

Offering Circular

Wereldhave N.V. € 200,000,000 2.50 per cent.
Convertible Bonds due 2011
Sole Bookrunner and Manager Deutsche Bank



The date of this Offering Circular is 20 March 2006



Wereldhave N.V.

(An investment company with variable capital incorporated with limited liability in The Netherlands with its statutory seat in The Hague)

€200,000,000 2.50 per cent. Convertible Bonds due 2011

Issue Price of the Bonds: 100 per cent.

The €200,000,000 2.50 per cent. Convertible Bonds due 2011 (the “Bonds”) of Wereldhave N.V. (“Wereldhave” or the “Issuer”) will be convertible into ordinary shares (the “Shares”) issued by the Issuer at an initial conversion price (the “Conversion Price”) of €97.00 per Share, subject to adjustment in certain circumstances as described herein.

Interest on the Bonds is payable at the rate of 2.50 per cent. per annum payable semi-annually in arrear on 23 March and 23 September in each year, commencing on 23 September 2006. Payments on the Bonds shall be made in euro without any deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of any Taxing Jurisdiction (as defined in the Terms and Conditions of the Notes), unless required to be made by the Issuer.

Application has been made to admit the Bonds to the official list of the Luxembourg Stock Exchange (the “Luxembourg Stock Exchange”) and application has been made to admit the Bonds to trading on the Luxembourg Stock Exchange’s EuroMTF Market (the “Euro MTF Market”). The existing issued Shares are listed on Eurolist by Euronext Amsterdam N.V. (“Euronext Amsterdam”). The Issuer has agreed to use its best endeavours to ensure that the Shares issued upon conversion of any Bonds will be admitted to listing on Euronext Amsterdam. The closing price of the Shares on Euronext Amsterdam on 17 March 2006 was €87.85 per Share.

Unless previously redeemed, converted or repurchased and cancelled, the Bonds will be redeemed at 100 per cent. of their principal amount on 23 March 2011.

The Bonds may be redeemed at the option of the Issuer in whole (but not in part) at 100 per cent. of their principal amount together with accrued interest at any time upon the giving of no less than 20 days nor more than 40 days notice if, prior to the date of the notice of such redemption, the outstanding aggregate principal amount of Bonds shall represent 20 per cent. or less of the aggregate principal amount of the Bonds originally issued.

Neither the Bonds, nor the Shares issuable upon conversion of the Bonds have been or will be registered under the United States Securities Act of 1933 (the “Securities Act”) or with any securities regulatory authority of any jurisdiction. The Bonds are being offered in offshore transactions outside the United States in reliance on Regulation S (“Regulation S”) under the Securities Act and, unless the Bonds are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available, may not be offered, sold or delivered within the United States or to or for the benefit of U.S. persons.

The Bonds will be issued in denominations of €50,000 and integral multiples of €50,000.

On 23 March 2006 (the “Closing Date”), the global certificate evidencing the Bonds will be delivered to, and registered in the nominee name of, a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), against payment therefore in immediately available funds. Investors may only hold interests in Bonds through Euroclear or Clearstream, Luxembourg or through participants in Euroclear or Clearstream, Luxembourg. Bondholders or any person claiming any beneficial interest in any Bond will only be entitled to receive Bonds in physical form in certain limited circumstances. See “Terms and Conditions of the Bonds — Securities Holding Structure”.

Investors should read “Risk Factors” beginning on page 10 for a discussion of certain factors which should be considered before buying the Bonds.

Sole Bookrunner and Manager

Deutsche Bank

The Issuer, having made all reasonable inquiries, confirms that this Offering Circular contains all information with respect to the Issuer and its subsidiaries and affiliates taken as a whole (the "Group"), the Bonds and the Shares which is material in the context of the issue and offering of the Bonds, that the information contained herein is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts, the omission of which would, in the context of the issue and offering of the Bonds, make this document as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect, and that all reasonable inquiries have been made by the Issuer to verify the accuracy of such information. The Issuer accepts responsibility for the information contained in this Offering Circular accordingly.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or Deutsche Bank AG, London Branch (the "Manager") to subscribe for or purchase any of the Bonds or the Shares. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Bonds and the Shares and distribution of this Offering Circular, see "Subscription and Sale" herein.

Investors should rely only on the information contained in this Offering Circular. No dealer, salesman or other person is authorised to give any information or to make any representation not contained in this Offering Circular in connection with the offering of the Bonds and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Manager or its agents. No representation or warranty, express or implied, is made by the Manager or its selling agents as to the past or the future. The delivery of this Offering Circular at any time does not imply that there has been no change in the business or affairs of the Issuer or the Group since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof.

None of the Issuer or the Manager is providing any advice or recommendation in this Offering Circular on the merits of the purchase, subscription for, or investment in, the Bonds or the Shares or the exercise of any rights conferred by the Bonds or the Shares.

No representation or warranty, express or implied, is made by the Manager as to the accuracy, completeness or sufficiency of the information set out in this Offering Circular, and nothing set out or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Manager. This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Manager that any recipient of this Offering Circular should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information set out in this Offering Circular and its purchase of Bonds should be based upon such investigations as it deems necessary.

Investors must rely upon their own examination of the Issuer and the Group, the terms of the offering and the financial information contained herein, in making an investment decision. Potential investors should consult their own professional advisors as needed to make their investment decision and to determine whether they are legally permitted to purchase the Bonds under applicable laws and regulations.

In this Offering Circular, references to "€", "euro" and "EUR" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended. References to "CET" are to Central European Time.

This Offering Circular contains certain market information relating to the real estate markets in which the Group operates. Unless attributed exclusively to another source, market information included herein has been calculated by the Issuer based on data published by third party sources and includes estimates, assessments and judgments that are based on the Issuer's own experience and familiarity with the real estate markets in which the Group operates. Because such market information has been prepared in part based on the Issuer's own estimates, assessments, adjustments and judgments and has not been verified by an independent third party, market information included herein is, unless otherwise attributed exclusively to a third party source, to a certain degree subjective. While the Issuer believes that its own estimates, assessments, adjustments and judgments are reasonable and that the market information prepared by it is appropriately reflective of the real estate markets in which the Group operates, there is no assurance that the Issuer's own estimates, assessments, adjustments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

IN CONNECTION WITH THE ISSUE OF THE BONDS, DEUTSCHE BANK AG, LONDON BRANCH (THE "STABILISING MANAGER") MAY OVER-ALLOT AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER THERE MAY BE NO OBLIGATION ON THE STABILISING MANAGER TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER 60 DAYS AFTER THE CLOSING DATE.

TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE	6
SUMMARY OF THE OFFERING	7
RISK FACTORS	10
USE OF PROCEEDS	13
TERMS AND CONDITIONS OF THE BONDS	14
CLEARANCE AND SETTLEMENT OF THE BONDS	39
CAPITALISATION AND INDEBTEDNESS	41
WERELDHAVE N.V.	42
RECENT DEVELOPMENTS	47
PRINCIPAL SHAREHOLDERS AND SUBSIDIARIES	48
MANAGEMENT AND EMPLOYEES	49
SHARE CAPITAL, CORPORATE STRUCTURE AND CORPORATE GOVERNANCE.....	51
MARKET PRICE AND OTHER INFORMATION	57
DIVIDENDS AND DIVIDEND POLICY	59
SUMMARY CONSOLIDATED FINANCIAL INFORMATION	60
TAXATION	62
SUBSCRIPTION AND SALE.....	66
GENERAL INFORMATION	68

DOCUMENTS INCORPORATED BY REFERENCE

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer or the Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained in any document incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The documents set out below are incorporated herein by reference:

- the annual report and audited consolidated financial statements of the Group as at and for the year ended 31 December 2005, prepared in accordance with IFRS; and
- the annual report and audited consolidated financial statements of the Group as at and for the year ended 31 December 2004, prepared in accordance with accounting principles generally accepted in The Netherlands (“Dutch GAAP”).

A copy of this Offering Circular and the documents incorporated by reference in this Offering Circular and the Agency Agreement are available free of charge as long as the Bonds are outstanding at the offices of the Fiscal Agent and/or the Paying Agent specified at the end of this Offering Circular. The Offering Circular and documents incorporated by reference may also be obtained from the Issuer’s website (www.wereldhave.com). Written or oral requests for such documents should be directed to the specified offices of the Fiscal Agent and/or the Paying Agent during normal business hours.

SUMMARY OF THE OFFERING

The following is a summary of the principal features of the Bonds and the offering. For a summary of the provisions relating to the Bonds whilst in global form, see "Summary of Provisions Relating to the Bonds while in Global Form". Terms defined under "Terms and Conditions of the Bonds" (the "Conditions") or elsewhere in this Offering Circular shall have the same respective meanings in this summary. The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Circular.

Issuer	Wereldhave N.V.
The Bonds	€200,000,000 2.50 per cent. Convertible Bonds due 2011.
The Offering	The Bonds are being offered by the Manager outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act.
Issue Price	100 per cent. of the principal amount.
Closing Date	23 March 2006 (the "Closing Date").
Interest Rate	The rate of interest payable on the Bonds will be 2.50 per cent. per annum. Interest will accrue on the principal amount of the Bonds and will be payable on the Bonds semi-annually in arrear on 23 March and 23 September in each year (each an "Interest Payment Date") commencing on 23 September 2006.
Final Redemption	Unless previously redeemed, converted or repurchased and cancelled, the Bonds will be redeemed on 23 March 2011 (the "Final Maturity Date") at 100 per cent. of their principal amount.
Status of the Bonds	The payment obligations of the Issuer under the Bonds will constitute, subject to the negative pledge, unsecured obligations of the Issuer as provided in the Conditions, ranking <i>pari passu</i> without any preference amongst themselves, and equally with all other present and future unsecured and unsubordinated obligations of the Issuer.
Conversion	<p>The Bonds are convertible by Bondholders into Shares, at any time on or after 3 May 2006 to 5:00pm (CET) on the seventh day immediately preceding the Maturity Date, unless previously redeemed, converted or purchased and cancelled. If the Bonds are called for redemption prior to the Maturity Date, pursuant to the Conditions, the conversion period will end at 5.00 p.m. (CET) on the seventh day prior to the date fixed for redemption.</p> <p>Upon conversion of the Bonds, Shares will be delivered by credit to the Bondholder's account with a financial institution. Certificates in respect of Shares will not be issued directly to Bondholders. Accordingly, a converting Bondholder will, upon exercise of Conversion Rights, be required to specify an account with a financial institution to be credited with Shares issuable upon conversion.</p>

If all the Bonds were to be converted (assuming no adjustment to the Conversion Price and no rounding for fractions), a maximum of 2,061,855 Shares would be required to be issued, representing approximately 9.92 per cent. of the Issuer's outstanding share capital as at 23 March 2006, the date the offering was launched and placed.

Ranking of Shares

Shares issued on conversion of the Bonds will be fully paid and will rank *pari passu* in all respects with the fully paid Shares in issue on the Conversion Date.

Redemption at the option of the Issuer

The Issuer may redeem the Bonds in whole, but not in part, at any time that the outstanding aggregate principal amount of Bonds shall represent 20 per cent. or less of the aggregate principal amount of Bonds originally issued. Bonds shall be redeemable at 100 per cent. of their principal amount, plus accrued interest to but excluding the date fixed for redemption. The Issuer may exercise its option hereunder by giving each Bondholder notice no less than 20 days nor more than 40 days prior to the date fixed for redemption.

Withholding Taxes

All payments in respect of the Bonds shall be made without any deduction of or withholding for or on account of any present or future taxes imposed or levied by or on behalf of any Taxing Jurisdiction. In the event that any such deduction or withholding is required, the Issuer shall not be required to pay additional amounts in respect thereof. See "Terms and Conditions of the Bonds — Withholding Taxes".

Negative Pledge

The Bonds will contain a negative pledge provision in respect of the Issuer and its subsidiaries as further described in "Terms and Conditions of the Bonds — Covenants — Negative Pledge of the Issuer".

Cross Default

The Bonds will contain a cross default provision relating to the Issuer and its material subsidiaries. See "Terms and Conditions of the Bonds — Events of Default".

Other Events of Default

For a description of certain events that will permit acceleration of the Bonds, see "Terms and Conditions of the Bonds — Events of Default". Upon acceleration for any such event, the Bonds will become immediately due and repayable at their principal amount, together with accrued interest.

Governing Law

The Bonds and the Agency Agreement will be governed by, and construed in accordance with, Dutch law.

Fiscal Agent

Fortis Banque Luxembourg S.A.

Form of the Bonds

The Bonds will be issued in registered form in denominations of €50,000 and integral multiples of €50,000.

Delivery of the Bonds

The Bonds will be represented by a global bond in registered form which will be deposited with, and registered in the name of a nominee for, a common depository on behalf of Euroclear

Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) on or about the Closing Date. The Global Bond will be exchangeable for definitive Bonds in registered form only in the limited circumstances set out therein and described herein.

Selling Restrictions

There are restrictions on offers and sales of the Bonds, *inter alia*, in the United States and the United Kingdom. See “Subscription and Sale”.

Listing

Application has been made to list the Bonds on the EuroMTF Market of the Luxembourg Stock Exchange.

The existing Shares are listed on Euronext Amsterdam.

ISIN

XS0244270053.

Common Code

024427005.

Use of Proceeds

The net proceeds of the issue of the Bonds, expected to amount to approximately €197 million, will be used to refinance existing borrowings of the Group and for general corporate purposes of the Group.

RISK FACTORS

Prior to making an investment decision, prospective purchasers of the Bonds should carefully consider the risk factors set out below in addition to the other information contained in this Offering Circular.

Risks relating to Wereldhave's business and the Market in which it operates

The key risks relating to the Group's business and the markets in which it operates are included in this section. Additional risks of which the Group is presently not aware or that it currently deems immaterial may also impair its business.

Economic developments

Investing in property involves certain risks. The principal risks include movements in property values due to the changing balance of supply and demand and general economic developments. Property values and yields can also be adversely affected by movements in interest rates and changes in inflation rates and economic outlook.

Rental income – loss of income

In a declining economy, there is an increase in both vacancy risk and the risk of tenants being unable to fulfil their financial commitments. Vacancies can arise, for example, when leases are not renewed on expiry or are terminated early. The vacancy rate affects rental income. Cost is often incurred in maintaining empty property in or returning empty property to a condition which is acceptable for letting and letting empty property requires additional effort. Wereldhave seeks to minimise loss of income due to vacancy by pursuing an active letting policy, spreading the portfolio widely over geographical regions and industry sectors and negotiating long-term leases with financially sound tenants.

Interest-rate and exchange-rate risks

Despite Wereldhave's active funding and currency policy, it is subject to certain interest rate and exchange rate risks. Movements in interest rates may affect results, yields and property values. Higher interest rates also translate into higher financing charges. Because Wereldhave's portfolio is international in scope, its results may be affected by exchange rate movements.

Environmental risks

The presence of soil contamination and/or substances which are harmful to the environment and public health are other potential risks affecting property investment. Wereldhave pursues an active environmental policy. Wereldhave is not aware of any current environmental liability with respect to its portfolio which could materially affect its results, financial position or liquidity. However, the possibility of expenses arising in the future to prevent or remove contamination cannot be excluded.

Legislation and regulations

Wereldhave is subject to local, regional and national regulations in the countries where it is active and has investments. These regulations relate to the environment, safety and maintenance standards, physical planning, tenants' rights and the functioning of the property markets. The property markets may also be affected by European Union directives implemented by the Member States. No assurances can be given that legislation and regulations, or interpretation, implementation or amendment of existing legislation and regulations, will not result in additional expenses or have other consequences for the management of Wereldhave's property portfolio which adversely affect its results and financial position.

Taxation

As an investment institution for tax purposes (*fiscale beleggingsinstelling*) within the meaning of Section 28 of the Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting*), Wereldhave is not liable for corporation tax provided it complies with certain conditions. If it ceases to comply with these statutory requirements, Wereldhave may lose its status as an investment institution. Maintaining that status is a matter which the Board of Management gives constant attention. Changes may also occur in the shareholding structure which are beyond Wereldhave's control, such that it is no longer able to fulfil all the requirements of its status as an investment institution. The loss of such status may have an adverse effect on Wereldhave's results and financial position, and hence on its share price.

Insurance risks

Since the terrorist attacks in the United States, it is considered too expensive to insure property against this risk.

Risks relating to the Bonds

Structural subordination to creditors of the Issuer's subsidiaries and other secured creditors of the Issuer

Generally, claims of creditors of the Issuer's subsidiaries, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the Issuer's subsidiaries, will have priority in a distribution on a winding up of the assets and earnings of such subsidiaries over the claims of the Issuer's creditors. In addition, the Bonds will be effectively subordinated to all of the Issuer's other secured indebtedness, to the extent of the value of the collateral securing such indebtedness, and are and will be effectively subordinated to all of the existing and future indebtedness and other liabilities of the Issuer's subsidiaries.

Anti-takeover provisions in the Articles of Association

Like many other listed Dutch companies, the Issuer has in place certain "anti-takeover" arrangements that may have the effect of delaying, deterring or preventing a change in control that might otherwise result in the opportunity for the Shareholders to sell their Shares at a premium to the prevailing market price. These arrangements could negatively affect the market price of the Bonds and the Shares.

There is no prior market for the Bonds and the Issuer cannot be certain that an active trading market will develop

Prior to the offering, there has been no public market for the Bonds. Application has been made to admit the Bonds to the official list of the Luxembourg Stock Exchange and to admit the Bonds to trading on the Euro

MTF Market. The Issuer cannot be certain that an active trading market for the Bonds will develop or be sustained or that the market price of the Bonds will not decline. The price at which the Bonds will trade will depend upon a number of factors, some of which are beyond the Issuer's control and are of the same nature as mentioned in the risk factor below headed "Volatility of the market for the Bonds and the Shares".

Volatility of the market for the Bonds and the Shares

The market price of the Shares has been subject to volatility in the past. Fluctuations in the market price of the Shares may affect the market price of the Bonds. The market price of the Bonds and the Shares could be subject to wide fluctuations in response to numerous factors, many of which are beyond the control of the Issuer. These factors include, among other things, actual or anticipated variations in operating results of the Issuer, changes in financial estimates by securities analysts, conditions in the real estate market, the general state of the securities markets, governmental legislation or regulation, currency and exchange rate fluctuations, as well as general economic and market conditions, such as recessions.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds, expected to amount to approximately €197 million, will be used to refinance existing borrowings of the Group and for general corporate purposes of the Group.

TERMS AND CONDITIONS OF THE BONDS

The following (other than the Sections in italics), subject to completion and amendment, is the text of the Terms and Conditions of the Bonds which will be endorsed on any certificates representing the Bonds.

1 General

1.1 Description

Each Bond represented by this certificate is one of a duly authorised issue of debt securities of Wereldhave N.V., an investment company with variable capital incorporated under the laws of The Netherlands (the “Issuer”), designated as its 2.50 per cent. Convertible Bonds due 2011 (the “Bonds”). The Bonds are issued in the aggregate principal amount of €200,000,000. The Bonds have been issued subject to an agency agreement (the “Agency Agreement”) dated as of 23 March 2006 among the Issuer, Fortis Banque Luxembourg S.A. as fiscal agent and paying and conversion agent (the “Fiscal Agent”), Fortis Banque Luxembourg S.A. as registrar (the “Registrar”), the other paying and conversion agents named herein (the “Conversion Agents”) and Fortis Banque Luxembourg S.A. as calculation agent (the “Calculation Agent” and, together with the Fiscal Agent, the Registrar and the Conversion Agents, collectively, the “Agents”, which term shall include successors and assigns of any such Agent as the context requires). The Bonds will mature on 23 March 2011 (the “Maturity Date”). The Bonds are issued in tradeable units of €50,000 each or integral multiples of such amount. Copies of the Agency Agreement are available for inspection by holders of the Bonds during usual office hours at the specified offices of the Fiscal Agent. The holders of the Bonds are bound by, and are deemed to have notice of, all provisions of the Agency Agreement.

1.2 Definitions

Capitalised terms used herein are defined in Section 12.

2 Status

The Bonds constitute (subject to Condition 7.4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exemptions as may be provided by applicable legislation and subject to Condition 7.4, at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.

3 Payments

3.1 Principal

The principal amount of each Bond will be payable on the earlier of its Redemption Date or its Maturity Date. The amount due on the Maturity Date or, as the case may be, the Redemption Date of each Bond shall be 100 per cent. of its principal amount (the “Redemption Price”).

3.2 Interest

(a) Generally

The Bonds bear interest from and including the Closing Date at a rate of 2.50 per cent. per annum (the “Interest Rate”), payable semi-annually in arrear on 23 March and 23 September in

each year and on the Maturity Date (each an “Interest Payment Date”), commencing on 23 September 2006. The interest payable on each Interest Payment Date will be the interest accrued from and including (A) the later of (1) the Closing Date and (2) the most recent Interest Payment Date to which interest on the Bonds has been fully paid or duly provided for, to but excluding (B) such Interest Payment Date (an “Interest Period”). The amount of interest payable in respect of a Bond for any period which is equal to or shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the product of (x) the number of days from (and including) the immediately preceding Interest Payment Date (or if none, the Closing Date) to (but excluding) the next Interest Payment Date and (y) the number of Interest Periods normally ending in any year.

(b) **Accrued Interest paid upon Conversion**

In respect of any Bonds for which a Conversion Notice has been given, such Bonds will continue to bear interest up to, but excluding, the Delivery Date. Any interest that shall have accrued after the later of (A) the Closing Date and (B) the most recent Interest Payment Date to which interest on the Bonds has been fully paid or duly provided for, shall be payable on the Delivery Date in respect of such Bonds for which a Conversion Notice shall have been given after such date and where the Delivery Date (as defined in Section 5.3 below) falls prior to the next succeeding Interest Payment Date.

(c) **Repayment of Certain Amounts**

If any Bondholder shall have received any interest payment to which it was not entitled by virtue of Section 3.2(d) below, such Bondholder shall promptly repay the amount of such interest payment to the Issuer by wire transfer in immediately available funds or in such other manner notified by the Issuer to such Bondholder.

(d) **Record Date**

The interest payable on any Interest Payment Date will be paid to the Person in whose name the Bonds are registered at the close of business on the Record Date. In these Conditions, “Record Date” means the date falling five Business Days before the due date for any payment.

3.3 Due Date not a Business Day

Notwithstanding any other provision of the Bonds or the Agency Agreement, if the date on which any principal, interest or other payment obligation is due falls on a day that is not a Business Day, the Issuer shall have until the next succeeding Business Day to satisfy its payment obligation, and any such payment shall be given the same force and effect as if made on the date on which such principal, interest or other payment obligation was due. Bondholders shall not be entitled to any further interest or other payments for such delay.

3.4 Overdue Payment Obligations

Any overdue principal of or interest on the Bonds, or any other overdue amount on any payment obligation hereunder, will bear interest payable on demand at a rate per annum equal to EURIBOR, from and including the date of default to but excluding the date when paid.

3.5 Payment Procedures

The Issuer will discharge its payment obligations hereunder by paying to the Fiscal Agent under the Agency Agreement, and causing the Fiscal Agent to tender to each Bondholder, on or before the due

date thereof for value as of such due date an amount of euro in immediately available funds that is sufficient to satisfy such payment obligation. All amounts payable to any Bondholder hereunder, or to the Fiscal Agent under the Agency Agreement will be paid to such account as appears on the Bonds Register at close of business on the Record Date or as the Fiscal Agent shall notify to the Issuer, as the case may be, in accordance with the terms of the Agency Agreement. Bonds in certificated form shall be presented and surrendered for payment on maturity at the office of the Fiscal Agent.

4 Redemption

Subject to the terms and conditions of this Section 4, the Issuer shall have the right to redeem the Bonds in whole, but not in part, at any time that the outstanding aggregate principal amount of Bonds shall represent 20 per cent. or less of the aggregate principal amount of Bonds originally issued. Bonds redeemable pursuant to this Section 4 shall be redeemable at the Redemption Price, plus accrued interest to but excluding the Redemption Date. The Issuer may exercise its option hereunder by giving each Bondholder notice no less than 20 days nor more than 40 days prior to the Redemption Date in accordance with Section 13.7 hereof. Any such notice by the Issuer shall be irrevocable.

5 Conversion Rights

5.1 General

At any time during the Conversion Period defined in Section 5.6 below and except as provided herein, each Bondholder will have the right (the “Conversion Rights”) to convert any or all of the Bonds held by it into Conversion Securities. The conversion price is €97.00 per Conversion Security, subject to adjustment as provided in Section 5.4 below (the “Conversion Price”). The initial Conversion Price represents an exchange ratio of 515.46 Conversion Securities per €50,000 principal amount of the Bonds (the “Exchange Ratio”, as such ratio may be adjusted from time to time by dividing €50,000 by the then applicable Conversion Price).

5.2 Procedures for Exercising Conversion Rights

Subject to the terms and conditions of this Section 5.2, each Bondholder may exercise its Conversion Rights by giving at its own expense to the Conversion Agent a conversion notice and, if required under (ii) below, the relevant Bond certificate substantially in the form or forms set forth in the Agency Agreement (each a “Conversion Notice”). The date on which such Conversion Notice shall have been received by the Conversion Agent shall be the “Notification Date”. Copies of the Conversion Notice can be obtained during normal business hours at the registered office of the Conversion Agent. The Conversion Securities will be delivered by credit to an account with a financial institution. The Bondholder must include sufficient details about the account and the financial institution in the Conversion Notice to permit the Issuer to make or to cause to be made such delivery by credit to such account. Once delivered to the Conversion Agent, a Conversion Notice will be irrevocable unless an Event of Default shall have occurred and is continuing on the Delivery Date, in which case the relevant Bondholders shall be entitled to revoke the relevant Conversion Notice by giving notice to the Conversion Agent.

(i) Write-down of Global Certificate

If the Bondholder is a Central Securities Depository (as defined below) and the certificate evidencing the Bonds being converted is a global certificate evidencing the Bonds, the Bondholder must certify to the Conversion Agent that the principal amount of such global

certificate will be written down upon the conversion to reflect such conversion as provided in the Agency Agreement.

(ii) Surrender of Bond Certificates

Any other Bondholder must surrender any certificate evidencing the Bonds being converted to the Conversion Agent on or before the Notification Date.

5.3 Delivery of the Conversion Securities

The Issuer shall on or before the third Conversion Business Day following the Notification Date (the “Delivery Date”) cause to be delivered to the Bondholder, by crediting the account with the financial institution specified by the Bondholder in its Conversion Notice, the number of Conversion Securities determined by the following formula (the “Conversion Formula”) (such calculation being applied, where appropriate, also in relation to any Spin-off Securities, Reclassified Securities, or New Securities as defined below or equity securities which may be required to be delivered upon exercise of conversion rights pursuant to Section 5.4(a)(ix), Section 5.4(c) or Section 7.1), rounded down to the nearest whole number:

$$\frac{P}{X}$$

where:

P = the aggregate principal amount of the Bonds being converted by the Bondholder; and

X = the Conversion Price in effect on the Notification Date.

Any Conversion Securities tendered for delivery in this manner will be fully paid and non-assessable on the Delivery Date.

(a) Settlement Disruption Event

If a Settlement Disruption Event occurs between the Notification Date and the Delivery Date, and delivery of any Conversion Securities cannot be effected on the Delivery Date, then solely for purposes of this Section 5.3 the Delivery Date will be postponed until the first succeeding calendar day on which delivery of the Conversion Securities can take place through a national or international settlement system or in any other commercially reasonable manner.

(b) Fractional Conversion Securities

If, in the absence of rounding, the Conversion Formula would not have generated a whole number with respect to any Bondholder converting any Bonds for Conversion Securities, the Issuer shall be required to cause to be paid to such Bondholder (in lieu of delivering Fractional Conversion Securities) an amount in cash (so long as such amount is €50 or more) equal to the following formula:

$$F \times A$$

where:

F = the difference between (i) the number of Conversion Securities generated by the Conversion Formula for such Bondholder before rounding and (ii) the number of Conversion Securities generated by the Conversion Formula for such Bondholder after rounding; and

A = the Closing Price per Conversion Security on the Conversion Business Day immediately preceding the Delivery Date.

Such cash amount will be paid by the Issuer on the Delivery Date to the account specified by the relevant Bondholder in the relevant Conversion Notice.

(c) No Payment or Adjustment for Accrued Dividends

Conversion Securities made available to Bondholders on exercise of Conversion Rights will rank *pari passu* in all respects with the fully paid Conversion Securities in issue on the relevant Delivery Date, except that Bondholders will not be entitled to receive any dividend or other distribution declared payable to holders of record of Conversion Securities as of a date prior to the date such Bondholder became a holder of record of the Conversion Securities pursuant to Section 5.3(d) below. No interest or other amount or adjustment will be paid or made in respect of any such dividend or dividends.

(d) Ranking

A Bondholder exercising its Conversion Rights shall be deemed to be a holder of record of Conversion Securities on the Delivery Date, and shall be entitled to all dividends, distributions and other entitlements determined by reference to a record date on or after the Delivery Date.

5.4 Adjustment of Conversion Price

(a) Non-Merger Events

The Conversion Price will be adjusted as follows under the following circumstances:

(i) **Stock Split or Consolidation**

If there shall have occurred a subdivision or consolidation of the Conversion Securities (except for a Merger Event) into a greater or lesser number of Conversion Securities, the Conversion Price will be adjusted as of the date on which such event occurred by multiplying the Conversion Price then in effect by Formula 1 in Section 5.4(b) below.

(ii) **Granting of Rights or Warrants for Conversion Securities at a Discount**

If the Issuer grants or causes to be granted a right, warrant or other security to existing holders of Conversion Securities giving them the right to purchase or subscribe for additional Conversion Securities, the Conversion Price will be adjusted as of the ex-dividend date of such grant by multiplying the Conversion Price then in effect by Formula 2 in Section 5.4(b) below.

(iii) **Sale of Conversion Securities at a Substantial Discount**

If the Issuer sells Conversion Securities, or causes Conversion Securities to be sold, for a sale price that is less than 95 per cent. of the market price of the Conversion Securities immediately preceding the pricing of such Conversion Securities, the Conversion Price will be adjusted immediately following such pricing by multiplying the Conversion Price then in effect by Formula 3 in Section 5.4(b) below.

(iv) **Distribution of an Equity-Linked Security**

If the Issuer makes or causes to be made a free distribution or dividend of securities that are convertible, exchangeable or otherwise exercisable into the Conversion Securities to existing holders of Conversion Securities, the Conversion Price will be adjusted as of the

ex-dividend date of such free distribution or dividend by multiplying the Conversion Price then in effect by Formula 2 in Section 5.4(b) below.

(v) Granting of Rights or Warrants for an Equity-Linked Security

If the Issuer grants or causes to be granted a right, warrant or other security to existing holders of Conversion Securities giving them the right to purchase or subscribe for securities that are convertible, exchangeable or otherwise exercisable into the Conversion Securities, the Conversion Price will be adjusted as of the ex-date of such grant by multiplying the Conversion Price then in effect by Formula 2 in Section 5.4(b) below.

(vi) Issuance of Equity-Linked Securities at a Substantial Discount

If the Issuer issues and sells, or causes to be issued and sold, securities that are convertible, exchangeable or otherwise exercisable into the Conversion Securities and the sale price per equity-linked security together with any other consideration received or receivable by the Issuer, in respect of such equity-linked security is less than 95 per cent. of the market price immediately preceding the pricing of such newly issued equity-linked securities, the Conversion Price will be adjusted immediately following the pricing of such equity-linked security by multiplying the Conversion Price then in effect by Formula 3 in Section 5.4(b) below.

(vii) Free Distribution or Dividend of or Granting of Rights or Warrants for other Property

If the Issuer makes or causes to be made a free distribution or a dividend of Conversion Securities or any other distribution or dividend of, or grants a right, warrant or other security giving the right to purchase at less than fair market value, any other property (not covered by another Section of this subsection 5.4(a)) to existing holders of Conversion Securities, the Conversion Price will be adjusted as of the ex-date of such distribution, dividend or grant by multiplying the Conversion Price then in effect by Formula 2 in Section 5.4(b) below.

(viii) Extraordinary Dividend

If an Extraordinary Dividend is paid on the Conversion Securities, the Conversion Price will be adjusted as of the ex-date of such Cash Dividend by multiplying the Conversion Price then in effect by Formula 5 in Section 5.4(b) below.

(ix) Spin-off or Subdivision of Conversion Securities into Classes

If the Issuer distributes, or causes to be distributed, to existing holders of Conversion Securities (a "Spin-off Event") equity securities of an Issuer other than the Issuer (the "Spin-off Securities"), or subdivides (a "Reclassification") the Conversion Securities into two or more separately quoted classes of equity securities (such new classes) of equity securities, the "Reclassified Securities"), then one of the following adjustments will be made (as appropriate and subject as provided therein), as selected by the Issuer (in consultation with the Calculation Agent and two investment banks of international repute selected by the Issuer) from among the options applicable to such event, effective as of the ex-dividend date of any Spin-off Event or as of the effective date of any Reclassification:

- (1) in the case of a Spin-off Event or a Reclassification where the Spin-off Securities or Reclassified Securities, as the case may be, are publicly traded on a recognised exchange, the Conversion Securities shall thereafter comprise the securities comprising either the Conversion Securities immediately prior to such adjustment together with the Spin-off Securities (in the case of a Spin-off Event) or the Reclassified Securities (in the case of a Reclassification), in either case in the same amount as the Bondholder would have been entitled to receive had he converted the Bonds into Conversion Securities immediately prior to the record date of such Spin-off Event or the effective date of such Reclassification;
- (2) in the case of a Spin-off Event, the Conversion Price will be adjusted by multiplying the Conversion Price then in effect by the fraction expressed by Formula 2 in subsection 5.4(b) below;
- (3) in the case of a Spin-off Event, where the Spin-off Securities are publicly traded on a recognised exchange, within five Conversion Business Days after the ex-dividend date of the Spin-off Event, the Issuer will deliver the Spin-off Securities to each Bondholder in the same amount as the Bondholder would have been entitled to receive had he converted the Bonds into Conversion Securities immediately prior to the record date of such Spin-off Event or the effective date of such Reclassification; or
- (4) in the case of a Spin-off Event, where the Spin-off Securities are publicly traded on a recognised exchange, within five Conversion Business Days after the ex-dividend date of the Spin-off Event, the Issuer will pay to each Bondholder an amount of euro equal to the number of such Spin-off Securities as such Bondholder would have been entitled to receive had he converted the Bonds into Conversion Securities immediately prior to the record date of such Spin-off Event multiplied by the fair market value of the Spin-off Securities on a per share basis.

If the Issuer selects option (1):

- (01) In the case of a Spin-off Event, each Bond will thereafter be convertible into the Conversion Securities and the relevant Spin-off Securities (in the amount determined as provided in (1) subject to adjustment *mutatis mutandis* as provided in these terms and conditions and for such purposes the initial Conversion Price in respect of such Spin-off Securities upon the relevant Spin-off Event shall be calculated by dividing the principal amount of each Bond by the number of Spin-off Securities the holder of such Bond would have been entitled to receive had he converted the Bonds into Conversion Securities immediately prior to the record date of such Spin-off Event).

No adjustment shall be made to the Conversion Price in respect of the Conversion Securities as a result of such Spin-off Event.

- (02) In the case of a Reclassification, the Bonds will thereafter be convertible into each class of the Reclassified Securities (in each case in the amount determined as provided in (01) subject to adjustment *mutatis mutandis* as provided in these terms and conditions) and for such purposes the initial Conversion Price in respect of each class of Reclassified Securities upon the Reclassification shall be calculated by dividing the principal amount of

each Bond by the number of such Reclassified Securities as the holder of such Bond would have been entitled to receive had he converted the Bonds into Conversion Securities immediately prior to the effective date of such Reclassification. If the Issuer shall select option (3) or (4) the Bonds will continue to be convertible into Conversion Securities as provided in these terms and conditions and no adjustment shall be made to the Conversion Price as a result of the relevant Spin-off Event.

(x) Share buybacks above market

The Issuer or any of its Subsidiaries commences a tender or exchange offer for the Conversion Securities and the fair market value of the cash and other consideration offered per Conversion Security (as determined by the Calculation Agent in good faith in consultation with two investment banks of international repute selected by the Issuer) exceeds the value of “P” in Formula 4 in subsection 5.4(b) below, the Conversion Price will be adjusted retroactively with effect from the opening of business on the Conversion Business Day immediately following the Expiration Time (as defined below) by multiplying the Conversion Price then in effect by the fraction (which shall not be greater than one) expressed by Formula 4 in subsection 5.4(b) below.

(b) Adjustment Formulae

The formulae to be applied in subsection 5.4(a) to adjust the Conversion Price are as follows:

Formula 1:

$$\frac{X}{Y}$$

where:

X = the number of Conversion Securities outstanding immediately prior to the occurrence of such event.

Y = the number of Conversion Securities outstanding immediately after the occurrence of such event.

Formula 2:

$$\frac{P - d}{P}$$

where:

P = the arithmetic mean of the daily Closing Prices of the Conversion Securities during the eight Business Day period ending on the Business Day immediately preceding the first day on which the Conversion Securities are traded on Euronext Amsterdam ex the relevant distribution, dividend, rights, warrants or other securities.

d = the fair market value of the distribution, dividend, rights, warrants or securities or other property the subject of the relevant grant, as the case may be.

Formula 3:

$$\frac{X + (Zxc/P)}{X + Z}$$

where:

- X = the number of Conversion Securities outstanding immediately prior to the occurrence of such event.
- P = the arithmetic mean of the daily Closing Prices of the Conversion Securities during the five Conversion Business Day period immediately preceding the pricing of the securities to be sold.
- Z = the number of (i) Conversion Securities to be sold or (ii) Conversion Securities into which such other securities to be sold or issued are convertible, exchangeable or otherwise exercisable.
- c = (i) the sale price per security of the Conversion Securities to be sold or (ii) the sale price of the securities to be sold or issued that are convertible, exchangeable or otherwise exercisable into the Conversion Securities, together with any other consideration received or receivable in respect of such securities.

Formula 4:

$$\frac{N_1 \times P}{A + (N_2 \times P)}$$

where:

- N₁ = the number of Conversion Securities outstanding at the last time (the “Expiration Time”) tenders or exchanges may be made pursuant to such tender or exchange offer (as it shall have been amended), inclusive of all Conversion Securities validly tendered or exchanged and not withdrawn as of the Expiration Time (the “Purchased Shares”).
- N₂ = the number of Conversion Securities outstanding at the Expiration Time, exclusive of any Purchased Shares.
- P = the market price of a Conversion Security at the close of business the day prior to the announcement of the tender or exchange offer
- A = the fair market value of the aggregate consideration payable to holders of Conversion Securities based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of the Purchased Shares.

Formula 5:

$$\frac{P - d}{P - T}$$

- P = the arithmetic mean of the daily Closing Prices of the Conversion Securities during the eight Business Day period ending on the Business Day immediately preceding the first day on which the Conversion Securities are traded on Euronext Amsterdam ex the relevant Cash Dividend.
- d = the fair market value of the relevant Cash Dividend.
- T = the amount (if any) by which the Threshold Amount exceeds any previous Cash Dividends per Conversion Security paid or made in respect of the Relevant Fiscal Year (where T shall be zero if such previous Cash Dividends per Conversion Security are

equal to, or exceed, the Threshold Amount). For the avoidance of doubt T shall equal the Threshold Amount where no previous Cash Dividends per Conversion Security have been paid in the Relevant Fiscal Year.

(c) Merger Events

If, in respect of a Merger Event, the consideration for the Conversion Securities consists (or, at the option of the holder of the Conversion Securities, may consist) of New Securities, Other Consideration or Combined Consideration, then on or after the Merger Date each Bond shall be convertible into the number of New Securities, the amount of Other Consideration or the amount of Combined Consideration, as the case may be, to which a holder of the number of Conversion Securities which would have been required to be delivered had such Bond been converted immediately prior to the Merger Event would be entitled upon consummation of the Merger Event. Where pursuant to the foregoing the Bonds will be convertible into property including or comprising New Securities, the initial Conversion Price in respect of such New Securities shall be calculated by dividing the principal amount of each Bond by the number of such New Securities (determined as provided above).

(d) Change of Control

If a Change of Control occurs, the Conversion Price in respect of any Bonds in respect of which Conversion Rights are exercised and the Notification Date falls not later than 60 days following the giving of notice by the Issuer to the Bondholders of the occurrence of such Change of Control will be as set out below, in each case adjusted, if applicable, as described in the other provisions of this Section 5.4.

Conversion Date	Price (€)
On or before 23 March 2007	86
From 24 March 2007 to 23 March 2008	88.2
From 24 March 2008 to 23 March 2009	90.4
From 24 March 2009 to 23 March 2010	92.6
From 24 March 2010 to Maturity Date	94.8

(e) Other Adjustments

No adjustment to the Conversion Price will be required other than those specified above. However, if the Issuer determines in good faith that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to above in this Section 5.4 (even if the relevant event or circumstances are specifically excluded from the operation of any or all of Section 5.4(a) and 5.4(c) above), the Issuer may request the Calculation Agent acting in conjunction with two investment banks of international repute selected by the Issuer to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account of such events or circumstances and the date on which such adjustment should take effect. Upon such determination, such adjustment (if any) shall be made and shall take effect in accordance with such determination.

(f) Procedures

Except as otherwise provided, the Calculation Agent will make all adjustments to the Conversion Price pursuant to Sections 5.4(a), 5.4(c) and 5.4(d), and its calculation shall be binding on all parties except in the event of bad faith or manifest or proven error. All references in the foregoing provisions to the number of Conversion Securities outstanding shall exclude Conversion Securities held by or on behalf of the Issuer or any Subsidiary. None of the foregoing adjustment provisions shall apply to any bona fide plan for the benefit of employees, directors or consultants of the Issuer or any of its Subsidiaries now or hereafter in effect. The Conversion Price resulting from any adjustment provided for in Sections 5.4(a), 5.4(c) or 5.4(d) will be rounded to the nearest ten-thousandth, with five hundred thousandths being rounded upward.

(g) De minimis Exception

No adjustment to the Conversion Price pursuant to Sections 5.4(a), 5.4(c) and 5.4(d) will be made if the adjustment would result in a change in the Conversion Price of less than 1 per cent., provided that any adjustment that would otherwise be required to be made and any amount by which the Conversion Price has been rounded down pursuant to Section 5.4(f) will be carried forward and taken into account in any subsequent adjustment.

(h) Notice

The Issuer shall give notice to the Bondholders in accordance with Section 13.7 of any change (or, at the Issuer's discretion, any prospective change) to the Conversion Price as soon as reasonably practicable following such change (or, if the notice is given in respect of a prospective change, at such time as the Issuer shall determine).

5.5 Market Disruption Event

If a Market Disruption Event occurs on any Conversion Business Day, the Closing Price of the Conversion Securities for such day will be deemed to have been the Closing Price on the first succeeding Valid Date (as defined below). If, with respect to such Conversion Business Day, the first succeeding Valid Date has not occurred as of the tenth Conversion Business Day immediately following such Conversion Business Day, then the Calculation Agent will make a good faith estimate of the Closing Price of the Conversion Securities that would have prevailed on such Conversion Business Day but for such Market Disruption Event and such estimate shall be deemed to be the Closing Price of the Conversion Securities for such Conversion Business Day.

5.6 Miscellaneous

(a) Conversion Period

Subject to subsection (b) of this Section 5.6(b), the term "Conversion Period" means any time on or after 3 May 2006 (or if such day is not a Conversion Business Day, the next succeeding Conversion Business Day) to 5.00 p.m. (CET) on the seventh day immediately preceding the Maturity Date.

(b) Early Termination of the Conversion Period for Bonds called for Redemption

If any Bonds have been called for redemption, the Conversion Period will terminate at 5.00 p.m. (CET) on the date which is the seventh day prior to the Redemption Date, unless the Issuer fails to satisfy its redemption payment obligations on the Redemption Date, in which event the Conversion Period in respect of the relevant Bonds shall extend until the date on which the full

amount of such payment becomes available for payment and notice of such availability has been given to Bondholders in accordance with Section 13.8 or, if earlier, the Maturity Date.

(c) Early Termination of the Conversion Period upon Acceleration

If an Event of Default shall have occurred in respect of the Bonds the Conversion Period will terminate on the date on which the Bonds are so declared to be due and payable.

(d) Taxes or Duties

Each Bondholder exercising Conversion Rights will be responsible for paying any and all stamp, transfer, registration or other taxes or duties (if any) arising on the exercise of the Conversion Right and on the transfer, delivery or other disposition of Conversion Securities by the Issuer; provided that any capital duty (*kapitaalsbelasting*), stamp duty or any other taxes imposed by The Netherlands and payable upon delivery of Conversion Securities on conversion shall be paid by the Issuer. Any such duties or taxes payable by a Bondholder in the jurisdiction of the Conversion Agent with whom the relevant Conversion Notice is deposited shall be required to be paid to such Conversion Agent as a condition precedent to such conversion. None of the Issuer or any Agent will impose any charge upon the exercise of Conversion Rights.

5.7 Repurchase of Bonds

The Issuer and any Subsidiary may at any time purchase Bonds at any price in the open market or in privately negotiated transactions, provided that such purchases are in compliance with applicable law and stock exchange regulations. All Bonds which are so purchased will forthwith be cancelled and may not be reissued or resold, and the principal amount of the Global Certificate evidencing such Bonds will be reduced.

6 Withholding Taxes

6.1 No Withholding or Deduction for Taxes unless Required

All payments of principal, interest and other amounts made by the Issuer in respect of the Bonds will be made without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied, collected, withheld or assessed by or on behalf of any Taxing Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or regulation or by the official interpretation thereof. If any corporation assumes the Issuer's rights and obligations under the Bonds, the term "Taxing Jurisdiction" will include each jurisdiction in which such corporation is resident for tax purposes from the time it assumes the Issuer's rights and obligations.

6.2 No Additional Amounts

If any deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of any Taxing Jurisdiction shall at any time be required to be made by the Issuer in respect of any amounts to be paid by the Issuer in respect of the Bonds, then such payment shall be made subject to and after such deduction or withholding and the Issuer shall not be required to pay any additional amounts in respect thereof.

7 Covenants

7.1 **Covenant not to Merge, Consolidate, Amalgamate, Sell, Lease or Transfer Assets except under Certain Conditions**

The Issuer will not consolidate or amalgamate with or merge into any other corporation or corporations (other than where the Issuer is the continuing entity), or sell, lease, or transfer all or substantially all its assets, unless (A) the corporation formed by such consolidation or amalgamation, or into which the Issuer shall have been merged, or which shall have acquired such assets upon any such sale, lease or transfer shall have expressly assumed the due and punctual payment of the principal of and interest on all the Bonds and the due and punctual performance and observance of all of the covenants and conditions of the Bonds to be performed or observed by the Issuer and (B) (x) each Bond shall thereafter be convertible into the class and amount of shares and other securities, property and assets (including cash) receivable upon such consolidation, amalgamation or merger or sale, lease or transfer by a holder of the number of Conversion Securities which would have been required to be delivered had such Bond been converted into Conversion Securities immediately prior to such merger, consolidation, amalgamation, sale, lease or transfer or (y) if, in the case of any such sale, lease or transfer, no such shares or other securities, property or assets are receivable by holders of Conversion Securities, the Bonds will be convertible into Shares or common stock or the like (comprising equity securities) of the corporation which shall have acquired the relevant assets on such basis and with a Conversion Price (subject to adjustment as provided in these terms and conditions) as determined in good faith by the Calculation Agent in consultation with two investment banks of international repute selected by the Issuer. For the purposes thereof, the Issuer shall execute and deliver to each of the Agents a supplement to the Agency Agreement satisfactory to the Fiscal Agent. Such supplement will provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in these terms and conditions. The provisions of this Section 7.1 will apply in the same way to any subsequent merger, consolidation, amalgamation, sale, lease or transfer. In case of any such consolidation, merger, sale, lease or transfer, and following such an assumption by the successor corporation, such successor corporation will succeed to and be substituted for the Issuer with the same effect as if it had been named herein. In the event of any such sale, lease or transfer, following such an assumption by the successor corporation, the Issuer will be discharged from all obligations and covenants under the Bonds and the Agency Agreement and may be liquidated and dissolved.

7.2 **Reservation of Share Capital**

The Issuer undertakes that it will at all times maintain authorised share capital free of pre-emption rights sufficient for the issuance of Conversion Securities on exercise of Conversion Rights in respect of all outstanding Bonds from time to time.

7.3 **Listing of Conversion Securities**

The Issuer undertakes to use all reasonable endeavours to ensure that the Conversion Securities issued upon exercise of the Conversion Rights will be admitted to Euronext Amsterdam and will be listed, quoted or dealt in on any other stock exchange or securities market on which the Conversion Securities may then be listed or quoted or dealt in.

7.4 **Negative Pledge**

So long as any Bond remains outstanding (as defined in the Fiscal Agency Agreement) the Issuer will not, and the Issuer will ensure that none of its Subsidiaries will, create or have outstanding any Security other than a Permitted Security, upon the whole or any part of its undertaking, assets or

revenues (including any uncalled capital) to secure any indebtedness for borrowed moneys, or payment under any guarantee or indemnity granted by the Issuer or any Subsidiary in respect of any indebtedness without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Bondholders.

8 Events of Default

8.1 Events of Default

If any of the following events (each an “Event of Default”) occurs:

- (a) **Payment Default:** the Issuer fails to pay the principal of or interest on any Bonds when the same becomes due and payable and such failure continues for a period of 30 days in the case of interest;
- (b) **Conversion Rights:** the Issuer fails to deliver Conversion Securities upon exercise of Conversion Rights when the same is required to be delivered or otherwise fails duly and punctually to comply with any of its obligations in respect of the exercise of Conversion Rights and such default continues for a period of 7 days;
- (c) **Breach of Agreement:** a default in the observance or performance of any other covenant or agreement contained in these terms and conditions or the Agency Agreement which default continues for a period of 60 days after the Issuer receives written notice specifying the default (and demanding that such default be remedied) from the holders of at least 25 per cent. of the outstanding principal amount of the Bonds;
- (d) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (d) have occurred equals or exceeds €30m or its equivalent (on the basis of the middle spot rate for the relevant currency against the euro quoted by any leading bank on the day on which this paragraph operates); or
- (e) **Judgments:** one or more judgments in an aggregate amount in excess of €30m (or the equivalent thereof in any other currency or currencies) shall have been rendered against the Issuer or any Material Subsidiary and such judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and non-applicable;
- (f) **Bankruptcy:** the Issuer or any Material Subsidiary (i) commences a voluntary case or proceeding under any Bankruptcy Law with respect to itself, (ii) consents to the entry of a judgment, decree or order for relief against it in an involuntary case or proceeding under any Bankruptcy Law, (iii) consents to the appointment of a Custodian of it or for substantially all of its property, (iv) consents to or acquiesces in the institution of a bankruptcy or an insolvency proceeding against it, (v) makes a general assignment for the benefit of its creditors, (vi) takes any corporate action to authorise or effect any of the foregoing, (vi) is unable to pay its debts,

stops, suspends or threatens to stop or suspend all or a material part of (or a particular type of) its debts or (vii) proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) such debts; or

- (g) Winding Up: a court of competent jurisdiction enters a judgment, decree or order for relief in respect of the Issuer or any Material Subsidiary in an involuntary case or proceeding under any Bankruptcy Law, which shall (i) approve as properly filed a petition seeking reorganisation, arrangement, adjustment or composition in respect of the Issuer or any Material Subsidiary, (ii) appoint a Custodian of the Issuer or any Material Subsidiary or for substantially all of any of its property or (iii) order the winding-up or liquidation of its affairs; and such judgment, decree or order shall remain unstayed and in effect for a period of 90 consecutive days,

then any Bond may, by notice in writing given to the Fiscal Agent at its specified office by the holder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality.

9 Modifications And Amendments

9.1 Modifications and Amendments

The Issuer, the Fiscal Agent and the Agents may enter into an agreement or agreements supplemental to the Agency Agreement at any time, and without the consent of any Bondholder or any Person holding an interest in the Bonds through an account with a financial intermediary, for the purpose of:

- (a) conveying, transferring, assigning, mortgaging or pledging to such Bondholder as security for the Bonds, any property or assets;
- (b) curing any ambiguity or correcting or supplementing any provision contained in the Agency Agreement, the terms and conditions of the Bonds or any supplemental agreement which may be defective or inconsistent with any other provision contained in the Agency Agreement, the terms and conditions of the Bonds or any supplemental agreement, material respect; or
- (c) evidencing and providing for the acceptance of appointment under the Agency Agreement of a further or successor Agent with respect to the Bonds.

9.2 Modifications and Amendments with Bondholder Consent

The Agency Agreement contains provision for convening meetings of Bondholders (including at the Issuer's request) for the purpose of considering any matter affecting their interests, including the modification of any of the provisions of the Bonds. Such meeting may be convened by Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding (as defined in the Agency Agreement). The quorum at any such meeting for passing a resolution will be one or more persons holding or representing a clear majority of the principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of Bonds so held or represented, provided that at any meeting the business of which includes the matters listed below, the necessary quorum for passing a resolution will be one or more persons holding or representing not less than 75 per cent. or at any adjourned such meeting not less than one-third, of the principal amount of the Bonds for the time being outstanding. A resolution duly passed in accordance with the provisions of the Agency Agreement at any meeting of Bondholders will be binding on all Bondholders whether or not they are

present at the meeting and whether or not they vote in favour. The Issuer, the Fiscal Agent and the Conversion Agents may enter into an agreement or agreements supplemental to the Agency Agreement for the purpose of making any amendment or modification to the Bonds or the Agency Agreement or modifying in any manner the rights of any Bondholder with the consent of the Bondholder or Bondholders representing at least a majority in aggregate principal amount of the Bonds at the time outstanding; provided, however, that no such modification, amendment or waiver may, without the consent or the affirmative vote of Bondholders representing at least 75 per cent. of the aggregate principal amount of the Bonds at the time outstanding:

- (a) change the Maturity Date of or the Interest Payment Date for any Bond;
- (b) reduce the principal amount of or interest on any Bond, or reduce the amount payable upon redemption of any such Bond;
- (c) adversely affect the Conversion Rights or the provisions regarding adjustment of the Conversion Price (except as permitted under the Agency Agreement and the Bonds);
- (d) impair any Bondholder's right to institute suit for the enforcement of any payment on or with respect to the Bonds;
- (e) change the currency of payment of principal or interest or any other amount on any Bond;
- (f) reduce the above-stated percentage in principal amount of Bonds outstanding necessary to modify or amend the Agency Agreement or the terms and conditions of the Bonds;
- (g) reduce any requirement that Bondholders representing any minimum percentage in aggregate principal amount of the Bonds outstanding be present or give consent at any meeting of Bondholders at which a resolution is adopted; or
- (h) modify or affect in any manner adverse to the interest of any Bondholder the terms and conditions of the Bonds regarding the due and punctual payment of the principal of, or interest or any other amounts due on, the Bonds.

10 Fiscal Agent

10.1 Agent to the Issuer

The Agents, when acting in that capacity, act solely as agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Bondholder or any Person holding an interest in respect of any Bond through an account with a financial intermediary or otherwise.

10.2 Appointment and Termination of Agents

The Issuer has initially appointed the Fiscal Agent, the Registrar, the Calculation Agent and the Conversion Agents for the Bonds as stated above. The Issuer may at any time appoint additional or other Agents and terminate the appointment of such Agents. Notice of any such termination or appointment and of any change in the office through which any Agent will act will be promptly given to each Bondholder in the manner described in Section 13.7 hereof.

10.3 Duty to Maintain Office

As long as the Bonds are listed on the Luxembourg Stock Exchange, the Issuer will maintain a Fiscal Agent and a Conversion Agent in Luxembourg with respect to the Bonds.

11 Securities Holding Structure

11.1 Form and Custody of Bonds

The entire issue of the Bonds will be initially evidenced by a global certificate in fully registered form which will be deposited on the Closing Date with and registered in the name of a common depository or its nominee (the “Common Depository”) for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream” and together with Euroclear, the “Central Securities Depositories”).

11.2 Multi-Tiered Holding System

As long as the global certificate evidencing the Bonds is on deposit with the Central Securities Depositories or any of their respective successors, then:

- (a) any Person wishing to acquire, hold or transfer an interest in respect of the Bonds must do so through an account with a Central Securities Depository or any of their respective successors or another securities intermediary holding an equivalent interest in respect of the Bonds directly or indirectly through a Central Securities Depository or any of its successors;
- (b) there will be one or more financial intermediaries standing between each such accountholder and the underlying Bonds;
- (c) the Issuer and the Fiscal Agent will have the right to treat the Central Securities Depositories or their respective successors or agents as the holders or Persons exclusively entitled to receive interest and other payments or property in respect of or in exchange for the Bonds, including the Conversion Securities, and otherwise to exercise all the rights and powers with respect to any Bond;
- (d) the obligation of the Issuer to make payments of interest and principal and other amounts with respect to any Bond shall be discharged at the time payment in the appropriate amount is made in accordance with the Agency Agreement to a Central Securities Depository or its successor or agent;
- (e) the obligation of the Issuer to deliver Conversion Securities upon the exercise by any Bondholder of any Conversion Rights shall be discharged at the time the Conversion Securities are delivered to a Central Securities Depository or its successor or agent in accordance with Section 5.3; and
- (f) any Person that acquires, holds or transfers interests in respect of any Bond through accounts with a Central Securities Depository or with any other financial intermediary will be subject to the laws and contractual provisions governing such Person’s relationship with its financial intermediary, as well as the laws and contractual provisions governing the relationship between its financial intermediary and each other financial intermediary, if any, standing between itself and the global certificate evidencing the Bonds and, the Bonds Register to determine (A) the legal nature of its interest in respect of any Bond and whether such interest is protected against the insolvency of its financial intermediary or any financial intermediary standing between such investor and the underlying Bonds and, the Bonds Register, (B) whether a Central Securities Depository or its successor, and each other securities intermediary, if any, standing between such Person and the underlying Bonds and, the Bonds Register, is required to enforce the payment and other terms of the Bonds against the Issuer or to put its accountholders in a position to do so directly and (C) whether such Person’s financial intermediary and each

financial intermediary, if any, standing between such Person and the underlying Bonds and, the Bonds Register, is required to pass on to such Person the benefits of ownership of any Bonds.

11.3 Right to Obtain Individual Certificates in Exchange for the Global Certificate

Except as described in this Section 11.3, the global certificate evidencing the Terms and Conditions and deposited in a Central Securities Depository or any of its successors will not be exchangeable for individual certificates each evidencing a single Bond or less than the entire issue of the Bonds. Subject to the foregoing sentence, if (A) a Central Securities Depository or its successor notifies the Issuer that it is unwilling or unable to continue as depository and a successor depository is not appointed within 14 days, (B) an Event of Default shall have occurred and the maturity of the Bonds shall have been accelerated in accordance with the terms of the Bonds or (C) the Issuer shall have decided in its sole discretion that the Bonds should no longer be evidenced solely by a global certificate, then upon having prepared a deed or deeds with a fixed date, governed by Dutch law, between the relevant Bondholder, the relevant Central Securities Depository and the relevant accountholders of such Central Securities Depository with an interest in such Bonds:

- (a) the Issuer will promptly and in any event not later than 10 Business Days thereafter cause individual certificates each evidencing a single Bond or such other number of Bonds as specified by the Central Securities Depositories or their respective successors to be duly executed, authenticated and delivered to the Central Securities Depositories or their respective successors and, registered in the name of the relevant Central Securities Depository or its nominee, against surrender by the Central Securities Depositories or their respective successors;
- (b) notwithstanding any other provision of the terms and conditions or the Agency Agreement, the individual certificates so delivered to the Central Securities Depositories or their respective successors may be delivered by them to their respective accountholders in such amounts as shall correspond to the amount of Bonds credited to the accounts of such accountholders on the records of the Central Securities Depositories or their respective successors at the time of such delivery and, the Issuer will register the Bonds evidenced by such individual certificates in such names and amounts as the Central Securities Depositories or their respective successors shall specify to the Issuer or the Fiscal Agent, which specification shall serve as notification of transfer (*mededeling*); and
- (c) if for any reason individual certificates are not issued, authenticated and delivered to the Central Securities Depositories or their respective successors in accordance with Sections (i) and (ii) of this Section 11.3(c), then:
 - (i) each Central Securities Depository or its respective successors may provide to each of its accountholders a statement of each accountholder's interest in the Bonds evidenced by the global certificate held by such Central Securities Depository or its successor, together with a copy of the global certificate; and
 - (ii) notwithstanding any other provision of the terms and conditions or of the Agency Agreement, each such accountholder or its successors and assigns (x) shall have a claim, directly against the Issuer, for the payment of any amount due or to become due in respect of such accountholder's interest in the Bonds evidenced by the global certificate, and shall be empowered to bring any claim, to the extent of such accountholder's interest in the Bonds evidenced by the global certificate and to the exclusion of such Central Securities Depository or its successor, that as a matter of law could be brought by the holder of the global certificate and the Person in whose name the Bonds are registered and (y) may, without the consent and to the exclusion of such Central

Securities Depository or its successor, file any claim, take any action or institute any proceeding, directly against the Issuer, to compel the payment of such amount or enforce any such rights, as fully as though the interest of such accountholder in the Bonds evidenced by the global certificate were evidenced by an individual certificate in such accountholder's actual possession and as if an amount of Bonds equal to such accountholder's stated interest were registered in such accountholder's name and without the need to produce the global certificate in its original form. This Section 11.3(c) (ii) constitutes an unconditional and irrevocable, third party stipulation (*derdenbeding*, as used in Article 6:253 of The Netherlands Civil Code).

For purposes of this Section 11.3, the account records of a Central Securities Depository or its successor will, in the absence of manifest error, be conclusive evidence of the identity of each accountholder that has any interest in the Bonds evidenced by the global certificate held by such Central Securities Depository or its successor and the amount of such interest. Individual certificates will be issued in denominations of €50,000 or integral multiples of that amount and, when delivered against surrender of such global certificate shall be issued in registered form without coupons.

11.4 Direct Holding System

Subject to Section 11.2, if the global certificate is exchanged for individual certificates each evidencing a single Bond or less than the entire issue of Bonds, then:

- (a) the Issuer and the Fiscal Agent will have the right to treat each Bondholder as the holder and Person exclusively entitled to receive interest and other payments or property in respect of or in exchange for the Bonds, including the Conversion Securities, and otherwise to exercise all the rights and powers with respect to any Bond;
- (b) the obligation of the Issuer to make payments of interest and principal and other amounts with respect to the Bonds shall be discharged at the time payment in the appropriate amount is made in accordance with the Agency Agreement to each Bondholder; and
- (c) the obligation of the Issuer to deliver Conversion Securities upon the exercise by any Bondholder of any Conversion Rights shall be discharged at the time the Conversion Securities are delivered to such Bondholder in accordance with Section 5.3.

11.5 Lost, Stolen or Mutilated Certificates

In case any certificate evidencing one or more Bonds shall become mutilated, defaced or apparently destroyed, lost or stolen, the Issuer may execute, and, upon the request of the Issuer, the Registrar shall authenticate and deliver, a new certificate evidencing such Bonds, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced certificate evidencing such Bonds or in lieu of and in substitution for the apparently destroyed, lost or stolen certificate evidencing such Bonds. In every case the applicant for a substitute certificate evidencing such Bonds shall furnish to the Issuer and to the Registrar such security or indemnity as may be required by them to indemnify and defend and to save each of them and any agent of the Issuer or the Registrar harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such certificate evidencing such Bonds and of the ownership thereof. Upon the issuance of any substitute certificate evidencing such Bonds, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Registrar) connected therewith together with such indemnity or security as is reasonably required by the Issuer and the Registrar.

12 Definitions

As used herein, the following capitalised terms have the meanings set forth below:

“Agency Agreement” has the meaning set forth in Section 1.1.

“Agent” has the meaning set forth in Section 1.1.

“Bankruptcy Law” means Title 11, U.S. Code or any similar Federal, state or foreign law for the relief of debtors and shall for the avoidance of doubt include the Dutch Bankruptcy Act (“Faillissementswet”).

“Bondholder” means any Person who is registered as the owner of such Bonds on the Bonds Register.

“Bonds” has the meaning set forth in Section 1.1.

“Bonds Register” means the register of the Bonds maintained by the Registrar to register ownership of the Bonds.

“Business Day” means a calendar day other than a Saturday or a Sunday which in Amsterdam is neither a legal holiday nor a calendar day on which banking institutions are authorised by law or regulation to close and on which the TARGET system is open and, in the case of surrender of a certificate representing a Bond, in the place where such certificate is surrendered.

“Calculation Agent” has the meaning set forth in Section 1.1.

“Cash Dividend” means an amount of cash per share equal to the amount of any cash dividend or distribution paid or payable on a Conversion Security (including a dividend permitting but not requiring the holder of such Conversion Security to elect to receive such dividend in additional Conversion Securities) prior to the deduction of any withholding tax.

A “Change of Control” occurs when:

- (i) any Person acting alone acquires, or Persons acting together acquire, Control of the Issuer or is or are considered to Control the Issuer if such Person does not, or Persons do not, have, and would not be deemed to have, Control of the Issuer at the Closing Date; or
- (ii) the Issuer sells, leases or transfers all or substantially all of its assets to any other Person or Persons; or
- (iii) any Person acquires, or Persons acting together acquire, the legal or beneficial ownership of the share capital of the Issuer which confers the right to cast 51 per cent. or more of the votes which may ordinarily be cast at a general meeting of shareholders of the Issuer.

However, a Change of Control will not be deemed to have occurred solely as a result of the issuance or transfer, with co-operation, of any preferred shares in the Issuer’s capital.

“Closing Date” means 23 March 2006.

“Closing Price” means, (i) with respect to the Conversion Securities, for any Conversion Business Day, the market price per such Conversion Security quoted at the close of business on Euronext Amsterdam on such day or (ii) with respect to any right, warrant or other security, for any Business Day, the market price per right, warrant or other security quoted at the close of business on the principal exchange on which such right, warrant or other security is traded on such day.

“Combined Consideration” means New Securities in combination with Other Consideration.

“Common Stock” of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock, whether

outstanding on the Closing Date or issued after the Closing Date, and includes, without limitation, all series and classes of such common stock.

“Control” means the right to appoint and/or remove all or the majority of the members of the Supervisory Board (*raad van commissarissen*) and/or the Executive Board (*raad van bestuur*) or other governing body of the Issuer whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

“Conversion Business Day” means any calendar day other than a Saturday or Sunday that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on Euronext Amsterdam other than a calendar day on which trading is scheduled to close prior to the regular weekday closing time.

“Conversion Notice” has the meaning set forth in Section 5.2.

“Conversion Period” has the meaning set forth in Section 5.6.

“Conversion Price” has the meaning set forth in Section 5.1.

“Conversion Rights” has the meaning set forth in Section 5.1.

“Conversion Securities” means the ordinary shares of the Issuer and/or as the context may require any Spin-off Securities, Reclassified Securities or equity securities to be delivered on exercise of Conversion Rights pursuant to Sections 5.4(a)(x), 5.4(c) or 7.1.

“Custodian” means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

“Default” means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“Delivery Date” has the meaning set forth in Section 5.3.

“equity securities” means issued share capital except that which does not carry any right to participate beyond a specified amount in a distribution of dividends or assets.

“Event of Default” has the meaning set forth in Section 8.

“Extraordinary Dividend” means any Cash Dividend (the “Relevant Dividend”) paid or made in respect of a fiscal year of the Issuer (the “Relevant Fiscal Year”), where the sum of (i) the Relevant Dividend per Conversion Security and (ii) the aggregate of any other Cash Dividend or Cash Dividends per Conversion Security paid or made in respect of such fiscal year, exceeds the Threshold Amount.

“fair market value” means, with respect to any property, the fair market value of that property as determined in good faith by the Calculation Agent in consultation with two investment banks of international repute selected by the Issuer; provided, that (i) the fair market value of an Extraordinary Dividend per Conversion Security shall be the amount of the Extraordinary Dividend per Conversion Security; and (ii) where rights, warrants or other securities are publicly traded in a market of adequate liquidity (as determined in good faith by the Calculation Agent in consultation with two investment banks of international repute selected by the Issuer), the fair market value of such rights, warrants or other securities shall equal the arithmetic mean of the daily Closing Prices of such rights, warrants or other securities during the eight Business Day period commencing on the first Business Day such rights, warrants or other securities are publicly traded, or such shorter period as such rights, warrants or other securities are publicly traded.

“Fiscal Agent” has the meaning set forth in Section 1.1.

“Fractional Conversion Securities” means an amount of Conversion Securities less than one such security.

“Immovable Property” means, at any date, the aggregate net book value of those assets included under the row titled “Investment properties” as set out in the then most recent audited consolidated financial statements of the Issuer or, in the event of any alteration to the aforementioned headings in the audited consolidated financial statements of the Issuer, the aggregate net book value of such assets as shown in the then most recent audited consolidated financial statements of the Issuer, as certified in writing by the Auditors to the Fiscal Agent.

“Indebtedness” shall be construed so as to include any obligation for the payment or repayment of money, whether present or future, actual or contingent.

“Interest Payment Date” has the meaning set forth in Section 3.2.

“Interest Period” has the meaning set forth in Section 3.2.

“Judgment Currency” has the meaning set forth in Section 13.4.

“Market Disruption Event” means, for any Conversion Business Day, any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) (i) in the Conversion Securities on the Euronext Amsterdam occurring or existing during the one-half hour period immediately prior to the close of business of the Euronext Amsterdam or (ii) in any options contracts or futures contracts relating to the Conversion Securities on the Euronext Amsterdam or other exchange if, in any such case, such suspension or limitation is, in the good faith determination of the Calculation Agent, material.

“Material Subsidiary” means a Subsidiary whose gross assets (attributable to the Issuer) calculated by reference to its latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent 10 per cent. or more of the consolidated gross assets of the Issuer calculated by reference to the latest audited consolidated accounts of the Issuer, or a Subsidiary to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary. A report by the Auditors that in their opinion (making such adjustments, if any, as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

“Maturity Date” has the meaning set forth in Section 1.1.

“Merger Date” means, in respect of any Merger Event, the date on which all holders of the Conversion Securities (other than, in the case of a takeover offer, any Conversion Securities owned or controlled by the offeror) have agreed or irrevocably become obligated to transfer their Conversion Securities.

“Merger Event” means any (i) consolidation, amalgamation or merger of the Issuer with or into another entity (other than a consolidation, amalgamation or merger where the Issuer is the continuing entity) or (ii) a statutory split up (other than a Spin-off Event).

“New Securities” means equity securities (whether of the Issuer or a third party) which are publicly traded on a recognised exchange.

“Notification Date” has the meaning set forth in Section 5.3.

“Other Consideration” means cash, securities (other than New Securities) or other property (whether of the Issuer or a third party).

“Permitted Security” means any Security provided that the maximum aggregate principal amount of the indebtedness secured by such Security does not, on the date of creation of the latest such Security or, as the

case may be, the assumption of any such additional indebtedness, exceed an amount equal to 40 per cent. of Immovable Property.

“Person” means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organisation, including a government or political subdivision or an agency or instrumentality thereof.

“Reclassified Securities” has the meaning set forth in Section 5.4(a)(ix).

“Record Date” has the meaning set forth in Section 3.2(d).

“Redemption Date” means, with respect to any call for redemption of the Bonds by the Issuer, the date set for such redemption in the Redemption Notice provided for such redemption.

“Redemption Notice” means, with respect to any call for redemption, the notice given by the Issuer pursuant to Section 4.

“Redemption Price” has the meaning set forth in Section 3.1.

“Security” means any mortgage, charge, pledge, lien or other encumbrance other than an encumbrance arising solely by operation of law; and, for the avoidance of doubt, any contractual rights of set-off of accounts or combination of accounts shall not be or be deemed to be Security.

“Settlement Disruption Event” means an event beyond the control of the Issuer as a result of which any Central Securities Depository or any of their respective successors or any other central securities depository cannot settle the book-entry transfer of the Conversion Securities on such date.

“Spin-off Event” has the meaning set forth in Section 5.4(a)(ix).

“Spin-off Securities” has the meaning set forth in Section 5.4(a)(ix).

“Subsidiary” means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with the Issuer.

“TARGET” means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.

“Taxing Jurisdiction” means, in respect of any entity, the jurisdiction in which it is resident for tax purposes generally or any political subdivision or territory or possession or taxing authority thereof or therein.

“Threshold Amount” means in respect of the fiscal year of the Issuer ending 31 December 2006 an amount equal €5.40 per Conversion Security and thereafter an amount equal to 120 per cent. of the lower of (i) the Cash Dividends per Conversion Security for the fiscal year of the Issuer immediately preceding the Relevant Fiscal Year or (ii) the Threshold Amount for the immediately preceding Relevant Fiscal Year.

“Valid Date” means any Conversion Business Day on which there is no Market Disruption Event.

13 Miscellaneous

13.1 Authentication

The Bonds evidenced by this certificate shall not become valid or obligatory until the certificate of authentication hereon shall have been duly signed by the Registrar acting under the Agency Agreement.

13.2 Repayment of Funds

All monies paid by the Issuer to the Fiscal Agent or Conversion Agent for payment of principal or interest on any Bond which remain unclaimed at the end of two years after such payment has been

made will be repaid to the Issuer and all liability of such Agent with respect thereto will cease, and, to the extent permitted by law, the Bondholders shall thereafter look only to the Issuer for payment as a general unsecured subordinated creditor thereof.

13.3 Prescription

Claims for payment on the Bonds which are not exercised within five years from the due date of the relevant payment will lapse and revert to the Issuer.

13.4 Indemnification of Judgment Currency

The Issuer will indemnify each Bondholder against loss incurred by such Bondholder as a result of any judgment or order being given or made for any amount due under the Bonds and such judgment or order being expressed and paid in a currency other than euro (the “Judgment Currency”) and as a result of any variation as between (i) the rate of exchange at which euro is converted into the Judgment Currency for the purpose of such judgment or order and (ii) the spot rate of exchange in euro at which the Bondholder on the date of payment of such judgment or order is able to purchase euro with the amount of the Judgment Currency actually received by the Bondholder.

13.5 Descriptive Headings

The descriptive headings appearing in these terms and conditions are for convenience of reference only and shall not alter, limit or define the provisions hereof.

13.6 Bound by this Certificate and Agency Agreement

Each Bondholder and any Person holding an interest in respect of any Bond evidenced by this certificate through an account with a financial intermediary will be bound by, and be deemed to have notice of, all the provisions of this certificate and the Agency Agreement. Copies of the Agency Agreement will be available without charge during normal office hours at the offices of the Fiscal Agent.

13.7 Notices

(a) Notice to the Issuer

Any notice or demand by a Bondholder or the Agents to or on the Issuer may be given or served by being deposited in the mail, first class postage prepaid, and addressed to:

Wereldhave N.V.
23 Nassaulaan
2514 JT The Hague
The Netherlands

Attention: Corporate Treasury Department

or such other address as the Issuer may provide to the Bondholders and the Agents in writing.

(b) Notice to Agents

Any notice or demand by a Bondholder, the Issuer to or on the Agents may be given or served by being deposited in the mail, first class postage prepaid, and addressed to:

The Fiscal Agent and Conversion Agent:

Fortis Banque Luxembourg S.A.
50, avenue J.F. Kennedy
L-2951 Luxembourg

Attention: Listing and Agency Administration

The Registrar:

Fortis Banque Luxembourg S.A.
50, avenue J.F. Kennedy
L-2951 Luxembourg

Attention: Listing and Agency Administration

The Calculation Agent:

Fortis Banque Luxembourg S.A.
50, avenue J.F. Kennedy
L-2951 Luxembourg

Attention: Listing and Agency Administration

or such other address as the Agents may provide to a Bondholder or the Issuer in writing. Notices will take effect when delivered.

(c) *Notice to Bondholders*

Where these Bonds or the Agency Agreement requires any notice to be given to a Bondholder, such notice shall be sufficiently given if such notice is (A) (x) in the case of Bonds evidenced by the global certificate on deposit with a Central Securities Depository, such notice is delivered in writing to such Central Securities Depository and (y) in the case of Bonds evidenced by individual certificates in registered form, such notice is sent by being deposited in the mail, first class postage prepaid, and addressed to each person in whose name the Bonds are registered at the address in the Bonds Register, and (B) so long as the Bonds are listed on the Luxembourg Stock Exchange (and the rules of that Stock Exchange so require) published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg which is expected to be *d'Wort*.

(d) *Governing Law*

The Bonds and the Agency Agreement shall be governed by, and construed in accordance with, the law of The Netherlands.

CLEARANCE AND SETTLEMENT OF THE BONDS

Custodial and depository links have been established among Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Bonds and market transfers of the Bonds associated with secondary market trading.

Registration and Form

Except in certain limited circumstances, the Bonds will not be issued in certificated form registrable in the names of individual beneficial owners of the Bonds. Beneficial ownership in the Bonds can only be held in the form of book-entry interests through financial institutions as direct or indirect participants in Euroclear or Clearstream, Luxembourg.

Book-entry interests in the Bonds will be represented by the Global Certificate registered in the name of Fortis Banque Luxembourg S.A. (or its nominee) and held by the Common Depository. As necessary, the Registrar will adjust the amounts of Bonds on the register maintained for such purpose for the accounts of the Central Securities Depositories to reflect the amounts of Bonds held through Euroclear and Clearstream, Luxembourg, respectively. Beneficial ownership in Bonds will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg.

The aggregate holdings of book-entry interests in the Bonds in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Bonds, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Bonds. The Fiscal Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Bonds are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer will not impose any fees in respect of the Bonds; however, holders of beneficial interests in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, Luxembourg.

If there is an Event of Default under the Bonds, the Issuer is required to exchange the Bonds represented by the Global Certificate for Bonds in certificated form and, upon receipt of such certificates, Euroclear and Clearstream, Luxembourg will distribute such certificates to their participants.

The Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions by electronic book-entry changes in accounts of such participants between their respective account holders. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other

organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Bonds through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

If Euroclear or Clearstream, Luxembourg notifies the Issuer that it is unwilling or unable to continue as a depository and a successor depository is not appointed within 14 days, the Issuer is required to exchange the Bonds represented by the Global Certificate for Bonds in certificated form and, upon receipt of such certificates, Euroclear and Clearstream, Luxembourg will distribute such certificates to their participants.

Global Clearance and Settlement

Initial Settlement

On original issue the Bonds will be represented by the Global Certificate and delivered to the Common Depository on behalf of Euroclear and Clearstream, Luxembourg. Initial investors electing to hold book-entry interests in the Bonds through Euroclear or Clearstream, Luxembourg will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Bonds will be credited to Euroclear and Clearstream, Luxembourg participant securities clearance accounts on the Business Day following the Closing Date against payment.

Secondary Market Trading

Trading between Euroclear and Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in the Bonds held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Bonds through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

Settlement Upon Conversion

Conversions of Bonds held through Euroclear or Clearstream, Luxembourg will be processed through Euroclear and Clearstream, Luxembourg, respectively.

CAPITALISATION AND INDEBTEDNESS

The following table sets out the unaudited consolidated capitalisation of the Issuer as at 31 December 2005, extracted without material adjustment from the audited consolidated financial statements of the Issuer as at 31 December 2005. For the avoidance of doubt, the table below does not reflect the issue of the Bonds. The capitalisation table should be read in conjunction with the audited consolidated financial statements as at and for the three years ended 31 December 2003, 2004 and 2005 incorporated by reference in this Offering Circular. Save as disclosed in this Offering Circular, there has been no material change in the consolidated capitalisation of the Issuer since 31 December 2005.

	As at 31 December 2005	
	<i>(€ thousands)</i>	
Equity		
Share capital.....	207,817	
Share premium.....	755,707	
General reserve	563,213	
Revaluation reserve.....	1,527	
Exchange rate differences reserve.....	13,898	
		1,542,162
Minority Interest		106,171
		1,648,333
Long Term Liabilities		
Interest bearing liabilities.....	563,901	
Deferred tax liabilities.....	84,491	
Other long term liabilities	26,729	
		675,121
Short Term Liabilities		
Trade payables.....	2,289	
Taxes.....	6,216	
Interest bearing liabilities.....	66,199	
Other short term liabilities.....	42,482	
		117,186
Total Equity and Liabilities		2,440,640
Interest Bearing Liabilities*		
Balance at 1 January 2005.....		499,960
IFRS Adjustment.....		-1,325
		498,635
Exchange rate difference.....		22,871
		521,506
New loans/redemptions.....		108,561
Change in value due to valuation of amortised cost.....		33
Balance as at 31 December 2005.....		630,100

* Includes short term portion of long term liabilities.

WERELDHAVE N.V.

History

Wereldhave was established in Rotterdam on 30 May 1930 under the name N.V. Maatschappij tot exploitatie van onroerende goederen (“De Wereldhaven”). Early in 1947 the shares were admitted to official daily quotation on the stock exchanges of Amsterdam and Rotterdam.

Until the beginning of the 1960’s De Wereldhaven operated locally in Rotterdam as an investor in residential property and as a construction company. It was not until 1962-1972 that an extremely rapid expansion took place, with the area of operations being extended throughout the Randstad and a number of property and construction companies being taken over.

By 1971 the company’s activities were focused principally on property investment and to a much lesser extent on property development and construction. Consequently, De Wereldhaven was converted from a property developer and lessor to an investment company with the specific associated tax status. The letter ‘n’ was simultaneously dropped from the company’s name.

Following a period of consolidation and the oil crisis in 1973, Wereldhave found itself in a strong financial position. This provided a secure basis for the purchase of properties elsewhere in Europe at relatively low prices. Its first foreign investment was made in 1975 in France. Investments followed in Belgium in 1976, in Germany in 1977 and in the United Kingdom in 1978. In 1978 Wereldhave also made its first property investment in the United States. In the years that followed additional investments were made in these countries.

During the second half of 1988 a substantial expansion of Wereldhave’s property interests in the United Kingdom took place with the acquisition of the British property company Peachey Property Corporation plc. Its first investment in Spain was made in the same year. At the beginning of 1991 Wereldhave made its first investment in Budapest (Hungary). No new countries were added to the list until Wereldhave became one of the first foreign property investors in Finland when it purchased the Itäkeskus shopping centre in Helsinki in 2002. German investments were disposed of in 1993 and 1998 and those in Hungary, in 2001 and 2004.

Overview of Wereldhave’s organisation and activities

Structure

Wereldhave is an independent international property investment company, founded in 1930. Wereldhave’s shares are traded at Euronext Amsterdam and Paris. It is an investment company with variable capital. The Board of Management has authority to issue and acquire shares of Wereldhave. Wereldhave has neither an obligation to issue shares, nor to buy its shares. Wereldhave has the status of an “Investment Institution” under Dutch tax law and therefore does not pay corporation tax in The Netherlands. Wereldhave is licensed to operate as an investment company under the Dutch “Wet toezicht beleggingsinstellingen” (Investment Institutions Supervision Act).

Investments

Wereldhave invests in office buildings, shopping centres, industrial property and apartments in Belgium, Finland, France, The Netherlands, Spain, the United Kingdom and the United States. Wereldhave has at its disposal an integrated organisation for the development, investment and management of its properties with local offices in each of these countries. Dynamic management involves regular adjustments to the mix of the portfolio and its geographical distribution. The investments in Belgium are by way of a 68.2 per cent.

investment in Comm.V.A. Wereldhave Belgium S.C.A., listed at Euronext Brussels. The investments in France are held in a permanent establishment (*établissement stable*) and qualify for the French SIIC regime. The investments in the United States are held in a REIT (Real Estate Investment Trust). Wereldhave invests both directly and via local subsidiaries.

Investment property

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

Market value is based on the capitalisation of market rents less operating costs, such as cost of maintenance, insurance and expenses. The net capitalisation factor and the present value of the differences between market rent and contracted rent, of vacancies and of maintenance expenditure to be taken into account are calculated for each property individually. Transfer tax is deducted. After acquisition subsequent expenditure is added to the asset's carrying amount when it is probable that future economic benefits will flow to the entity. All other expenditures, such as repairs and maintenance, are charged to the income statement during the financial period in which they are incurred.

Investments for which the land has been acquired by means of an operational lease (ground rent agreement), are valued in accordance with the fair value method classifying operational leases as an investment property. The investment property valuation will include, as a deduction, the present value of the ground rent payments to be made. For accounting purposes ground rents are accounted for as financial leases, adding the present value of these lease liabilities back to the investment property value. At the same time the fair value of lease liabilities is shown under long term liabilities. In cases where the present value on the basis of market rates of lease liabilities is lower than their fair value, the present value will be shown.

Every six months half of the portfolio is valued at market value by independent external valuers, on 30 June and on 31 December. All properties are internally valued at market value at the end of every quarter. Valuation differences and results on disposals are recognised in the income statement.

Related tax effects are taken into account in taxes on results. Investment properties under redevelopment are continued to be classified as investment properties. Properties in own use are classified under property and equipment and its fair value at the date of reclassification is considered to be its cost for depreciation purposes of property in own use. When properties are sold the difference between the net proceeds and book value are accounted for in the profit and loss account under results on disposals.

Property management

The property portfolio is managed by Wereldhave Management Holding B.V., a wholly-owned subsidiary of Wereldhave N.V., under which are grouped the Building Management, Control & Accounting, Operation/Taxation, Information and Communication Technology, Legal, Market Research, Secretariat/Personnel & General Affairs and Corporate Treasury staff functions. The local management offices, which are responsible for the day-to-day management of the investments in the various countries, are also organised under Wereldhave Management Holding B.V., the Board of Management of which is formed by members of the Board of Management of Wereldhave N.V.

The local management offices manage the property directly. Property management covers all aspects from lease negotiation, tenant services, rent invoicing and service charge management to debt collection and technical building management. As well as maintenance, insurance and property tax, operating expenses also include the cost of managing the properties in the portfolio. Other operating expenses include commission paid to third parties retained to assist with the completion of rental transactions.

Mission and corporate aim

Wereldhave's mission is to make available, when and where needed, commercial and residential property for rent. The objective is to attain a growth in the direct investment result per share that exceeds the rate of inflation in the Eurozone by at least 3 per cent. over the long term, combined with a low risk profile on the property portfolio

Strategy

Wereldhave's strategy is to apply portfolio renewal for the optimal satisfaction of tenants' changing demands. Wereldhave has a preference for investing in modern, adaptable and identifiable buildings in readily accessible locations in knowledge based areas, where there is a liquid property market. Wereldhave attempts to limit the risks of the cyclical property market. This is achieved both by geographical portfolio diversification between the markets of continental Europe, the United Kingdom and the United States and by investing in offices, shopping centres, industrial property and residential property.

Investment policy

Wereldhave seeks to respond effectively to tenants' changing needs through portfolio renewal. Its policy is to invest in modern, flexible properties with strong identities, at locations with good communications, in high-tech segments of liquid markets. The acquisition of high-potential properties is preceded by the selection of countries, markets, locations and individual investment opportunities, in which Wereldhave applies a number of criteria. When selecting countries, Wereldhave looks primarily for political, financial and economic stability and the existence of a professional property market. In order to spread the risks, Wereldhave aims for geographical diversity and in-principle, restricts the proportion of the portfolio invested in any one country to a maximum of 20–25 per cent. In view of the long-term nature of property investment, the high acquisition and disposal costs and the substantial sums per transaction, coupled with exchange rate movements, changes in the geographical distribution are necessarily abrupt. Another relevant factor determining geographical spread is the need to achieve a 'critical mass' in each country, to make it economic to support a local management organisation. In that respect, the minimum size of the property portfolio in each country should be around €200 million.

Wereldhave also seeks to spread the risks presented by the inherently cyclical nature of the property market by dividing the portfolio between continental Europe, the United Kingdom and the United States and by investing in office properties, shopping centres and commercial and residential property. Wereldhave is currently active in ten regions: in six European countries and four regions in the United States. Although this demands a great deal of time and effort, it also creates opportunities. Wereldhave takes the view that an above-average performance can be achieved without excessive risk by keeping in close touch with specific market developments and anticipating them effectively. Wereldhave possesses the necessary expertise in assessing the effects of economic developments in different regions on demand for property in the various sectors. That expertise also underpins Wereldhave's acquisition and disposal policy. Wereldhave aims to buy at the bottom of the cycle and sell at the top, especially in the case of property which is subject to economic ageing. Continuous portfolio renewal is seen by the Board of Management as the key to Wereldhave's success. Wereldhave strives constantly to reduce the average age of the portfolio by adding new properties and disposing of older investments. As well as enabling Wereldhave to apply its expertise in finding properties which closely meet the user's changing needs, this approach also has other major advantages: the properties are easier to let, maintenance is cheaper, loss of income due to vacancy is lower and the investments are more liquid when it comes to selling, because young properties of high-quality are much in demand.

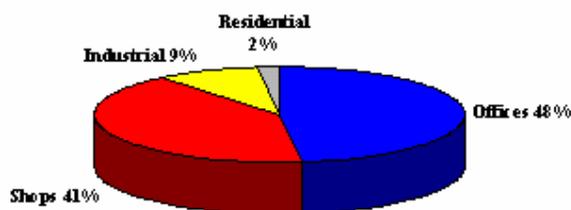
Wereldhave also benefits from the economic cycles in the different countries and regions being out of phase. The quality of the property must be sufficiently high to make it attractive both to tenants and – at a later stage – to buyers.

Although the risks inherent in new property are the same as those applying to existing property, the yields are quite different. Projects are not purchased from developers or builders until Wereldhave is sure that the end-result will meet its requirements. When Wereldhave buys projects, it does so with the intention of retaining them in the letting portfolio for an extended period, so it is a major advantage if Wereldhave's quality requirements can be taken into account during construction. As a general rule, new-build projects added to the portfolio in any year should not exceed 10 per cent. of the balance sheet total.

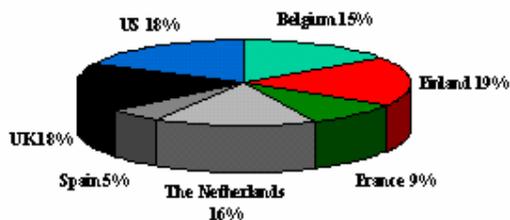
Property investment overview

The distribution of Wereldhave's investments by property category and geographical region as at year-end 2005, based on the market value of the investments, is represented graphically below.

Geographical Distribution of Investment Properties (in per cent.)



Distribution of Investment Properties by Sector (in per cent.)



Geographical Distribution of Rental Income (in € millions)

	Gross Rental Income		Property Expenses and Service and Operating Costs		Net Rental Income	
	Rental Income per country (€ millions)					
	2005	2004	2005	2004	2005	2004
Belgium.....	22.8	22.2	1.2	2.1	21.6	20.1
Finland.....	29.0	28.6	1.9	1.6	27.1	27.0
France.....	18.5	17.6	1.3	1.4	17.2	16.2
The Netherlands.....	29.1	28.5	3.3	3.1	25.8	25.4
Spain.....	8.1	7.9	0.7	0.5	7.4	7.4
United Kingdom.....	28.0	26.7	1.4	2.5	26.6	24.2
United States.....	33.5	32.2	7.4	5.0	26.1	27.2
	<u>169.0</u>	<u>163.7</u>	<u>17.2</u>	<u>16.2</u>	<u>151.8</u>	<u>147.5</u>

Distribution of Rental Income by Sector (in € millions)

	Gross Rental Income		Property Expenses and Service and Operating Costs		Net Rental Income	
	Rental Income per sector (€ millions)					
	2005	2004	2005	2004	2005	2004
Offices.....	77.7	75.1	7.2	6.5	70.5	68.6
Shops.....	67.6	63.9	5.1	4.9	62.5	59.0
Industrial.....	17.9	19.5	1.1	1.6	16.8	17.9
Residential.....	5.8	5.2	3.8	3.2	2.0	2.0
	<u>169.0</u>	<u>163.7</u>	<u>17.2</u>	<u>16.2</u>	<u>151.8</u>	<u>147.5</u>

RECENT DEVELOPMENTS

Wereldhave is actively seeking to expand, preferably through the purchase of existing properties, which, given the present capital structure, give an immediate boost to the direct result. Additions to the portfolio will be sought mainly in major property markets, such as France, Spain, the United Kingdom and the United States. In the United States, emphasis will be put on new investments in New York, Washington and the West Coast (San Diego and surroundings). In The Netherlands and Belgium, the expansion of shopping centres in the portfolio will be undertaken. For the somewhat longer term, the emphasis will be placed on new developments in all countries in which Wereldhave currently operates.

Wereldhave expects that an office building in France and another in the United Kingdom will be sold in 2006, allowing Wereldhave to cash-in the steep price appreciation on these properties. These disposals are examples of Wereldhave's policy of continuous portfolio renewal. Wereldhave aims for an expansion of the portfolio in 2006 through selective and responsible purchases.

PRINCIPAL SHAREHOLDERS AND SUBSIDIARIES

The total number of Shares in issue amounted to 20,781,735 at 31 December 2005. Ownership is spread amongst institutional and private investors, both within the Netherlands and abroad. Wereldhave is aware of no shareholdings of more than 5 per cent., with the exception of the 6.06 per cent. of Shares held by the Foundation for the holding of Wereldhave preference shares, entitling it to 5.5 per cent. of the votes. The free float for the ordinary shares amounts to 100 per cent. The net asset value per share before distribution of profits amounted to €74.21 at 31 December 2005 (2004: €68.08).

As at 31 December 2005, Wereldhave had direct shareholdings in the following companies:

	<u>% Shareholding</u>
Bollaert Investissements S.A.S.	100
Clichy Investissements S.A.S.	100
C.V.A. Wereldhave Belgium S.C.A.*	37.99
Espamad S.L.	100
Kleber Investissements S.A.S.	100
Marine de Dunkerque S.A.S.	100
N.V. Wereldhave International	100
Plaine Investissements S.A.S.	100
Relovast B.V.	100
Wereldhave Finland Oy	100
Wereldhave Management Holding B.V.	100
Wereldhave U.K. Holdings Ltd.	100
West World Holding N.V.	100

* Including indirect holdings: 68.2%

MANAGEMENT AND EMPLOYEES

Overview

Wereldhave's Articles of Association provide for a Board of Management, comprising one or more Managing Directors, as well as a Supervisory Board, comprising at least three members.

The Board of Management is responsible for the management of Wereldhave N.V. and for establishing the overall Wereldhave strategy. The Supervisory Board supervises the policy of the Board of Management, as well as the general course of Wereldhave's affairs and business. The Board of Management is required to keep the Supervisory Board informed, to consult with the Supervisory Board regarding important matters and to submit certain important decisions to the Supervisory Board for its prior approval.

The Supervisory Board deliberated in 2005 over the Board of Management's future composition and division of responsibilities. As a result Mr. R.L.M. de Ruijter resigned by mutual agreement as managing director in December 2005.

Wereldhave's Board of Management currently consists of one member. At the Annual General Meeting of Shareholders to be held on 30 March 2006 the appointment of Mr. J. Buijs, as a second member of the Board of Management of Wereldhave N.V., will be proposed.

The Supervisory Board currently consists of four members.

Wereldhave employed an average of 100 staff in 2005 (2004: 99), of whom 57 (2004: 65) were based in its international offices. Of the total number, 47 per cent. were women and 53 per cent. were men.

Supervisory Board

Name and history

C.J. de Swart

Member of the Supervisory Board since 2001; reappointed in 2003. Retires by rotation in 2006.

J. Krant

Member of the Supervisory Board since 2003. Retires by rotation in 2007.

Other positions

Former Chairman of the Board of Management of AMEV Stad Rotterdam Insurance Issuer and member of the Executive Committee Fortis

Positions in Supervisory Boards:

Stadion Feyenoord N.V.
Japhet de Jong Holding B.V.
Hogeschool Rotterdam
Fondel Finance B.V.
Daf Trucks N.V.
Ordina N.V.

Ruwaard van Putten Ziekenhuis
Univé Verzekeringen
NIBC Wealth Management

Former Chairman of the Board of Directors of Kempen & Co Director, Catalyst Advisors B.V.

Positions in Supervisory Boards:

Chairman of the Supervisory Board of Kardan N.V.

Board positions:

Lid Bestuur St. Kunsthuis Rotterdam
Foundation Administration office Heijmans N.V.

Board positions:

Voorzitter Joods Historisch Museum Stichting "Hollandsche Schouwburg"

Name and history	Other positions
<p>F.Th.J. Arp Member of the Supervisory Board since 2005. Retires by rotation in 2008.</p>	<p>Member of the Board of Management of N.V. Holdingmaatschappij De Telegraaf, CFO</p> <p><i>Positions in Supervisory Boards:</i> <i>Board positions:</i></p> <p>Weather News International World Association of Newspapers B.V.</p> <p>Several positions on behalf of de Telegraaf</p>
<p>P.H.J. Essers Member of the Supervisory Board since 2005. Retires by rotation in 2010.</p>	<p>Professor in tax law and Chairman of tax law department, University of Tilburg</p> <p><i>Positions in Supervisory Boards:</i> <i>Board positions:</i></p> <p>none Chairman Committee of Finance of the Upper Chamber</p> <p>Guest professor at the Sorbonne, Paris</p> <p>Editor of the Weekly magazine for Fiscal Law</p> <p>Board member of the Center for Issuer Law</p> <p>Board member European Tax College</p>

General

All members of the Supervisory Board are Dutch nationals. Mr C.J. De Swart will retire by rotation at the General Meeting of Shareholders, to be held on 30 March 2006. He will be nominated for re-election.

Board of Management

G.C.J. Verweij Employed by Wereldhave since 1977
Manager Building Staff Department 1981
Director Wereldhave Management Holding B.V. from 1982
Director Wereldhave N.V. from 1988 (chairman form 1994)

Share ownership

None of the members of the Board of Management and the Supervisory Board owns shares or options in Wereldhave N.V.

Share option plans

Wereldhave currently does not have any share option plans.

Loans to Directors

There are currently no outstanding loans from Wereldhave to its directors.

SHARE CAPITAL, CORPORATE STRUCTURE AND CORPORATE GOVERNANCE

The description set forth below is a summary of material information regarding Wereldhave's share capital including summaries of certain provisions of the Articles of Association. This summary does not purport to be complete and is qualified in its entirety by reference to the full Articles of Association. The full text of the Articles of Association is available in Dutch, English and French on Wereldhave's website.

General information

Incorporation, legal form and amendments to the Articles of Association

Wereldhave was incorporated under Netherlands law on 30 May 1930. The company is an investment company with variable capital. The Articles of Association were last amended by deed dated 11 April 2005, executed before R.J.J. Lijdsman, civil-law notary practising in Amsterdam, for which a ministerial declaration of no objection was issued by order dated 1 April 2005 under number N.V. 43354. Wereldhave is established pursuant to its Articles of Association in The Hague and is entered in the Trade Register of the Chamber of Commerce and Industry of The Hague under number 27083420.

Since 1992, Wereldhave operates under a license of the Dutch Investment Institutions Supervision Act (*Wet toezicht beleggings-instellingen*). The law has changed in 2005. One of the effects is that all license holders need to apply for a new license, before 1 March 2006. Wereldhave complies with the new Investment Institutions Supervision Act and has filed the application for the license in time

As an investment institution for tax purposes (*fiscale beleggingsinstelling*) within the meaning of Section 28 of the Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting*), Wereldhave is not liable for corporation tax provided it complies with certain conditions.

Financial year, auditors and reporting

Pursuant to its Articles of Association, Wereldhave's financial year runs from 1 January to 31 December. Wereldhave's auditors are PricewaterhouseCoopers Accountants N.V.

The Investment Institutions Supervision Decree (*Besluit toezicht beleggingsinstellingen*) requires Wereldhave to publish its annual accounts within four months of the end of the financial year. The annual accounts must be filed with the Chamber of Commerce and Industry of The Hague.

Wereldhave generally publishes an annual report in March and an interim report in August. The final figures for the full year, the first quarter, the first half year and the first three quarters are published via a press release and simultaneously posted on Wereldhave's website, www.wereldhave.com.

Additional interim announcements are made if the Board of Management considers this to be warranted by developments internal or external to the company.

Share Capital

Wereldhave's authorised capital amounts to €781,600,000 and is divided into 40,000,000 ordinary shares, 10 A priority shares and 19,999,990 B priority shares, each of €10 nominal value, and 20,000,000 preference shares of €9.08 nominal value. As at the date of this Offering Circular 20,781,735 ordinary Shares, 10 A priority shares and 1,500,000 preference shares have been issued. An amount of 25 per cent. is paid up on the preference shares in issue. No B priority shares have been issued.

The Issuer is an investment company with variable capital. The Board of Management has authority to issue and acquire shares of the company.

Preference shares and Priority Shares

There are no outstanding B priority shares. Of the preference shares, 1,350,000 shares are held by the “Stichting tot het houden van Preferente en Prioriteits aandelen B Wereldhave” (*Foundation for holding Wereldhave Preference and B Priority Shares*). The board of the Stichting comprises Messrs. H.J.A.F. Meertens (Chairman), M.A. Snijder and P.C. Neervoort. Wereldhave preference shares are listed on the Official Market of the Euronext Amsterdam N.V. stock exchange. The price of Wereldhave preference shares at 31 December 2005 was EUR 1.92. In addition to a voting right, the preference shares give an entitlement to a preferential dividend from the profit. In the event of liquidation, what is remaining after settlement of the debts is transferred to the shareholders in proportion to the shareholding of each of them, with the exception that no further disbursements will be made to the holders of preference shares than the amount paid up on those shares and that no further disbursements will be made to holders of A and B priority shares than the nominal amount paid up on those shares.

Upon liquidation, payments on preference shares shall not exceed the paid-up amount and payments on A and B priority shares shall not exceed the nominal amount thereof. Article 2, paragraph 1 of the articles of association of the ‘Stichting tot het houden van Preferente en Prioriteits aandelen B Wereldhave’ states that the object of the Stichting is to promote the interests of Wereldhave, its affiliated enterprise and all parties involved, and that in so doing the Stichting shall take into account, amongst other things, the preservation of the independence, continuity and identity of the company and the enterprise. The Stichting has an interest in Wereldhave of 6.06 per cent. of the number of outstanding shares, entitling it to 5.5 per cent. of the votes. In the joint opinion of the company and the board members of the ‘Stichting tot het houden van Preferente en Prioriteits aandelen B Wereldhave’, the Stichting is independent of the company, all such within the meaning as referred to in annex X of the Listing and Issuing Rules of Euronext Amsterdam N.V.

Authorised and issued share capital

	Authorised Capital as at 31 December 2005		Issued Capital as at 31 December 2005	
	No. of shares	Amount in EUR	No. of shares	Amount in EUR
Ordinary shares (Nominal value €10 p/s).....	40,000,000	400,000,000	20,781,735	207,817,350
Preference shares (Nominal value €9.08 p/s).....	20,000,000	181,600,000	1,500,000	13,620,000
Priority shares A (Nominal value €10 p/s).....	10	100	10	100
Priority shares B (Nominal value €10 p/s).....	19,999,990	199,999,900	-	-
Total.....		781,600,000		221,437,450
Non-paid up capital*				-10,215,000
Total.....				211.222.450

* 25% paid up on preference shares.

* 100% paid up on ordinary shares and priority Shares A.

In accordance with the IFRS principles for accounting for financial instruments as shareholders’ equity or as interest bearing liabilities, the preference share capital and the share premium reserve pertaining thereto, are treated from 1 January 2004 onwards as long term interest bearing liabilities.

Total number of shares issued and voting rights

	No. of shares issued (per 31.02.2005)	Multiplier	Voting rights
Ordinary shares (Nominal value €10 p/s).....	20,781,735	1.10132158	22,887,373
Preference shares (Nominal value €9.08 p/s).....	1,500,000	1	1,500,000
Priority shares A (Nominal value EUR 10 p/s).....	10	1.10132158	11
Total.....	22,281,745		24,387,384

Voting rights

The voting right on the shares is determined by the nominal value of the shares. The preference shares have a nominal value of EUR 9.08; the priority shares and ordinary shares have a nominal value of €10. The law provides that where the authorised share capital is subdivided into shares with varying nominal values, the voting right of each shareholder is equal to the number of times that the amount of the smallest share contributes to the joint nominal amount of his shares; partial votes are disregarded.

Distribution of profits

Rules for the distribution of profits are set out in Article 25 of the Issuer's Articles of Association. The preference shareholders have a first call on profits in the form of a dividend distribution on the paid-up nominal share value at a percentage rate equal to the twelve-month money market rate (European Interbank Offered Rates), valid for the first exchange day of the financial year concerned plus a surcharge of 1.5 per cent., or so much less as is available from the distributable profit. At present no "B" priority shares are outstanding. Holders of 'A' priority shares are entitled to a dividend distribution at a 5 per cent. (or lower statutory interest) rate on the paid-up nominal share value from the remainder. Distribution of the balance then outstanding, including distribution or profits to holders of ordinary shares, is determined by the Annual General Meeting of Shareholders.

Liquidation

Rules governing liquidation are set out in Article 36 of the Issuer's Articles of Association. In the event of liquidation, that remaining after settlement of the debts is transferred to the shareholders in proportion to each's shareholding, with the exception that no further disbursements will be made to holders of preference shares other than the amount paid up on those shares and that no further disbursements will be made to holders of 'A' priority shares and 'B' priority shares other than the nominal amount paid up on those shares.

Corporate structure

The company has a Management Board, comprising one or more Managing Directors, as well as a Supervisory Board, comprising at least three members.

Subject to the restrictions of the Articles of Association, the Management Board is charged with the management of the Issuer. It is the duty of the Supervisory Board to supervise the policy of the Management Board and general situation in the Issuer and is affiliated enterprise.

The procedure for nomination and appointment and remuneration of the Management Board and the Supervisory Board is set out below.

Corporate Governance

Wereldhave attaches great importance to achieving a balance between the interests of the providers of risk-bearing capital and those of other stakeholders in the company. Matters such as openness, the adequate provision of forward-looking information and business ethics form a part of this philosophy. The company's business ethics are embedded in the Business Principles and the Code of Conduct for employees which were adopted by the Board of Management in May 2003 and are published on Wereldhave's website www.wereldhave.com. The recommendations of the Tabaksblat Committee were implemented early in 2004. The Annual Meeting of Shareholders granted its approval to the implementation of the Tabaksblat recommendations on 24 March 2004. It will be proposed to the Annual Meeting of Shareholders on 30 March 2006 to appoint the members of the Board of Management for a period of four years. The employment contracts will contain a maximum interim termination fee of one year's salary, according to the Tabaksblat recommendations. The statutory possibility of binding nominations will then remain the only deviation from the Code. A detailed analysis in respect of each recommendation and best practice provision can be found on the website of the Issuer.

Board of Management

The Board of Management is appointed and dismissed by the Annual General Meeting of Shareholders, from a nomination to be drawn up by the Meeting of Holders of Priority Shares. A resolution by the General Meeting of Shareholders to dismiss or suspend a Managing Director, other than with the consent of the Meeting of Holders of Priority Shares, can only be passed with two thirds of the votes cast, representing more than half the issued capital.

The system of nominations deviates from the best practice provisions of the Tabaksblat Committee. At first instance the nomination is not binding and can be cast by simple majority, but the second round offers the possibility for a binding nomination by the holders of Priority shares, which can only be rejected with two thirds of the votes cast, representing more than half the issued capital.

Changes to the remuneration of the Board of Management will be submitted by Wereldhave to the shareholders for their approval. The Board of Management and Supervisory Board are of the opinion that they cannot function without the confidence of the General Meeting of Shareholders. Account will be taken of this principle in the exercise of the special powers associated with anti-takeover measures.

Until recently, board members were appointed for an indefinite term. In line with the Tabaksblat recommendations a proposal will be made to the Annual General Meeting of Shareholders to appoint directors for a period of four years, with a maximum break fee of 1 year salary.

The Board of Management's remuneration is determined in line with the policy set out in the remuneration report. Material changes in the remuneration policy will be submitted to the General Meeting of Shareholders. The Supervisory Board compares the remuneration of Managing Directors from time to time with the market. This last happened in 2004. In 2005, the Supervisory Board drew up a new remuneration report. The report is posted on Wereldhave's website. The main aspects of this report are published on pages 97 to 98 of the Annual Report 2005.

The Regulations of the Board of Management and the Supervisory Board of Wereldhave prohibit Managing Directors and Supervisory Directors from investing in shares of their own company. This avoids the company running the risk of its name being damaged as a result of any actions of a Managing Director or Supervisory

Director. Regulations for trading in shares by Board of Management members and Supervisory Board members were adopted in February 2004.

Supervisory Board

The members of the Supervisory Board are appointed and dismissed by the General Meeting of Shareholders, from a nomination to be drawn up by the Meeting of Holders of Priority Shares. The General Meeting of Shareholders determines the remuneration of members of the Supervisory Board. The amount of this remuneration was determined in 1999 and is index-linked annually. The members of the Supervisory Board are independent of one another, the Board of Management and any particular interest. Pursuant to the Articles of Association, one of the Supervisory Directors retires each year. Any proposal for appointment or reappointment to the General Meeting of Shareholders shall be properly explained. In the case of a reappointment, account will be taken of the candidate's performance and ability as a Supervisory Director. The Regulations of the Supervisory Board stipulate that the maximum term of office is 8 years, unless there are weighty interests (for which the reasons must be expressly given) to justify a longer term.

In August 2005, the Supervisory Board appointed an audit committee. Members are Messrs F.Th.J. Arp (chairman) and P.H.J. Essers. In November 2005, the audit committee held a meeting with the auditor to discuss the audit plan and Wereldhave's compliance. In February 2006, the audit committee held a meeting in preparation for the meeting of the Supervisory Board, and discussed the report of the Board of Management, the Annual Accounts 2005 and the auditor's report, without the presence of the Board of Management.

The appointment of other committees is not yet considered necessary.

The Supervisory Board meets according to a fixed schedule of meetings, and at least four times a year. One of these meetings is dedicated to a discussion – without the Board of Management being present – of the Supervisory Board's own functioning, the relationship to the Board of Management and the composition, assessment and remuneration of the Board of Management. The Profile which the members of the Supervisory Board are expected to comply with is evaluated annually and, where necessary, revised. Such a revision last happened in 2003. The Supervisory Board is supported by the Company Secretary.

In 2005 no business transactions took place in which conflicts of interest may have played a role. All business transactions between the company and the members of the Board and the Supervisory Board will be published in the Annual Report. The Profile and Regulations of the Supervisory Board, the retirement schedule for members of the Supervisory Board and the Regulations of the Board of Management are published on Wereldhave's website and are available free of charge on request.

General Meeting of Shareholders

The General Meeting of Shareholders is usually held in the last week of March each year. The voting right on the shares is determined by the nominal value of the shares. The preference shares have a nominal value of EUR 9.08; the priority shares and ordinary shares have a nominal value of EUR 10. The law provides that where the authorised share capital is subdivided into shares with varying nominal values, the voting right of each shareholder is equal to the number of times that the amount of the smallest share contributes to the joint nominal amount of his shares; partial votes are disregarded.

Requests of investors who solely or jointly represent 1 per cent. of the issued capital or whose shares solely or jointly represent a market value of at least €50,000,000 to place items on the agenda of the General Meeting of Shareholders shall be honoured if such requests are submitted to the Board of Management or the Supervisory Board at least 60 days before the scheduled date of the Meeting, unless, in the opinion of the Supervisory Board and the Board of Management, there are vital interests of the company opposing the inclusion of such item or items in the agenda. The resulting discussion in the General Meeting should not affect the orderly course of the Meeting. The secretary of the company will take minutes of the proceedings at

the Meeting. The minutes will be signed by the Chairman of the Meeting and by the secretary. In principle, the minutes will be published on the Wereldhave website within one month after the Meeting and copies of such minutes are available free of charge on request.

Anti-takeover measures

The mechanism for protecting the company against hostile takeovers comprises the possibility to issue preference shares, A priority shares and B priority shares. All such shares are registered. The A priority shares should be fully paid up; for the preference shares and B priority shares there is a paying-up commitment of 25 per cent. The authorised share capital provides for the issue of preference and priority shares up to no more than 50 per cent. of the share capital issued as ordinary shares. On 31 December 2005, the total issued capital in the form of preference and priority shares amounted to EUR 13,620,100. A total of 1,500,000 preference shares and 10 A priority shares have been issued. The A priority shares are held by the ‘Stichting tot het houden van prioriteits aandelen van de naamloze vennootschap’ (*Foundation for holding of priority shares of the public limited company*): ‘Wereldhave N.V.’. The Board of Management of this Stichting comprises the Board of Management members and the Supervisory Board members. In addition to entitlements to profit, the determination of the number of Managing Directors and Supervisory Directors of the company and the drawing up of a binding nomination for their appointment are the principal rights attached to the A and B priority shares. A resolution by the General Meeting of Shareholders to dismiss or suspend, other than with the consent of the Holders of Priority Shares, can only be passed with two thirds of the votes cast, representing more than half the issued capital.

MARKET PRICE AND OTHER INFORMATION

The Shares are listed on Euronext Amsterdam and Euronext Paris under the symbols “WHA” and “WHP” respectively. The following table sets out the high and low closing prices for the periods indicated for the Shares on Euronext Amsterdam as reported by Thomson Financial Datastream.

The table also includes the average daily trading volume of the Shares on Euronext Amsterdam as reported by Bloomberg for the periods indicated.

	Price (closing)		Average daily trading volume
	High	Low	
	(€)		<i>(number of Ordinary Shares in thousands)</i>
2002			
1st Quarter.....	59.30	52.45	31.93
2nd Quarter	59.45	54.30	32.85
3rd Quarter	58.95	45.64	29.68
4th Quarter	53.95	45.30	22.43
2003			
1st Quarter.....	53.90	49.01	25.72
2nd Quarter	54.75	49.24	38.89
3rd Quarter	55.30	52.15	27.75
4th Quarter	60.70	54.10	30.12
2004			
1st Quarter.....	68.55	59.35	44.57
2nd Quarter	67.60	58.00	55.18
3rd Quarter	72.25	67.00	43.73
4th Quarter	80.05	68.90	41.63
2005			
January	81.20	78.55	56.64
February	83.80	77.50	51.49
March	80.05	77.25	71.60
April.....	80.25	75.60	65.98
May	82.90	76.75	51.31
June	88.30	83.90	52.62
July.....	89.20	87.00	52.12
August.....	90.40	85.25	45.22
September	88.15	85.05	43.34
October.....	88.45	79.40	64.44
November.....	83.50	79.55	46.07
December	80.05	78.50	40.30

	Price (closing)		Average daily trading volume <i>(number of Ordinary Shares in thousands)</i>
	High	Low	
	(€)		
2006			
January	87.25	79.65	41.92
February	91.85	84.85	63.74
March (up to and including 16 March).....	89.95	87.80	73.86

For the actual share price and other graphics of the historic share price of the Ordinary Shares, please refer to www.euronext.com. The actual share price is also published on the Issuer's website at www.wereldhave.com.

DIVIDENDS AND DIVIDEND POLICY

Dividend policy of Wereldhave in respect of the Shares

Wereldhave's policy, subject to certain criteria being met, is to pay a dividend to the Shareholders in the amount of 75-85 per cent. of the direct result.

Historical dividends

Year	2000	2001	2002	2003	2004
Dividend	€3.85	€4.10	€4.40	€4.45	€4.50

Proposed dividend 2005

It will be proposed to the General Meeting of Shareholders to distribute a cash dividend for 2005 of €4.55 per share (2004: €4.50). A dividend of €4.55 implies a pay-out ratio of 85.8%. Of the dividend €3.10 per share will be paid out, subject to dividend withholding tax, to meet the distribution requirements under Dutch tax law. The remainder (€1.45) will be charged against the reinvestment reserve and as such will not be subject to withholding tax.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following summary financial information should be read in conjunction with the financial statements of the Group and the notes thereto incorporated by reference in this Offering Circular.

Consolidated balance sheet at 31 December 2005

	31 December 2005	31 December 2004
	<i>(€ thousands)</i>	<i>(€ thousands)</i>
Assets		
Non-current assets		
Investment properties	2,288,819	2,015,058
Development projects	34,031	50,330
Property and equipment	5,969	5,740
Financial assets	23,845	26,522
Other long term assets	22,879	11,877
	2,375,543	2,109,527
Current assets		
Trade and other receivables	18,700	15,648
Tax receivables	1,430	2,604
Cash and cash equivalents	44,967	21,060
	65,097	39,312
Total assets	2,440,640	2,148,839
Equity and Liabilities		
Equity		
Share capital	207,817	207,817
Share premium	755,707	755,707
General reserve	563,213	465,284
Revaluation reserve	1,527	-
Reserve for exchange rate differences	13,898	-14,017
	1,542,162	1,414,791
Minority interest	106,171	102,614
	1,648,333	1,517,982
Long term liabilities		
Interest bearing liabilities	563,901	499,960
Deferred tax liabilities	84,491	59,108
Other long term liabilities	26,729	25,851
	675,121	584,919
Short term liabilities		

	31 December 2005	31 December 2004
	<i>(€ thousands)</i>	<i>(€ thousands)</i>
Trade payables	2,289	3,127
Taxes.....	6,216	5,906
Interest bearing debts	66,199	-
Other short term liabilities.....	42,482	37,482
	<u>117,186</u>	<u>46,515</u>
Total equity and liabilities.....	<u>2,440,640</u>	<u>2,148,839</u>

Consolidated income sheet for the year 2005

	31 December 2005	31 December 2004
	<i>(€ thousands)</i>	<i>(€ thousands)</i>
Total Revenue	327,244	283,383
Total charges (excluding financial income and expense)	-74,093	-85,024
Net operational result	<u>253,151</u>	<u>198,359</u>
Gross rental income.....	168,983	163,730
Service and operational costs:		
- paid	-44,126	-38,864
- received.....	39,681	35,049
	<u>-4,445</u>	<u>-3,815</u>
Property expenses	-12,725	-12,401
	<u>-17,170</u>	<u>-16,216</u>
Net rental income	151,813	147,514
Valuation results	99,892	60,648
Results on disposals	7,389	-3,063
General costs	-13,051	-11,262
Other gains and losses	7,108	4,522
Net operational result	253,151	198,359
Financial income and expense.....	-24,303	-19,837
Result before tax	228,848	178,522
Taxes on result	-27,617	-10,659
Profit	<u>201,231</u>	<u>167,863</u>
Shareholders.....	192,110	160,778
Minority interest	9,121	7,085
Profit	<u>201,231</u>	<u>167,863</u>
Earnings per share (€)*	9.24	7.81

*For the year 2005 and 2004, earnings per share and diluted earnings per share are equal.

TAXATION

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF ACQUIRING, OWNING AND DISPOSING OF THE BONDS OR SHARES UNDER THE TAX LAWS OF THE NETHERLANDS.

The following summary describes the principal Dutch tax consequences of the acquisition, holding, conversion, redemption and disposal of the Bonds and Shares. This summary does not purport to be comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Bonds or Shares. Each prospective holder of Bonds should consult a professional adviser with respect to the tax consequences of an investment in the Bonds. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on the Dutch tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of the Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

For the purpose of this summary we have assumed that:

- (i) a corporate holder does not hold, either directly or indirectly, an interest of 5% or more of the total issued capital of the Issuer;*
- (ii) an individual holder, alone or together with his or her partner (statutory defined term) or certain other related persons, does not hold, directly or indirectly, a substantial interest (aanmerkelijk belang) in the Issuer, within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a holder of Bonds holds a substantial interest in the Issuer, if such holder of Bonds, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of Shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.*

Withholding Tax

General

No Dutch withholding tax is due upon payments on the Bonds. Any gains realised upon conversion of the Bonds into Shares are not subject to withholding tax in the Netherlands. Dividends that the Issuer distributes are generally subject to Dutch dividend withholding tax at a rate of 25 per cent. Dividends include cash and non-cash distributions, undisclosed profit distributions and liquidation proceeds in excess of recognised paid-in capital for Dutch tax purposes. The issue of free shares is also subject to withholding tax unless this is part of the recognised premium reserve for the purposes of Dutch tax law. The repayment of nominal share capital in the Issuer may also count as dividends under certain circumstances. In general, no withholding tax applies on the sale or disposition of Shares to persons other than the Issuer and its affiliates

Residents of the Netherlands

In general, the Dutch dividend withholding tax which is withheld with respect to distributions made by the Issuer, will be creditable for Dutch corporate income tax or Dutch income tax purposes in the hands of the beneficial owner thereof, or, subject to certain conditions, may be recoverable in whole or in part by the Dutch resident beneficial owner of such dividend. On request and if certain conditions are met, a refund of the Dutch dividend withholding tax applies to Dutch qualifying pension funds, certain exempt entities and Dutch investment institutions as defined in article 28 of the Corporate Income Tax Act 1969.

Non-residents of the Netherlands

If a holder of Shares is resident in a country other than the Netherlands for Dutch tax purposes and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is the beneficial owner of the distributions and a qualifying resident for purposes of such treaty, such holder will, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Dutch dividend withholding tax.

Anti-Dividend stripping Legislation

Specific Dutch legislation affects the eligibility for an exemption, reduction, refund or credit of the Dutch dividend withholding tax. A recipient of a distribution on the Shares will not be entitled to an exemption, reduction, (partial) refund or credit of Dutch dividend withholding tax if such recipient is not considered the beneficial owner of such distribution. This is the case if:

- (i) the recipient of the distribution, in connection with the receipt of the distribution has incurred an obligation, as part of one or more related transactions, as a result of which the distribution in whole or in part has accrued or will accrue to the benefit of a person that is to a lesser extent entitled to an exemption, reduction, (partial) refund or credit of Dutch dividend withholding tax than the recipient of the distribution is entitled to; and
- (ii) such person, other than the recipient of the distribution, retains or acquires, directly or indirectly, a comparable interest in the Shares or any other Shares in the Issuer on which the distribution is paid, as such person had before the related transaction was or related transactions were entered into.

EU Savings Directive

Under European Council Directive 2003/48/EC on the taxation of savings income Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in another Member State, except that for a transitional period Austria, Belgium and Luxembourg will instead operate a withholding system unless during that period they elect otherwise (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries and territories).

Corporate Income and Individual Income Tax

Residents of the Netherlands

If a holder is subject to Dutch corporate income tax and the Bonds or Shares are attributable to its (deemed) business assets, income derived from the Bonds, distributions on the Shares and gains realised upon the conversion, redemption and disposal of the Bonds or Shares are generally taxable in the Netherlands.

If a holder is an individual, resident or deemed to be a resident in the Netherlands for Dutch tax purposes (including an individual who has opted to be taxed as a resident of the Netherlands), income derived from the Bonds, distributions on the Shares and gains realised upon the conversion, redemption and disposal of the Bonds or Shares are taxable at the progressive rates of the Income Tax Act 2001, if:

- (i) the holder has an enterprise or an interest in an enterprise, to which enterprise the Bonds or Shares are attributable; or
- (ii) such income and gains qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include

activities with respect to the Bonds or Shares that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the individual holder, the fair market value of the Bonds or Shares will be included in the individual’s yield basis. Consequently, actual income and distributions received on the Bonds or Shares and actual gains realised upon the conversion, redemption and disposal of the Bonds or Shares will not be taxable. Instead, such holder will be taxed at a flat rate of 30% on deemed income from “savings and investments” (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4% of the average of the individual’s “yield basis” (*rendementsgrondslag*) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual’s yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The fair market value of the Bonds or Shares will be included in the individual’s yield basis.

Non-residents of the Netherlands

A holder of Bonds or Shares that is not a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes (nor, if he or she is an individual, has opted to be taxed as a resident of the Netherlands) is not taxable in respect of income derived from the Bonds or the Shares and gains realised upon the conversion, redemption and disposal of the Bonds or Shares, unless:

- (i) the holder has an enterprise or an interest in an enterprise that is carried on through a permanent establishment or a permanent representative in the Netherlands to which Dutch permanent establishment or permanent representative, the Bonds or Shares are attributable;
- (ii) the holder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Bonds or Shares are attributable;
- (iii) the holder is an individual and the income or gains qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*) in the Netherlands within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities in the Netherlands with respect to the Bonds or Shares that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*); and
- (iv) in the case of a corporate entity, the holder does not have, directly or indirectly a substantial interest or a deemed substantial interest as defined in the Income Tax Act 2001, in the Issuer or in the event that the holder does have such an interest, it forms part of the assets of an enterprise.

A holder of Bonds or Shares will not be subject to taxation in The Netherlands by reason only of the execution, delivery and/or enforcement of the documents and the issue of the Bonds or the performance by the Issuer of her respective obligations there under.

Gift and Inheritance Tax

Residents of the Netherlands

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Bonds or Shares by way of a gift by, or on the death of, an individual holder who is resident or deemed to be resident of the Netherlands for the purposes of the Dutch gift and inheritance tax at the time of the gift or his or her death.

An individual of the Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax, if he or she has been a resident of the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the

Netherlands for the purposes of the Dutch gift and inheritance tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift or his or her death.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Bonds or Shares by way of gift by, or on a result of the death of, an individual holder who is neither a resident nor deemed to be a resident of the Netherlands, unless:

- (i) the individual holder at the time of the gift has or at the time of his or her death had, an enterprise or an interest in an enterprise, that is or was, in whole or in part carried on through a permanent establishment or a permanent representative in the Netherlands and to which Netherlands enterprise or part thereof the Bonds or Shares are or were attributable; or
- (ii) the Bonds or Shares are or were attributable to the assets of an enterprise that is effectively managed in the Netherlands and the donor is or the deceased was entitled, other than by way of securities or through an employment contract, to a share in the profits of that enterprise, at the time of the gift or, as applicable, at the time of his or her death; or
- (iii) in the case of a gift of the Bonds or Shares by an individual who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such individual dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

Treaties

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

Other taxes and duties

No Dutch VAT, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands by a holder of Bonds or Shares in respect to or in connection with the subscription, issue, placement, allotment or delivery of the Bonds or the Shares.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 20 March 2006 (the “Subscription Agreement”), Deutsche Bank AG, London Branch (the “Manager”) has agreed with the Issuer to subscribe for the aggregate principal amount of Bonds as set out in the Subscription Agreement.

The Issuer has agreed to pay to the Manager a combined management, selling and underwriting commission of 1.5 per cent. of the aggregate principal amount of the Bonds.

The Issuer has agreed to indemnify the Manager in respect of certain matters pursuant to the Subscription Agreement. The Subscription Agreement contains provisions entitling the Manager to terminate the Subscription Agreement in certain circumstances prior to the payment of the net subscription monies in respect of the Bonds to the Issuer.

The Bonds will be issued and sold in minimum denominations of €50,000 and integral multiples of €50,000. The initial offering of the Bonds is targeted at professional investors only.

Selling Restrictions

United States

The Bonds and the Shares to be delivered upon conversion of the Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Deutsche Bank represents that it has offered and sold the Bonds, and agrees that it will offer and sell the Bonds (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Deutsche Bank agrees that, at or prior to confirmation of sale of Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”) and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in this paragraph have the meanings given to them by Regulation S.

United Kingdom

The Manager has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

General

No action has been or will be taken in any jurisdiction by the Manager or the Issuer, that would permit a public offering of the Bonds or possession or distribution of the Offering Circular or any other offering or publicity material relating to the Bonds in any country or jurisdiction where action for that purpose is required. The Manager will comply, to the best of its knowledge, with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes the Offering Circular or any such other material, in all cases at its own expense. It will also ensure, to the best of its knowledge, that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions. The Issuer will not have any responsibility for obtaining, and the Manager will obtain, any consent, approval or permission required by the Manager for, the acquisition, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. The Manager is not authorised to make any representation or use any information in connection with the issue, subscription and sale of the Bonds other than as contained in the Offering Circular or any amendment or supplement thereto or as otherwise approved, prepared or released or made available by the Issuer or a subsidiary of the Issuer.

GENERAL INFORMATION

- (1) The Issuer has obtained all necessary consents, approvals and authorisations required in its jurisdiction in connection with the issue and performance of the Bonds. The issue and listing of the Bonds offered hereby by the Issuer was authorised by resolutions of its Board of Management and its Supervisory Board passed on 6 February 2006 and 17 November 2005 respectively.
- (2) Save as described herein, since 31 December 2005, there has been no change (nor any development or event involving a prospective change) which is materially adverse to the condition (financial or other), management, earnings, property, business affairs or business prospects, net worth or results of operations of the Issuer, or of the Group.
- (3) Save as described herein, there are no pending actions, suits or proceedings against or affecting the Issuer or any other subsidiary of the Issuer or any of its or their respective properties which, if determined adversely to the Issuer or to any other subsidiary of the Issuer (as the case may be), could individually or in the aggregate have a material adverse effect on the condition (financial or other), management, earnings, property, business affairs or business prospects, net worth or results of operations or the general affairs of the Issuer or the Group or on the ability of the Issuer to perform its obligations under the Agency Agreement or the Bonds or which are otherwise material in the context of the issue of the Bonds and, to the best of the Issuer's knowledge, no such actions, suits or proceedings are threatened or contemplated.
- (4) Other than the Bonds, there are no convertible debt securities, exchangeable debt securities or debt securities with warrants attached of the Issuer in issue.
- (5) The Articles of Association of the Issuer were last amended on 11 April 2005. The Issuer is registered at the Trade Register of the Chamber of Commerce and Industry of The Hague under the number 27083420.
- (6) The annual financial statements of the Issuer for the year ended 31 December 2005 have been prepared in accordance with IFRS and have been audited by PricewaterhouseCoopers Accountants N.V. and the annual financial statements of the Issuer for the two years ended 31 December 2003 and 2004 have been prepared in accordance with Dutch GAAP and have been audited by PricewaterhouseCoopers Accountants N.V.
- (7) Fortis Banque Luxembourg S.A. is designated as Fiscal Agent for the Bonds.
- (8) Copies of (i) the Subscription Agreement referred to above and the Agency Agreement (containing the form of the Global Bond) will be made available for inspection and (ii) this Offering Circular, the statutory accounts and annual reports of the Issuer for the years ended 31 December 2003, 2004 and 2005, the unaudited interim reports of the Issuer, the future statutory accounts and annual reports and unaudited interim reports of the Issuer (which, as at the date of this Offering Circular, are published on a quarterly basis) and the Articles of Association of the Issuer will be made available free of charge during normal office hours, at the registered office of the Issuer in The Netherlands and at the office of the Fiscal Agent at 50, avenue J.F. Kennedy, L-2951 Luxembourg. The documents referred to in paragraph (ii) are also available at the website of the Issuer (www.wereldhave.com).
- (9) The Bonds have been accepted for clearance through the Clearstream, Luxembourg and Euroclear systems with a Common Code of 024427005. The International Securities Identification number for the Bonds is XS0244270053.

REGISTERED OFFICE OF THE ISSUER

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