49	62
Friesland	46	28	74
Drenthe	16	14	30
Overijssel	86	45	131
Gelderland	138	103	241
Utrecht	122	128	250
Flevoland	133	113	246
Noord-Holland	398	599	997
Zuid-Holland	467	830	1,297
Noord-Brabant	127	343	470
Zeeland	0	9	9
Limburg	80	361	441
Total	1,626	2,622	4,248

Letting portfolio, value with vacant possession, market rental value and theoretical gross rent

2011, year-end

(€ millions) Calculated on the number of residential properties percentages	single-unit residential prop.	multiple residential prop.	total
Value with vacant possession	2,137	3,372	5,509
Market rental value	97	169	266
Theoretical gross-rental income	96	166	262

Letting portfolio, occupancy rate

2011, year-end (€ millions)	single-unit residential prop.	multiple residential prop.	total
Letting portfolio	98.0	94.2	95.7
of which let for at least a year	98.0	95.5	96.5

Letting portfolio, realised rental income

2011 (€ millions)	single-unit residential prop.	multiple residential prop.	total
Gross annual rent	94	151	245
Net annual rent	71	100	171
Net/gross annual rent	76%	66%	70%

Letting portfolio, gross yield

2011, year-end percentages	single-unit residential prop.	multiple residential prop.	total
Gross yield	5.9	6.4	6.2

Letting portfolio, average monthly rent

2011 in €	single-unit residential prop.	multiple residential prop.	total
Start of year	748	787	771
Year-end	764	813	793

Letting portfolio, result on disposals

2011 (€ millions)	single-unit residential prop.	multiple residential prop.	total
Residential properties	5.2	2.0	7.2
COG			0.1
Land sales			-
			7.3

DISPOSALS

1,268 residential properties sold in 2011

In 2011, a total of 1,268 homes were sold. The purpose of regular sales of residential properties is to consolidate capital gains and adjust the composition and quality of the portfolio. Sales generated €190 million of liquid funds.

Letting portfolio, disposal volume

(€ millions)	**2011**	2010	2009	2008	2007
Residential properties	**189**	186	176	181	200
COG	**1**	2	-	1	6
Land sales	**-**	9	4	-	-
Total	**190**	197	180	182	206

Disposals of residential properties from the Letting portfolio

units	**2011**	2010	2009	2008	2007
Individual sales	**414**	547	374	696	849
Complete complexes	**854**	507	738	356	414
Total	**1,268**	1,054	1,112	1,052	1,263

Preference for individual sales

414 residential properties sold individually

To get the best results from sales, residential properties are as far as possible sold individually to tenants or, if vacant, to third-party purchasers. In 2011, 414 residential properties were sold for a total of €82 million.

Remainder sold as complete complexes

supplementing individual sales with sales of complexes improves speed of sale and creates liquidity

Complexes are sold complete to improve the cash position and as an alternative for individual sales if they are too slow, for example, because of a very low tenancy turnover in combination with the tenancy profile. As usual, strictly regulated and transparent tender procedures were used. As well as screening the potential candidate's financial soundness and source of funds as far as possible, the purchaser's good reputation is a major consideration. The sales terms incorporate the IVBN Sales Code and anti-speculation provisions required by Vesteda.

854 residential properties sold in complexes

854 residential properties were sold in complexes in 2011, for a total of €108 million.

Result on disposals per unit

total result on disposals from Letting portfolio €7 million, an average of €5,600 per property

A book profit of €7 million was made on disposals in 2011. The average book profit was €5,600. Speed of sale rather than book profit was the main motive for these sales. The average book profit per residential property sold individually was €22,000 and thus down on 2010, when it was over €34,000.

Letting portfolio, result on disposals

(€ millions)	**2011**	2010	2009	2008	2007
Residential properties	**7**	20	9	20	34

Letting portfolio, result on disposals per residential property

Result on disposals per residential property	**6**	19	8	19	27

Letting and management expenses

At 30% of letting revenue, letting expenses for 2011 were up on the previous year. The structural component of the management expenses was 38 basis points, significantly lower than in 2010, but overall they rose to 52 basis points as a result of a non-recurring restructuring provision. The reorganisation will take place in the spring of 2012, bringing capacity into line with the level of corporate activity and stabilising the level of expenses in the long term.

letting expenses up to 30%

Letting expenses include maintenance costs, reletting, property management, brokers' fees and fixed costs (including taxes). They amounted to 30% of gross letting revenue in 2011. The target was an expense level of no more than 28.5%. Much of the increase was caused by a non-recurring restructuring provision of €3.2 million.

management expenses rise to 52 basis points as a result of restructuring provision

The management expenses allocated to Vesteda Woningen cv and Vesteda Woningen II cv in 2011 amounted to 52 basis points (bp) of the portfolio value at the start of the year. The target was an expense level of no more than 42 bp. Here too the decisive factor was the formation of a restructuring provision in 2011, which included €7.8 million for management expenses (including €1.4 million for Vesteda project BV). Excluding the provision, management expenses would have been 38 bp.

structural expense level of 35 bp

Vesteda is aiming to have a competitive cost structure in line with the nature and scope of the management of the portfolio. The target is a structural expense level of 35 bp. The costs provided for in 2011 relate to the reorganisation that will take effect in 2012 and lead in due course to expenses being at the target level.

cost-saving programme

In 2011, a cost-saving programme was implemented with external consultants which screened the most relevant non-employee expenses for opportunities for savings. This revealed several options that will lead to structural savings in expenses in the next few years.

Letting expenses

Vesteda Woningen cv and Vesteda Woningen II cv, as percentage of rental income	**2011** %	2010 %	2009 %	2008 %	2007 %
Target	<28.5	< 27.5	< 28.0	< 28.0	< 28.0
Result	30.3	28.5	26.4	27.0	27.1

Management expenses[1]

Vesteda Woningen cv en Vesteda woningen II cv, in basis points of opening portfolio	**2011** bp	2010 bp	2009 bp	2008 bp	2007 bp
Target	<42	< 40	< 40	< 40	< 40
Result	52	44	38	37	37

[1]. See Annex 4 on page 140 for definitions

Galerijflat Boshoek
Prinses Beatrixlaan 9 to 299, Rijswijk
146 apartments

Replacing the existing cast-iron drainpipes without demolition work. After inspection, cleaning and repairing any breaks with extruded glass-fibre tape, the existing pipes are covered on the inside with several layers of a glass-reinforced polyester coating. This reinforcement creates a new long-lasting pipe with an expected life of at least 50 years.

What is the benefit?
60% savings compared with the conventional replacement method, work takes two days per downpipe rather than five, no dismantling or digging, no waste, much less inconvenience for residents.

SUSTAIN ABILITY VESTEDA

Relative performance as residential property investment

Vesteda compares its yield against the average yield on investments in Dutch residential properties. In 2011, Vesteda's direct yield was in line with the benchmark; the indirect yield was over 1% under the benchmark.

comparison with residential investment index

Vesteda compares its yield with the IPD Netherlands 'All Residentials' benchmark that expresses the average yield of Dutch residential property investments over various periods. The index gives the market average of actual results of all participants (including Vesteda), allowing for sales, purchases and redevelopments in addition to the standing investments.

Results

Vesteda's direct yield above market average every year since incorporation

Each year for the past 10 years, Vesteda's direct yield has been above the market average. Vesteda has beaten the benchmark for the direct yield every year since it was incorporated in 1998 and so Vesteda's performance in letting its property is structurally better.

Vesteda's indirect yield above market average on ten-year basis

Vesteda's indirect yield (trend in values) is also above the benchmark on a ten-year basis: on average, Vesteda has been 0.2% higher than the market average each year and so Vesteda's portfolio also performs structurally better in terms of increase in value.

Vesteda's track record underlines fund proposition

Measured over ten years, Vesteda's average total yield has been some 0.6% higher than the market average (including Vesteda itself).

Vesteda Woningen cv and Vesteda Woningen II cv compared with IPD residential properties benchmark

Percentages, IPD Netherlands 'All Residentials', computed using IPD definitions. Totals may not add up because of rounding. Benchmark including Vesteda Woningen.

				Annual yield		Average of past		
	2011	2010	2009	2008	2007	3yr	5yr	10yr
Direct yield								
Vesteda Woningen	**4.3**[1]	4.0	4.0	3.8	3.9	3.9	3.9	4.5
IPD-benchmark	[2]	4.0	3.7	3.6	3.6	3.7	3.7	4.0
Out-performance	[2]	+0.1	+0.3	+0.2	+0.3	+0.2	+0.2	+0.5
Indirect yield								
Vesteda Woningen	**-3.8**[1]	-2.7	-6.3	-2.4	5.1	-3.8	0.2	3.2
IPD-benchmark	[2]	-1.4	-6.4	-0.8	6.2	-2.9	0.8	3.0
Out-performance	[2]	-1.3	+0.1	-1.6	-1.1	-0.9	-0.6	+0.2
Total yield								
Vesteda Woningen	**0.6**[1]	1.3	-2.6	1.3	9.2	0.0	4.1	7.8
IPD-benchmark	[2]	2.5	-2.9	2.7	9.9	0.7	4.5	7.2
Out-performance	[2]	-1.2	+0.4	-1.4	-0.7	-0.7	-0.4	+0.6

[1] Vesteda's forecast using IPD methods, not issued by IPD

[2] not available at date of Annual Report

Staff and organisation

Major features of 2011 for the staff and organisation were adapting the organisation to the new strategy and its implementation.

WORKFORCE

9% reduction in workforce in 2011

The workforce fell compared with 2010, when Vesteda employed 332 FTEs at year end; this had fallen to 305 by the end of 2011.

Staff

FTEs	**2011 year end**	2010 year end	2009 year end	2008 year end	2007 year end
Year end	**305**	332	346	337	318
Annual average*	**322**	331	344	322	321

* average of 12x month-end figure

Vesteda's personnel

Year end

FTEs	**2011**	2010	2009	2008	2007
Head office	**99**	108	110	108	103
Property management	**189**	201	203	193	184
Vesteda	**288**	309	313	301	287
Vesteda Project Development bv	**17**	23	33	36	31
Total Vesteda	**305**	332	346	337	318

Employees	**2011**	2010	2009	2008	2007
Head office	**108**	119	120	118	110
Property management	**221**	236	239	223	207
Vesteda	**329**	355	359	341	317
Vesteda Project Development bv	**17**	23	34	37	32
Total Vesteda	**346**	378	393	378	349

8% fewer employees

The number of employees fell from 378 at year end 2010 to 346 at year end 2011.

average age of employees increases by about 1 year

The average age rose from 41.6 years in 2010 to 42.5 years in 2011 as a result of the hiring freeze in place throughout the year. Much (36%) of the workforce is between 35 and 45 years old. There is an even distribution between the under 35 and 45 to 55 categories, each of which includes about a quarter of the workforce. In total, 14% are 55 or older.

Workforce, by age

Percentage of employees	**2011**	2010	2009	2008	2007
	%	%	%	%	%
younger than 35 years	23	28	31	32	30
35 to 45 years	36	34	33	32	34
45 to 55 years	27	25	23	24	25
over 55 years	14	13	13	12	11
total	100	100	100	100	100

54% female, 46% male

The male/female ratio did not change. At 54%, women are in the majority.

Workforce, by gender

Percentage of employees	**2011**	2010	2009	2008	2007
	%	%	%	%	%
male	46	46	46	47	51
female	54	54	54	53	49
total	100	100	100	100	100

few voluntary departures

Partly because of uncertainty on the labour market, there were few voluntary departures. In 2011, 33 new employees joined Vesteda and 65 employees left, including those who had fixed-term contracts which were not renewed and those who were made redundant as a result of the cost savings.

ORGANISATIONAL CHANGES

organisation adapted to strategy

Between March and May 2011, the strategy for the period 2011-2015 was developed into a plan that was then discussed with the Supervisory Board and investors. This plan sets out how Vesteda will achieve its strategy and affects the structure of the organisation. The organisation was adjusted accordingly in the second half of the year and the resultant reorganisation was implemented in early 2012.

top-down approach

A start was made in June when the project teams were appointed. A departmental structure was set up for optimum governance and efficiency and the associated responsibilities were designated under the articles of association. All primary operating processes were assessed in accordance with the proposed structure. These processes were translated into a detailed organisation structure with functions in each part for a 'lean and mean' implementation of the processes.

processes clustered by department

The processes were clustered in line with the core activities to be performed in house, addressing the combination of expertise and efficiency in performance and management of the Asset management, Portfolio management, Fund management & Reporting departments and the head office departments. The strategy plan states that the investor function is the core of the business.

Plans will lead to significantly smaller organisation in 2012

The number of employees required for the designated processes in each department was determined. Further cost savings are required in letting and management expenses. A cut of 53 in the workforce is foreseen in 2012, including a number of compulsory redundancies. 2012 will be a year of transition. The transition will be longer in some units such as project development, as the project portfolio is run down.

Property management will be made autonomous and take on a commercial relationship with the investment business

For property management, the strategy means that work and processes which are currently integrated in the organisation will become clearer and the property management activities will become autonomous in 2012. Property management will be set up as a separate organisational entity with a profit target and it will also let and manage for third parties.

FTEs in project development significantly reduced

As a result of the decision not to acquire any new projects, the workforce at Vesteda Project Development bv fell further in 2011 from 23 at year end 2010 to 17 at year end 2011.

Registered office relocated to Amsterdam

large number of departments and management functions will follow in 2012

The registered office was relocated to Amsterdam in July 2011. Further to the relocations, most operating activities will be performed in Amsterdam from 2012. This means that a large number of departments and management functions will be relocated from Maastricht to Amsterdam. It is possible that a number of back-office and support activities will continue to be performed in Maastricht.

Plans under consideration by the Works Council

social plan agreed, decisions follow in early 2012

The new plans were submitted to the Vesteda Works Council for its opinion in October 2011. The Managing Board and trade unions then held talks on a Social Plan to limit the adverse effects of redundancy and relocation as far as possible. The Managing Board expects to be able to make a final decision on the new structure and the relocation of business units to Amsterdam in early 2012. At the time of the Managing Board meeting on 5 March, the union members had agreed to the social plan by a large majority.

STRENGTHENING THE ORGANISATION

Performance cycle

performance cycle gets the best out of everyone

Vesteda is convinced that all employees make a significant contribution to the company's reputation and result. To remain successful as a business, all employees are encouraged and enabled to get the best out of themselves. To this end, there is a performance management programme.

Employee development and training

1.9% of payroll invested in training

In 2011, €355,000, or 1.9%, of the gross payroll, was invested in the development of individual employees and the teams.

SICK LEAVE

sick leave falls slightly to 3.9%

After rising for some time, sick leave has fallen considerably in recent years. Thanks in part to the new sick-leave policy in 2010, there was a further decline in 2011. At 3.9% (including long-term leave) and 3.6% (excluding long-term leave) the rate was low.

Sick leave at Vesteda

percentage	**2011**	2010	2009	2008	2007
	%	%	%	%	%
Sick leave total	**3.9**	4.1	3.6	5.6	5.3
Sick leave excluding long-term leave (> one year)	**3.6**	4.1	3.5	5.0	5.2

WORKS COUNCIL

discussions intensified

As in previous years, there were constructive discussions between the Managing Board and the Works Council. The discussions intensified considerably, particularly towards the end of 2011, in view of the Managing Board's proposals on the changes in strategy.

positive critical attitude of the Works Council

The Managing Board values the positive criticisms of the Council and held extensive discussions with the members during the year.

report of the Works Council presented

The report of the Works Council is on the following pages.

Report of the Works Council

2011 was a dynamic year for the Works Council from the perspective of participating in decision-making. The Works Council had a new partner in discussions when Mr Schakenbos became Vesteda's CEO, the 2011-2015 strategy brought change and the difficult situation in the property sector externally made changes to the organisation unavoidable. The Works Council also dealt with normal strategic and operational business and other activities and developments of importance to it.

staff reductions and compulsory redundancies

As a result of the economic crisis, Vesteda saw the need in early 2011 to cut staff numbers, including twelve compulsory redundancies.

new business plan and further changes to the organisation

The arrival of a new CEO heralded a new business plan covering 2011 to 2015. This plan, which was approved by the Supervisory Board and the investors in May, set the framework for a "new style" Vesteda. Its details led in the autumn to a request for an opinion on the changes to Vesteda's strategy and the new top-level structure. Significant elements of the request concerned strategic adjustments to the organisation, cost cutting (in particular in management expenses) and last but not least the relocation of core functions to Amsterdam. For the employees, this reorganisation will lead to a reduction in the workforce as jobs disappear and the lack of suitable positions/ vacancies; employees are also faced with relocation of their jobs to Amsterdam. The Managing Board expects 63 compulsory redundancies by 2013.

Social Framework

The Managing Board has invited the trade unions to discuss a Social Framework for dealing with the consequences of the reorganisation. The unions and the Works Council have decided to tackle this process together and the Works Council will not issue its opinion until the unions have approved a Social Framework. This is expected in early 2012.

outside expertise

The impact of these proposals makes it all the more necessary to carefully weigh up the interests of those affected. The Works Council decided to use the outside expertise of Berenschot Groep bv when considering this request for an opinion. The Works Council issued its detailed opinion on the proposals in March 2012.

scheduling time for the members of the Works Council

All those involved had to invest much time and effort in studying the documents, frequent meetings with the Managing Board, internal discussions and reaching an opinion. In this respect, the Managing Board cooperated fully in scheduling time for the members of the Works Council.

Reorientation of property management

The evaluation of Reorientation II of the property management organisation was also on the agenda during 2011. This involved operational improvements focused on equipping the organisation better for the work it has to perform. Nevertheless, this has not restored calm at property management. The strategic decision in the business plan to stop regarding property management as a core activity at Vesteda means that property management is looking to become an autonomous department within a few years. It will also offer services to third parties. A start was made on drawing up a business plan in 2011; it will be submitted to the Works Council for an opinion in 2012.

Works Council opinion on new legal structure

One objective of the 2011-2015 business plan is to attract new – foreign – investors. To this end, Vesteda's legal structure has been altered to make it easier for new and existing investors to join and leave. The Works Council issued an favourable opinion on this.

consultative meetings

The Works Council held six scheduled consultative meetings with the Managing Board in 2011, the first on 15 February. This was the Works Council's first discussion with the new CEO. After the meeting on 31 May, there was a discussion with Ms Insinger of the Supervisory Board. There was also a more informal meeting between the executive management of the Works Council and the Managing Board.

Works Council meetings

The Works Council met ten times and the frequency of meetings increased, particularly in the second half of 2011, following the request for an opinion on the reorganisation. During that period, the Works Council organised a two-day offsite meeting in Eindhoven, assisted by an adviser from Odyssee. The Works Council also had frequent and intensive contacts with the trade unions and the external adviser Berenschot.

discussions and communications with employees

Communication with the employees intensified significantly as a result of the Managing Board's proposals for a reorganisation, becoming a weekly update on the situation. A meeting organised jointly with the trade unions was held in Eindhoven on 9 November at which employees could respond to the Managing Board's proposals and the proposed Social Framework. About 140 employees attended the meeting. At a later stage, the employees participated in the Berenschot 'yardstick' meeting, setting out questions, areas for attention and concern and the conditions on specific aspects of the request for opinion.

The chairman of the Works Council also writes a regular article in the staff newsletter, Synergie.

regular business

Although the year was dominated by the staff cuts and the reorganisation, the Works Council also discussed and considered the following matters:

- Criteria for granting target remuneration in 2011;
- Ability of dismissed employees to continue accruing pensions;
- Leave regulations (statutory regulations);
- Mandatory working time reduction days;
- Working conditions at the woongalerie Amsterdam (health and safety).

Works Council chairmanship

Wim Snijders took on the chairmanship of the Works Council with enthusiasm at the end of 2010 but he decided to stand down in early November in view of his lack of experience and the increasing burden put upon him, partly as a result of the reorganisation process. He will remain as a member of the Works Council for the remainder of its term. Maurice Raemaekers agreed to resume his role as chairman.

2012 agenda

Top of the agenda for 2012 is the opinion on the changes to Vesteda's strategy and new top-level structure. The Works Council and trade unions are working closely together on this process. The details of the autonomy of property management will lead to a new request for an opinion, which the Works Council looks forward to receiving in the near future.
The Managing Board has said it wishes to talk about the criteria for granting target remuneration, with greater weight for the realised result.
There were discussions on new-style working in the context of the relocation of employees. It has been agreed that the Managing Board will present a detailed policy before the summer holidays. Other more day-to-day matters such as mandatory working time reduction days, the meeting schedule and discussions with representatives of the Supervisory Board will be discussed.

Outlook

Vesteda's targets and performance indicators are presented on page 45.

DEVELOPMENTS AT VESTEDA

Financing

repayment and partial refinancing

The A3a, A3b and A5 CMBS notes will be repaid in the first half of 2012 by issuing an A8 note of €625 million and utilising €125 million from available cash resources.

club deal

Vesteda has concluded a forward start facility of €625 million in a 'club deal' between two banks, so that it can further reduce its refinancing risk.

reduction and diversification

Vesteda will permanently reduce the loan capital to a maximum of 30% of assets over the next few years. Vesteda also wants to diversify the financing structure allowing a flexible response to the money and capital markets.

Development

no expenditure in excess of income from disposals

Vesteda Project Development bv's development activities will be limited to construction in the contractual pipeline in 2012. The assumption is that investments relating to the contractual pipeline will be funded entirely from the proceeds of sales. Vesteda is also continuously exploring the market for opportunities for acquisitions that support the portfolio strategy.

additional attention for disposals during the construction phase

Where it is decided to sell projects from the viewpoint of portfolio composition and sales opportunities, extra attention will be given to selling residential properties during the construction phase.

pipeline run-down

The investment as a result of the contractual pipeline will be about €100 million (including VAT) in 2012. The number of completions will be about 200 residential properties. Extra attention will be given to selling residential properties from suitable projects during construction. Given the rapid availability of the homes, this will be met with reasonable interest.

Investment

more in mid-segment

Expansion of the mid-segment of the higher-rent sector, in the rent range from €665 to €1,200 monthly, is a priority for managing the investment portfolio. Growth in the upper segment above €1,200 will be curbed and stabilise.

run-down in region 3

There will be almost no new investments in region 3 (see page 14) but the portfolio will be run down according to a plan and elements that make a substantial contribution to the cash yield will be retained.

Details of the Letting portfolio to 2020 are given on page 41.

Letting/management

reformulating strategy

The property management department will become an autonomous, competitive and profit-based business unit offering letting and management services. The start of work for third parties will lead to economies of scale in addition to efficiency measures in the organisation.

Customer satisfaction is determined by the level of service, the customer-friendliness of the staff and the rent and maintenance policy. An overall score of 7 is the target for 2012.

Sales

sales contribute to deleverage

Projects are selected for sale on the basis of the hold/sell analysis. The main objective of sales in 2012 is to meet the cash flow forecast as this is important for the proposed deleverage. This demands careful management of the properties put up for sale and the sales process. As part of the reorganisation, the sales department will become part of asset management and this will achieve cost savings. There is a challenging sales target for 2012

CSR & sustainability

structural stakeholder dialogue, new phase of CSR policy

Efforts to make the portfolio more sustainable within the framework will continue in 2012. Significant CSR targets are improving the average energy classification of residential properties in the Letting portfolio and organising structural stakeholder dialogue, moving the implementation of the CSR policy into a new, subsequent phase.

Investor relations

investor relations activities will increase in the Netherlands and abroad

In the course of 2012, Vesteda will present a new information memorandum to current and future investors, clearly describing the organisation's proposition. Thereafter, investor relations activities in the Netherlands and abroad will increase, with approaches to institutional investors in the second half of 2012.

Targets for 2012

A summary of Vesteda's targets and performance indicators for 2012 is presented on page 25.

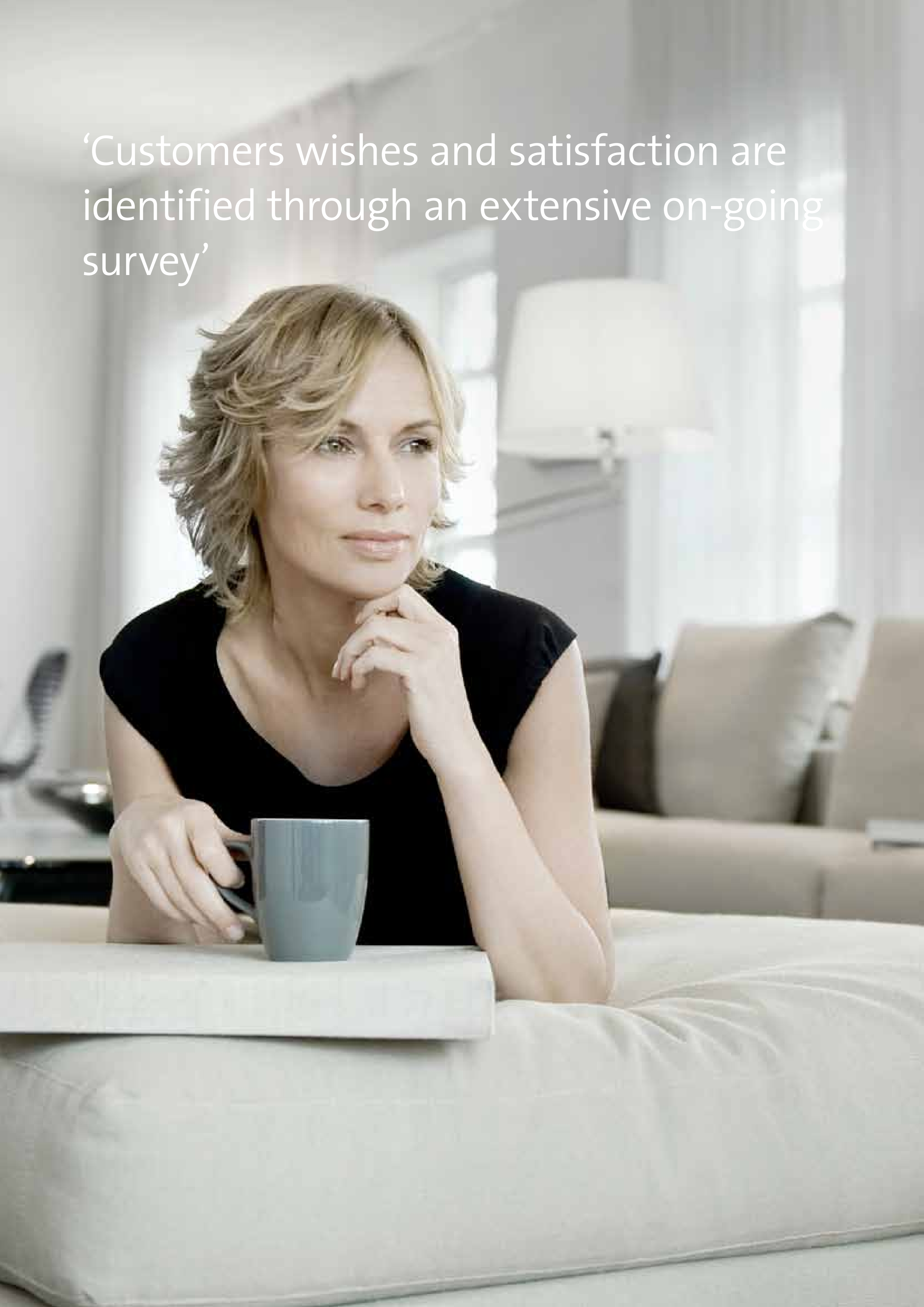
FINALLY

We conclude by thanking our tenants for choosing a Vesteda home, our investors for their confidence and our employees for their efforts and involvement.

Maastricht, 5 March 2012
Managing Board

A. Schakenbos
O. Breur
N. Mol
L. van der Ploeg

‘Customers wishes and satisfaction are identified through an extensive on-going survey’



Governance and risk management

Corporate Governance

The Supervisory Board and the Managing Board take account of the interests of the various stakeholders, endeavouring to create long-term shareholder value.

GOVERNANCE AT VESTEDA

Separate responsibilities with shared goals

The Supervisory Board and the Managing Board of Vesteda Groep bv each have their own responsibilities, with shared goals, for balancing all interests, with a view to ensuring the continuity of the enterprise. The stakeholders are the groups and individuals who directly or indirectly influence, or are influenced by, the achievement of the aims of the Vesteda Group: tenants, investors and other providers of capital, employees, suppliers and customers, but also the government and society at large. The Supervisory Board and the Managing Board take account of the interests of the various stakeholders, endeavouring to create long-term shareholder value.

Investors

The Supervisory Board and the Managing Board regard the legal structure as a way of continuing the good relationship with all Vesteda's investors. The investors have said that they are prepared to continue investing in Vesteda provided it is reorganised into a competitive structure which fully reflects all of the previously agreed governance arrangements. These arrangements concern greater transparency between the Managing Board, Supervisory Board and investors, for example by the strategy and budget being submitted to the Investors. Another example is the way in which the Managing Board has made the restructuring process transparent, in the sense that working conferences were organised with Investors and their advisers. During the conferences, there was good interaction between the various specialists, resulting in fund documentation that was approved by the tax authorities at year end.

During 2011, Vesteda Groep bv held a central position in the organisation. The Managing Board of Vesteda Groep bv, which also manages Vesteda Groep II bv, holds regular formal and informal meetings with the Supervisory Board on the policy of the Vesteda organisation as a whole. Vesteda Groep bv is the sole director of Vesteda Project bv and managing partner of Vesteda Woningen cv. Vesteda Groep II bv is managing partner of Vesteda Woningen II cv. After the restructuring, Vesteda Investment Management bv will take over the position of Vesteda Groep and Vesteda Groep II.

The Managing Board and Supervisory Board are accountable to Vesteda Group's investors and other stakeholders. Decisions were taken in 2011 on the basis of the Participation Agreements between the investors, which can be compared with the articles of association of a legal entity. The basis after the restructuring will be the terms and conditions of Vesteda Residential Fund which set out the governance agreements reached with the Investors and the way in which Vesteda Investment Management bv will guarantee joining and leaving the fund.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code has been mandatory for listed companies since 2009. The Corporate Governance Code Monitoring Committee prepared its second report on compliance with the Code in December 2010. The committee's terms of reference were to ensure that the Code is practicable and up to date and to monitor compliance by Dutch listed companies and institutional investors.

The Code is not mandatory for Vesteda Group (or, now, Vesteda Residential Fund) which is of a closed nature. Although this means that parts of the Code cannot be applied directly, the Supervisory Board and Managing Board endorse the best-practice provisions for Vesteda. This section explains where the Code is departed from.

GOVERNANCE IN 2011: SUPERVISORY BOARD

Function
By law and under the articles of association, the Supervisory Board's role is to supervise the policies of the Managing Board and the general affairs of the company and the law and the articles of association also impose specific duties.

Appointment
Under the articles of association of Vesteda Groep BV, the supervisory directors' period of office is four years, with one reappointment of four years, and so the Dutch Corporate Governance Code is being followed. The retirement schedule is in line with this.

Mr van den Berg resigned in April 2011. Messrs Corpeleijn and De Beus resigned on 31 December 2011. In accordance with the Code, new periods of office will be for a maximum of two four-year terms.

The relevant dates for each supervisory director are set out in the Board Members section.

Membership of the Supervisory Board
The Board aims to achieve the best balance in its membership between expertise and experience in management, finance, property and pension investment.

The investors appointed John de Die with effect from 1 April 2011 at the General Meeting of 14 December 2010.

Peter Kok was appointed by the Investors at the meeting of 22 June 2011.

In 2011, the Supervisory Board appointed the Nomination and Remuneration Committee. Its members are Ms Insinger (chairman), Mr de Beus and Mr de Boo. The profile of the Vesteda supervisory directors has been updated and improved. Appointment of supervisory directors was monitored taking into account the profile.

The Supervisory Board also appointed an Audit Committee during 2011. Its members are Mr de Die (chairman) and Mr Kok.

Authority
All decisions with a value of €10 million or more are reserved for the Supervisory Board. The articles of association and participation agreements also reserve specific decisions for the Supervisory Board. Decisions with a value of over €75 million must be submitted to a General Meeting. This has been incorporated in full in the new fund terms and conditions.

Evaluation
Regulations have been drawn up on other principles in the Dutch Corporate Governance Code including the composition of the board, decision-making and appointment of supervisory directors. These specify that the Supervisory Board discusses its own functioning at least once a year in the absence of the Managing Board. There was a written evaluation of the functioning of the Managing Board and the Supervisory Board on the initiative of the Nomination and Remuneration Committee and it was discussed during the meeting of the Supervisory Board on 16 November 2011.

Remuneration
The annual remuneration of the chairman and members of the Supervisory Board is based on competitive compensation derived from a labour market survey. The General Meeting of Investors in the spring of 2008 set the remuneration at €44,000 for the chairman of the Supervisory Board and €31,000 for the members, based on the most recent survey in 2008. All members also receive an expense allowance of €2,500. These amounts are fixed, not indexed, and payable annually.

Ethics
If there could be a conflict of interest at any time during a request for the approval of a transaction, there are consultations with the chairman of the Supervisory Board to properly ensure the supervisory director does not take part in the discussions. This has been incorporated mutatis mutandis in full in the new fund terms and conditions.

GOVERNANCE IN 2011: MANAGING BOARD

Function
The role of the Managing Board is to manage the company. This includes developing and implementing strategy and associated commercial and investment policy within the law, regulations and articles of association and under the supervision of the Supervisory Board.

Following the approval of the Supervisory Board during its meeting of 16 November 2011, the membership of the new Managing Board, which will manage Vesteda Investment Management bv and the associated new top-level structure, was approved by the General Meeting on 14 December 2011.

Appointment
Contracts of employment with members of the Managing Board are for fixed periods, meaning that the term of appointment is in line with the Corporate Governance Code.

Remuneration
The annual remuneration of the members of the Managing Board is based on competitive compensation derived from a labour market survey by an external firm commissioned by the Supervisory Board. The reference group consists of comparable Dutch institutional property funds or property asset managers.

In addition to a basic salary, the Managing Board may earn a variable element, comprising an annual incentive (‘target’) and a long-term incentive over three years.

The variable element depends on predetermined targets set for each member of the Managing Board, depending in part on their portfolios. There is also a discretionary portion decided by the Supervisory Board.

The contracts of employment specify severance pay arrangements. With effect from 2010, the severance pay under these contracts is limited to one year’s basic salary, in accordance with the Corporate Governance Code.

The total remuneration of the Managing Board, as disclosed on page 106 of the annual report, comprises a basic salary, the variable element, pension charges and other employers' expenses.

Ethics
The Managing Board has signed the Code of Ethics drawn up by the IVBN in 2008 and confirmed the Internal Code of Conduct in 2009 and 2010.

A Compliance Committee has been appointed, as set out in the Internal Code of Conduct. As specified in the code, reports can be made to the Compliance Committee, which reports to the Managing Board and if necessary the chairman of the Supervisory Board. During the year, the Compliance Committee reported issues to the Managing Board, which took the appropriate decisions.

The members of the Managing Board meet the other requirements in the Dutch Corporate Governance Code on ancillary positions, shareholdings, personal loans and guarantees.

GOVERNANCE IN 2011: EMPLOYEES

Performance management
To encourage employee development, there are at least three interviews a year with each individual. The record of the interview is signed by the manager and the employee. Targets are agreed at the beginning of the year. The course is set in an appraisal interview halfway through the year and the balance is drawn up during an appraisal interview at the end of the year. These three interviews form the performance cycle.

Remuneration
Vesteda's remuneration policy is that employees are rewarded competitively.

Variable remuneration
In view of the results achieved in 2011, no variable remuneration is being awarded to staff.

Risk management

Vesteda has fully incorporated risk management into its operational processes. It has implemented a risk management framework suited to its "core" fund risk profile and reaching all levels and lines of business in order to assure 'in control' performance. Vesteda's Managing Board performs regular checks on the operation of the controls and strives to continuously improve and optimise the risk management process.

Focus on prompt identification

risk management aims to promptly identify, assess and manage risk

The purpose of the risk management and internal control systems is to promptly identify significant risks and to assess and manage them in order to achieve business targets in line with the overall strategy and targets in the strategic plan for the coming years. It is not impossible that risks which have not currently been identified or which are not currently regarded as significant, may later have a major adverse effect on Vesteda's ability to achieve its corporate targets. The internal reporting systems are designed in part to promptly identify these risks.

Integral part of business operations

based on COSO recommendations

Risk management is an integral part of Vesteda's business operations and process management. To put this into practice, the risks associated with business operations are identified and – if the Managing Board believes it necessary – reduced to the desired level by control measures. Vesteda regularly identifies and evaluates the strategic, operational, compliance and financial risks. The internal control systems have been developed on the basis of the recommendations of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), the objective of which is to create a reasonable level of assurance on the achievement of organisational targets. The internal control systems are, however, unable to offer absolute assurance because of unforeseen circumstances, human errors of judgement and mistakes, collusion by employees, breaches of regulations, cost/benefit considerations or coincidence of inherently minor incidents with significant consequences.

Managing Board's responsibility

day-to-day responsibility of senior management and process owners

The Managing Board is responsible for managing the risks inherent in Vesteda's business activities. It is also responsible for ensuring that the company complies with relevant legislation and regulations. Senior management and the designated process owners have day-to-day responsibility for on-going monitoring of the design and operation of these measures.

2011: fifteen risks

structured description, control measures developed and documented

The Managing Board re-evaluated the list of most relevant and significant risks for Vesteda during the first quarter of 2011. This resulted in fifteen risks being reconfirmed as the most relevant and significant for Vesteda.

A. Integrated portfolio management;
B. Project development;
C. Customer focus;
D. Disposals;
E. Funding;
F. Strategic vision;
G. Cash planning and forecasting;
H. Human Resource Management;
I. Financial reporting;
J. Fraud;
K. Innovation;
L. Continuity of IT;
M. Tax status;
N. Contractual obligations;
O. Sustainability.

One of the criteria for identifying these fifteen risks is that they should satisfactorily cover on-going strategic, operational, compliance and financial risks. There is an annual evaluation of the way in which the existing set of identified risks covers Vesteda's risk universe. In other words, there is an assessment of whether new risks should be added to the existing list, or whether risks can be removed from the list as a result of developments in operations, the property and financial markets, stakeholders etc.

The risk areas are addressed in detail below.

A. Integrated portfolio management
Description of the risk The risk that Vesteda's portfolio moves away from the defined target portfolio compiled under the agreements with the investors.

Control measure(s) The portfolio is designed using integrated portfolio management to create an optimum risk/return profile for the investors. To ensure this, current developments are matched against the optimum target portfolio and – if necessary – additional action is initiated to achieve the target portfolio.

B. Project development
Description of the risk The risks that may arise from having inadequate control of projects under development and construction, focusing on the financial consequences and quality of the projects.

Control measure(s) Continuous reconciliation and fine-tuning of projects under development in accordance with the programme of qualitative and quantitative requirements initiated from the target portfolio.

C. Customer focus
Description of the risk The risk that Vesteda is insufficiently focused on the wishes of tenants and is not commercially effective, resulting in worse customer satisfaction and financial performance.

Control measure(s) Customer wishes and satisfaction are identified through extensive and continuous surveys and the property management process is adjusted if necessary. Once again in 2011, the continuing economic crisis was reflected in pressure on letting, especially in the upper segment, and so there were greater efforts to further reduce the volume of properties that did not meet the yield/risk profile for the target portfolio.

D. Disposals
Description of the risk The risk that the necessary sales volume and margins are not achieved for business operations.

Control measure(s) Continuous reconciliation and fine-tuning of projects in the sale phase in line with the requirements of the target portfolio. Efforts in 2011 were on increasing sales of more expensive, sometimes vacant, residential priorities. This is one way of achieving the aim of generating sufficient sales proceeds for purchasing new residential properties without having to attract additional external financing.

E. Funding
Description of the risk The risk that Vesteda cannot attract the necessary funding (equity and loan capital) on competitive terms and conditions to achieve its strategy and targets. Obtaining loan capital involves an interest rate risk and a volume risk. Investor relations focus on achieving targets in relation to current and future investors.

Control measure(s) Vesteda has chosen to reduce the volume risk by using different maturities in the current funding thus reducing the amount of refinancing on most occasions. The refinancing will be arranged so that there is flexibility in repayment. A further aim is to gradually reduce the level of loan capital to 30%. Interest rate risks are hedged using caps and swaps. Control measures are in place to ensure compliance with the financial covenants. The level of equity is determined primarily by investors joining and leaving. On 1 February 2012, Vesteda changed its legal structure with the aim of improving its commercial attractiveness and increasing liquidity while at the same time retaining a tax-efficient structure.

F. Strategic vision
Description of the risk The risk that Vesteda's strategic vision is not in line with developments in the housing market, investors' visions and Vesteda's ability to shape them.

Control measure(s) Developing and updating the strategic vision so that Vesteda's positioning (in coordination with the investors) shapes its aim of wanting to be an investment opportunity in the Dutch housing market for institutional investors. This vision is translated at portfolio level using integrated portfolio management.

G. Cash planning and forecasting
Description of the risk The risk that Vesteda cannot effectively and efficiently manage its liquidity requirements.

Control measure(s) All cash flows from development letting and sales activities are converted into actions to optimise the liquidity position through cash planning and forecasting. Cash planning and forecasting, of course, use medium and long-term funding assumptions, for example, on redemptions and refinancing. Funding in turn uses information from integrated portfolio management and cash planning and forecasting.

H. Human Resource Management
Description of the risk The risk that Vesteda has insufficiently qualified staff and/or too few people to achieve its targets

Control measure(s) Vesteda has many measures in place on selection, appraisal, remuneration and developing its people. This is primarily shaped in Vesteda's on-going performance management programme.

I. Financial reporting
Description of the risk The risk that Vesteda presents incorrect and/or incomplete and/or late financial reports to its stakeholders.

Control measure(s) A complete set of control measures have allowed the Managing Board to issue an 'in control' statement on financial reporting risks since 2007.

J. Fraud
Description of the risk The risk that employees and/or the Managing Board of Vesteda act fraudulently, leading to additional expense and reputational damage.

Control measure(s) Vesteda uses a set of procedures and measures to reduce the risk in processes concerned with sales methods, including the related parties, entering into commercial sales agreements, screening employees and contract parties. In addition, all staff must act in accordance with a code of conduct and there is a procedure for recording and reporting fraudulent action to the Managing Board and Supervisory Board under which corrective measures are taken when necessary.

K. Innovation
Description of the risk The risk that Vesteda focuses insufficiently on innovation, as this may lead to loss of future profits, lower customer satisfaction, a less distinctive position and loss of competitive strength.

Control measure(s) There is a structured process for developing new business models and cases.

L. Continuity of IT
Description of the risk The risk that one or more business processes cannot be performed or is hindered as a result of the non-availability or insufficiently available key systems.

Control measure(s) Availability requirements are agreed with system owners, based on analyses of the critical business processes and the related key systems. Regular monitoring of the current situation and requirements lead to corrective action when necessary.

M. Tax status
Description of the risk The risk that Vesteda does not meet all its obligations for its tax status with the possible loss of that status and corporation tax being levied on the result.

Control measure(s) Permanently safeguarding and monitoring the tax and other conditions of importance for the tax status, as established in rulings and tax legislation.

N. Contractual obligations
Description of the risk The risk that flawed contracts are drawn up and that there is a lack of adequate checks and balances in contract preparation.

Control measure(s) Proper contract preparation and monitoring that this is in line with the mandating policy, strategy and frameworks and signatory authority of management, Managing Board and Supervisory Board.

O. Sustainability
Description of the risk The risk of insufficient investment in the sustainability of operations with the possible result of inadequate increases in the value of the investments over time, not meeting investors' requirements on sustainability, potential loss of income and damage to image.

Control measure(s) Identifying the requirements and wishes of investors, government, tenants, purchasers and employees, in order to set up, implement and maintain a clear sustainability strategy with the primary goal of a sustainable property portfolio with, in this context, an optimum direct and indirect yield performance.

The above risk analysis approach is embedded in the planning and control cycles. The internal control systems include other measures for achieving adequate segregation of duties, prompt recording of significant transactions and information security. Internal accountability and management reports, management reviews and other internal scrutiny of the design and operation of the internal controls are an integral part of this approach.

The Managing Board regularly assesses the risk management and internal control systems. It has reported on the main business risks and the structure and operation of the risk management and internal control systems to the Supervisory Board.

‘In control’ statement

The Managing Board has issued an 'in control' statement on the financial reporting risks and strategic and operational risk management at Vesteda Group.

Managing Board's responsibility

The Managing Board is responsible for proper risk management and internal control systems and for assessing their effectiveness. Vesteda’s Managing Board aims for continuous improvement and optimisation of the risk management process and control measures.

statement on the financial reporting risks

Based on its assessment of the risk management and internal control systems, the Managing Board believes with respect to the financial reporting risks that:
- these systems provide a reasonable level of assurance that the financial reports contain no material errors;

In general, the risk management and internal control systems:
- functioned properly during 2011; and
- there is no indication that these systems will not function properly in 2012.

no significant shortcomings or deficiencies

No shortcomings which could have material effects have been identified in these systems in 2011 and up to the date of signing this annual report in 2012. Furthermore, no deficiencies which could have material effects regarding operational and compliance risks have been identified in the internal control systems.

Legal structure

Vesteda worked on changes to its legal and fiscal structure during 2011 and the resulting legal structure was implemented in February 2012. The principles were to improve simplicity from the investors' viewpoint and to use the international profile of the structure commercially for investor relations inside and outside the Netherlands, while retaining fiscal efficiency and transparency.

The structure as it was in 2011 before the changes is described followed by the new structure from February 2012.

LEGAL STRUCTURE IN 2011

Property under development and property investments and associated loan capital can be allocated to three main structures: property being let funded in part by bonds (structure I), property being let funded in part by mortgages (structure II) and property under development held by Vesteda Project Development bv and funded in part by revolving credit (structure III).

Three main structures

each structure has its own property and loan capital

Most of the companies in Vesteda's legal structure could be allocated in 2011 to one of these three structures, which are shown in separate columns in the diagram on page 86.

Main structures of Vesteda Group

main structure	property	in company	financed by loan capital
Main structure I	Let	Vesteda Woningen CV	Bonds
Main structure II	Let	Vesteda Woningen II CV	Mortgages
Main structure III	Under development	Vesteda Project BV	Revolving credit

Investors

two variants for participation in Vesteda

Investors were offered two different ways of participating in Vesteda: as 'limited partners' with a shareholding or as a limited partner with a direct interest. As limited partners with a direct interest, investors acquired a direct interest in the two property partnerships; as limited partners with a shareholding they acquired a shareholding in a fiscal investment institution, which then acted as a limited partner in the two property partnerships. The two ways of participating made it possible for an institutional investor, depending on its type, to make a tax-efficient investment in Vesteda. All investors owned shares in the structures (and thus in Vesteda Groep bv, Vesteda Groep II bv, Vesteda Project bv, Vesteda Woningen cv and Vesteda Woningen II cv) in proportion to their invested capital.

Vesteda Groep bv

responsible for the management of Vesteda

Vesteda Groep BV, which was responsible for managing Vesteda, held a central position. All investors participated directly in Vesteda Groep BV, where control was consolidated. Vesteda Groep BV had a four-member Managing Board and a Supervisory Board. Vesteda Groep BV was the managing partner of Vesteda Woningen CV.

Vesteda Groep II bv

company acts as managing partner in parallel structure

Vesteda Groep II BV acted as the managing partner of Vesteda Woningen II CV. All investors participated directly in Vesteda Groep II BV. Vesteda Groep II BV had no employees. Vesteda Woningen II CV's management expenses were recharged from Vesteda Groep BV to Vesteda Groep II BV. Vesteda Groep II BV acted as the managing partner of Vesteda Woningen II CV.

Vesteda Project bv

project development activities

Vesteda Project BV carried out Vesteda Group's project development activities. Fiscal investment institutions are not permitted to perform these activities under Section 28 of the Corporation Tax Act 1969. Vesteda Groep BV was the director of Vesteda Project BV.

Fiscal investment institution

fiscal group for corporation tax

Part of Vesteda Group was a fiscal group which included Holding DRF BV (Dutch Residential Fund) and its four subsidiaries, DRF I BV, DRF II BV, DRF III BV and DRF IV BV, which was regarded as a fiscal investment institution pursuant to Section 28 of the Corporation Tax Act 1969 from 1 January 2002. Such institutions are subject to a zero rate of corporation tax. The Managing Boards of Holding DRF BV and Vesteda Groep BV comprised the same individuals, responsible for the same tasks.

Vesteda Woningen CVs

not independent corporation tax payers

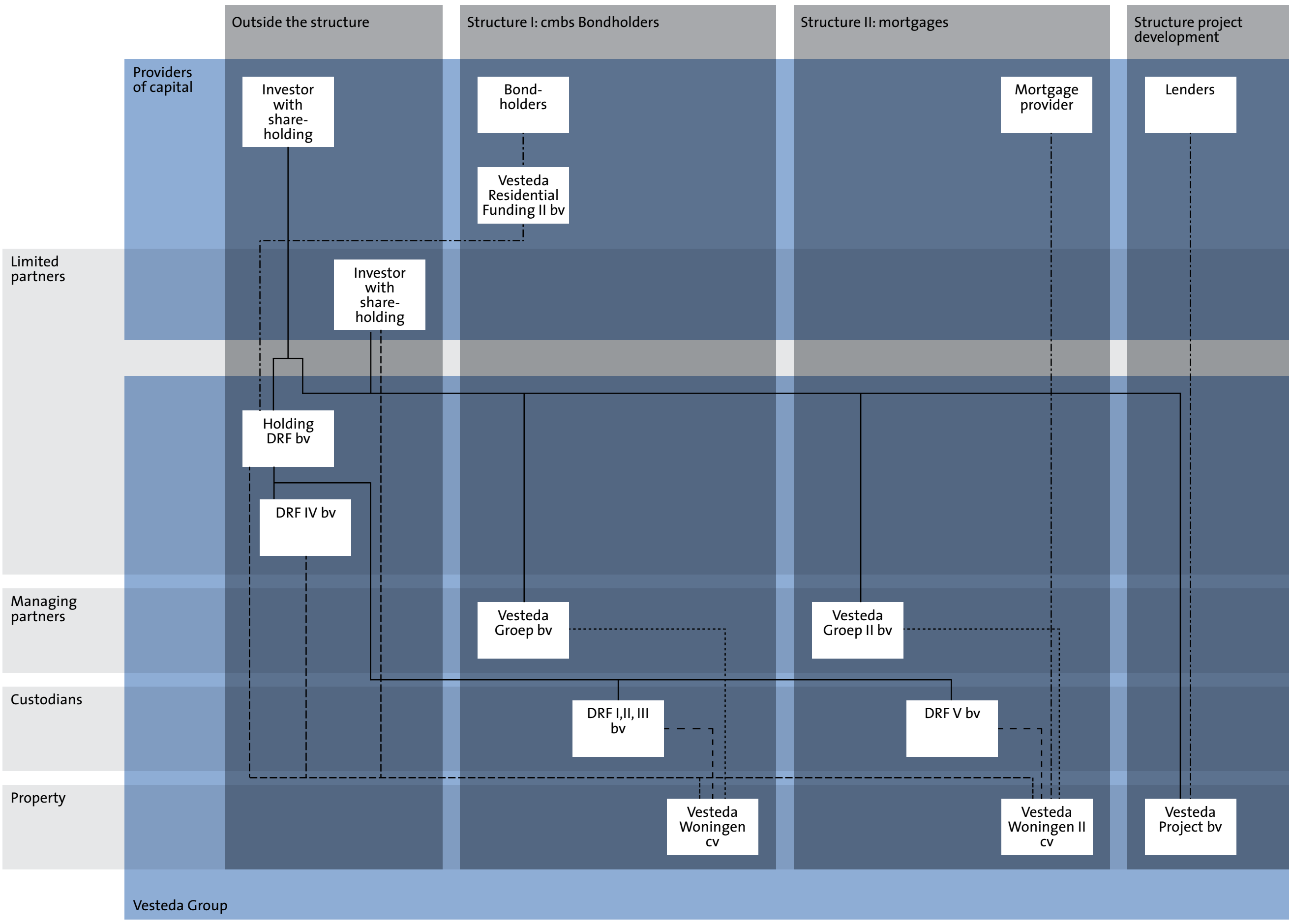
The let property and associated rights and obligations were held by two partnerships: Vesteda Woningen CV (also referred to as Vesteda Woningen I) and Vesteda Woningen II CV. These partnerships were not independently liable for corporation tax.

sleeping partner, managing partner and custodian

Vesteda Groep BV was managing partner of Vesteda Woningen CV. DRF I BV, DRF II BV and DRF III BV were the custodians and entitled to manage the assets of Vesteda Woningen CV for the investors. Consequently, in their capacity as custodians, they were legally entitled to all assets belonging to Vesteda Woningen CV. The investors, also known as sleeping partners, were Holding DRF BV, DRF IV BV and the investors in Vesteda Group. They had beneficial entitlement to the assets of Vesteda Woningen CV.

A similar structure applied to Vesteda Woningen II CV, whose managing partner was Vesteda Groep II BV. DRF V BV was the custodian and entitled to manage the assets of Vesteda Woningen II CV. The investors were also Holding DRF BV, DRF IV BV and the investors in Vesteda Group.

Diagram of Vesteda Group's legal structure to January 2012



LEGAL STRUCTURE FROM 1 FEBRUARY 2012

conversion into a mutual fund

During the meeting on 22 June 2011, the Investors agreed to convert the existing structure into a mutual fund (fonds voor gemene rekening/FGR). The fund terms and conditions were drawn up and consultations were held with the Dutch tax authorities during 2011.

decision in December 2011

During the meeting on 14 December 2011, the Investors agreed to implement the new structure in January 2012.

choice of transparent, internationally identifiable structure

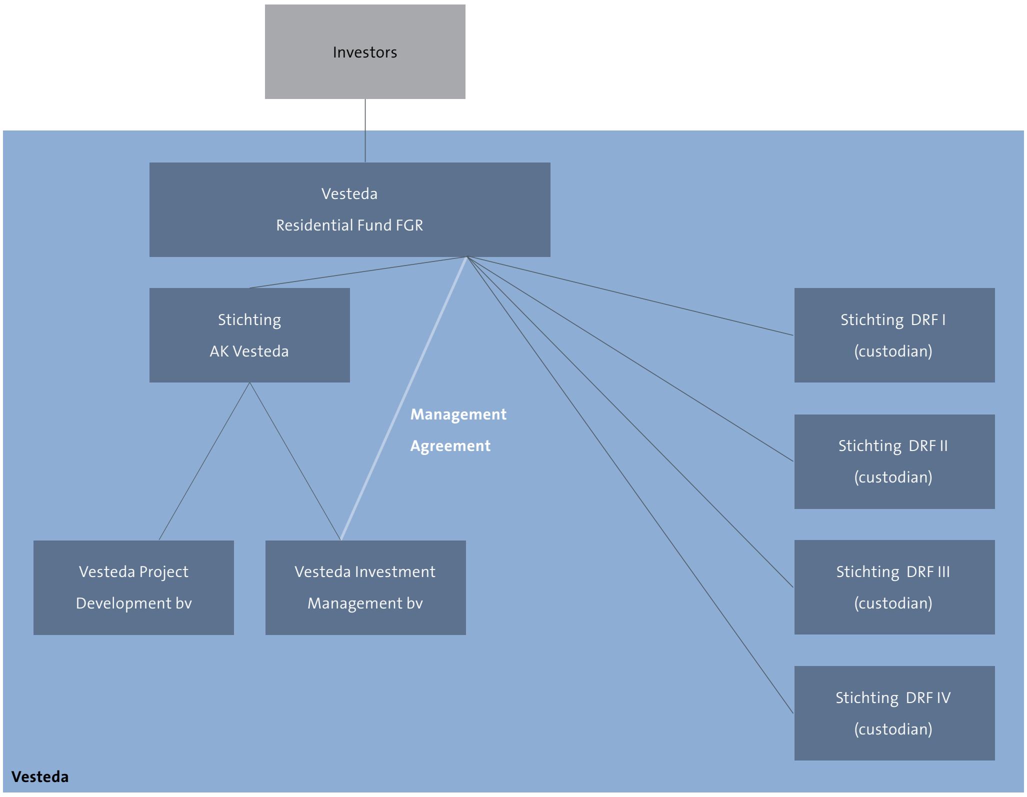
Discussions with Investors and their advisers showed that the main objective of the restructuring was a simpler and competitive structure going forward; simpler mainly because it is desirable that joining and leaving can take place at one level, and competitive because a transparent structure and a liquid way of participating in the fund were chosen.

in line with earlier governance arrangements

Joiners can hold their partnership contribution in Vesteda through an entity with its own legal and fiscal nature structured as they require. The fund conditions fully reflect the arrangements made earlier in the context of the revised governance.

Investors always join or leave the fund through the manager: Vesteda Investment Management bv.

Diagram of Vesteda Group's legal structure from February 2012



Investors are free in the way they join the Vesteda Residential Fund mutual fund, tailored to their own fiscal and legal status. It is possible to join directly or indirectly. It may be possible to have fiscal investment institution status on joining indirectly, depending on the investor's own arrangements with the tax authorities.

Commercial ownership of the property remains with the custodians (each now a foundation (stichting)).

Vesteda Investment Management bv, the manager, is at the heart of the fund along with Vesteda Project Development bv.

Vesteda Investment Management bv is responsible for day-to-day operations and implementation of strategy. Vesteda Project Development bv is responsible for the acquisition target.

The Investors' rights and obligations are set out in the fund's Terms and Conditions and exercised through the Investors' meeting. Investors' rights and obligations in respect of the shares in Vesteda Investment Management bv and Vesteda Project Development bv are exercised through an enduring power of attorney granted to Stichting AK Vesteda.

The Dutch tax authorities have given their agreement to the entire structure and its expression in the fund's Terms and Conditions.

Financial statements 2011

Bloemenbuurt
Almere
59 residential properties
average rent €768
occupancy rate 98.31%

Introduction

The Vesteda Group is divided into three organisationally-associated units: one responsible for ownership, one for property management and one for property development. The legal owners of the property are Dutch Residential Fund I bv, Dutch Residential Fund II bv, Dutch Residential Fund III BV and Dutch Residential Fund V BV. Dutch Residential Fund IV BV has embodied the beneficial ownership of the property portfolio in investments in Vesteda Woningen cv and Vesteda Woningen II cv.

In their capacity as custodians, Dutch Residential Fund I bv, Dutch Residential Fund II bv and Dutch Residential Fund III bv are legally entitled to all the property belonging to Vesteda Woningen cv on behalf of the investors. In its capacity as custodian, Dutch Residential Fund V bv is legally entitled to all the property belonging to Vesteda Woningen II cv on behalf of the investors. The limited partners have beneficial entitlement to these assets.

Investments can be made in Vesteda Woningen cv and Vesteda Woningen II cv either directly or through Holding Dutch Residential Fund bv, but investment also involves an obligation to invest to an equal percentage in Vesteda Groep bv and Vesteda Groep II bv (management) and Vesteda Project bv. Vesteda Groep bv has a mandate to enter into rights and obligations with respect to the properties, and that mandate extends to Vesteda Groep II bv with respect to Vesteda Woningen II cv.

The rights and obligations of the limited partners in Vesteda Woningen cv and Vesteda Woningen II cv are set out in two Investor Agreements. Vesteda Groep bv has been appointed managing partner of Vesteda Woningen cv. Vesteda Groep II bv has been appointed managing partner of Vesteda Woningen II cv.

Please see the Vesteda Group Annual Report 2011 for a diagram of the legal structure as at 31 December 2011.

Participation Agreements

Participation Agreements have been drawn up to record the arrangements and they are also binding on any new investors. The agreements govern a wide range of matters relating to the operation of the Vesteda Group, including:

- the powers of the Managing Board and Supervisory Board;
- strategy;
- information provision;
- policy on distributing profits.

The agreements have been contracted for an indefinite period. They may be amended with the agreement of the investors, subject to there being a certain quorum, depending on the nature of the change.

Accounting policies

Reporting
The structure of Vesteda Group means that it does not have the legal status of an investment fund and is not subject to the Financial Supervision Act (Wet financieel toezicht 'Wft').

Vesteda Group is not a legal entity but a combination of Vesteda Woningen cv, Vesteda Woningen II cv, Vesteda Groep bv, Vesteda Groep II bv, Holding Dutch Residential Fund bv and Vesteda Project bv.

As Vesteda Group has similarities to a company, the financial statements below use terminology customarily used in financial statements. The financial statements were drawn up in compliance with generally accepted reporting standards in the Netherlands.

Basis for combining financial information
The combined balance sheet and income statement of Vesteda Group include the financial information of the following entities:

	established in	holding
Vesteda Woningen cv	Amsterdam	100%
Vesteda Woningen II cv	Amsterdam	100%
Vesteda Groep bv	Amsterdam	100%
Vesteda Groep II bv	Amsterdam	100%
Holding Dutch Residential Fund bv	Amsterdam	100%
- Dutch Residential Fund I bv	Amsterdam	100%
- Dutch Residential Fund II bv	Amsterdam	100%
- Dutch Residential Fund III bv	Amsterdam	100%
- Dutch Residential Fund IV bv	Amsterdam	100%
- Dutch Residential Fund V bv	Amsterdam	100%
Vesteda Project BV	Amsterdam	100%
- HOG Heerlen Onroerend Goed bv	Heerlen	100%
- Gordiaan Vastgoed bv	Heerlen	100%

Accounting policies

General
Preparation of the financial statements requires estimates and judgements to be made which may affect the amounts reported for assets and liabilities, income and expenditure and the related reporting of assets and liabilities not recognised in the balance sheet at the date of the financial statements. The accounting policies which, in the opinion of the Managing Board, are the most significant to the financial position and the results of activities are addressed in the relevant notes as are matters which are intrinsically uncertain and where the Managing Board has to make estimates and judgements. The Managing Board notes that future events often differ from the forecasts and that estimates have to be updated regularly.

Property
The development portfolio is recognised at the lower of cost and market value. On completion of a project, the complex is included in the letting portfolio or disposed of.

The letting portfolio is recognised at fair value. Pursuant to Guideline 213 'Investment properties', the complexes in this portfolio are recognised at fair value, being the higher of market value with sitting tenants and net realisable value on disposal of complete complexes to organisations specialising in the selling of individual units.

A condition when establishing the fair value is that if the market value with sitting tenants is higher, the fair value will be no more than 110% of the net realisable value in the case of disposals of complete complexes to organisations specialising in the selling of individual units.

The market value with sitting tenants and the appraised net realisable value in the case of disposals of complete complexes as a whole to organisations specialising in the selling of individual units are determined by the discounted cash flow method. About 25% of the portfolio is appraised each quarter by external valuers and the remainder is appraised internally. The part that was independently appraised in the first quarter is re-appraised and the appraisals made in the second and third quarters are updated by external valuers in the fourth quarter. The aim is to achieve sufficient coverage each quarter for a representative reflection of the total portfolio by age, location, type, region and capital investment. Conveyancing charges and other selling costs are taken into account in determining both the net realisable value in the case of disposals of complete complexes to organisations specialising in the selling of individual units and the market value with sitting tenants.

Tangible fixed assets
The office building is recognised at fair value, reappraised annually by an external valuer. The revaluation is taken direct to group equity and recognised through the revaluation reserve. Straight-line depreciation is deducted, based on an estimated useful economic life, provided the carrying amount is greater than the residual value.

Other tangible fixed assets are recognised at cost less straight-line depreciation and any impairment. Depreciation is based on the estimated useful life of the assets concerned, which is between three and ten years.

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement.

Financial assets
If control or significant influence is exercised on the commercial and financial policy of participating interests, those interests are accounted for using the equity method based on net asset value. Other participating interests are recognised at the lower of historical cost and market value. Loans receivable are recognised at face value. Where necessary, there is a write-down for doubtful debts. The deferred tax asset relating to corporation tax on the possible offset of losses for tax purposes and differences between accounting policies for commercial and tax purposes is recognised at current tax rates to the extent that it is probable that they can be utilised.

Projects in progress
Projects in progress are recognised at the cost incurred plus a profit margin for any completed portions, less instalments billed and a provision for losses. Losses are recognised as soon as they become foreseeable. Cost incurred consists of costs directly attributable to the work plus a mark-up for general expenses. Interest at a rate equal to the cost of the external credit facility is allocated to work in progress. Profit is recognised in proportion to the amount of the project that has been completed. Acquisition projects are recognised at the cost incurred.

Inventory
Inventory is recognised at fair value. Movements in fair value are recognised through a revaluation reserve. Increases in fair value are recognised in individual revaluation reserves and falls are deducted for them but only to the original level of cost. Reductions in fair value below cost are recognised in the income statement. If the fair value rises again, increases up to cost are recognised in the income statement and subsequent increases are recognised in the revaluation reserve.

Receivables
Receivables are recognised at amortised cost, which is generally in line with face value, less a provision for doubtful debts.

Cash and cash equivalents
Cash is cash in hand and at bank. Cash is recognised at face value.

Long-term liabilities
Loans are initially recognised at cost, which is the fair value of the amount received, less transaction costs. After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Capitalised financing costs are netted against loans drawn. In calculating amortised cost, allowance is made for premiums or discounts in relation to the issue of the loan. Interest expense is attributed to the period to which it relates and recognised through the income statement.

Derivatives
The group uses derivatives such as interest rate caps and interest swaps to hedge changes in interest rates. Derivatives are used as cash flow cover to hedge the risk of uncertain future cash flows. In the financial statements, these relate to the variable-rate bonds, the credit facility and the mortgage. Derivatives are initially recognised at fair value including transaction costs and then at fair value at each reporting date. If positive, changes in the fair value of derivatives concerning the bonds, the credit drawn and the mortgage are recognised through the derivatives revaluation reserve in group equity. Changes in the fair value of derivatives concerning the credit facility still available are recognised in interest expense.

Provisions
Provisions are recognised if it is probable that the obligation will have to be settled and a reliable estimate can be made of the amount of the obligation. The amount of a provision is set using the best estimate of the amount that will be required to settle the obligations and losses at the reporting date.

Pensions
Vesteda's pension scheme is classified as a defined-benefit scheme and is administered by an industry-wide pension fund. On the information available from the industry-wide pension fund, it is not deemed necessary to form an additional provision at the reporting date in addition to the annual premium payable to the pension administrator.

Current liabilities
Trade creditors and other current liabilities are recognised at amortised cost, which is generally in line with face value.

Distinction between current and fixed assets and between current and non-current liabilities
Assets and liabilities are classified as current (short-term) if it is expected that they will be realised or settled within twelve months of the reporting date.

Other
Unless otherwise mentioned, valuation is according to the historical cost convention. Amounts are shown at face value.

Accounting policies for the determination of results

General
Operating expenses are recognised at historical cost. Income is recognised when realised, expenses are recognised as soon as they become known. Income and expenses are allocated to the year to which they relate.

Rental income
Rental income is the total rent invoiced to tenants in respect of the financial year. The amount shown, therefore, takes account of rent lost due to vacancies and discounts. Rental income does not include service charges paid in advance by tenants.

Letting expenses
Letting expenses comprise costs directly attributable to a specific complex. These costs are mainly maintenance costs, property tax and other levies, insurance premiums, management and letting fees and service costs not chargeable to tenants. There is no equalisation provision for major maintenance.

Result on projects in progress
This includes interim and final results on work in progress.

Other income
This is other income generated by short-stay lets.

Property management expenses
Any operating expenses that cannot be allocated directly to the various properties are regarded as property management expenses.

Interest income and expense
Interest income and expense are recognised at face value. Changes in the current value of derivatives concerning the credit facility still available are recognised in interest expense.

Realised result
The realised result is the sum of the net letting income and other income less operating expenses and net interest charges, plus the results realised on property disposals. The result on disposals is the proceeds from sales (less any facilitation costs) less the most recent carrying value of the properties sold, established each quarter.

Unrealised result
The unrealised result is made up of unrealised gains and losses related directly to property investments.

Tax
Tax on the result is calculated by applying the standard rate of tax to the taxable amount.

Tax status
Holding Dutch Residential Fund BV, Dutch Residential Fund I BV, Dutch Residential Fund II BV, Dutch Residential Fund III BV and Dutch Residential Fund IV BV form a tax group for corporation tax purposes.

The Holding Dutch Residential Fund BV tax group has been regarded as a fiscal investment institution since 2002. On this basis, providing a number of conditions are met, a corporation tax rate of 0% applies. The most important condition to be met is that the profit, calculated in accordance with fiscal principles, is distributed in the form of dividend within eight months of the end of the financial year.

Vesteda Woningen CV and Vesteda Woningen II CV are transparent for corporation tax purposes. Vesteda Groep BV, Vesteda Groep II BV, Vesteda Project BV, Vesteda Woningen CV and Vesteda Woningen II CV form a VAT group. Consequently, VAT is not levied on supplies between these entities.

Combined balance sheet as at 31 December 2011 (before appropriation of profit)

Amounts in millions of euros	31 December 2011	31 December 2010
ASSETS		
Fixed assets		
Property [1]	4,248	4,402
Tangible fixed assets [2]	9	10
Financial assets [3]	13	13
	4,270	4,425
Current assets		
Projects in progress [4]	49	136
Inventory [5]	27	28
Receivables [6]	22	43
Cash and cash equivalents [7]	145	75
	243	282
Total assets	**4,513**	**4,707**
EQUITY AND LIABILITIES		
Group equity [8]	2,671	2,793
Provisions [9]	68	78
Long-term liabilities		
Amounts owed to credit institutions [10]	1,641	1,687
Other long-term liabilities [11]	55	66
	1,696	1,753
Current liabilities		
Tax and social security contributions	2	1
Other current liabilities [12]	19	21
Accruals and deferred income [13]	57	61
	78	83
Total equity and liabilities	**4,513**	**4,707**

Combined income statement for 2011

Amounts in millions of euros	**2011**	2010
Income		
Rental income	**250**	245
Less: Letting expenses	**77**	70
Net letting income	**173**	175
Result on projects in progress	**-10**	-21
Other income [14]	**3**	2
Total operating income	**166**	156
Expenses		
Property management expenses [15]	**28**	24
Interest income	**2**	2
Interest expense	**72**	71
Operating result	**68**	63
Result on disposals	**8**	22
Realised result before tax	**76**	85
Tax	**-**	-2
Realised result after tax	**76**	83
Unrealised result [16]	**-123**	-177
Net result	**-47**	-94

Combined cash flow statement for 2011

Amounts in millions of euros	**2011**	2010
Realised result after tax	**76**	83
Additions to provisions	**21**	2
Interest on loans receivable	**-**	-1
Depreciation of tangible fixed assets	**1**	1
Amortisation of financial assets	**2**	2
Movement in projects in progress	**100**	68
Movement in inventory	**1**	-
Movement in receivables	**21**	-19
Movement in current liabilities	**-5**	2
Cash flow from operating activities	**217**	138
Investments in property	**-185**	-216
Investments/disposals of financial assets	**-**	1
Investments/disposals of tangible fixed assets	**-1**	-
Disposals of property (excluding result on sale)	**172**	167
Cash flow from investment activities	**-14**	-48
Loans drawn	**45**	392
Loan repayments	**-91**	-455
Investment financing costs	**-2**	-6
Capital paid in	**24**	9
Dividend paid	**-109**	-84
Cash flow from financing activities	**-133**	-144
Total cash flow	**70**	-54
Cash and cash equivalents at end of year	**145**	75
Cash and cash equivalents at beginning of year	**75**	129
	70	-54

Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The funds in the cash flow statement consist exclusively of cash and cash equivalents. Receipts and expenditure in connection with interest and tax on profit are included in the cash flow from operating activities. Dividends paid are included in the cash flow from financing activities.

Notes to the combined financial statements

Property (1)

		Letting portfolio		
Amounts in millions of euros	Development portfolio	Letting phase	Letting/sale phase	Total
Value as at 1 January 2011	17	2,864	1,521	4,402
Investments	139	27	19	185
Disposals	-	-	-172	-172
Internal transfers	-156	-287	443	-
Subtotal	-	2,604	1,811	4,415
Revaluations during the year	-	-79	-88	-167
Value as at 31 December 2011	**-**	**2,525**	**1,723**	**4,248**

See page 52 for further information on property.

Tangible fixed assets (2)

Amounts in millions of euros	Office building	Fixtures and fittings	Other fixed assets	Total
Value as at 1 January 2011	7	2	1	10
Additions	-	-	1	1
Depreciation	-	-	1	1
Revaluation	-1	-	-	-1
Value as at 31 December 2011	**6**	**2**	**1**	**9**
Accumulated depreciation	2	7	9	18

Vesteda Group's office building is recognised at fair value. The carrying value as at 31 December 2011 includes a revaluation of €0.2 million (2010: €0.6 million).

Financial assets (3)

Amounts in millions of euros	Participating interests	Loans receivable	Bonds	Total
Value as at 1 January 2011	1	11	1	13
Investments	-	-	-	-
Interest	-	-	-	-
Value as at 31 December 2011	**1**	**11**	**1**	**13**

No deferred tax asset for tax loss carry forwards and differences in measurement for tax and commercial purposes has been recognised in view of the losses expected to be incurred by Vesteda Project BV in the future.

Projects in progress (4)

Amounts in millions of euros	Acquisitions	Work in progress	Total
Value as at 1 January 2011	1	135	136
Reclassification	-	12	12
Investments (including mark-up for general expenses)	-	47	47
Instalments billed	-	-147	-147
Transfer to profit or loss	-1	-1	-2
Provision for losses/profit-taking	-	3	3
Value as at 31 December 2011	**-**	**49**	**49**

Interest capitalised in 2011 was €1.1 million (2010: €3.6 million). The interest rate is 3-month Euribor plus 2.25% (2010: 2.25%). The loan was repaid in four tranches, the last of which was in May. Projects with a substantial negative value were reclassified to provisions in 2011.

Inventory (5)

Amounts in millions of euros	**2011**	2010
Inventory of goods for resale	**24**	23
Revaluation of inventory of goods for resale	**-7**	-7
Inventory of finished goods	**13**	15
Revaluation of inventory of finished goods	**-3**	-3
	27	28

Inventory of goods for resale is projects which will not be developed further by Vesteda Project BV. Inventory of finished goods is residential properties to be sold by Vesteda Project BV to third parties.

Receivables (6)

Amounts in millions of euros	**2011**	2010
Property suspense account	**7**	24
Loans receivable	**7**	7
Debtors	**4**	8
Other receivables	**4**	4
	22	43

Debtors include a provision of €13.2 million (2010: €13.2 million).

Cash and cash equivalents (7)

Amounts in millions of euros	**2011**	2010
Current accounts	**54**	15
Savings deposits	**91**	60
	145	**75**

With the exception of €7.1 million (2010: €6.9 million), cash and cash equivalents are at the free disposal of the company.

Group equity (8)

			Revaluation reserve				
Amounts in millions of euros	Issued capital	Share premium	Property	Derivatives	Office building	Other reserve	Total
Value as at 1 January 2011	51	2,141	729	1	1	-130	2,793
Dividend	-	-109	-	-	-	-	-109
Capital paid in	-	24	-	-	-	-	24
Result	-	-	-57	-	-	10	-47
Revaluation of office building	-	-	-	-	-1	-	-1
Revaluation of derivatives	-	-	-	-1	-	12	11
Realised from sales	-	-	-20	-	-	20	-
Value as at 31 December 2011	51	2,056	652	-	-	-88	2,671

A dividend of €109 million for 2010 was distributed to investors in Vesteda Woningen CV and Vesteda Woningen II CV in 2011. €24 million was contributed by the shareholders in Vesteda Woningen CV.

Provisions (9)

Amounts in millions of euros	Projects in progress	Pipeline	Other	Total
Value as at 1 January 2011	-	76	2	78
Reclassification	8	-	-	8
Additions	18	13	11	42
Used	-	58	2	60
Value as at 31 December 2011	**26**	**31**	**11**	**68**

A pipeline provision was formed for contractual obligations on the acquisition by Vesteda Woningen CV and Vesteda Woningen II CV of projects from Vesteda Project BV which will be handed over. The provision is calculated as the difference between the estimated market value at the date of acquisition and the contracted purchase price. Projects with a substantial negative value were reclassified to provisions in 2011.
A restructuring provision of €11 million was formed in 2011.

Amounts owed to credit institutions (10)

Amounts in millions of euros	A notes	Mortgage	Credit facility	Financing costs	Total
Value as at 1 January 2011	1,550	70	75	-8	1,687
Drawn	-	30	15	-	45
Repayments	-	1	90	-	91
Additions	-	-	-	-2	-2
Amortisation	-	-	-	2	2
Value as at 31 December 2011	**1,550**	**99**	**-**	**-8**	**1,641**

A-note funding
Vesteda Residential Funding II BV has issued a total of €1,550 million of variable-rate bonds consisting of:

- €400 million class A3 secured floating rate notes (2005);
- €300 million class A4 secured floating rate notes (2005);
- €350 million class A5 secured floating rate notes (2007);
- €150 million class A6 secured floating rate notes (2008);
- €350 million class A7 secured floating rate notes (2010).

Vesteda Residential Funding II BV is a company specially incorporated to manage the financing for Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV under agreements between these parties, Vesteda Groep BV and the Security Trustee. Vesteda Residential Funding II BV also has the duty of providing security in connection with the financing. All the shares in Vesteda Residential Funding II BV are owned by the Stichting Vesteda Residential Funding II. The manager of the Stichting is ATC Management BV.

The proceeds of the issue by Vesteda Residential Funding II BV have been lent to Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV. As a result of the above activities, the Vesteda Group had the following facilities as at the reporting date:

- Term A3 Facility of €400 million with an intended remaining term of 0.55 years;
- Term A4 Facility of €300 million with an intended remaining term of 3.55 years;
- Term A5 Facility of €350 million with an intended remaining term of 0.55 years;
- Term A6 Facility of €150 million with an intended remaining term of 1.55 years;
- Term A7 Facility of €350 million with an intended remaining term of 2.55 years.

The borrowers are Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV in their capacity as custodians of Vesteda Woningen CV. The borrowers have made the funds available to Vesteda Woningen CV. Interest is due quarterly and is based on the 3-month Euribor rate plus a mark-up which is different for each type.

The mark-ups for the Term A3, Term A4, Term A5, Term A6 and Term A7 notes are 0.20%, 0.28%, 0.13%, 1.00% and 1.63%, respectively. The Term A notes are listed on the Euronext Amsterdam stock exchange. The legal term when issued was twelve years for the Term A3 and Term A4 bonds, ten years for the Term A5 bonds, nine years for the Term A6 bonds and seven years for the Term A7 bonds.

If the intended term is exceeded, there are sanctions relating in particular to distributions to those entitled to the results of the Vesteda Group. Early repayment is permitted, with a limited penalty clause applying to the A6 bond loans.

The loans carry considerable reporting and information obligations. The following consequences arise if interest is not paid on time or other obligations are not met:

- payment of dividends and similar distributions are no longer permitted;
- a pledge is established on the bank accounts which receive the rents;
- the voting rights on the shares of Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch residential Fund III BV are transferred to the Security Trustee;
- a mortgage right is established in favour of the Security Trustee on the property up to an amount of 150% of the outstanding amount of the loans;
- liabilities may only be met out of the residential portfolio. Creditors have no right of recovery against the other assets (other than Vesteda Woningen CV) of the limited partners.

If certain financial conditions (ratios) are not met, further sanctions are applicable. In addition to the above measures, the management's power to dispose of property is considerably restricted.

Mortgage funding
In May 2011, Vesteda Woningen II CV obtained an additional mortgage of €30 million with a term of two years. Interest is due monthly, based on the 3-month Euribor rate plus a mark-up of 1.80%. The mortgage is secured on owned property.

Credit facility
In February 2011, Vesteda Project BV drew € 15 million bringing the total amount drawn to € 90 million. This amount was repaid in four tranches between March and May.

Other long-term liabilities (11)

Amounts in millions of euros	Derivatives
Value as at 1 January 2011	66
Revaluation	-11
Value as at 31 December 2011	**55**

Vesteda has entered into interest-rate cap agreements with a finance institution with the intention of hedging interest-rate risks. They limit the risks of rising interest rates on the loan capital. Swap agreements were concluded in July 2005 which take effect on the expiry of the interest-rate cap agreements. The terms of the agreements are in line with the remaining terms of the bond loans concluded in 2005. Swaps were also concluded on the bond loans issued in April 2007, July 2008 and July 2010 with the same term as the loans, which took effect in July 2007, July 2008 and July 2010 respectively.

In May 2011, Vesteda Woningen II CV obtained a mortgage loan of €30 million. 70% of this loan is hedged by a consolidation ceiling whose term is the same as that of the loan.

The upward revaluation for 2011 was €11 million (2010: €21 million).

Other current liabilities (12)

Amounts in millions of euros	**2011**	2010
Creditors	**7**	11
Amounts received in advance	**12**	10
	19	21

Accruals and deferred income (13)

Amounts in millions of euros	**2011**	2010
Interest	**13**	13
VAT integration levy	**29**	19
Holiday days and holiday pay	**2**	2
Amounts received in advance	**4**	7
Other	**9**	20
	57	61

Other income (14)

Amounts in millions of euros	**2011**	2010
Other income: short stay	**2**	2
Other	**1**	-
	3	2

Property management expenses (15)

Amounts in millions of euros	General management	Property management	Vesteda Project bv	Total
Work subcontracted	5	1	-	6
Salaries	13	13	4	30
Social security charges	1	1	-	2
Pension charges	1	1	-	2
Depreciation expenses	1	-	-	1
Other operating expenses	3	5	2	10
Gross property management expenses	24	21	6	51
Recharged	1	21	1	23
Net property management expenses	23	-	5	28

Salaries includes a restructuring provisions of €7 million for General management, €3 million for property management and €1 million for Vesteda Project BV.

Property management expenses include the following amounts recognised as fees to Ernst & Young Accountants LLP: €203,500 (2010: €197,600) for audit services, €0 (2010: €33,000) for audit-related services and €54,120 (2010: €46,200) for other services. Ernst & Young Accountants LLP did not charge fees for tax advice in either year.

The recharges for general management are recognised in the result on disposals of Vesteda Woningen CV and Vesteda Woningen II CV. Almost all the recharges of property management are included in the operating expenses of Vesteda Woningen CV and Vesteda Woningen II CV. The recharges by Vesteda Project BV are included in projects in progress.

Number of employees

The group employed an average of 362 people (2010: 386) during the year; this was an average of 318.5 FTEs (2010: 339.1 FTEs)

Directors' remuneration

In 2011 the company was charged €1,073,000 (2010: €1,163,000) for the remuneration of directors and €513,000 (2010: €652,000) for the remuneration of former directors. Social security charges and pension contributions were €225,000 (2010: €228,000) for directors and €108,000 (2010: €127,000) for former directors.

The remuneration of former directors related to costs incurred in 2011 for the period after those directors retired.

The remuneration for the six (2010: five) supervisory directors in 2011 was €220,000 (2010 € 204,000).

Unrealised result (16)

Amounts in millions of euros	**2011**	2010
Revaluation of property	-167	-146
Revaluation of inventory	-	-10
Movements in pipeline provision	44	-11
Revaluation of receivables	-	-10
	-123	-177

Liabilities not shown in the balance sheet

The total liabilities for obligations entered into for building contracts, rental and lease instalments are some €262 million. Vesteda Group has not provided security for these liabilities. The liabilities are made up as follows:

Amounts in millions of euros	Building contracts	Property leases	Car leases
Due:			
within 1 year	98	1	1
between 1 and 5 years	160	-	2
	258	1	3

There were liabilities not shown in the balance sheet for the pipeline with an estimated investment value of €272 million excluding VAT to 2018. See page 53 for further information.

Events after the balance sheet date

Vesteda changed its legal structure with effect from 2 February 2012. Please see page 85 for further information.

Proposals to investors

Proposed appropriation of result for 2011
The Management Board proposes that the loss for the year of €47,196,511 be taken to equity. This proposal has been incorporated in the financial statements.

Proposed distribution to investors
The General Meeting of Investors on 22 June 2011 declared the dividend for 2011. The distribution was €100 million and was paid on 30 January 2012.

Amsterdam, 5 March 2012

The Management Board of Vesteda Groep BV:

A.J.M. Schakenbos
CEO

L.A.S van der Ploeg
CFO

O. Breur
COO

N. Mol
Director Sales & Acquisition

Independent auditors’ report

To the shareholders of and limited partners in Vesteda Group

Report on the financial statements
We have audited the ‘financial statements 2011’ as set out on pages 92 to 108 of the annual report of Vesteda Group, Amsterdam, which comprise the combined balance sheet as at 31 December 2011, the combined profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Managing Board’s responsibility
The Managing Board of Vesteda Groep bv is responsible for the preparation and fair presentation of these financial statements and for the preparation of the report of the managing board, both in accordance with the accounting policies set out in ‘accounting policies for valuing assets and liabilities’ and ‘accounting policies for the determination of results’ on pages 94 to 98. Furthermore the Managing Board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Opinion
In our opinion, the combined financial statements 2011 have been prepared in all material respects in accordance with the accounting policies, selected by the Managing Board of Vesteda Groep bv as set out in ‘accounting policies for valuing assets and liabilities’ and ‘accounting policies for the determination of results’ on pages 94 to 98.

Basis for financial reporting and restriction of use
Without qualifying our opinion, we draw attention to the purpose for preparation the ‘financial statements’ and the basis for accounting policies as set out in the chapters ‘accounting policies for valuing assets and liabilities’ and ‘accounting policies for the determination of results’. It follows that the ‘financial statements’ have been prepared for the purpose of the shareholders and limited partners of Vesteda Group to provide insight in the financial performance of Vesteda Group as a whole. The combined financial statements consist of the sum of the financial figures derived from the individual ‘financial statements’ of the entities as part of Vesteda Group for which unqualified auditor’s reports are issued by us.

Report on managing board report
Furthermore we have established, to the extent of our competence, that the report of the managing report is consistent with the financial statements.

Maastricht, 5 March 2012

Ernst & Young Accountants LLP

signed by J.M. Heijster

‘The occupancy rate in the Letting portfolio rose to 95.7%.’

Abridged financial statements 2011

Vroendaal
Maastricht
14 residential properties
average rent €1,397
occupancy rate 100%

Vesteda Woningen cv

Balance sheet as at 31 December 2011

Amounts in millions of euros	**31 December 2011**	31 December 2010
ASSETS		
Fixed assets		
Property	**4,073**	4,258
Tangible fixed assets	**6**	7
Financial assets	**-**	7
	4,079	4,272
Current assets		
Receivables	**10**	30
Tax and social security contributions	**3**	-
Cash and cash equivalents	**102**	34
	115	64
Total assets	**4,194**	4,336
EQUITY AND LIABILITIES		
Fund capital	**2,512**	2,618
Provisions	**31**	61
Long-term liabilities		
Amounts owed to group companies	**1,543**	1,542
Other long-term liabilities	**54**	65
	1,597	1,607
Current liabilities		
Tax and social security contributions	**-**	1
Other current liabilities	**11**	13
Accruals and deferred income	**43**	36
	54	50
Total equity and liabilities	**4,194**	4,336

Income statement for 2011

Amounts in millions of euros	**2011**	2010
Income		
Rental income	**242**	239
Less: Letting expenses	**75**	69
Net letting income	**167**	170
Grants and other income	**3**	2
Total operating income	**170**	172
Expenses		
Management expenses	**24**	20
Interest income	**1**	1
Interest expense	**68**	69
Operating result	**79**	84
Result on disposals	**7**	22
Realised result	**86**	106
Unrealised result	**-119**	-122
Result	**-33**	16

Vesteda Woningen II cv

Balance sheet as at 31 December 2011

Amounts in millions of euros	**31 December 2011**	31 December 2010
ASSETS		
Fixed assets		
Property	**175**	144
Financial assets	**1**	1
	176	145
Current assets		
Receivables	**1**	1
Cash and cash equivalents	**1**	22
	2	23
Total assets	**178**	168
EQUITY AND LIABILITIES		
Fund capital	**67**	70
Provisions	**-**	15
Long-term liabilities		
Amounts owed to group companies	**99**	70
Other long-term liabilities	**1**	1
	100	71
Current liabilities		
Tax and social security contributions	**3**	1
Other current liabilities	**1**	1
Accruals and deferred income	**7**	10
	11	12
Total equity and liabilities	**178**	168

Income statement for 2011

Amounts in millions of euros	2011	2010
Income		
Rental income	**8**	6
Less: Letting expenses	**2**	1
Net letting income	**6**	5
Grants and other income	**-**	-
Total operating income	**6**	5
Expenses		
Management expenses	**-**	-
Interest income	**-**	-
Interest expense	**3**	2
Operating result	**3**	3
Result on disposals	**-**	-
Realised result	**3**	3
Unrealised result	**-4**	-35
Result	**-1**	-32

Vesteda Project bv

Consolidated balance sheet as at 31 December 2011

Amounts in millions of euros	**31 December 2011**	31 December 2010
ASSETS		
Fixed assets		
Financial assets		
Amounts owed by investors and participating interests	**2**	2
Other investments	**1**	1
Third-party loans	**9**	9
	12	12
Current assets		
Projects in progress	**49**	135
Inventory	**27**	28
Receivables	**10**	14
Cash and cash equivalents	**18**	8
	104	185
Total assets	**116**	197
EQUITY AND LIABILITIES		
Group equity		
Share capital	**50**	50
Other reserves	**44**	91
Result for the year	**-14**	-47
	80	94
Provisions	**27**	1
Long-term liabilities		
Amounts owed to credit institutions	**-**	75
Amounts owed to group companies	**-**	7
	-	82
Current liabilities		
Trade creditors	**5**	10
Accruals and deferred income	**4**	10
	9	20
Total equity and liabilities	**116**	197

Consolidated income statement for 2011

Amounts in millions of euros	**2011**	2010
Gross turnover	47	144 *
Result on projects in progress	8	-21 *
Movement in provision	-17	-
Movement in revaluation of inventory (unrealised)	-1	-10
Net turnover	37	113
External expenses	46	140
Gross margin on project development	-9	-27
Other income	-	-
Total operating income	-9	-27
Cost of work subcontracted	-	1
Wages and salaries	4	4
Other operating expenses	2	3 *
Total operating expenses	6	8
Interest income on third-party loans	-	1
Other interest income	1	-
Interest expense on loans from group companies	-	1
Interest expense on other long-term liabilities	-	-10
Financial result	1	-10
Consolidated result before tax	-14	-45
Income tax	-	2
Result of participating interests	-14	-47
Consolidated result after tax	-13	-27
Unrealised result after tax	-1	-20

* Restated for comparative purposes

Independent auditors’ report

To the shareholders of and limited partners in Vesteda Group

We have audited whether the accompanying abridged balance sheets and income statements for 2011 of Vesteda Woningen cv, Amsterdam, Vesteda Woningen II cv, Amsterdam and Vesteda Project bv, Amsterdam, as set out on pages 114 to 119 have been derived properly from the audited combined financial statements 2011 of Vesteda Group. In our auditors' report dated 5 March 2012, we expressed an unqualified opinion on the combined financial statements 2011 of Vesteda Group.

Managing Board’s responsibility
The Managing Boards of the companies are responsible for the preparation and fair presentation of the abridged balance sheets and income statements in accordance with the accounting policies as applied in the combined financial statements 2011 of Vesteda Group.

Auditors’ responsibility
Our responsibility is to express an opinion on the abridged balance sheets and income statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing 810 ‘Engagements to report on summary financial statements’. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the abridged balance sheets and income statements have been derived consistently from the combined financial statements of Vesteda Group.

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

Opinion
In our opinion, the abridged balance sheets and income statements of Vesteda Woningen cv, Vesteda Woningen II cv and Vesteda Project bv have been derived properly, in all material respects, from the combined financial statements 2011 of Vesteda Group.

Emphasis of matter

For a better understanding of the company's financial positions and results and insight in the scope of our audit, we emphasize that the balance sheets and income statements should be read in conjunction with the combined financial statements of Vesteda Group, from which they were derived and our unqualified auditor thereon dated 5 March 2012. Our opinion is not qualified in respect of this matter.

Maastricht, 5 March 2012

Ernst & Young Accountants LLP

signed by J.M. Heijster


‘Vesteda follows transparency guidelines’

Annexes

Annex 1: Properties

The list below sets out the properties in the Letting and Development portfolios. In line with the IPD definition, all properties are allocated to the residential properties sector, as the residential share of the gross market rental value (for the Development portfolio: expected gross market rental) is greater than 50%. The stated units in properties are (for the Development portfolio: are expected shortly to be) fully owned.

LEGEND

	Letting portfolio	Development portfolio
project:	Municipality, street name or name of first street (in alphabetical order), name of investment property name of investment property (or provisional development name), province (GR=Groningen, FR=Friesland, DR=Drenthe, OV=Overijssel, GD=Gelderland, UT=Utrecht, FL=Flevoland, NH=Noord-Holland, ZH=Zuid-Holland, NB = Noord-Brabant, ZL=Zeeland, LB=Limburg)	As for Letting portfolio
Year:	Year of construction (the year before the first year of full letting)	Expected year of hand-over
Land:	Percentage owned (versus leased)	As for Letting portfolio
u:	Number of residential properties (units)	As for Letting portfolio
fh:	Number of single-unit residential properties (units)	As for Letting portfolio
mo:	Number of multiple-residency properties (units)	As for Letting portfolio
ua:	Useable area of the residential properties (m^2 x 100)	As for Letting portfolio
Office:	Office space (m^2)	As for Letting portfolio
Retail:	Retail space (m^2)	As for Letting portfolio
Park:	Parking and garage spaces (units)	As for Letting portfolio
Rent:	Theoretical gross annual rent (as at 31 December, thousands of euros)	As for Letting portfolio

Project (municipality, first street name, project name, province)	year	land	u	fh	mo	ua	office	retail	park	rent

Letting portfolio - projects in letting and letting/sale phase

Project	year	land	u	fh	mo	ua	office	retail	park	rent
Aalsmeer, Edisonstraat, Proosdij (NH)	1983	100%	23	23		25			0	229
Abcoude, Fluitekruid, Fluitekruid (UT)	1989	100%	31	31		34			0	321
Abcoude, Ereprijs, Fluitekruid (UT)	1989	100%	50	50		48			0	484
Abcoude, Fluitekruid, Fluitekruid (UT)	1989	100%	23		23	18			0	165
Abcoude, Ereprijs, Fluitekruid (UT)	1989	100%	25		25	20			0	193
Almere, Harderwijkoever, Boulevardflat (FL)	1984	100%	267		267	225			267	1,998
Almere, Slagbaai, Waterwijk (FL)	1983	100%	31	31		33			0	226
Almere, Havenhoofd, Havenhoofd (FL)	1986	100%	66		66	64			0	564
Almere, Marktmeesterstraat, Centrum (FL)	1988	100%	240		240	214			83	1,738
Almere, Raaigrasstraat, Kruidenwijk (FL)	1988	erf	85	85		99			0	702
Almere, Lotusbloemweg, Bloemenbuurt (FL)	1990	100%	59	59		67			0	544
Almere, Messiaenplantsoen, Muziekwijk (FL)	1990	100%	115		115	95			0	828
Almere, Rondostraat, Muziekwijk (FL)	1992	100%	36	36		47	146		0	363
Almere, Preludeweg, Muziekwijk (FL)	1994	100%	115	115		145			0	1,082
Almere, Gleditsiastraat, Parkwijk (FL)	1995	100%	62	62		85			0	554
Almere, Jacques Tatilaan, Filmwijk (FL)	1998	100%	90	90		114			0	799
Almere, Jarenweg, Seizoenenbuurt (FL)	1999	100%	40	40		45			0	328
Almere, Simon Vestdijkstraat, Literatuurwijk (FL)	1998	100%	38	38		47			0	329
Almere, Vrije Zeestraat, Oostvaardersbuurt (FL)	2001	100%	42	42		55			0	366
Almere, Nova Zemblastraat, Eilandenbuurt (FL)	2003	100%	43	43		49			0	406
Almere, Dek, Noorderplassen (FL)	2004	100%	31	31		47	180		0	343
Almere, Koetsierbaan, Side by Side (FL)	2007	100%	82		82	83	82		84	1,038
Almere, Fellinilaan, Filmwijk (FL)	1998	100%	42		42	43			0	448
Almere, Koetsierbaan, Side by Side (FL)	2007	100%	59		59	69			58	842
Almere-Stad, Quickstepstraat, Danswijk (FL)	1999	100%	54	54		60			0	443
Amersfoort, Parelvisserspad, Schuilenburg (UT)	1969	100%	116	116		142			50	1,130
Amersfoort, Blekerssingel, Willem III (UT)	1988	100%	18		18	15			0	153
Amersfoort, Bombardonstraat, Zielhorst M (UT)	1990	100%	29	29		29			0	250
Amersfoort, Bombardonstraat, Zielhorst H (UT)	1990	100%	36		36	29			0	287
Amersfoort, Kasteel, Kattenbroek (UT)	1991	100%	79	79		106			0	833
Amersfoort, Groote Kreek , Kattenbroek Eiland (UT)	1993	100%	101	101		139			0	1,142
Amersfoort, Grote Koppel, Zeven Provinciën (UT)	2004	100%	58		58	66			0	854
Amersfoort, Zeeuwsestraat, Puntenburg (UT)	2010	100%	60		60	58			60	675
Amersfoort, Blekerssingel, Willem III (UT)	1988	100%	15		15	13			0	127
Amersfoort, Bruggensingel-Zuid, Kattenbroek (UT)	1991	100%	55		55	53			0	451
Amersfoort, Amsterdamseweg, Puntenburg fase II (UT)	2011	100%	56		56	66		175	61	780
Amstelveen, Groenhof, Groenhof (NH)	1972	100%	110		110	92			16	859
Amstelveen, Westelijk Halfrond, Groenelaan (NH)	1974	100%	212		212	175			25	1,479
Amstelveen, Groenhof, Groenhof (NH)	1972	100%	100		100	84			15	784
Amsterdam, Leusdenhof, Nellestein (NH)	1980	erf	245		245	219	280		291	1,884
Amsterdam, Snelleveldstraat, Reigersbos (NH)	1984	erf	153	153		144		51	0	1,442
Amsterdam, Mijndenhof, Mijndenhof (NH)	1984	erf	109	109		102			0	1,021
Amsterdam, Wethouder Abrahamspad, Wethouderbuurt (NH)	1986	erf	178	178		191	59		0	1,644
Amsterdam, Wethouder Driessenstraat, Wethouderbuurt (NH)	1987	erf	155	155		179			0	1,514
Amsterdam, Jan Puntstraat, Huizingalaan (NH)	1990	erf	167		167	149			143	1,796
Amsterdam, Bonhoeffersingel, Midden Akerveldsepolder (NH)	1989	erf	160	160		184			0	1,750
Amsterdam, Rudi Bloemgartensingel, Midden Akerveldsepolder (NH)	1990	erf	177	177		226			0	1,900
Amsterdam, Bart de Ligtstraat, Julianapark (NH)	1991	erf	40	40		51			16	535
Amsterdam, Diopter, Jeugdland (NH)	1998	erf	53	53		66			0	597
Amsterdam, Zuidelijke Wandelweg, Mirandalaan (NH)	1998	100%	90		90	91	3,401		92	1,468
Amsterdam, Veemkade, Detroit (NH)	2004	erf	81		81	107	2,457		0	2,338
Amsterdam, Pieter Calandlaan, Calandtoren (NH)	2004	erf	70		70	66	1,515		73	962
Amsterdam, Wolbrantskerkweg, Wolbrantskerkweg (NH)	2005	erf	108		108	76			82	706
Amsterdam, IJburglaan, Blok 4 (NH)	2003	erf	26		26	34			26	420

Project (municipality, first street name, project name, province)	year	land	u	fh	mo	ua	office	retail	park	rent
Amsterdam, Gustav Mahlerlaan, Mahler 4 (NH)	2008	erf	169		169	204	2,160	1560	198	7,041
Amsterdam, Joris Ivensstraat, De Waterlinie (NH)	2004	erf	41		41	44	419		58	659
Amsterdam, IJburglaan, De Uitkijk (Blok 34) (NH)	2005	erf	38		38	45			40	581
Amsterdam, Purperhoedenveem, Boston (NH)	2006	erf	90		90	95			0	1,591
Amsterdam, Pieter Postpad, De Drie Bouwmeesters fase A (NH)	2006	erf	37	37		51			0	513
Amsterdam, IJburglaan, De Ontdekking (NH)	2008	erf	43		43	47			43	590
Amsterdam, Jean Desmetstraat, IJburg blok 7 (NH)	2008	erf	12	12		14			12	181
Amsterdam, Bert Haanstrakade, IJburg blok 8 (NH)	2009	erf	120		120	149	995		128	2,172
Amsterdam, Withoedenveem, Parkeergarage Nieuw Amerika (NH)	2006	erf	0			0			284	426
Amsterdam, Bijlmerdreef, Gerenstein-Gallery (NH)	2007	erf	96		96	94			0	954
Amsterdam, Overhoeksparklaan, Overhoeks Fase 1 (NH)	2011	erf	72		72	84			104	1,433
Amsterdam, Brigantijnkade, Steigereiland Noordbuurt blok A (NH)	2010	erf	26		26	32	672		46	539
Amsterdam, Galjootstraat, Steigereiland Noordbuurt blok C en F (NH)	2009	erf	59		59	59			68	830
Amsterdam, IJburglaan, Blok 4 (NH)	2003	erf	11		11	24			11	245
Amsterdam, Bonhoeffersingel, Midden Akerveldsepolder (NH)	1989	erf	48		48	36			0	395
Amsterdam, Rudi Bloemgartensingel, Midden Akerveldsepolder (NH)	1990	erf	48		48	36			0	380
Amsterdam, Maliebaan, Julianapark (NH)	1991	erf	186		186	155			0	2,162
Amsterdam, Cornelis Outshoornstraat, De Drie Bouwmeesters fase A (NH)	2006	erf	46		46	43			48	481
Amsterdam, Hooivletstraat, Steigereiland Noordbuurt blok C en F (NH)	2009	erf	59		59	59			68	822
Apeldoorn, Disselhof, Koning Stadhouderlaan (GD)	2009	100%	85		85	99			126	1,064
Arnhem, Hooghalensingel, Vredenburg (GD)	1974	100%	165	165		208			8	1,421
Arnhem, Hoogvliethof, Elderveld 231 (GD)	1976	100%	75	75		87			20	557
Arnhem, Ginnekenstraat, Kroonse Wal (GD)	1988	100%	30		30	26			0	238
Arnhem, Amsterdamseweg, Rosorum (GD)	2009	100%	20		20	16	41		16	341
Assen, Groenkampen, Peelo (DR)	1986	100%	58	58		71			0	397
Assen, Roegoorn, Marsdijk (DR)	1990	100%	37	37		37			0	330
Assen, Zuidhaege, Zuidhaege (DR)	1997	100%	60		60	57			56	585
Assen, Aardbeihof, Kloosterhoven (DR)	2004	100%	3	3		4			0	37
Beek, Kastanjelaan, Beatrixlaan (LB)	1983	100%	19	19		21			0	145
Bergen Op Zoom, Zandstraat, Leemberg (NB)	1975	100%	28	28		25			0	185
Bergen Op Zoom, Duvenee, Bergse Plaat Fa I (NB)	1991	100%	92	92		111			0	798
Bergen Op Zoom, Agger, Bergse Plaat Fa II (NB)	1993	100%	36	36		43			0	352
Bergen Op Zoom, Ansjovislaan, De Weer (NB)	1994	100%	54		54	59			60	546
Bergen Op Zoom, Agger, Bergse Plaat Fa V (NB)	1995	100%	30	30		41			0	310
Bergen op Zoom, Statietjalk, Landmark (NB)	2004	100%	33		33	38			33	385
Bergen op Zoom, Ansjovislaan, Laguna (NB)	2008	100%	33		33	35			33	378
Bergen op Zoom, Ansjovislaan, Villa Murano (NB)	2009	100%	17		17	18			17	187
Bergen Op Zoom, Ansjovislaan, De Weer (NB)	1994	100%	76		76	84			84	759
Blaricum, Dam, De Byvanck (NH)	1975	100%	96	96		102			0	934
Breda, Lachappellestraat, Lachappellestraat (NB)	1961	100%	64		64	42			17	440
Breda, Blauwtjes, Waterjuffer (NB)	1999	100%	36		36	33			5	346
Breda, Argusvlinder, Argusvlinder (NB)	1999	100%	64		64	42			0	359
Breda, Lovensdijkstraat, Vredenbergh (NB)	2004	erf	102		102	75	5,678		56	1,487
Breda, Nonnenveld, Paleis (NB)	2005	100%	77		77	100			78	1,097
Breda, Ceresstraat, Hoefijzers (NB)	2011	100%	42		42	49			46	592
Breda, Lovensdijkstraat, Vredenbergh - fase 2 (NB)	2011	100%	124		124	148	-	0	130	2,499
Brummen, Buizerdstraat, De Enk (GD)	1974	100%	53	53		64			5	435
Bunnik, Esdoorn, Dalenoord VII (UT)	1989	100%	19	19		18			0	149
Bunnik, Koekoeksbloem, Dalenoord VII (UT)	1989	100%	16		16	12			0	124
Capelle A/D Ijssel, Rigoletto, Louvre/Rigoletto (ZH)	1983	100%	70		70	53			0	486
Capelle A/D Ijssel, Slotplein, Slotplein (ZH)	1997	100%	80		80	86			0	831
Capelle a/d IJssel, Librije, Hermitage (ZH)	1983	100%	49	49		48			0	401
Capelle a/d IJssel, Doelen, Doelen en Louvre (ZH)	1983	100%	72	72		71			0	597
Culemborg, Akelei, Voorkoop (GD)	1985	100%	40	40		49			0	363
Den Bosch, Bordeslaan, Paleiskwartier (NB)	2004	100%	23		23	26			30	373

Project (municipality, first street name, project name, province)	year	land	u	fh	mo	ua	office	retail	park	rent
Den Haag, Prins Willem Alexanderweg, La Fenêtre (ZH)	2005	erf	113		113	139			125	2,117
Den Haag, Van Hogenhoucklaan, Hubertusstaete (ZH)	2010	100%	23		23	29			27	528
Deurne, Appeldijk, Den Heiakker (NB)	1983	100%	13	13		15			0	99
Deventer, Bitterzoet, Colmschate (OV)	1984	100%	100	100		115			0	744
Diemen, Biesbosch, Biesbosch (NH)	1978	100%	148	148		191			0	1,619
Diemen, Polderland, Diemen Zuid (NH)	1986	100%	169	169		183			0	1,609
Diemen, Hartschelp, Hartschelp (NH)	1983	100%	62	62		66			0	689
Doetinchem, Lorentzlaan, Boerhaavelaan (GD)	1973	100%	165	165		213			0	1,239
Doetinchem, Boekweitdreef, De Huet (GD)	1983	100%	90	90		101			0	648
Dordrecht, Van Ravesteyn-erf, Groene Oever (ZH)	1995	100%	84		84	77			0	825
Duiven, Thuvinestraat, Eltingerhof (GD)	1975	100%	91	91		102			0	628
Eindhoven, generaal Marshallweg, Rapenland (NB)	1984	100%	25	25		24			0	203
Eindhoven, Opwettensemolen, Opwettensemolen (NB)	1986	100%	178		178	133			112	1,447
Eindhoven, Bisschopsmolen, Woenselse Watermolen (NB)	1988	100%	220	202	18	258			0	2,135
Eindhoven, Venbergsemolen, Venbergsemolen (NB)	1989	100%	134		134	113			0	1,134
Eindhoven, Tongelresestraat, Picushof (NB)	2001	100%	58	22	36	60			0	630
Eindhoven, Smalle Haven, Vestedatoren (NB)	2006	100%	42		42	55	938		79	929
Eindhoven, Tesselschadelaan, Granida (NB)	2004	100%	30		30	39			48	535
Eindhoven, Cassandraplein, Cassandraplein (NB)	2008	100%	30		30	35		731	32	538
Eindhoven, Monseigneur Swinkelstraat, Kloosterdreef (NB)	2008	100%	36		36	40			36	449
Eindhoven, generaal Stedmanstraat, Rapenland (NB)	1984	100%	71		71	52			2	515
Emmen, Klepel, Ermerstede (DR)	1990	100%	40		40	36			45	385
Emmen, Eidereend, Eendenveld (DR)	1990	100%	33	33		32			0	276
Enschede, Walkottelanden, Stroinkslanden (OV)	1982	100%	40	40		43			0	309
Enschede, Mooienhof, Mooienhof (OV)	2003	100%	87		87	90		875,2	0	906
Geldrop, Herdersveld, Grote Bos (NB)	1978	100%	95	95		97			0	810
Geleen, Schrynwerkersd, Dassenkuil I (LB)	1987	100%	12	12		13			0	94
Geleen, Dassenkuillaan, Dassenkuil II (LB)	1988	100%	11	11		12			0	85
Grave, Estersveldlaan, Estersveld (NB)	1972	100%	42	42		50			27	320
Groningen, Zuiderweg, Hoogkerk (GR)	1976	100%	121	121		125			30	815
Groningen, Steenhouwerskade, Zuiderhavenring (GR)	1982	100%	53		53	47			92	554
Groningen, Steenhouwerskade, Zuiderhavenring (GR)	1983	100%	70		70	56			0	566
Groningen, Van Goghstraat, Waterrand (GR)	1994	100%	72		72	59			73	662
Groningen, Bloemersmaborg, Klein Martijn (GR)	1997	100%	28		28	29			0	307
Groningen, Reitdiephaven, Reitdiep Haven (GR)	2010	100%	47		47	45			47	516
Haarlemmermeer, Boekestraat, Jacob, Warande (NH)	1969	100%	44	44		50			30	444
Heemstede, Floradreef, Prinseneiland (NH)	1990	100%	38	38		43			0	360
Heerenveen, Barten, Nye Haske (FR)	1987	100%	69	69		80			0	546
Heerenveen, Poststraat, Poststraat (FR)	1995	100%	52		52	49			0	471
Heerlen, Poelmanstraat, Douve Weien 1 (LB)	1978	100%	161	161		174			0	1,358
Heerlen, Drieoortsput, Douve Weien 2 (LB)	1979	100%	68		68	42			66	363
Heerlen, Palestinastraat, Giesen-Bautsch (LB)	1980	100%	40	40		43			0	303
Heerlen, Putgraaf, Parkflat (LB)	1982	100%	93		93	71			175	820
Heerlen, Dillegaard, Douve Weien (LB)	1983	100%	71		71	51			14	440
Heerlen, Marjoleingaard, Douve Weien (LB)	1982	100%	60	60		65			0	456
Heerlen, Putgraaf, Putgraaf Residentie (LB)	1989	100%	66		66	59	79		75	639
Heerlen, Sint Pietershof, Klein Vaticaan (LB)	2004	100%	27		27	31			28	372
Hengelo, Jan van Galenstraat, Gerarduspark (OV)	1995	100%	44		44	35			0	354
Hengelo, 't Swafert, 't Swafert (OV)	2000	100%	349		349	98			0	2,080
Hengelo, het Swafert, 't Swafert (OV)	2000	100%	68		68	0			0	399
Hengelo, het Swafert, 't Swafert (OV)	2000	100%	0			0			0	56
Hillegom, L. van Deysselaan, L. van Deysselaan (ZH)	1983	100%	36	36		38			0	330
Hillegom, J.Prinsheem, Prinsheem (ZH)	1983	100%	64	64		67			0	618
Hilversum, Loosdrechtse Bos, Resort Zonnestraal (NH)	2004	erf	42		42	62			0	1,114
Hoogezand-Sappemr, Gerbrandyhof, Drevenborg (GR)	1991	100%	44		44	37			0	347

Project (municipality, first street name, project name, province)	year	land	u	fh	mo	ua	office	retail	park	rent
Huis ter Heide, Ruysdaellaan, De Horst (UT)	2003	100%	51		51	28			0	820
Huizen, Herik, Huizermaat-West (NH)	1976	100%	199	199		186			29	1,929
Kerkrade, Mynwg, Straterweg (LB)	1987	100%	41	41		42			0	318
Leeuwarden, Stizenflora, Aldlan Oost (FR)	1977	100%	160	160		165			11	1,194
Leeuwarden, Frittemastate, Groene Hart (FR)	1986	100%	134	134		155			4	998
Leeuwarden, Ubbemastins, Parkflat (FR)	1987	100%	62		62	54			0	453
Leeuwarden, Frittemastate, Camminghaburen (FR)	1989	100%	31	31		31			0	278
Leeuwarden, Krommezijl, Zuiderburen (FR)	2005	100%	36		36	44			36	390
Leeuwarden, De Malus, Zuiderplantage (FR)	2007	100%	31		31	29			0	292
Leiden, Parkzicht, Merenwijk (ZH)	1979	100%	97		97	75			0	693
Leiden, Zuster Meijboomstraat, Stevenshof (ZH)	1991	erf	99		99	81			0	863
Leiden, Julius Caesarlaan, Roomburg (ZH)	2008	100%	26		26	31			29	406
Leiden, Stadzicht, Merenwijk (ZH)	1979	100%	92		92	68			1	635
Leiden, Molenzicht, Merenwijk (ZH)	1979	100%	41		41	30			1	283
Leiderdorp, Lokhorst, De Horsten (ZH)	1970	100%	80		80	78			26	651
Leiderdorp, Roodborststraat, Vogelwijk (ZH)	1972	100%	59		59	47			12	423
Leiderdorp, Waterleliekreek, Voorhof (ZH)	1978	100%	101	101		126			0	1,023
Leiderdorp, Laan van Berendrecht, Parkpromenade Berendrecht (ZH)	2004	100%	72		72	102		527,11	0	1,235
Leiderdorp, Rozemarijntuin, Voorhof (ZH)	1978	100%	120		120	97			9	845
Leidschendam, Schadeken, ‘t Lien (ZH)	1985	100%	127	127		135			0	1,330
Leidschendam, Neherpark, Neherpark (ZH)	2009	100%	30		30	33			35	447
Lelystad, Tjalk, Gebied 243 (FL)	1981	100%	129	129		131			0	831
Lelystad, Kogge, De Kogge I (FL)	1977	100%	61	61		70			0	466
Lelystad, Kogge, De kogge II (FL)	1977	100%	60	60		67			0	455
Leusden, Hertenhoeve, Centrum (UT)	1979	100%	40	40		37			14	365
Maarssen, Proostwetering, Op Buuren blok 7 (UT)	2009	100%	23		23	28			33	390
Maarssen, J. Homan van der Heideplein, Op Buuren blok 10A (UT)	2010	100%	10		10	11			12	160
Maarssen, de Hoopkade, Op Buuren blok 6 (UT)	2011	100%	31		31	38			44	569
Maarssen, de Hoopkade, Op Buuren blok 3 (UT)	2010	100%	18		18	23			33	383
Maastricht, Via Regia, Via Regia (LB)	1977	100%	68		68	44			82	372
Maastricht, Ellecuylgaard, Eyldergaard (LB)	1982	100%	23	23		27			0	198
Maastricht, Heerderweg, Heerderweg (LB)	1985	100%	202		202	145			107	1,431
Maastricht, Kasteel Caestertstraat, Nazareth (LB)	1987	100%	25	10	15	20			22	172
Maastricht, Erasmusdomein, Randwijck (LB)	1986	100%	104		104	81			67	845
Maastricht, Akerstraat, Ceramique (LB)	1993	100%	170		170	148	207		135	1,571
Maastricht, Sphinxlunet, Cortile (LB)	1999	100%	37		37	39	466		0	521
Maastricht, Sphinxlunet, Cortile Parking (LB)	1999	100%	0			0			222	230
Maastricht, Avenue Ceramique, Toren van Siza (LB)	2001	100%	40		40	47	714		0	837
Maastricht, Plein 1992, Residence (LB)	2000	100%	32		32	35			8	433
Maastricht, Sphinxlunet, Cortile (LB)	2002	100%	120		120	126			0	1,480
Maastricht, Heugemerweg, Cortile (LB)	2004	100%	30		30	29			0	614
Maastricht, Heugemerweg, blok 19 ceramique (LB)	2005	100%	0			0		68	0	5
Maastricht, Bellefroidlunet, Stoa (LB)	2002	100%	66		66	104	95		89	1,774
Maastricht, Boschcour, blok 22 Ceramique (LB)	2007	100%	85		85	106	860		121	1,531
Maastricht, Savelsbosch, Vroendaal (LB)	2003	100%	14	14		24			0	235
Maastricht, Avenue Ceramique, Wiebengahal (LB)	2006	erf	0			0	3,190	173	0	389
Maastricht, Prins Bisschopsingel, WML-gebouw (LB)	2009	100%	25		25	37			37	571
Maastricht, Stellalunet, Ceramique Blok 30a (LB)	2010	100%	18		18	21		974	30	494
Maastricht, Papenweg, St. Pieter (LB)	2008	100%	7		7	9		445	1	232
Maastricht, Boschcour, blok 22 Ceramique (LB)	2007	100%	7		7	11			0	126
Middelburg, Touwbaan, Maisbaai Fase I (ZE)	1990	100%	57		57	58			57	540
Nieuwegein, Hermesburg, Batau Noordrand (UT)	1988	100%	56	56		57			0	505
Nieuwerkerk Ijssel, Bladmos, Zuidplaspolder (ZH)	1979	100%	48	48		51			0	411
Nieuw-Vennep, Haendelplein, Getsewoud (NH)	2002	100%	76		76	57			0	609
Nijmegen, Lankforst, Lankforst (GD)	1969	100%	77	77		97			22	622
Nijmegen, Weezenhof, Weezenhof (GD)	1972	100%	145	145		175			43	1.336

Project (municipality, first street name, project name, province)	year	land	u	fh	mo	ua	office	retail	park	rent
Nijmegen, Nw marktstraat, Kronenburger (GD)	1991	100%	146		146	139	323		156	1,590
Nijmegen, Rode kruislaan, Park Heyendaal (GD)	1996	100%	91		91	94			0	1,059
Noordwijk, Fuikhoren, Fuikhoren (ZH)	1985	100%	67	67		73			0	583
Noordwijk, Schaalhoren, Schaalhoren (ZH)	1983	100%	66	66		69			0	590
Oosterhout, Verdistraat, Oosterheide 1 (NB)	1969	100%	32	32		41			13	251
Oosterhout, Beethovenlaan, Oosterheide 2 (NB)	1971	100%	25	25		35			8	210
Oss, Kerkstraat, Boschpoort (NB)	1982	100%	17		17	12		954,76	47	193
Ouder-Amstel, Clarissenhof, Clarissenhof (NH)	1977	100%	101	101		101			8	1,031
Papendrecht, Pontonniersweg, Buitenwaard (ZH)	1991	100%	63		63	71			17	716
Purmerend, Cocqgracht, De Purmer (NH)	1983	erf	87	87		78			0	634
Renkum, Graaf van Rechterenweg, Rechterenborg (GD)	1993	100%	62		62	57			39	647
Rhoon, Marskramer, Baljum (ZH)	1982	100%	67	67		80			0	594
Rijswijk, Churchilllaan, Churchilllaan (ZH)	1969	100%	215		215	241			19	2,012
Rijswijk, Clavecimbellaan, Clavecimbellaan (ZH)	1974	100%	160		160	172			58	1,415
Rijswijk, Prinses Beatrixlaan, Prinses Beatrixlaan (ZH)	1975	100%	146		146	122		107	136	1,119
Rijswijk, Hilvoordestraat, Over De Boogaard (ZH)	1979	erf	122		122	63			0	787
Rijswijk, Prinses Beatrixlaan, Prinses Beatrixlaan (ZH)	1975	100%	73		73	57		107	68	547
Rijswijk, Prinses Beatrixlaan, Prinses Beatrixlaan (ZH)	1975	100%	93		93	71			94	668
Roermond, Ambachtsingel, Hoogvonderen (LB)	1981	100%	50	50		58			0	344
Roermond, Dionisiusstraat, Ursula (LB)	1986	100%	290		290	217	4,962		341	2,499
Roermond, Achter de Cattentoren, Casimir (LB)	2010	100%	56		56	62			67	742
Roosendaal, Pastoor van Akenstraat, Molenbeekstraat (NB)	1970	100%	29	29		38			7	227
Roosendaal, Dolomietdijk, Kortendijk Oost I (NB)	1981	100%	24	24		28			0	175
Rosmalen, Leyborch, Dommelborch (NB)	1985	100%	60	60		52			0	457
Rotterdam, Stekelbrem, Brembuurt (ZH)	1973	100%	139	139		181			27	1,605
Rotterdam, Bottelroos, Heydnahof (ZH)	1983	erf	161	161		175			0	1,639
Rotterdam, Admiraal de Ruyterweg, Linker Rottekade (ZH)	1985	erf	246		246	149		276,35	158	1,607
Rotterdam, Hamelpad, Sneevlietstraat (ZH)	1984	erf	52	52		50			0	421
Rotterdam, Boompjes, De Boompjes I (ZH)	1988	erf	112		112	76	2,682	491	98	1,318
Rotterdam, Cromme Meth, Cromme Meth (ZH)	1987	erf	26	26		26			0	208
Rotterdam, Burg. van Walsumweg, Burg. van Walsumweg (ZH)	1989	erf	270		270	219		1729	206	2,433
Rotterdam, Ton Wijkampstraat, Zevenkamp (ZH)	1988	erf	49	49		53			0	476
Rotterdam, Den Uylsingel, Dosiotoren (ZH)	1989	erf	87		87	68			0	637
Rotterdam, Watertorenweg, Watertorenweg (ZH)	1990	erf	111		111	93			0	903
Rotterdam, Govert Terlouwstraat, Ringvaartplasbuurt (ZH)	1990	erf	53	53		57			0	543
Rotterdam, Nieuwehaven, Nieuwehaven (ZH)	1991	erf	89		89	79		601	40	931
Rotterdam, Buitenbassinweg, Buitenbassinweg (ZH)	1991	erf	97		97	81			0	776
Rotterdam, Govert Terlouwstraat, Ringvaartplasbuurt (ZH)	1991	erf	42	42		47			0	463
Rotterdam, Kouwenbergzoom, Clazina, Loreleiflat (ZH)	1992	erf	61		61	53			0	585
Rotterdam, Admiraliteitskade, Oostmolenwerf (ZH)	1994	erf	86		86	77		490	68	1,074
Rotterdam, Strevelsweg, Poort Van Zuid (ZH)	1994	erf	98		98	87			79	792
Rotterdam, Gedempte Zalmhaven, De Hoge Heren (ZH)	2000	erf	160		160	191	482		330	2,759
Rotterdam, Gedempte Zalmhaven, De Hoge Heren, serviced appartments (ZH)	2001	erf	51		51	61			0	1,048
Rotterdam, De Boompjes, De Boompjes II (ZH)	2001	erf	0			0	1,480		0	172
Rotterdam, Wierdsmaplein / Landverhuizersplein, Montevideo (ZH)	2005	erf	68		68	84			68	1,342
Rotterdam, van der Hoevenplein, New Orleans (ZH)	2010	100%	177		177	180	459	4522	203	4,230
Rotterdam, Ien Daleshof, Parktoren (ZH)	2009	100%	47		47	52	334		66	787
Rotterdam, Maashavenkade, Parkkwartier Katendrecht (ZH)	2010	100%	27		27	25			28	308
Rotterdam, Boompjes, De Boompjes I (ZH)	1988	erf	112		112	76	1,534	258	0	982
Rotterdam, Boompjes, De Boompjes I (ZH)	1988	erf	112		112	76	1,976	266	115	1,202
’s-Gravenhage, Laakweg, Piazza (ZH)	1998	erf	73		73	69			58	609
Sassenheim, Landauer, Berline en Landauer (ZH)	1985	100%	42	42		44			0	382
Sassenheim, Caleche, Brik (ZH)	1986	100%	61	61		64			0	544

Project (municipality, first street name, project name, province)	year	land	u	fh	mo	ua	office	retail	park	rent
Schagen, Patrijzenhof, Patrijzenhof (NH)	1973	100%	91	91		117			0	810
Schiedam, Chopinplein, Groenoord (ZH)	1971	100%	403		403	360	35		32	2,799
Schiedam, Huis Te Merwestraat, Woudhoek (ZH)	1984	erf	184	184		195			0	1,808
’s-Gravenhage, Deltaplein, Deltaplein (ZH)	1972	100%	60		60	47			26	491
’s-Gravenhage, De Brink, Kraayenstein I (ZH)	1975	100%	126	7	119	99			104	923
’s-Gravenhage, Noorderbrink, Kraayenstein II (ZH)	1975	100%	224	224		270			0	2,633
’s-Gravenhage, Westkapellelaan, Deltaplein (ZH)	1972	100%	96		96	79			22	808
’s-Hertogenbosch, Kruiskampsingel, Meanderflat (NB)	1968	100%	149		149	128			42	1,145
’s-Hertogenbosch, Natewischstede, Maaspoort (NB)	1987	100%	48	48		45			0	404
’s-Hertogenbosch, Pisastraat, Pisastaete (NB)	1989	100%	65		65	52			0	542
Sittard, Blijdestein garage, Kollenbergerhof I (LB)	1986	100%	68		68	49			25	479
Sittard, Ruttenlaan, Kollenbergerhof II (LB)	1987	100%	52		52	38			78	377
Sittard, Kollenberg, Kollenbergerhof III (LB)	1988	100%	41	41		46			0	330
Stiens, St. Vitusplein, Sint Vitusplein (FR)	1999	100%	30		30	21			0	175
Susteren, Raadhuispln, Middelveld (LB)	1983	100%	13	13		11			0	93
Tilburg, Anna Paulownahof, Anna Paulonahof (NB)	1989	100%	229		229	161			54	1,619
Tilburg, Schoolstraat, Elegance (NB)	1989	100%	174		174	140			45	1,363
Tilburg, Hillegomlaan, Reeshof (NB)	1990	100%	56	56		73			0	466
Tilburg, Buxusplaats, Holland-terrein (NB)	2007	100%	99		99	112			107	1,232
Vaals, Bloemendalstraat, Bloemendal (LB)	1998	100%	46		46	41			43	399
Valkenburg, Cauberg, Caubergklooster (LB)	2007	100%	41		41	27			0	754
Valkenburg Ad Geul, Oranje Nassau, Nassauflat (LB)	1982	100%	88		88	59			87	596
Valkenburg Ad Geul, Spoorlaan, De Valk/Spoorlaan (LB)	1994	100%	27		27	27			20	246
Velsen, Maanbastion, Maanbastion (NH)	1990	100%	123		123	89			44	1,050
Velsen, Sterbastion, Sterbastion (NH)	2001	100%	68		68	64			0	615
Venlo, Klingerbergsingel, Klingerberg (LB)	1984	100%	36	36		41			0	267
Venlo, Gebroeders Daelstraat, Groeneveld II (LB)	1991	100%	13	13		15			0	101
Venlo, Harry Hollastraat, Groeneveld IV (LB)	1993	100%	33	33		40			0	320
Venlo, Gruttostraat, Centrum-Zuid (LB)	1995	100%	32	32		43			0	309
Venlo, Gruttostraat, Centrum-Zuid (LB)	1997	100%	28		28	26			41	208
Venlo, Morion, Centrum-Zuid (LB)	2000	100%	31	31		36			0	260
Venlo, Harry Meijerstraat, Groeneveld II (LB)	1991	100%	72		72	66			0	509
Vleuten, Molenpolder, Meiborg (UT)	2003	100%	28		28	43			42	393
Vleuten, Molenpolder, Weideborg (UT)	2003	100%	32		32	33	152		31	374
Vleuten-De Meern, Ridderhoflaan, Secr.Versteeglaan (UT)	1969	100%	154	154		184			9	1,516
Voorburg, Distelweide, Distelweide (ZH)	1974	100%	40	40		45			14	536
Voorburg, Populierendreef, Populierenlaan (ZH)	1975	100%	124		124	87			167	846
Voorburg, Kersengaarde, Kersengaarde (ZH)	1976	100%	118	118		141			0	1,442
Voorburg, Rodelaan, Rodelaan (ZH)	1976	100%	152		152	109			80	1,086
Voorburg, Appelgaarde, Kersengaarde (ZH)	1976	100%	117	117		142			0	1,423
Voorhout, Zwanebloemstraat, Bloemenschans (ZH)	1985	100%	49	49		56			0	460
Wageningen, Elstar, Park Haagsteeg (GD)	2010	100%	28		28	35			28	415
Wageningen, Morfelden-Walldorfplein, Nobelpark (GD)	2011	100%	28		28	30			28	348
Wassenaar, Van Polanenpark, Zijlwatering (ZH)	1972	100%	75	75		105			28	921
Wassenaar, van Wassenaer Obdamlaan, Zijlwatering (ZH)	1992	100%	32	32		43			0	548
Weert, Ceres, Beekpoort (LB)	2009	100%	40		40	41			40	514
Wijchen, Abersland, Abersland (GD)	1987	100%	80	80		81			0	664
Wijchen, Abersland, Abersland (GD)	1988	100%	36	36		40			0	291
Woerden, Hoge Rijndijk, Heeren van Woerden (UT)	2010	100%	46		46	37			70	531
Zoetermeer, Dunantstraat, Molenwijk (ZH)	1973	100%	162		162	142		805	205	1,159
Zoetermeer, Zilverberg, Meerzicht (ZH)	1975	100%	71	71		85			110	705
Zoetermeer, Bunuelstrook, Buytenwegh De Leyens (ZH)	1979	100%	386	347	39	443		171,5	9	3,327
Zoetermeer, Gaardedreef, Seghwaert (ZH)	1978	100%	27	27		31			0	243
Zoetermeer, Heijermanshove, Buytenwegh De Leyens (ZH)	1979	100%	113	44	69	103			0	873
Zoetermeer, Bordeauxstraat, Frankrijklaan (ZH)	1987	100%	41	41		42			0	391
Zoetermeer, Reimsstraat, Reimsstraat (ZH)	1987	100%	108		108	82			108	981

Project (municipality, first street name, project name, province)	year	land	u	fh	mo	ua	office	retail	park	rent
Zutphen, Verdistraat, Gerard Doustraat (GD)	2007	100%	34		34	43			34	485
Zwolle, Schie, AA Landen (OV)	1969	100%	210	210		256			122	1,972
Zwolle, Van bosseware, Ittersumerlanden (OV)	1984	100%	139	139		165			0	1,068
Zwolle, Tak van poortvlietware, Ittersumerlanden (OV)	1987	100%	39	39		40			5	311
Zwolle, Stadhouderlaan, Oldenelerlanden (OV)	1988	100%	97	97		112			0	820
Total Letting portfolio			25,828	10,346	15,482	25,649	39,052	16,358	10,427	261,920

Project (municipality, first street name, project name, province)	year	land	u	fh	mo	ua	office	retail	park	rent

Development portfolio - projects in construction phase – rental

Amsterdam, Overhoeks Blok A12 (NH)	2012	100%	22		22	2.515			29	471
Amsterdam, Overhoeks Blok A14 (NH)	2012	100%	22		22	2.512			25	388
Breda, Marckhoek Pollux 23 huurapp. (NB)	2013	100%	23		23	2.661			25	419
Den Haag, Leyweg (ZH)	2012	Turn-key	49		49	5.096			63	595
Eindhoven, Cassandraplein (NB)	2011	100%	0					357		39
’s-Hertogenbosch, Jheronimus (NB)	2013	100%	44		44	4.519			44	628
Maarssen, Op Buuren blok 9A (UT)	2012	100%	42		42	4.792			48	778
Maarssen, Op Buuren blok 10B huurapp. (UT)	2012	100%	34		34	3.407		135	34	475
Sittard, Dominicaan (LB)	2012	100%	28		28	3.192			29	423
Amsterdam, Overhoeks Blok A12 (NH)	2012	100%	22		22	2.515			29	471
Amsterdam, Overhoeks Blok A14 (NH)	2012	100%	22		22	2.512			25	388
Total Development portfolio – projects in construction phase - letting			264	0	264	28,694	0	492	297	4,216

Development portfolio - projects in construction phase – for sale

Breda, Marckhoek (NB)	2013	60%	41	9	32	6,361			63	
’s-Hertogenbosch, Jheronimus (NB)	2013	100%	44		44	4,686		410	48	
Maarssen, Op Buuren blok 9B (UT)	2012	100%	19		19	2,850			30	
Maarssen, Op Buuren blok 10B koopwon. (UT)	2012	100%	9		9	1,350			2	
Total Development portfolio – projects in construction phase – for sale			113	9	104	15,247	0	410	143	

Annex 2: IVBN transparency guidelines

The Association of Institutional Property Investors in the Netherlands (IVBN) has drawn up a large number of practical recommendations for annual reporting, with the aim of considerably enhancing transparency in annual reports in the property industry. The recommendations were published in the 'Recommendations for Annual Reporting' report (Aanbevelingen voor de Jaarverslaglegging) in January 2005 and have applied since the financial year 2005 to IVBN members which are responsible for at least one specific, independent property fund with more than one investor and/or which publish an annual report on a property fund. Since 2007, Vesteda has also presented the individual properties in the Development portfolio (see also Annex 1 on page 131).

Application of IVBN guidelines

IVBN definition		**Vesteda definition**
portfolio	**level**	
Letting portfolio	portfolio sub-portfolio	Letting portfolio single-unit and multiple residency propertie
pipeline portfolio	portfolio	Development portfolio/transfer and construction phases

Vesteda's definitions are explained in more detail on page 140.

If it is decided to follow the IVBN recommendations and this has been stated, the annual report has to note any departures from them. Vesteda is following all the recommendations in the report and the addendum.

Annex 3: GRI guidelines

G3.1 CRESS

STANDARD DISCLOSURES PART I: Profile Disclosures

1 Strategy and analysis

GRI code	Description	Reported	Page number	Explanation
1,1	Statement from the most senior decision-maker of the organization.	●	6-7, 45-49	Profile CSR and sustainability
1,2	Description of key impacts, risks, and opportunities.	●	45-49 83	CSR and sustainability Risk management

2 Organisational profile

Profile Disclosure	Description	Reported	Page number	Explanation
2,1	Name of the organization.	●	6-7	Profile
2,2	Primary brands, products, and/or services.	●	6-7	Profile
2,3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	6-7, 66-69 85-88	Profile, S&O Legal structure
2,4	Location of organization's headquarters.	●	68, back cover	S&O
2,5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	6-7	Profile
2,6	Nature of ownership and legal form.	●	85-88	Legal structure
2,7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	6-7 34-40	Profile Dutch housing market
2,8	Scale of the reporting organization.	●	6-7, 66-69	Profile, S&O
2,9	Significant changes during the reporting period regarding size, structure, or ownership.	●	6-7, 10-11 85-88	Profile, Key events Legal structure
2,10	Awards received in the reporting period.	●	10-11, 45-49	Key events CSR and sustainability

3 Report parameters

Profile Disclosure	Description	Reported	Page number	Explanation
3,1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Front cover	2011
3,2	Date of most recent previous report (if any).	●	30	18.2.2011
3,3	Reporting cycle (annual, biennial, etc.)	●	Front cover, 19	Anual
3,4	Contact point for questions regarding the report or its contents.	●	142	Colophon
3,5	Process for defining report content.	○		
3,6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	92-110	Annual account
3,7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	93-98	Accounting policies
3,8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	85-88	Legal structure
3,9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	◐	34-40	Dutch housing market
3,10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●		not applicable
3,11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●		not applicable
3,12	Table identifying the location of the Standard Disclosures in the report.	●	133-138	These guidelines
3,13	Policy and current practice with regard to seeking external assurance for the report.	●	109-110, 120-121	Auditors' report

4 Governance. commitments and engagement				
Profile Disclosure	**Description**	**Reported**	**Page number**	**Explanation**
4,1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	12-13 76-79	Board members Corporate governance
4,2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	12-13	Board members
4,3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	●	12-13	Board members
4,4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	76-79 70-73	Corporate governance Report of the WC
4,5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	◐	45-49	CSR and sustainability
4,6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	76-79	Corporate governance
4,7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	◐	76-79	Corporate governance
4,8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	76-79	Corporate governance
4,9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	45-49 80-83 84	CSR and sustainability Risk management 'In control' statement
4,10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	○		
4,11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	80-83	Risk management
4,12	Externally developed economic, environmental and social charters, principles or other initiatives which the organization subscribes to or endorses.	●	18-19, 45-49	Equity CSR and sustainability
4,13	Memberships ofassociations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	●	6-7, 18-19 45-49	Profile, Equity CSR and sustainability
4,14	List of stakeholder groups engaged by the organization.	◐	45-49	CSR and sustainability
4,15	Basis for identification and selection of stakeholders with whom to engage.	●	45-49	CSR and sustainability
4,16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	45-49	CSR and sustainability
4,17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	45-49	CSR and sustainability

STANDARD DISCLOSURES PART III: Performance Indicators				
Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.	●	16-17 52-65	Yield Movements in property portfolio
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.	●	83	Risk management
EC3	Coverage of the organization's defined benefit plan obligations.	○		
EC4	Significant financial assistance received from government.	○		
EC5	Range of ratios of standard entry level wage by gender compared with local minimum wage at significant locations of operation.	○		

EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.	○		
EC7	Procedures for local hiring and proportion of senior management and all direct employees, contractors and sub-contractors hired from the local community at significant locations of operation.	○		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	○		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	34-40	Dutch housing market
Environmental				
EN1	Materials used by weight, value or volume.	○		
EN2	Percentage of materials used that are recycled and reused input materials.	○		
EN3	Direct energy consumption by primary energy source.	●	45-49	CSR and sustainability
EN4	Indirect energy consumption by primary source.	○		
CRE1	Building energy intensity.	●	45-49	CSR and sustainability
EN5	Energy saved due to conservation and efficiency improvements.	●	45-49	CSR and sustainability
EN6	Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result of these initiatives.	●	45-49	CSR and sustainability
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	45-49	CSR and sustainability
EN8	Total water withdrawal by source.	○		
EN9	Water sources significantly affected by withdrawal of water.	○		
EN10	Percentage and total volume of water recycled and reused.	○		
CRE2	Building water intensity.	○		
EN11	Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas.	○		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	○		
EN13	Habitats protected or restored.	○		
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	○		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○		
EN16	Total direct and indirect greenhouse gas emissions by weight.	○		
EN17	Other relevant indirect greenhouse gas emissions by weight.	○		
CRE3	Greenhouse gas emissions intensity from buildings.	●	45-49	CSR and sustainability
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	○		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	○		
EN19	Emissions of ozone-depleting substances by weight.	○		
EN20	NOx, SOx, and other significant air emissions by type and weight.	○		
EN21	Total water discharge by quality and destination.	○		
EN22	Total weight of waste by type and disposal method.	○		
EN23	Total number and volume of significant spills.	○		
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.	○		
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	○		

CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	○		
EN26	Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.	○		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	○		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	○		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	○		
EN30	Total environmental protection expenditures and investments by type.	○		
Social: labour practices and decent work				
LA1	Total workforce by employment type, employment contract and region, broken down by gender.	◐	66-69	S&O
LA2	Total number and rate of new employee hires and employee turnover by age group, gender and region.	◐	66-69	S&O
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	○		
LA15	Return to work and retention rates after parental leave, by gender.	○		
LA4	Percentage of employees covered by collective bargaining agreements.	○		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	○		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	○		
LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region and by gender.	◐	66-69	S&O/Sick leave
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	○		
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases.	◐	66-69	S&O
LA9	Health and safety topics covered in formal agreements with trade unions.	○		
LA10	Average hours of training per year per employee by gender and by employee category.	○		
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	◐	66-69 79	S&O Governance employees
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	●	66-69 79	S&O Governance employees
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	◐	66-69	S&O
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	○		
Social Human Rights				
HR1	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	○		
HR2	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	●	45-49	CSR and sustainability
HR3	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	○		

HR4	Total number of incidents of discrimination and corrective actions taken.	◐	82	Risk management
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	◐	82	Risk management
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	◐	82	Risk management
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	◐	82	Risk management
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	○		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	○		
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	○		
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms..	○		
Social: Society				
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programmes.	○		
SO9	Operations with significant potential or actual negative and positive impacts on local communities.	○		
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	○		
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	●	66-69	S&O
SO2	Percentage and total number of business units analysed for risks related to corruption.	◐	82	Risk management/Fraud
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	◐	82	Risk management/Fraud
SO4	Actions taken in response to incidents of corruption.	◐	82	Risk management/Fraud
SO5	Public policy positions and participation in public policy development and lobbying.	○		
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	○		
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	○		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	○		
Social: Product responsibility				
PR1	Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	○		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcome.	○		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	○		
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment.	●	45-49	CSR and sustainability
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcome.	○		

PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	50-51	Customer survey
PR6	Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	○		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcome.	○		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	◐	50-51	Customer survey
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	○		

● Reported ◐ Partially reported ○ Not reported

Annex 4: Definitions

Assetmanagement Management of assets, with responsibility for the risk/return profile of the investments in the medium term as well as for annual performance

Investors (current and potential) Investors in Vesteda

Occupancy rate The number of residential properties actually generating rental income as a percentage of the number of properties that could generate rental income

Gross initial yield Theoretical gross rental (on a given reference date) from a complex divided by the total investment in that complex

Direct yield (IPD) Yield from letting (net rental) of a property divided by the average capital outstanding during a year

Discounted-cash-flow method (DCF) A model for calculating value using cash flows. The value of an asset is the sum of the present value of future cash flows

Letting portfolio, letting phase All fully-completed and let property complexes owned by Vesteda entities and on which no decision to dispose has been taken. See also the section on the Classification of the portfolio on page 52

Letting portfolio, selling/letting phase All fully-completed and let property complexes owned by Vesteda entities and on which a decision to dispose has been taken. See also the section on the Classification of the portfolio on page 52

HBV Tenants' Association

More expensive/higher-rental sector Sector of the residential property market for rental properties with a net monthly rent of over €664, excluding service charges

Investment level The unit in which Vesteda Project bv's new construction targets and achievements are measured, consisting of investing on a cash basis and actual new construction where cash expenditure occurs at the end of the work

Vacant value ratio The price that property investors are willing to pay for clusters of let residential properties, in relation to the individual market prices of those properties when vacant

Core areas Housing market areas that Vesteda focuses on

Management expenses of Vesteda Woningen Expenses which are incurred by the management organisation for the management of Vesteda Woningen I cv and Vesteda Woningen II cv

Mid-range rental sector Sector of the residential property market for rental properties with a net monthly rent between €664 and €1,200, excluding service costs

Net initial yield Net letting result in the first year (for a full year) divided by the total investment

Development portfolio All properties in which Vesteda has decided to invest, or is or will be preparing an investment decision, but which are not fully available for letting or handed over

Development portfolio, development phase Projects based on acquisition agreements or other contracts for area developments or other forms of alliances or acquisitions where Vesteda is or will be preparing a development decision. See also the section on the Classification of the portfolio on page 52

Development portfolio, preparatory phase Projects on which Vesteda has taken a development decision, which are being prepared for construction and on which building work has not yet started. See also the section on the Classification of the portfolio on page 52

Development portfolio, construction phase Projects on which Vesteda has taken a development decision and where building work has started, but which have not yet been let or handed over. See also the section on the Classification of the portfolio on page 52

Development portfolio, transfer phase PProjects that have been handed over and are waiting for sale or still not being let as they are not yet ready for letting. See also the section on the Classification of the portfolio on page 52

Investor Holder of a direct interest in Vesteda

Participation Agreement Decisions are taken on the basis of an agreement (the Participation Agreement) between investors. The Participation Agreement can be compared with the Articles of Association of a legal entity

Property management Local commercial, administrative and technical management of properties and the related central back office and, customer contact centre and 'sales support'

More expensive/higher-rental sector Sector of the residential property market for rental properties with a net monthly rent of over €1,200, excluding service charges

Total portfolio The Development portfolio and the Letting portfolio. See also the section on the Classification of the portfolio on page 52

Vesteda See the section on the legal structure on page 85

Vesteda Investment Management bv See the section on the legal structure on page 85

Vesteda Groep (II) bv See the section on the legal structure on page 85

Vesteda Project (Development) bv See the section on the legal structure on page 85

Vesteda Woningen (II) cv See the section on the legal structure on page 85

Deregulated sector Residential properties with rents above the deregulation limit (€664.66 on 1 January 2012). These properties are in the mid and upper rental sectors

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