ANNUAL REPORT 2011

DIM VASTGOED N.V.

CONTENTS

KEY FIGURES

All figures in this annual report are in thousands of US dollars unless indicated otherwise

Key figures balance sheet (IFRS)	**2011**	**2010**[1]	**2009**[1]	**2008**[1]	**2007**[1]
Investments	69,434	313,929	314,369	395,234	444,506
Other non-current assets	26,179	7,906	7,683	6,553	5,354
Current assets	3,103	5,053	3,910	4,968	4,009
Total assets	**98,716**	**326,888**	**325,962**	**406,755**	**453,869**
Shareholders' equity	33,003	52,581	49,735	97,875	133,976
Deferred tax liabilities	9,164	15,910	13,833	43,097	57,728
Other non-current liabilities	273	782	201,859	205,459	247,988
Current liabilities	56,276	257,615	60,535	60,324	14,177
Total equity and liabilities	**98,716**	**326,888**	**325,962**	**406,755**	**453,869**

Key figures results (IFRS)	**2011**	**2010**	**2009**	**2008**	**2007**
Net rental income	23,581	23,993	24,944	27,318	26,379
Revaluation result investment property	- 563	- 440	- 80,865	- 51,172	18,376
Loss on disposal of investment property and impairment loss	- 29,457	-	- 71	- 581	- 7
Finance costs	- 16,104	- 16,305	- 16,445	- 16,850	- 15,974
Administrative expenses	- 3,491	- 2,581	- 3,903	- 2,489	- 2,452
Income tax	6,456	- 1,821	28,200	16,025	- 11,063
Net profit after tax	**- 19,578**	**2,846**	**- 48,140**	**- 27,749**	**15,259**

Key figures per share	**2011**	**2010**	**2009**	**2008**	**2007**
	$	$	$	$	$
Net asset value at year end (IFRS)	4.02	6.40	6.05	11.91	16.81
Net asset value at year end – stand alone (Dutch GAAP)	4.88	8.27	7.58	15.73	21.99
Net result per share (IFRS)	- 2.38	0.35	-5.86	-3.41	1.92
Dividend	n/a	n/a	n/a	n/a	1.54 or 3 for 31
Number of ordinary shares outstanding at year end	8,216,373	8,216,373	8,216,373	8,216,373	7,969,918
Average number of ordinary shares outstanding	8,216,373	8,216,373	8,216,373	8,144,800	7,935,740

[1] The comparative numbers have been restated in order to reflect the change in presentation of deferred tax assets and liabilities, which are offset and presented on a net basis.

SUPERVISORY BOARD AND MANAGEMENT BOARD

Supervisory board

Cornelis J. van Rees (1938), chairman.
Ellard J. Blaauboer (1946), member.
Thomas A. Caputo (1946), member.

Management board

Frans A. Bakker
Arthur L. Gallagher
Bob Mitzel
Wilbert O.C.M. van Twuijver

Investment institution

DIM Vastgoed is a closed-end investment company with variable capital and an investment institution within the meaning of the Dutch Act on Financial Supervision ('Wft'). DIM Vastgoed is licensed by Autoriteit Financiële Markten (the Dutch Financial Markets Authority).

REPORT OF THE SUPERVISORY BOARD

<u>To the general shareholders' meeting</u>
The financial statements of DIM Vastgoed N.V. ('DVG') for the financial year 2011 are hereby presented. They are accompanied by the report of the management board. Ernst & Young Accountants LLP audited the financial statements and issued an unqualified auditors' report.

Since acquiring over 95% of the shares of DVG, Equity One has indicated it wished to sell the DVG portfolio. Management reached agreement with Blackstone by September 2011. Before giving its agreement to the sale, the Supervisory Board was informed in detail about the pricing and other conditions of the sale. Under the prevailing poor circumstances, the Board concluded this was the best price to be acquired. Also the Board concluded DVG received its fair share of a total sale which also included Equity One properties.

We recommend that you adopt the financial statements as presented.

Rotterdam, 30 April 2012

The supervisory board

Cornelis J. van Rees, chairman
Ellard J. Blaauboer
Thomas A. Caputo

REPORT OF THE MANAGEMENT BOARD

Management

DIM Vastgoed N.V. (‘DIM Vastgoed’ or ‘the Company’) is a closed-end investment company with variable capital and an investment institution within the meaning of the Dutch Act on Financial Supervision (‘Wft’). DIM Vastgoed is licensed by Autoriteit Financiële Markten (the Dutch Financial Markets Authority).

DIM Vastgoed is an investment institution of which the investments are managed by its 97.8% shareholder, Equity One, Inc. (‘Equity One’). The Company does not have its own employees. DIM Vastgoed subscribes to the advisability of transparency in management and supervision and management’s accountability for this to investors. The company has therefore adopted the principles and best practices of good corporate governance in line with those of the Tabaksblat Code on 9 December 2003 as well as the amendments/supplements thereto from the Corporate Governance Code Monitoring Committee as part of its guideline, insofar as this is advisable and possible in its opinion.

As of 1 January 2010, the US property management activities are performed by Equity One Realty & Management. According to the agreement with Equity One, Inc. and Equity One Realty & Management (together referred to as ‘Equity One Realty & Management’), as part of the property services, Equity One Realty & Management – among other things – is responsible for assisting, advising and carrying out on behalf of the Company and as instructed and monitored by the Management Board and the Supervisory Board of the Company, the operational, financial and administrative property management as well as the selection, acquisition, financing and disposition of real estate.

DIM Vastgoed has engaged the Freeland Group (‘Freeland’) to provide the Company with certain Dutch corporate, financial and regulatory compliance and support services as of 1 April 2010[1].

Legal proceedings Equity One to acquire minority shares

On 27 July 2010, the Company announced that Southeast US Holdings B.V. had initiated legal proceedings in accordance with articles 2:92a of the Dutch Civil Code to acquire all outstanding shares in DIM Vastgoed by a ruling of the Enterprise Chamber of the Amsterdam Court of Appeal. These proceedings were initiated by Equity One following the acquisition of more than 95% of all issued and outstanding shares in the Company. In light of the Company still holding 152,394 shares in treasury, it acts as co-plaintiff in these proceedings. A number of minority shareholders as well as the Dutch Association of Shareholders (Vereniging van Effectenbezitters) have objected to the squeeze-out price as initially offered by Equity One.

On 31 January 2012, the Enterprise Chamber came to a judgment and decided to appoint three experts to value the DIM Vastgoed shares in order to determine the squeeze-out price. These experts will have to submit their final report with the Enterprise Chamber no later than 1 September 2012.

The Sale Transaction

DIM Vastgoed’s strategy is currently determined by the fact that it is a 97+% subsidiary of Equity One. Equity One has made its plans for DIM Vastgoed public in the Offer Memorandum dated 17 February 2010. Reference is made to pages 22-25 of the Offer Memorandum. In this light Management of DIM Vastgoed reviewed the Company’s strategy and Portfolio and concluded that a sale of all or part of the Portfolio was in the best interest of the Company and its stakeholders. In this review, Management considered that the south east US real estate market in which DIM Vastgoed is active, continues to be extremely difficult with decreasing rents and increasing vacancy rates. Values and prices have decreased dramatically and recovery may be slow and extend out a period of time. In addition, for companies of the size of DIM Vastgoed, the debt markets continue to be challenging and without the financial support of its parent company Equity One, continuation of DIM Vastgoed is not a viable option.

[1] The service contract has been agreed with DIM B.V. (a 100% subsidiary of Freeland Holding B.V.), which in turn has contracted Freeland Corporate Advisors N.V. to perform the agreed-upon services to DIM Vastgoed.

On 3 October 2011 DIM Vastgoed announced that its Supervisory Board had approved an agreement to sell 17 shopping centers comprising approximately 2.1 million square feet for $224.1 million to Blackstone Real Estate Partners VII. These assets were encumbered by mortgage loans having an aggregate principal balance of approximately $202.3 million as of June 30, 2011.
The shopping centers included in the Sale Transaction are predominantly located in the Atlanta, Georgia market, with additional properties located in North Carolina, South Carolina, Alabama, Tennessee, Maryland and Florida. The portfolio generated net operating income of approximately $19.8 million for the twelve-month period ended June 30, 2011 and was 90.9% occupied as of June 30, 2011. In an Extraordinary General Meeting of Shareholders, held at 24 October 2011, the shareholders approved of this Transaction. Closing of the Transaction occurred on 20 December 2011. As a result of the Sale Transaction, the Company incurred a loss of $29.5 million (before taxation).

Portfolio
At the end of 2011, following the Sale Transaction, the portfolio of DIM Vastgoed consisted of 4 properties (2010: 21) with a total value of $69 million (2010: $314 million). As of 31 December 2011, the average occupancy rate of the portfolio was 88.1% (31 December 2010: 89.9% for the portfolio of 21 properties. On a like-for-like basis, the occupancy rate at 31 December 2010 for the 4 properties which were not included in the Sale Transaction was 88.2%).

Cash and financing
At the start of 2011, DIM Vastgoed's cash resources amounted to $2.5 million. Net cash flow from operating activities for the year amounted to $3.3 million (2010: $6.9 million).
The net proceeds of the Sale Transaction amounted to $79.7 million (net of $139.9 mortgage debt assumed by the Buyer). In accordance with US tax rules, part of these proceeds were placed on escrow, and as a result the total amount of cash on escrow accounts increased with $22.6 million. Taking into consideration other investing activities amounting to $0.8 million, the net cash flow from investing activities amounted to $56.3 million for the year 2011 (2010: $ 1.1 million cash used in investing activities).
At the closing of the Sale Transaction, the Carolina Pavilion mortgage loans were repaid to Equity One ($51.0 million). The Sunrise Town Center mortgage loan was not assumed by the Buyer but early repaid ($9.9 million). Part of the net sales proceeds were used to early repay the Hammocks Town Center mortgage loan ($11.4 million; this loan would have been due on 1 July 2012). DIM Vastgoed incurred $0.4 million in prepayment penalties. The Company borrowed $14.8 million under its Revolving loan facility with Equity One. Taking into consideration the regular mortgage amortization payments amounting to $3.6 million during 2011, the total net cash used for financing activities amounted to $61.5 million (2010: $4.6 million).
As of 31 December 2011, DIM Vastgoed's cash resources amounted to $0.7 million.

71% of total borrowings as of 31 December 2011 ($51.9 million) consists of fixed-rate mortgage loans ($37.0 million). The weighted average effective interest rate on these fixed-rate mortgage loans is 6.00% per annum as of 31 December 2011 (2010: 6.38%). The weighted average duration of total mortgage loans is 4.0 years at the end of 2011 (2010: 3.6 years).
The other 29% of total borrowings consists of a revolving loan facility with Equity One, with a total balance outstanding as of 31 December 2011 of $14.9 million. The interest rate charged on this facility is 4.5%. All amounts are due no later than 1 July 2013.

Of the total outstanding mortgage loans as of 31 December 2011 ($37.0 million), $0.6 million is due within one year in scheduled amortization. All the mortgage loans contain prohibitions on transfers of ownership which may have been violated by Equity One's acquisition of a majority interest in the Company's common stock in combination with the redemption of the priority shares in the Company or by the change in the Company's property manager. If a violation were established, it could serve as a basis for a lender to accelerate amounts due under the affected mortgage. Because a violation of a non-monetary default could be alleged, all of the Company's mortgage loans have been classified as current in the accompanying consolidated balance sheet at 31 December 2011 and at 31 December 2010. To date, no lender has notified us that it intends to accelerate its mortgage. In the event that the mortgage holders declare defaults under the mortgage documents, management believes, if required, it could negotiate with lenders, seek to refinance the mortgage loans that could be refinanced, and/or sell the assets that have a fair market value in excess of the loan balances. Based on discussions with various lenders, current credit market conditions and other factors, management of the Company believes that the mortgages will not be accelerated.

Financial results – based on IFRS

Unless otherwise indicated, the amounts stated in this section are expressed in thousands of US dollars.

Net result

DIM Vastgoed's net result for the financial year 2011 amounted to a net loss of $19,578 (2010: net profit $2,846), which is due in particular to the realized loss on the Sale Transaction of $29,457.

Net rental income decreased slightly by 1.7% to $23,581 (2010: $23,993), which is mainly due to the loss of 10 days rental income with the Sale Transaction closed on 20 December 2011.

The property revaluation result for 2011 amounts to $563 negative or a negative 0.2% of the portfolio value (2010: $440 or 0.1% negative). As at 31 December 2011, Brawley Commons, Glengary Shoppes and Magnolia Shoppes were externally appraised. The fourth property, Hammocks Town Center, was externally appraised as at 30 April 2011 in accordance with the Company's two-year appraisal cycle. The fair value of this property at year-end has been based on an internal valuation. During the financial year 2011, the following properties (which were part of the Sales Transaction in December 2011) were also externally appraised in accordance with the Company's two-year appraisal cycle: Greensboro Village, Keith Bridge Commons, Sunrise Town Center, Freehome Village and Eustis Village.

Administrative expenses increased by 35.3%, from $2,581 to $3,491, which is mainly due to $1,667 legal settlement charges incurred in 2011 in relation to an aborted sales transaction. Finance costs decreased by 1.2% to $16,104 (2010: $16,305)), which is mainly due to transfer of the mortgage loans in line with the Sale Transaction closed on 20 December 2011. The finance costs for 2011 include an amount of $371 prepayment penalty paid on the early redemption of the Hammocks Town Center and Sunrise Town Center mortgage loans.

As a result of the loss realized on the Sale Transaction, DIM Vastgoed's net result before tax amounted to a loss of $26,034. The corporate income tax benefit reported on this result before tax amounted to $6,456, or an effective tax rate of 24.8%. DIM Vastgoed was able to utilize $5,912 of its tax losses carried forward to offset part of the capital gain tax realized on the Sale Transaction. However, US tax rules do not allow the recognition of individual sales proceeds below the outstanding individual level of debt at the time of the Transaction. The Company thus had to recognize non-recoverable permanent tax differences amounting to $3,646.

The IFRS net result per share, computed based on the average number of shares outstanding and in circulation, amounted to a net loss of $2.38 per share (2010: net profit $0.35 per share).

Development of shareholders' equity and net asset value per share
At the start of the financial year 2011, consolidated shareholders' equity based on IFRS amounted to $52,581 or $6.40 per ordinary share.

Including the net loss for 2011 amounting to $19,578, DIM Vastgoed's consolidated shareholders' equity amounted to $33,003 at 31 December 2011. This is a decrease of 37.2% as compared to consolidated shareholders' equity at the beginning of the year.

The IFRS net asset value per share decreased by $2.38, from $6.40 at 1 January 2011 to $4.02 at 31 December 2011, based on 8,216,373 ordinary shares outstanding and in circulation.

The non-consolidated Dutch GAAP net asset value per share amounts to $4.88 at 31 December 2011, which represents a decrease of $3.39 as compared to the 1 January 2011 non-consolidated net asset value per share of $8.27.

Movements in shareholders' equity and net asset value per share

	2011 Consolidated (IFRS)		**2011 Stand alone (Dutch GAAP)**	
	$'000	$ per share [1)]	$'000	$ per share [1)]
Shareholders' equity at 1 January	52,581	6.40	67,939	8.27
Net result	- 19,578	- 2.38	- 27,829	- 3.39
Shareholders' equity at 31 December	**33,003**	**4.02**	**40,110**	**4.88**

1) Figures per share computed on 8,216,373 shares in circulation:

Risks and uncertainties
For a description of the main risks and uncertainties DIM Vastgoed is faced with, we refer to the Cash and financing paragraph on pages 6 and 7 and the notes to the consolidated financial statements, note 4.

Administrative organization and internal controls – ('*in control'-statement*)
Statement referred to in section 121, sub 1 Decree on the Supervision of the conduct of Financial undertakings under the Wft.

We have adopted a description of the administrative organization and internal controls which comply with the requirements as laid down in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and the Decree on the Supervision of the conduct of Financial undertakings under the Wft (*Besluit Gedragstoezicht Financiële ondernemingen)*.
We have evaluated the various aspects of the administrative organization and internal controls during the financial year under review. We believe, to our best knowledge, that the framework of the administrative organization and internal controls as referred to in section 4:14 of the Dutch Financial Markets Supervision Act complies with the requirements as laid down in this act and related rules. In addition, these systems have shown themselves to be reasonably effective in the year under review and thus offer a reasonable degree of certainty that the financial reporting does not contain any material misstatements.

Representation concerning financial statements and report of the management board

The management board confirms that, to the best of its knowledge, the consolidated financial statements, together with comparative figures, have been prepared in accordance with IFRS as adopted by the European Union and give a true and fair view of the state of affairs of DIM Vastgoed at 31 December 2011 and of the net result for the period then ended.

The report of the management board in this annual report includes a fair review of the information required pursuant to section 5:25c, subsection 2 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Outlook

Given the reduced holdings of the Company, its financial outlook is driven by specific factors affecting its four assets. For instance, the outlook for our Hammocks Town Center is much different than our Brawley Commons property. Hammocks Town Center has seen improved tenancy in 2011 and the anchor tenants continue to perform well. Our Magnolia Shoppes has also benefitted from successful leasing efforts in 2011 and early 2012 and have several new tenants opening in 2012. In addition, Magnolia Shoppes benefits from a successful Regal Cinema. Glengary Shoppes, located in Sarasota, is also a very successful shopping center. At December 31, 2011, it was 100% leased and has some tenants expiring in the short-term which may provide the ability to re-tenant and redevelop the site. We are hopeful that, as the economies in these markets continue to improve, the performance of these three centers will also improve. Brawley Commons, however, still suffers as a result of its closed anchors, Lowe's Food and Rite Aid. While the anchor continues to pay rent, the loss of the customer traffic threatens the success of the other tenants and the viability of the center.

Rotterdam, 30 April 2012

The management board

Frans A. Bakker
Arthur L. Gallagher
Bob Mitzel
Wilbert O.C.M. van Twuijver

ANNUAL ACCOUNTS 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	*For the year ended 31 December* 2011	2010
		$'000	$'000
Gross rental income	5	27,116	27,977
Service charge income		7,491	7,100
Service charge expense	6	- 8,438	- 8,475
Other property operating expense	7	- 2,588	- 2,609
Net rental income		**23,581**	**23,993**
Revaluation result investment property	11	- 563	- 440
Loss on disposal of investment property	11	- 29,457	-
Administrative expenses	8	- 3,491	- 2,581
Net operating result		**- 9,930**	**20,972**
Finance costs	9	- 16,104	- 16,305
Net result before tax		**- 26,034**	**4,667**
Income tax	10	6,456	- 1,821
Net shareholders' result for the year		**- 19,578**	**2,846**
Other comprehensive income		-	-
Total shareholders' comprehensive income		**- 19,578**	**2,846**
Net result per share ($) [1]		**- 2.38**	**0.35**

The notes on page 15 to 39 form an integral part of these consolidated financial statements.

[1] Computed based on the weighted average number of shares in circulation of 8,216,373 during 2011 (2010: 8,216,373). The Group has no dilutive potential ordinary shares, therefore the diluted earnings per share is the same as the basic earnings per share.

CONSOLIDATED BALANCE SHEET

	Note	31 December 2011	31 December 2010*
		$'000	$'000
ASSETS			
Investment property	11	69,434	313,929
Deferred lease incentive – tenant improvements	12	479	3,824
Capitalized rent free periods	13	-	178
Deferred leasing commissions	14	387	1,244
Cash on escrow accounts	17	25,216	2,585
Other non-current assets		97	75
Total non-current assets		**95,613**	**321,835**
Tenant receivables	15	2,210	2,292
Other receivables and prepaid expenses	16	228	259
Cash and cash equivalents	17	665	2,502
Total current assets		**3,103**	**5,053**
Total assets		**98,716**	**326,888**
SHAREHOLDERS' EQUITY			
Share capital	18	16,460	13,899
Share premium reserve	19	64,561	64,561
Other reserves	20	- 28,440	- 28,725
Net result for the year		- 19,578	2,846
Total shareholders' equity		**33,003**	**52,581**
LIABILITIES			
Deferred tax liabilities	10	9,164	15,910
Other non-current liabilities	21	273	782
Total non-current liabilities		**9,437**	**16,692**
Borrowings	22	51,886	252,038
Accounts payable and other liabilities	23	4,390	5,577
Total current liabilities		**56,276**	**257,615**
Total equity and liabilities		**98,716**	**326,888**
Net asset value per share ($) [1]		**4.02**	**6.40**

* The comparative numbers have been restated in order to reflect the change in accounting policy regarding the presentation of deferred tax assets and deferred tax liabilities, which have been offset and which are presented on a net basis (see page 16).

The notes on page 15 to 39 form an integral part of these consolidated financial statements.

[1] Computed based on 8,216,373 ordinary shares outstanding at 31 December 2011 (at 31 December 2010: 8,216,373 shares).

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium reserve	Other reserves	Net result for the year	Total shareholders' equity
For the year ended 31 December 2010	($'000)	($'000)	($'000)	($'000)	($'000)
Balance at 1 January 2010	13,899	64,561	19,415	- 48,140	49,735
Allocation result previous year	-	-	- 48,140	48,140	-
Net result for the year	-	-	-	*2,846*	*2,846*
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,846	2,846
Balance at 31 December 2010	13,899	64,561	- 28,725	2,846	52,581
For the year ended 31 December 2011					
Currency restatement share capital	**2,561**	-	**- 2,561**	-	-
Allocation result previous year	-	-	**2,846**	**- 2,846**	-
Net result for the year	-	-	-	- 19,578	- 19,578
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	**- 19,578**	**- 19,578**
Balance at 31 December 2011	**16,460**	**64,561**	**- 28,440**	**- 19,578**	**33,003**

The notes on page 15 to 39 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended 31 December 2011	2010
		$'000	$'000
Operating activities			
Net result before tax		- 26,034	4,667
Adjustments for:			
- revaluation result investment property	11	563	440
- loss on disposal of investment property	11	29,457	-
- finance costs	9	16,104	16,305
- amortization tenant improvements	12	623	716
- decrease/increase capitalized rent free periods	13	39	- 32
- amortization leasing commissions	14	323	386
Changes in working capital:			
- decrease/increase tenant receivables		82	- 62
- decrease other receivables and prepaid expenses		31	380
- increase accounts payable and other liabilities, exclusive of accrued interest, income tax payable and accrued marketing expense compensation	23	162	865
- increase other non-current assets		- 22	- 5
- decrease tenant deposits	21	- 509	- 191
Net cash generated from operations		20,819	23,469
Interest paid		- 17,228	- 15,404
Interest received		43	17
Marketing expense compensation paid	24	-	-1,014
Leasing commissions paid		- 327	- 160
Net cash flow from operating activities		**3,307**	**6,908**
Investing activities			
Net proceeds Sale Transaction (net of $139,906 debt assumed by Buyer)	11	79,729	-
Subsequent expenditure investment property	11	- 147	-
Increase in cash on escrow accounts		- 22,631	- 221
Tenant improvements paid	12	- 625	- 907
Net cash flow from/ used in investing activities		**56,326**	**- 1,128**
Financing activities			
Repaid to Equity One (Carolina Pavilion mortgage loans)	22	- 51,022	-
Early redemption loans Hammocks and Sunrise Town Center	22	- 21,332	-
Prepayment penalty paid		- 371	-
Regular amortization of mortgages	22	- 3,635	- 3,755
Increase/decrease in short term credit	22	14,890	- 820
Net cash flow used in financing activities		**- 61,470**	**- 4,575**
Increase/decrease in cash and cash equivalents		**- 1,837**	**1,205**
Cash and cash equivalents at the beginning of the year		2,502	1,297
Cash and cash equivalents at the end of the year		**665**	**2,502**

The notes on page 15 to 39 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

DIM Vastgoed N.V. (the ‘Company’), seated in Breda, the Netherlands, and having its registered office address at Weena 210-212, 3012 NJ, Rotterdam, the Netherlands, is a closed-end real estate investment company with variable capital. The consolidated financial statements of the Company for the year ended December 31, 2011 comprise the Company and its subsidiaries (together referred to as the ‘Group’). These financial statements were authorized for issue by the management board and the supervisory board on 30 April, 2012.

The financial year of DIM Vastgoed equals the calendar year. The comparative figures included in these financial statements refer to the financial year 2010.

DIM Vastgoed is licensed under the terms of the Dutch Act on Financial Supervision (‘Wft’). The 2011 annual accounts have been prepared taking into account the Wft.

2. BASIS OF PREPARATION

Statement of compliance The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

Going concern All the mortgage loans contain prohibitions on transfers of ownership which may have been violated by Equity One’s acquisition of a majority interest in the Company’s common stock in combination with the redemption of the priority shares in the Company or by the change in the Company’s property manager. If a violation were established, it could serve as a basis for a lender to accelerate amounts due under the affected mortgage. Because a violation of a non-monetary default could be alleged, all of the Company’s mortgage loans have been classified as current in the accompanying consolidated balance sheet at 31 December 2011 and at 31 December 2010.To date, no lender has notified us that it intends to accelerate its mortgage. In the event that the mortgage holders declare defaults under the mortgage documents management believes, if required, it could negotiate with lenders, seek to refinance the mortgage loans that could be refinanced, and/or sell the assets that have a fair market value in excess of the loan balances. Based on the fact that the mortgages are non-recourse and discussions with various lenders, current credit market conditions and other factors, management of the Company believes that the mortgages will not be accelerated. Hence management prepared the financial statements 2011 based on a going concern principle.

Basis of preparation The functional and reporting currency for DIM Vastgoed is the US dollar. Unless otherwise indicated, the amounts stated in these notes are expressed in thousands of US dollars. Unless indicated otherwise, assets and liabilities are carried on historical cost basis, except for investment property which is carried at fair value. Tenant receivables and borrowings are stated at amortized cost.

Basis of consolidation The Company had two subsidiaries during financial year 2011 and during financial year 2010. The Group has no investments in associates or joint ventures.

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

<u>Foreign currency</u> The financial statements are expressed in US dollars, the Group's functional and presentation currency. Assets and liabilities denominated in other currencies are translated at the exchange rate ruling at the balance sheet date. Transactions during the year in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the income statement.

The exchange rate used as of 31 December 2011 is: € 1.00 = $1.2939 ($1.00 = € 0.7729). The exchange rate as of 31 December 2010 was: € 1.00 = $1. 3362 ($1.00 = € 0. 7484).

<u>Accounting policies</u>

The Group has re-assessed its accounting policy with respect to the presentation of deferred tax assets and deferred tax liabilities. In accordance with IAS 12, the Group offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Previously, in deviation of IAS 12.70, the Group took also into account the expected settlement dates of the tax assets and tax liabilities in determining whether the assets and liabilities should be offset. The change in presentation does not affect the Group's equity or comprehensive income.
The comparative numbers have been adjusted in order to reflect this change in presentation. Refer to note 10 (page 29) for a breakdown of the net presented deferred tax liability in deferred tax assets and deferred tax liabilities.

New and amended standards and Interpretations, effective for financial years starting on 1 January 2011

The accounting policies adopted are consistent with those of the previous financial year except as follows.

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2011:

- Amendments to IAS 24 *Related Party Disclosures* (amended in November 2009) – applicable to annual reporting periods beginning on or after 1 January 2011. The standard has been amended to simplify and clarify the definition of a related party. The amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of this amendment did not have any impact on the financial position, performance and range of disclosures presented in the Financial Statements of the Group;
- Amendments to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements* – applicable to annual reporting periods beginning on or after 1 January 2011. The amendment removes an unintended consequence of IFRIC 14 concerning not obligatory payments for pension purposes in case there are minimum funding requirements. The adoption of this amendment did not have any impact on the financial position, performance and range of disclosures presented in the Financial Statements of the Group;
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* – applicable to annual reporting periods beginning on or after 1 July 2010. IFRIC 19 clarifies accounting principles applied when an entity renegotiates the terms of financial liability with its creditor and the liability is settled by an issue of shares or other equity instruments by debtor for the creditor. The adoption of this interpretation did not have any impact on the financial position, performance and range of disclosures presented in the Financial Statements of the Group;

- Amendments to IAS 32 *Financial Instruments - Presentation: Classification of Rights Issue.* The amendment clarifies how to classify particular rights issues in case they are denominated in different currency than the functional one of the issuer. The adoption of this amendment did not have any impact on the financial position, performance and range of disclosures presented in the Financial Statements of the Group;
- *Improvements to IFRSs* (issued in May 2010) – parts of them are applicable for annual reporting periods beginning on or after 1 July 2010, part of them for periods beginning on or after 1 January 2011. The adoption of these improvements did not have any impact on the financial position, performance and range of disclosures presented in the Financial Statements of the Group;

New and amended standards and Interpretations, which are not yet effective for the year ended 31 December 2011

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below:

- The first phase of IFRS 9 Financial Instruments: Classification and Measurement – effective for financial years beginning on or after 1 January 2015 – not endorsed by EU till the date of approval of these financial statements. In subsequent phases, the IASB will address hedge accounting and impairment. The application of the first phase of IFRS 9 will have impact on classification and measurement of the financial assets of the Company / Group. The Company / Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.
- Amendment to IFRS 7 Financial Instruments – Disclosures: Transfer of Financial Assets – effective for financial years beginning on or after 1 July 2011,
- Amendments to IAS 12 Income Taxes: Deferred Tax: Recovery of Underlying Assets – effective for financial years beginning on or after 1 January 2012 – not endorsed by EU till the date of approval of these financial statements,
- IFRS 10 Consolidated Financial Statements – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- IFRS 11 Joint Arrangements – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- IFRS 12 Disclosure of Interests in Other Entities – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- IFRS 13 Fair Value Measurement - effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- Amendments to IAS 19 Employee Benefits - effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- Amendments to IAS 1 Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income - effective for financial years beginning on or after 1 July 2012 – not endorsed by EU till the date of approval of these financial statements,
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine - effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 7 Financial Instruments – Disclosures: Offsetting Financial Assets and Financial Liabilities - effective for financial years beginning on or after 1 January 2013– not endorsed by EU till the date of approval of these financial statements,

- Amendments to IAS 32 Financial Instruments – Presentation: Offsetting Financial Assets and Financial Liabilities- effective for financial years beginning on or after 1 January 2014 – not endorsed by EU till the date of approval of these financial statements.

The Group anticipates that these changes will have no material effect on the financial statements. The Group intends to adopt these new standards and amendments on the effective dates.

Derivative financial instruments During the financial years 2011 and 2010, the Group has not used any derivative financial instruments to hedge its exposure to movements in interest rates and in currency exchange rates.

Use of estimates and judgments The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Revisions to accounting estimates are recognized in the year in which the estimates are revised if the revisions affect only that period, or in the year of the revisions and future periods if the revisions affect both current and future periods.

The management board discussed with the supervisory board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Accounting estimates and assumptions discussed in the section below, are considered to be the most critical to an understanding of the financial statements because they inherently involve significant judgments and uncertainties. For all of these estimates, management cautions that future events rarely develop exactly as forecast, and the best estimates routinely require adjustment.

The assets of the Group mainly consist of the investment property portfolio. The market value of these assets can not be assessed using official quotations or listings. The value of the assets is based on the Group policy for the valuation of property, as set out in note 3. This includes appraisals by independent external experts and internal valuations.

The most important estimates made relate to the market capitalization factor for each individual property, the market rents applicable to vacant areas and the expected repair and other property operating expenses.

The Group is subject to income taxes in the United States and in the Netherlands. The Group estimates income tax liabilities to be accrued or income tax credits to be received. If the final tax assessments deviate from the assets or liabilities based on these estimates, such deviations will impact the (deferred) income tax liabilities or assets in the period in which the differences became apparent.

3. ACCOUNTING POLICIES

Investment property Investment property is property held by the Group as owner which is held either to earn rental income for the long-term or for capital appreciation or for both. Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value.

The fair value of a property is determined as the amount that the land and buildings will command in the market with a willing seller and buyer, within a reasonable time span.

Each property in the portfolio is subject to an external appraisal every two years (for the first time two years after acquisition), or earlier as considered advisable by management due to market circumstances. Experts are assigned to estimate the fair value of the property. The appraisers use a combination of the direct sales comparison approach and the income capitalization approach (the direct capitalization method - valuation based on capitalization at net initial yields for similar transactions - and the discounted cash flow method). In case of a difference between the internal and external valuation, the internally used capitalization rate will be adjusted to the market capitalization rate. For those properties in the portfolio which have not been externally appraised at year-end, an internal appraisal is done based on the same methods as used by external appraisers. The company only appoints external appraisers that are listed as ‘State-Certified General Real Estate Appraiser’ for the state in which the property is located.

All changes in fair value of investment property are recorded in the income statement.

Acquisition costs are accounted for as part of the total acquisition price of the property and are part of the fair value change on the first valuation after the acquisition.

Subsequent capital expenditures in investment property in principle are charged to net profit as repair and maintenance expense, part of operating expenses of the real estate. Only expenditures which lead to a higher fair value of the property are capitalized. In case of expansion or refurbishment of existing investment property, the expansion or refurbishment expenses are capitalized.

An investment qualifies as a capital item as soon as economic ownership is obtained. In practice, this will usually correspond with the transfer of legal ownership.

Deferred lease incentives, capitalized rent free periods and deferred leasing commissions Lease incentives are amortized over the lease term on a straight-line basis; the amortization charge is recognized as a reduction of gross rental income. Lease incentives are separated into incentives requiring upfront cash payments by the Group (tenant improvement work done by the landlord to bring a space up to ‘move-in’ condition or tenant improvement allowances given to new tenants) and incentives resulting in reduced cash income in the first period of the new lease contract (rent free periods or discounts).

Leasing commissions (including leasing listing commissions) are amortized over the lease term on a straight-line basis; the amortization charge is recognized as part of operating expenses.

Tenant receivables Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for bad debts. This provision is determined on an item-by-item basis and established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the tenant receivable is impaired. The amount of the provision is the difference between the asset’s carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. The addition to the provision is recognized in the income statement. When a tenant receivable is uncollectible, it is written off against the provision for bad debts.

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

Impairment The carrying amount of the Group's assets, other than investment property and deferred tax assets is assessed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Shareholders' equity

(1) Share capital – Ordinary shares are classified as equity. External costs directly attributable to the issuance of new shares, other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds.

(2) Share premium reserve – Share premium represents amounts realized by the issuance of shares above and beyond the nominal value.

(3) Other reserves - Other reserves include amounts which were formed from the undistributed net profit in the financial year or in previous financial years. Other reserves include any required legal reserves.

(4) Dividends - Dividends are recognized as a liability in the year in which they are declared.

Borrowings Mortgage loans and other interest-bearing loans are recognized initially at fair value, less transaction costs that are directly attributable to the issuance of these borrowings. Subsequent to initial recognition, borrowings are stated at amortized cost; any difference between the book value and the nominal value is recognized in the income statement over the period of the borrowings using the effective interest method.

The short-term part of borrowings which is due within twelve months is classified as current liabilities.

Leases Properties leased out under operating leases are included in investment property on the balance sheet. There are no assets leased out under a finance lease.

Gross rental income is determined based on contractual lease term entitlements and is recorded on an accrual basis. Gross rental income is exclusive of service charge expenses which have been charged to the tenants, such as real estate tax and common area maintenance. Lease incentives are amortized over the lease term on a straight-line basis; the amortization charge is recognized as a reduction of gross rental income.

Percentage rents (which are turnover based) are recorded as income in the years in which they are earned.

Service charge expenses and property operating expenses These include the service charge and property operating expenses attributable to the current financial year. These expenses comprise real estate tax, common area maintenance, property management fees, repair and maintenance costs, insurance premiums, amortization of leasing commissions and other property related expenses. Property operating expenses do not include general and administrative expenses.

Costs for service contracts entered into, property operating expenses and service charge income are recognized in the accounting period in which the services are rendered. The Group acts as a principal with respect to service charges and other expenses charged to the tenants. Accordingly, the services invoiced to the tenants and the corresponding expenses are shown separately in the income statement.

Net result on disposal of investment property When properties are sold, the profit or loss on disposal is calculated based on the difference between the net sales proceeds and the book value of the property as per the last published (interim) balance sheet.

Finance costs Net finance costs comprise interest attributable to the accounting period on borrowings, other debts, accounts receivable and cash and bank balances. The interest charge for borrowings is calculated using the effective interest method.

Income tax Income tax on the profit or loss for the year comprises current and deferred income tax and is calculated on results before taxes, taking into account any tax-exempt components of profit and non-deductible costs. Losses to be compensated are recognized as deferred tax receivables. Current income tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates prevailing at the balance sheet date and any adjustments to taxation in respect of previous years.

Deferred income tax is provided in the consolidated balance sheet using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets are offset against deferred tax liabilities only if the Group has a legal enforceable right to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are carried at nominal value.

4. RISKS

The Group recognizes strategic, business, operational and financial risks. Below mentioned risks are consistent with internally recognized risks of the Group's activities by its management.
The risk factors in this section are not exhaustive and there may be other risks, either unknown or of which the occurrence is not considered at the reporting date as likely to have a material adverse effect on DIM Vastgoed, its operations, its financial situation and/or its results.

Strategic and business risks
This includes all the risks inherent in investing in real estate. Each year, the Management Board evaluates its existing strategy, which is discussed with and approved by the Supervisory Board. Decisions are taken based on the strategy. All decision-making by the Management Board and Supervisory Board in their joint meetings is minuted.

Our goal is to improve the performance of our properties by re-leasing vacated space. The economic downturn in 2010 and 2011 has affected and continues to affect our business. While the economy in many of our markets has made some modest improvements, macro-economic challenges, such as low consumer confidence, high unemployment and reduced consumer spending, have adversely affected many retailers and continue to adversely affect the retail sales of many regional and local tenants in some of our markets. While most of our centers are anchored by supermarkets, drug stores or other necessity oriented retailers, which are less susceptible to economic cycles, other tenants in our centers, particularly smaller shop tenants (those occupying less than 10,000 square feet), have been particularly vulnerable as they have faced both declining sales and reduced access to capital. As a result, some tenants have requested rent adjustments and abatements, while other tenants have not been able to continue in business at all.

Our ability to continue to lease or re-lease vacant space in our properties will be affected by these and other factors, including our properties' locations, current market conditions and covenants and restrictions found in certain leases at our properties that may limit our ability to lease to certain types of tenants. If these economic conditions persist or worsen in 2012, our properties and results of operations could be adversely affected with lower occupancy and higher bad debt expense as tenants fail to pay rent, close their stores or file bankruptcy. Moreover, because many retailers have slowed their growth plans as a result of the prevailing economic climate or their lack of access to capital, demand for retail space has declined, generally, reducing the market rental rates for our properties.

As part of its ordinary business operations, the Group considers its risks on the field of rental market developments and the developments in the value of property. The developments in the rental markets, such as loss of rental income owing to vacancy, ability to re-let the premises and market changes are closely followed. The Group is dependent upon certain key tenants and decisions made by these tenants or adverse developments in the business of these tenants could have a negative impact on the Group's financial condition. The tenants Best Buy, Barnes and Noble, Regal Cinemas, Publix and Metro-Dade Public Library in total occupy approximately 43% of the Group's total portfolio rentable surface area.

Based on 31 December 2011 circumstances, a 0.5 percentage point increase of the occupancy rate has an impact of approximately $24 on net result while a 0.5 percentage point decrease of the occupancy rate has an impact of approximately $ 33 negative on net result. The Group timely anticipates forthcoming lease expiries, contract revisions and rent reviews.

The risk of a decrease in the value of property relates to its negative impact on the Group's capital position. See note 11 to these consolidated financial statements for a sensitivity analysis.

The Group has insurance coverage on its property portfolio, including insurance for liability and damage to the buildings. The buildings are largely insured on the basis of their replacement cost, with loss of rent also covered. Part of the portfolio is located in areas that are susceptible to hurricanes. In general, hurricane related damages are covered by the Group's insurance policies.

Financial risk management - general

The Group reviews and monitors its exposure and risks related to solvency, liquidity, interest rates, market prices and foreign currencies. The Group carefully monitors cash flow, interest coverage, leverage, debt and interest maturity and – insofar as applicable, if any – derivatives schedules against its finance policy target ratios. Up to this moment, the Group has never entered into any interest rate swap, foreign exchange contract or any other contract which embodies derivative financial instruments.
Risk management is carried out by the Group's management board.

Credit risk

The credit risk is defined as the unforeseen loss on assets if counterparties should default. A tenant may experience a downturn in its business that may weaken its financial condition. As a result, tenants may fail to make rental payments when due or declare bankruptcy. The credit risk associated with tenant receivables is mitigated by examining prospective tenants upfront for their creditworthiness and reliability. In addition, administrative and organizational procedures are in place in order to pursue timely collection of tenant receivables and to ensure that rent arrears are reported timely.
Rents are, in general, payable in advance and part of the rent payable is secured by means of a security deposit along with a personal guarantee for smaller, non-credit tenants.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they come due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. In order to spread the liquidity risk, the Group has financed its activities through mortgage loans, with the debt maturity profile managed by spreading the repayment dates. The Group regularly prepares a cash flow prognosis in order to timely identify and address potential future bottlenecks in the matching of incoming and outgoing cash flows.
In order to spread the liquidity risk, the Group has financed its activities through mortgage loans, short-term loans and credit facilities with a number of banks in a mix of both debt and equity capital. The debt maturity profile is managed by spreading the repayment dates. The Group regularly prepares a cash flow prognosis in order to timely identify and address potential future bottlenecks in the matching of incoming and outgoing cash flows. Refer to note 22 on page 34 for a further specification of total borrowings outstanding at year-end with the total amounts maturing within 1 year, between 1 and 5 years and after 5 years.

All the mortgage loans contain prohibitions on transfers of ownership which may have been violated by Equity One's acquisition of a majority interest in the Company's common stock in combination with the redemption of the priority shares in the Company or by the change in the Company's property manager. If a violation were established, it could serve as a basis for a lender to accelerate amounts due under the affected mortgage. Because a violation of a non-monetary default could be alleged, all of the Company's mortgage loans have been classified as current in the accompanying consolidated balance sheet at 31 December 2011 and at 31 December 2010.To date, no lender has notified us that it intends to accelerate its mortgage. In the event that the mortgage holders declare defaults under the mortgage documents management believes, if required, it could negotiate with lenders, seek to refinance the mortgage loans that could be refinanced, and/or sell the assets that have a fair market value in excess of the loan balances.

Based on discussions with various lenders, current credit market conditions and other factors, management of the Company believes that the mortgages will not be accelerated.

Further details of the mortgages and their maturity dates can be found in this annual report on page 57.

Interest rate risk

Changes in interest rate may in general affect the results and (indirectly) the value of the property. When a mortgage loan has reached its maturity date and needs to be refinanced, the Group may face a situation in which such new financing can only be obtained at higher interest rates as compared to the matured loan's interest rate.

With respect to the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates, the Group has only a very limited sensitivity to such changes. The Group has no significant interest bearing assets. The Group has an interest rate policy which stipulates that the vast majority of borrowings is at fixed interest rates. The Group does not use interest rate swaps or other derivatives to manage or structure its interest rate profile. As at 31 December 2011, 71% of total borrowings consisted of fixed-rate mortgage loans. On the balance sheet, these loans are carried at amortized cost. The weighted average effective interest rate as of 31 December 2011 was 6.00% per annum. The weighted average duration of total mortgage loans was 4.0 years at the end of 2011. Therefore, there is only limited interest rate sensitivity. A change in the market interest rate has no significant impact on the Group's equity or result.

Tax risk

Possible capital gain taxes have been provided for on the balance sheet, based on the difference between the fair value of the properties and their tax book values. However, if the sales price of an investment property would be below the level of debt existing at the time of the sale, this could result in an unfavorable tax adjustment to be recognized (permanent tax difference).

Foreign currency risk

The Group exclusively operates and invests in the United States. The vast majority of transactions are denominated in US dollars. Only a limited portion of administrative expenses is incurred in euro. The foreign currency risk is therefore minimal.

Price risk

The price risk to which the Group is exposed mainly consists of property price and property rentals risk. The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

Capital risk management

When managing capital, it is the Group's objective to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5. GROSS RENTAL INCOME

	2011	2010
	$'000	$'000
Base rent incl. rent abatements	27,610	28,286
Early termination fees	-	10
Percentage rent	94	197
Other rental income	74	168
Recognition capitalized rent free periods	- 39	32
Amortization of lease incentives	- 623	-716
Total gross rental income	**27,116**	**27,977**

Space in the Group's investment properties is leased to tenants under operating leases with terms ranging from one to twenty years. Lease contracts are usually for terms of three to five years. Contracts with anchor tenants are usually for terms of ten to twenty years.

Future minimum rentals to be received under non-cancelable operating leases within the next five years and thereafter, excluding tenant reimbursements of operating expenses, as of 31 December, are as follows:

	2011	2010
	$'000	$'000
Within 1 year	5,998	26,057
After 1 year, but not more than 5 years	15,105	77,234
More than 5 years	6,640	54,425
Total	**27,743**	**157,716**

6. SERVICE CHARGE EXPENSE

	2011	2010
	$'000	$'000
Real estate tax	4,208	3,939
Common area maintenance	3,608	3,853
Insurance premiums	622	683
Total service charge expense	**8,438**	**8,475**

Service expenses and other chargeable expenses are passed on to tenants including an administration surcharge. The Group acts as principal.

7. PROPERTY OPERATING EXPENSES

	2011	2010
	$'000	$'000
Property management fees Equity One, Inc.(note 24)	1,558	1,071
Property management fees DIM B.V.(note 24)	-	350
Property repairs	163	383
Amortization leasing commissions	323	386
Bad debt expense (impairment loss)	282	185
Other property operating expenses	262	234
Total property operating expenses	**2,588**	**2,609**

All property operating expenses arise from investment property that generates rental income.

8. ADMINISTRATIVE EXPENSES

	2011	2010
	$'000	$'000
Expenses related to the EQY public offer	-	781
Management fee DIM B.V. (note 24)	-	117
Remuneration supervisory board (note 25)	55	86
Dutch corporate service fees Freeland Group (note 24)	539	394
Legal settlement expenses in relation to an aborted sales transaction	1,667	-
Strategic initiatives exploration expenses	508	490
Audit fees	80	133
Other administrative expenses	639	700
Currency exchange differences, net	3	- 120
Total administrative expenses	**3,491**	**2,581**

The other administrative expenses are mostly comprised the following items:
- the supervisor, Autoriteit Financiële Markten ($23; 2010 $61);
- tax consultancy and service fees ($74; 2010 $161)
- legal and other advisors ($99; 2010 $95);
- external appraisers ($36; 2010 $54);
- the liquidity provider (nil; 2010 $30);
- bank charges ($142; 2010 $181);
- state franchise tax, state fees and taxes ($205; 2010 $50);
- liability insurance premiums (nil; 2010 $41); and
- non-deductible VAT ($3; 2010 $23).

As in the previous financial year, during the course of 2011 no staff were employed by the Group.

The auditors’ fees paid and/or due to Ernst & Young Accountants LLP can be further specified as follows:

	2011	2010
	$’000	$’000
Fees for audit of financial statements – E&Y	80	125
Fees for audit of financial statements – previous auditor, PwC	-	8
Total auditors’ fees	**80**	**133**

9. FINANCE COSTS

	2011	2010
	$’000	$’000
Interest expense based on contractual interest rate - regular	15,571	16,106
Prepayment penalty	371	-
Change in valuation of mortgage loans due to valuation at amortized cost using effective interest rate	205	216
Total interest expense	16,147	16,322
Interest income	- 43	- 17
Total finance costs	**16,104**	**16,305**

10. INCOME TAX

In the Netherlands, DIM Vastgoed is subject to Dutch corporate income tax. The income on the investments in American real estate is subject to the Tax Treaty between the Kingdom of the Netherlands and the United States of America for the prevention of double income taxation and for the prevention of eluding taxation of taxable income, concluded on 18 December 1992. Based on this Tax Treaty, DIM Vastgoed is entitled to prevention of double taxation on this American investment income.

DIM Vastgoed has been permitted by the Dutch tax authorities to prepare its income tax return in US dollars. The advantage of this is that non-realized and realized exchange results on US dollars will not be included under Dutch corporate income tax.

The results achieved by DIM Vastgoed with its investments in American real estate are subject to federal income tax and to the tax on profits of the respective state concerned. Possible future capital gain tax liabilities that may arise from the sale of real estate have been provided for.

(a) ***Income tax in the statement of comprehensive income***

	2011	2010
	$'000	$'000
Current income tax benefit/(expense)	- 290	-
Deferred tax benefit/(expense):		
- *change in differences between fair value and tax book value investment properties*	*12,158*	*4,300*
- *change in other timing differences*	*500*	-
- *utilization of tax losses carried forward*	*- 5,912*	-
Origination and reversal of timing differences	6,746	- 4,300
Benefit of tax losses recognized	-	2,479
Total income tax benefit/ (expense)	**6,456**	**- 1,821**

(b) ***Tax reconciliation***

A reconciliation of the tax rates prevailing in the United States* and the effective tax rate is as follows:

		2011		2010
		$'000		$'000
Net result before tax	%	- 26,034	%	4,667
Income tax benefit/ (expense) calculated using the applicable tax rates (Federal Tax 35%; State Tax 3.5% on average)	38.5	10,023	39.0	- 1,821
Permanent difference – adjustment of sales price of investment property included in Sale Transaction for which debt exceeded sales price	- 14.0	- 3,646	-	-
Effect of non-tax deductible expenses	0.0	-	6.8	- 319
Other	0.3	79	- 6.8	319
Total income tax benefit/ (expense) in the income statement and effective tax rate	**24.8**	**6,456**	**39.0**	**- 1,821**

* a tax reconciliation to the tax rates prevailing in the Netherlands would not add any useful information.

(c) ***Deferred tax assets and liabilities***

The deferred tax liabilities relate to the difference between the fair value of the investment properties and their tax book values. The deferred tax liabilities are of a long term nature.

The deferred tax assets mainly relate to available loss carry forward assets. At December 31, 2011, the Company has federal and state net operating loss carry forwards of $5.8 million and $9.2 million, respectively, that begin to expire in 2027. All available loss carry forward assets have been recognized as deferred tax assets.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences can be offset or become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on all available information, management believes that all of the deferred income tax assets are realizable and therefore has not provided a valuation allowance.

Deferred tax relates to the following:

	2011	**2010***
	$'000	$'000
Deferred tax liability		
Investment property – difference between fair value and tax book value	12,091	29,096
	12,091	**29,096**
Deferred tax assets		
Investment property – difference between fair value and tax book value	-	4,847
Losses available for offset against future taxable income	2,427	8,339
Tax credit carry forward	308	-
Other temporary differences	192	-
	2,927	**13,186**
Deferred tax liabilities/(assets) net	**9,164**	**15,910**
Reconciliation of net deferred tax liabilities		
Opening balance as of 1 January	15,910	13,833
Tax expense/(income) during the period recognized in profit and loss	- 6,746	1,821
Reclassified to other receivables	-	256
Closing balance as at 31 December	**9,164**	**15,910**

* The comparative numbers have been restated in order to reflect the change in accounting policy regarding the presentation of deferred tax assets and deferred tax liabilities, which have been offset by the Group and which are presented on a net basis.

11. INVESTMENT PROPERTY

	2011	2010
	$'000	$'000
Balance at the beginning of the year	313,929	314,369
Subsequent expenditure	147	-
Disposals	- 244,079	-
Revaluation result - unrealized	- 563	- 440
Balance at the end of the year	**69,434**	**313,929**

The balance sheet valuation of the investment property portfolio is as follows:

	2011	2010
	$'000	$'000
Value of investment property portfolio according to internal and external valuations	70,300	319,175
Less: book value of deferred lease incentives, capitalized rent free periods and deferred leasing commissions	- 866	- 5,246
Balance sheet valuation	**69,434**	**313,929**

A specification of the property portfolio is shown on pages 55 and 56.

The investment property is collateralized as security to the mortgage loans outstanding (note 22).

The fair value of the real estate as of 31 December has been established in accordance with the internal and external valuation method (see page 19) and has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the IVSC. The external valuations were performed by Cushman & Wakefield, an accredited independent appraiser with a recognized and relevant professional qualification and with recent experience in the location and category of the investment property being valued. As at 31 December 2011, Brawley Commons, Glengary Shoppes and Magnolia Shoppes were externally appraised. The fourth property, Hammocks Town Center, was externally appraised as at 30 April 2011 in accordance with the Company's two-year appraisal cycle. The fair value of this property at year-end has been based on an internal valuation. During the financial year 2011, the following properties (which were part of the Sales Transaction in December 2011) were also externally appraised in accordance with the Company's two-year appraisal cycle: Greensboro Village, Keith Bridge Commons, Sunrise Town Center, Freehome Village and Eustis Village.

The value of the property portfolio at year-end implies a weighted average overall capitalization rate of 8.45% (2010: 8.2%). In valuing its portfolio, the Company has taken into account the estimated duration of the lease up period (varies from six to twelve months) as well as estimated lease incentives (for new leases 6% and for renewal leases 3% of the scheduled rental income) that may be required to attract tenants to the vacant space.
If the average capitalization rate would increase by 0.25 percentage point, the value of the property portfolio would decrease by approximately $2.0 million and the Company net asset value would decrease by approximately $1.2 million, based on 31 December 2011 circumstances (2010: $9.5 million and $5.8 million, respectively).

As of 31 December 2011, the average occupancy rate of the portfolio was 88.1% (31 December 2010: 89.9% for the portfolio of 21 properties. On a like-for-like basis, the occupancy rate at 31 December 2010 for the 4 properties which were not included in the Sale Transaction was 88.2%).

The Sales Transaction – breakdown of Loss on Disposal of Investment Property

		$'000
Gross sales price		224,136
Selling costs		- 4,233
Net sales proceeds		219,903
Book value properties:		
- net balance sheet valuation as per last published balance sheet, net of deferred lease incentives and leasing commissions	244,079	
- write-off deferred lease incentives – tenant improvements	3,347	
- write-off capitalized rent free periods	139	
- write-off deferred leasing commissions	1,147	
		- 248,712
Write-off net book value amortized borrowing costs at Sale Transaction		- 648
Loss on disposal of investment property		**- 29,457**

The selling costs include a disposition fee paid to Equity One Realty & Management of $1,121 (0.5% of the sales price, refer to note 24 Related parties).

12. DEFERRED LEASE INCENTIVES – TENANT IMPROVEMENTS

	2011	**2010**
	$'000	$'000
Balance at the beginning of the year	3,824	3,633
Lease incentives paid	625	907
Write-off on Sale Transaction	- 3,347	-
Amortization charged to comprehensive income	- 623	-716
Balance at the end of the year	**479**	**3,824**

Tenant improvements are amortized over the lease term on a straight-line basis.

13. CAPITALIZED RENT FREE PERIODS

	2011	**2010**
	$'000	$'000
Balance at the beginning of the year	178	146
Write-off on Sale Transaction	- 139	-
Charged/credited to the statement of comprehensive income	- 39	32
Balance at the end of the year	**-**	**178**

Rent free periods are recognized as a reduction of rental income on a straight-line basis over the lease term.

14. DEFERRED LEASING COMMISSIONS

	2011	2010
	$'000	$'000
Balance at the beginning of the year	1,244	1,470
Leasing commissions additions	613	160
Write-off on Sale Transaction	- 1,147	-
Amortization charged to comprehensive income	- 323	- 386
Balance at the end of the year	**387**	**1,244**

Leasing commissions are amortized over the lease term on a straight-line basis. Leasing commissions are inclusive of the leasing listing commissions paid for the administrative coordination of leasing contracts and lease renewals.

15. TENANT RECEIVABLES

Tenant receivables are shown net of impairment losses amounting to $400 (31 December 2010: $350) arising from identified doubtful receivables. In 2011 an amount of $282 (2010: $185) was added to the provision for bad debts (and charged to property operating expenses) and an amount of $232 (2010: $454) was withdrawn.

Tenant receivables at 31 December 2011 do not include any amounts outstanding longer than twelve months which have not been fully provided for.

16. OTHER RECEIVABLES AND PREPAID EXPENSES

	2011	2010
	$'000	$'000
Value added taxes	2	-
Prepaid expenses	226	259
Total other receivables and prepaid expenses	**228**	**259**

Other receivables and prepaid expenses do not include amounts receivable and prepayments with a maturity of more than twelve months.

17. CASH AND CASH EQUIVALENTS

Cash on escrow accounts represents cash not freely disposable (mortgages debt service reserve, tenant improvements reserve, real estate tax and insurance escrow balances). Cash on escrow accounts is classified as non-current assets. Of the total amount of cash on escrow accounts at the end of 2011, $22,348 relates to the Sale Transaction.
Cash and cash equivalents represent cash on bank accounts, which is freely disposable.

18. SHARE CAPITAL

The authorized share capital of the company amounts to € 31,160,456, consisting of 300 priority shares and 20.5 million ordinary shares of € 1.52 each. At 31 December 2011 and at 31 December 2010, € 12,720,982 is issued and paid up, being 300 priority shares and 8,368,767 ordinary shares.
The Company holds 152,394 own shares at 31 December 2011 and at 31 December 2010. The number of shares in circulation thus amounts to 8,216,373.

The own shares held by the Company represent shares which have been bought by the Company and which have not been cancelled. The acquisition price of these shares was charged to the share premium reserve. These treasury shares are not entitled to dividend. The number of shares in circulation represents the total number of ordinary shares issued and outstanding less the number of shares held by the Company, and is used as the basis for calculating the net asset value per share while the weighted average number of ordinary shares in circulation is used for calculating performance figures per share.

As at 31 December 2011, 97.8% of the shares outstanding and in circulation is (indirectly) held by Equity One, Inc (2010: 97.4%).

Ordinary shares
Shareholders holding ordinary shares are entitled to periodically declared dividends and have one vote per share at the general meetings of shareholders of DIM Vastgoed.

Priority shares
The following specific rights are attached to the priority shares:

- determination of the number and remuneration of supervisory directors
- determination of the number and remuneration of managing directors (in the current situation, nonetheless, the company is managed by Dane Investors Management B.V. and the directorship fee is laid down in the directorship and management agreement)
- binding nomination of supervisory and managing directors for appointment by the general meeting of shareholders
- appointment of the chairman of the supervisory board
- power of veto in respect of amendments to the articles of association and liquidation of DIM Vastgoed N.V.

On 12 July 2010, the Company acquired all 300 issued and outstanding priority shares of the Company held by Stichting Prioriteit DIM Vastgoed. Pursuant to the merger protocol between the Company and Southeast US Holdings B.V. dated 30 December 2009 (and as further described in the Offer Memorandum dated 17 February 2010), the Company and Stichting Prioriteit DIM Vastgoed agreed to abolish and/or cancel the priority shares following the acquisition of control by Equity One over at least 90% of the shares in the Company. This cancellation of the priority shares has been effected by the acquisition of those shares by the Company.

19. SHARE PREMIUM RESERVE

The share premium reserve has full fiscal approval.

20. OTHER RESERVES

Of the Other reserves at 31 December 2011, $14,960 is labeled as a legal, not freely distributable, reserve relating to the unrealized revaluation of investment properties (31 December 2010: $15,300).

21. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of deposits received from tenants.

22. BORROWINGS

Borrowings can be specified as follows:

	Note	2011				2010
		Due within 1 year	**Due between 1 and 5 years**	**Due after 5 years**	**Total**	**Total**
		$'000	$'000	$'000	$'000	$'000
Mortgages	a)	576	36,420	-	36,996	252,038
Revolving loan facility	b)	-	14,890	-	14,890	-
Total Borrowings at the end of the year		**576**	**51,310**	**-**	**51,886**	**252,038**
Non-current liabilities					-	-
Current liabilities					51,886	252,038
Total Borrowings at the end of the year					**51,886**	**252,038**

a) Mortgages

	2011	**2010**
	$'000	$'000
Balance at the beginning of the year	252,038	255,577
Regular amortization of mortgages	- 3,635	- 3,755
Assigned to Buyer as part of Sale Transaction	- 139,906	-
Repaid to Equity One (Carolina Pavilion mortgage loans)	- 51,022	-
Early redemption loans Hammocks Town Center and Sunrise Town Center	- 21,332	-
Write-off net book value amortized borrowing costs at Sale Transaction	648	-
Change in valuation due to valuation at amortized cost	205	216
Balance at the end of the year	**36,996**	**252,038**

At 31 December 2011, the nominal interest rates for the mortgages range from 5.75% to 6.25%. The weighted average effective interest rate is 6.00% and the weighted average duration is 4.0 years (2010: 6.38% respectively 3.6 years).

Further details of the mortgages can be found in this annual report on page 57.

All the mortgage loans contain prohibitions on transfers of ownership which may have been violated by Equity One's acquisition of a majority interest in the Company's common stock in combination with the redemption of the priority shares in the Company or by the change in the Company's property manager. If a violation were established, it could serve as a basis for a lender to accelerate amounts due under the affected mortgage. Because a violation of a non-monetary default could be alleged, all of the Company's mortgage loans have been classified as current in the accompanying consolidated balance sheet at 31 December 2011 and at 31 December 2010 in accordance with IAS 1.74. To date, no lender has notified us that it intends to accelerate its mortgage. In the event that the mortgage holders declare defaults under the mortgage documents management believes, if required, it could negotiate with lenders, seek to refinance the mortgage loans that could be refinanced, and/or sell the assets that have a fair market value in excess of the loan balances. Based on discussions with various lenders, current credit market conditions and other factors, management of the Company believes that the mortgages will not be accelerated. Hence management prepared the financial statements 2011 based on a going concern principle.

The real estate is collateralized as security to the amount of the remaining balances of the mortgages. The mortgage loan on Brawley Commons is subject to certain financial covenants (such as debt service coverage ratio, loan-to-value ratio and net worth requirements). These financial covenants are fully met by the Group. The mortgage loans are typically non-recourse, assuming normal circumstances (excluding carve outs such as fraud or willful damage).

As of 31 December 2011 the amortized cost value of the mortgages is $36,996. The fair value of the mortgage loans, based on cash flows discounted using relevant market interest rates with a company specific margin, amounts to $39,782.

b) Revolving loan facility

DIM Vastgoed has a US revolving loan facility with its major shareholder Equity One, Inc., for cash management purposes, backed by amongst others the library parcel at Hammocks Town Center. The total facility amounts to $15 million with an interest rate of 4.5%. The revolving loan arrangement matures on 1 July 2013, and any outstanding balances including accrued interest are due on that date.

23. ACCOUNTS PAYABLE AND OTHER LIABILITIES

These liabilities due within one year can be specified as follows:

	2011	**2010**
	$'000	$'000
Accrued fee Equity One, Inc. for property management	2,489	1,071
Income tax payable	308	-
Interest accrued	134	1,791
Prepaid rents	97	858
Other liabilities and accruals	1,362	1,857
Total accounts payable and other liabilities	**4,390**	**5,577**

24. RELATED PARTIES

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and reporting decisions. Such relationships include:

1. Parent-subsidiary relationships.
2. Entities under common control.
3. Individuals who, through ownership, have significant influence over the enterprise and close members of their families.
4. Key management personnel, comprising the members of the Management Board and members of the Supervisory Board.

The Group is controlled by Equity One, Inc., incorporated in the United States ('Equity One'), which owns 97.8% of the outstanding shares. The remaining 2.2% are held by the public.

Equity One is ultimately controlled by the Gazit group, which prepares consolidated accounts.

The Group has a related party relationship with its major shareholder, its management board members and their related companies. The Group has no joint ventures, associates or other minority interest and knows of no other related parties in this respect.

All agreements with the related parties are priced on an arm's-length basis.

The Management Agreement with Equity One, Inc.

Effective 1 April 2010, the Company entered into a Management Agreement with indirect majority shareholder Equity One, Inc. and Equity One Realty & Management FL, Inc. and Equity One Realty & Management SE, Inc. (together referred to as 'Equity One Realty & Management'; affiliated to the indirect majority shareholder of the Company, Equity One). According to the Management Agreement, as part of the property services, Equity One and Equity One Realty & Management– among other things – is responsible for assisting, advising and carrying out on behalf of the Company and as instructed and monitored by the Management Board and the Supervisory Board of the Company, the operational, financial and administrative property management as well as the selection, acquisition, financing and disposition of real estate. The Management Agreement is entered into for an indefinite period. Equity One can terminate the Management Agreement upon 12 months' notice, which notice of termination must be given by registered letter. The Company can terminate the Management Agreement upon 12 months' notice, with the prior approval of the Supervisory Board, which notice of termination must be given by registered letter.

Equity One is authorized to delegate the activities to third party subcontractors. Subcontracting activities with an annual value of $100 or higher requires the prior written approval of the Supervisory Board.

Equity One is entitled to a property management fee amounting to 5% of the annual minimum rent and percentage rent collected by the Company, which remuneration is payable to Equity One Realty & Management in advance every quarter over the rent to be collected in that calendar quarter. Furthermore, Equity One Realty & Management is entitled to an acquisition fee of 1% of the acquisition price upon the acquisition of investment properties or property interests and a disposition fee of 0.5% of the sales price upon the alienation of properties or property interests.

Property management fees paid to/ accrued to Equity One and/or Equity One Realty & Management during 2011 amount to $1,558 (2010: $1,071). Closing fees paid to/ accrued to Equity One Realty & Management for the divestment of real estate amounted to $1,121 during 2011 (2010: nil).

Leasing agreements with Equity One Realty & Management

Equity One Realty & Management is appointed as exclusive leasing agent for the Group.

The term of the leasing agreement shall be automatically renewed for successive renewal terms of one year, unless sooner terminated. Either party can terminate this agreement with 30 days written notice to the other party. Leasing commissions payable to Equity One Realty & Management for new leases amount to 4.0% of the aggregate annual base rent due for the first ten years (for spaces less than or equal to 10,000 sq.ft.), 3.0% for spaces between 10,001 and 20,000 sq.ft., $3.00 per sq.ft. for spaces between 20,001 and 40,000 sq.ft., and $2.00 per sq.ft. for spaces between 40,001 and 80,000 sq.ft. and $1.50 per sq.ft for spaces of more than 80,000 sq.ft. Furthermore, other lease commissions are applicable, *e.g.* in case of relocations of tenants. If a cooperating broker is involved in the lease transaction, then Equity One Realty & Management shall receive a 50.0% override and shall be solely responsible for paying the cooperating broker.

Leasing commissions paid to/ accrued to Equity One Realty & Management during 2011 amount to $380 (2010: $102).

Financing by Equity One

The two mortgage loans secured by Carolina Pavilion have been assumed by Equity One in 2009. The first mortgage loan, amounting to approximately $39.2 million on 31 December 2010, had an interest rate of 8.73%. The second mortgage loan, amounting to approximately $11.9 million on 31 December 2010, had an interest rate of 9.02%. Both loans were repaid to Equity One as part of the Transaction.

The Group has entered into a revolving loan facility with Equity One backed by amongst others the library parcel at Hammocks Town Center. The total facility amounts to $15 million with an interest rate of 4.5%. At 31 December 2011, $14,890 was outstanding under this facility (2010: nil). The revolving loan arrangement matures on 1 July 2013, and any outstanding balances including accrued interest are due on that date.

Dutch services provided by the Freeland Group

The Company engaged the Freeland Group (‘Freeland’) to provide the Company with certain Dutch corporate, financial and regulatory compliance and support services as of 1 April 2010. The Company also engaged Freeland to provide the Company with two Managing Directors.

Mr. Wilbert O.C.M. van Twuijver and Mr. Frans A. Bakker, both Managing Director of the Company, each (indirectly) hold a 25% interest in Freeland Holding B.V. (the holding company of the Freeland Group) and both are managing directors of this company and its subsidiaries, including Freeland Corporate Advisors N.V. and DIM B.V.

The Freeland Group company providing the Dutch services as of 1 April 2010 is DIM B.V. The Company pays a fixed fee of €97 thousand per quarter to DIM B.V. for these services and for making available the two Managing Directors.

Dutch corporate services fees paid to/ accrued to the Freeland Group during 2011 amount to €386 or $539 (2010: €285 or $394).

The previous Directorship and Management Agreement with DIM B.V.

Until 31 March 2010, the board of directors of the company consisted of Dane Investors Management B.V. (‘DIM B.V.’, at that time a joint venture between Mr Jan Dane and the Freeland Group), pursuant to a Directorship and Management Agreement (‘DMA’). DIM B.V. acted as manager of the Company and had outsourced its activities for the Company to DBR & Associates, LLC, Freeland Corporate Advisors N.V. and Dane Real Estate B.V. respectively. DIM B.V. terminated the DMA on 16 March 2009, effective as of 1 April 2009 and subject to a 12 month notice period.

The DMA management fee paid to DIM B.V. during the financial year 2010 amounted to $117. The property management fee paid to DIM B.V. during 2010 amounted to $350.

DIM B.V. was entitled to compensation for marketing expenses incurred in the past amounting to cumulative € 704 thousand, which amount was paid on 1 April 2010. During the first quarter of 2010, DIM B.V. furthermore received a fee of € 125 thousand for the work performed beyond the scope of the DMA on the rights issue and the public bid.

Outstanding payables and receivables at year-end

	2011	2010
	$'000	$'000
Payables to related parties:		
- Equity One, Inc – property management fees payable	2,489	1,071
- Equity One Realty & Management – leasing fees payable	380	102
- Equity One, Inc. – Carolina Pavilion mortgage loans (note 22)	-	51,022
- Equity One, Inc. – short term credit (revolving loan facility) (note 22)	14,890	-
	17,759	**52,195**

All outstanding balances with these related parties are priced on an arm's-length basis.
There are no receivables from any related party at 31 December 2011 and 31 December 2010.

25. REMUNERATION MANAGEMENT AND SUPERVISORY BOARD

The remuneration of the Dutch managing directors (Mr. Bakker and Mr. Van Twuijver) is included in the corporate service fee paid to the Freeland Group disclosed in note 24 above (total corporate service fee for 2011 €386 thousand, of which €66 thousand for making available two managing directors). Mr. Gallagher and Mr. Mitzel receive no remuneration in their capacity of managing director of the Company.

The fixed remuneration for a supervisory director is € 20,000 per year based on a maximum of six board meetings per year. If there are more than six board meetings during the year, each director receives an additional fee of € 2,500 for each additional meeting. For the purpose of determining the total remuneration for each supervisory director for the year, three telephone conference calls are taken into account as one additional meeting.

The total remuneration of the supervisory board amounted to € 40 thousand in 2011 (2010: € 67 thousand) and is included in Administrative expenses (note 8).

For each individual supervisory director this is split up as follows:

	2011		2010	
	€ '000	$'000	€ '000	$'000
E.J. Blaauboer	20	28	27	34
Th.A. Caputo*	-	-	-	-
C.J. van Rees	20	27	40	52
Total	**40**	**55**	**67**	**86**

* Mr. Caputo has waived his right to remuneration.

26. EXPENSE RATIO

The expense ratio which, within the scope of the *Besluit Gedragstoezicht financiële ondernemingen* ('BGfo'; Decree on supervision of financial institutions), should be reported by investment institutions in order to provide clear and comparable information on the level of costs, amounts to 14.8% for the financial year (2010: 8.0%). This ratio is calculated as the total costs compared to the weighted average net asset value over the quarters of the financial year (including the beginning of the year). As per the BGfo 'total costs' is defined as property operating expenses (including net service charges), administrative expenses and income tax expenses. Not included in the ratio are finance costs nor the movement in deferred tax liabilities.

27. DIVIDEND

In the light of the circumstances in the financial markets no dividend is proposed to the shareholders (2010: no dividend).

28. EVENTS AFTER THE BALANCE SHEET DATE

Legal proceedings Equity One to acquire minority shares

On 27 July 2010, the Company announced that Southeast US Holdings B.V., had initiated legal proceedings in accordance with articles 2:92a of the Dutch Civil Code to acquire all outstanding shares in DIM Vastgoed by a ruling of the Enterprise Chamber of the Amsterdam Court of Appeal. These proceedings were initiated by Equity One following the acquisition of more than 95% of all issued and outstanding shares in the Company. In light of the Company still holding 152,394 shares in treasury, it acts as co-plaintiff in these proceedings. A number of minority shareholders as well as the Dutch Association of Shareholders (Vereniging van Effectenbezitters) objected to the squeeze-out price as initially offered by Equity One.

On 31 January 2012, the Enterprise Chamber came to a judgment and decided to appoint three experts to value the DIM Vastgoed shares in order to determine the squeeze-out price. These experts will have to submit their final report with the Enterprise Chamber no later than 1 September 2012.

COMPANY INCOME STATEMENT

	Note	2011	2010
		$'000	$'000
Gross rental income		25,056	25,862
Service charge income		6,895	6,515
Service charge expenses		- 7,896	- 7,278
Property operating expenses		- 2,443	- 3,123
Net rental income		**21,612**	**21,976**
Revaluation result investment property		- 563	- 2,293
Loss on disposal of investment property		- 29,457	-
Administrative expenses		- 3,491	- 2,578
Net operating result		**- 11,899**	**17,105**
Finance costs		- 14,988	- 15,126
Net result before tax		**- 26,887**	**1,979**
Income tax expense	4	- 2,191	1,342
Company result for the year		**- 29,078**	**3,321**
Result of subsidiaries after tax	5	1,249	2,322
Net shareholders' result for the year		**- 27,829**	**5,643**
Net result per share ($)	7	**- 3.39**	**0.69**

COMPANY BALANCE SHEET (before allocation of result)

	Note	31 December 2011	31 December 2010
		$'000	$'000
ASSETS			
Investment property		69,434	289,491
Investments in group companies	5	1,592	4,421
Deferred lease incentives – tenant improvements		479	3,812
Capitalized rent free periods		-	178
Deferred leasing commissions		387	1,193
Cash on escrow accounts		25,216	2,492
Other non-current assets		97	73
Total non-current assets		**97,205**	**301,660**
Tenant receivables		2,135	2,084
Other receivables and prepaid expenses		228	250
Cash and cash equivalents		665	2,500
Total current assets		**3,028**	**4,834**
Total assets		**100,233**	**306,494**
SHAREHOLDERS' EQUITY	6		
Share capital		16,460	16,998
Share premium reserve		64,561	64,561
Revaluation reserve		14,960	15,300
Other reserves		- 28,042	- 34,563
Net result for the year		- 27,829	5,643
Total shareholders' equity		**40,110**	**67,939**
PROVISIONS			
Deferred tax liabilities	4	2,057	156
Total provisions		**2,057**	**156**
LIABILITIES			
Other non-current liabilities		273	716
Total non-current liabilities		**273**	**716**
Borrowings		51,886	232,237
Accounts payable and other liabilities		5,907	5,446
Total current liabilities		**57,793**	**237,683**
Total equity and liabilities		**100,233**	**306,494**
Net asset value per share ($)	*8*	***4.88***	***8.27***

NOTES TO THE COMPANY INCOME STATEMENT AND BALANCE SHEET

1. GENERAL INFORMATION

The description of DIM Vastgoed N.V.'s activities and structure, as included in the notes to the consolidated financial statements, also apply to the company financial statements.

2. BASIS OF PREPARATION

The company accounts of DIM Vastgoed have been prepared in accordance with accounting principles generally accepted in the Netherlands, in accordance with the financial reporting requirements of Part 9, Book 2 of the Dutch Civil Code, as far as applicable.

Going concern All the mortgage loans contain prohibitions on transfers of ownership which may have been violated by Equity One's acquisition of a majority interest in the Company's common stock in combination with the redemption of the priority shares in the Company or by the change in the Company's property manager. If a violation were established, it could serve as a basis for a lender to accelerate amounts due under the affected mortgage. Because a violation of a non-monetary default could be alleged, all of the Company's mortgage loans have been classified as current in the accompanying consolidated balance sheet at 31 December 2011 and at 31 December 2010.To date, no lender has notified us that it intends to accelerate its mortgage. In the event that the mortgage holders declare defaults under the mortgage documents management believes, if required, it could negotiate with lenders, seek to refinance the mortgage loans that could be refinanced, and/or sell the assets that have a fair market value in excess of the loan balances. Based on the fact that the mortgages are non-recourse and discussions with various lenders, current credit market conditions and other factors, management of the Company believes that the mortgages will not be accelerated. Hence management prepared the financial statements 2011 and 2010 based on a going concern principle.

3. ACCOUNTING POLICIES

Investment property Investment property is property held by the Group as owner which is held either to earn rental income for the long-term or for capital appreciation or for both. Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value.

The fair value of a property is determined as the amount that the land and buildings will command in the market with a willing seller and buyer, within a reasonable time span.

Each property in the portfolio is subject to an external appraisal every two years (for the first time two years after acquisition), or earlier as considered advisable by management due to market circumstances. Experts are assigned to estimate the fair value of the property. The appraisers use a combination of the direct sales comparison approach and the income capitalization approach (the direct capitalization method - valuation based on capitalization at net initial yields for similar transactions - and the discounted cash flow method). In case of a difference between the internal and external valuation, the internally used capitalization rate will be adjusted to the market capitalization rate. For those properties in the portfolio which have not been externally appraised at year-end, an internal appraisal is done based on the same methods as used by external appraisers. The company only appoints external appraisers that are listed as 'State-Certified General Real Estate Appraiser' for the state in which the property is located.

All changes in fair value of investment property are recorded in the income statement.

Acquisition costs are accounted for as part of the total acquisition price of the property and are part of the fair value change on the first valuation after the acquisition.

Subsequent capital expenditures in investment property in principle are charged to net profit as repair and maintenance expense, part of operating expenses of the real estate. Only expenditures which lead to a higher fair value of the property are capitalized. In case of expansion or refurbishment of existing investment property, the expansion or refurbishment expenses are capitalized.

An investment qualifies as a capital item as soon as economic ownership is obtained. In practice, this will usually correspond with the transfer of legal ownership.

Deferred lease incentives, capitalized rent free periods and deferred leasing commissions Lease incentives are amortized over the lease term on a straight-line basis; the amortization charge is recognized as a reduction of gross rental income. Lease incentives are separated into incentives requiring upfront cash payments by the Group (tenant improvement work done by the landlord to bring a space up to 'move-in' condition or tenant improvement allowances given to new tenants) and incentives resulting in reduced cash income in the first period of the new lease contract (rent free periods or discounts).

Leasing commissions (including leasing listing commissions) are amortized over the lease term on a straight-line basis; the amortization charge is recognized as part of operating expenses.

Tenant receivables Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for bad debts. This provision is determined on an item-by-item basis and established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the tenant receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. The addition to the provision is recognized in the income statement. When a tenant receivable is uncollectible, it is written off against the provision for bad debts.

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

Impairment The carrying amount of the Group's assets, other than investment property and deferred tax assets is assessed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Investments in group companies In accordance with section 389 sub 2 of Book 2 of the Dutch Civil Code, all subsidiaries are valued at net equity value. In order to determine the net equity value, all assets, liabilities, profits and losses are subject to the accounting principles as applied to the company financial statements.

Shareholders' equity Issued and paid up share capital, which is denominated in euro, is restated into US dollars at the exchange rate as of the balance sheet date, in accordance with section 373 sub 5 of Book 2 of the Dutch Civil Code. The difference is settled with Other reserves.

For each investment property, an amount equal to the balance of the total unrealized revaluation result (the difference between book value at the end of the financial year and the acquisition price, including acquisition costs) less the deferred capital gain tax provided for in the accounts for this property is allocated to a (statutory) revaluation reserve, if this net unrealized revaluation result is not negative.

This allocation to the revaluation reserve is debited to Other reserves. If an investment property is sold, the revaluation reserve for this property is released and credited to Other reserves.

The revaluation reserve is inclusive of any (statutory) reserve for subsidiaries, if applicable.

Other reserves consist of non-distributed current or prior years' net profits, less the statutory revaluation reserve.

Borrowings Mortgage loans and other interest-bearing loans are recognized initially at fair value, less transaction costs that are directly attributable to the issuance of these borrowings. Subsequent to initial recognition, borrowings are stated at amortized cost; any difference between the book value and the nominal value is recognized in the income statement over the period of the borrowings using the effective interest method.

The short-term part of borrowings which is due within twelve months is classified as current liabilities.

Leases Properties leased out under operating leases are included in investment property on the balance sheet. There are no assets leased out under a finance lease.

Gross rental income is determined based on contractual lease term entitlements and is recorded on an accrual basis. Gross rental income is exclusive of service charge expenses which have been charged to the tenants, such as real estate tax and common area maintenance. Lease incentives are amortized over the lease term on a straight-line basis; the amortization charge is recognized as a reduction of gross rental income.

Percentage rents (which are turnover based) are recorded as income in the years in which they are earned.

Service charge expenses and property operating expenses These include the service charge and property operating expenses attributable to the current financial year. These expenses comprise real estate tax, common area maintenance, property management fees, repair and maintenance costs, insurance premiums, amortization of leasing commissions and other property related expenses. Property operating expenses do not include general and administrative expenses.

Costs for service contracts entered into, property operating expenses and service charge income are recognized in the accounting period in which the services are rendered. The Group acts as a principal with respect to service charges and other expenses charged to the tenants. Accordingly, the services invoiced to the tenants and the corresponding expenses are shown separately in the income statement.

Net result on disposal of investment property When properties are sold, the profit or loss on disposal is calculated based on the difference between the net sales proceeds and the book value of the property as per the last published (interim) balance sheet.

Finance costs Net finance costs comprise interest attributable to the accounting period on borrowings, other debts, accounts receivable and cash and bank balances. The interest charge for borrowings is calculated using the effective interest method.

Income tax Income tax on the profit or loss for the year comprises current and deferred income tax and is calculated on results before taxes, taking into account any tax-exempt components of profit and non-deductible costs. Losses to be compensated are recognized as deferred tax receivables. Current income tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates prevailing at the balance sheet date and any adjustments to taxation in respect of previous years.

A provision for deferred income tax liabilities is formed in the company balance sheet using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of the provision for deferred income tax liabilities is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. The provision for deferred tax liabilities is stated at discounted value. The deferred tax liabilities are discounted at the net (after tax) weighted average interest rate due by the company on its mortgages, taking into account the average expected holding period of the real estate.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets are offset against deferred tax liabilities only if the Group has a legal enforceable right to offset and the tax is levied by the same tax authority on the same taxable entity.

Deferred tax assets are carried on a discounted basis. The loss carry forward assets are discounted at the net (after tax) weighted average interest rate due by the company on its mortgages, taking into account the average expected realization period of these receivables.

4. INCOME TAX

(a) ***Income tax in the company income statement***

	2011	2010
	$’000	$’000
Current income tax benefit/(expense)	- 290	-
Deferred tax benefit/(expense)	- 1,901	1,342
Total income tax benefit/ (expense)	**- 2,191**	**1,342**

(b) ***Deferred tax assets and liabilities***

The deferred tax liabilities relate to the difference between the fair value of the investment properties and their tax book values. The deferred tax liabilities are of a long term nature.
The amount of the provision for deferred income tax liabilities is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. At 31 December 2011 this is 38.6% (31 December 2010: 39.0%).

The provision for deferred tax liabilities is stated at discounted value, based on the net (after tax) weighted average effective interest rate due by the company on its mortgages. At 31 December 2011 this is 3.68% (31 December 2010: 3.89%). These liabilities are discounted using an estimated average duration of 30 years (31 December 2010: 30 years), which is taking into account the average expected holding period of the real estate including the use of the available 1031-exchange facility, whereby long term capital gains of the subject property are deferred if reinvested in a ‘like-kind’ replacement property.

The deferred tax assets mainly relate to available loss carry forward assets. At December 31, 2011, the Company has federal and state net operating loss carry forwards of $5.8 million and $9.2 million, respectively, that begin to expire in 2027. The loss carry forward assets are discounted at the net (after tax) weighted average interest rate due by the company on its mortgages, taking into account the average expected realization period of these receivables.
At 31 December 2011, the net (after tax) weighted average interest rate is 3.68% (31 December 2010: 3.89%) and the total loss carry forward asset is expected to be realized in approximately 19 years with an average remaining lifetime until utilization of 10.6 years (31 December 2010: 5 years and 4.0 years, respectively).

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences can be offset or become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on all available information, management believes that all of the deferred income tax assets are realizable.

Deferred tax relates to the following:

	2011	2010*
	$'000	$'000
Deferred tax liability		
Investment property – difference between fair value and tax book value	4,086	8,866
	4,086	**8,866**
Deferred tax assets		
Investment property – difference between fair value and tax book value	-	1,543
Losses available for offset against future taxable income	1,683	7,167
Tax credit carry forward	214	-
Other temporary differences	132	-
	2,029	**8,710**
Deferred tax liabilities/(assets) net	**2,057**	**156**

Reconciliation of net deferred tax liabilities

Opening balance as of 1 January	156	1,242
Tax expense/(income) during the period recognized in profit and loss	1,901	- 1,342
Reclassified to other receivables	-	256
Closing balance as at 31 December	**2,057**	**156**

* The comparative numbers have been restated in order to reflect the change in accounting policy regarding the presentation of deferred tax assets and deferred tax liabilities, which have been offset by the Group and which are presented on a net basis.

The movements of the net deferred tax liabilities on nominal basis are as follows:

	2011	**2010***
	$'000	$'000
Opening balance as of 1 January	14,667	13,740
Tax expense/(income) during the period recognized in profit and loss	- 5,503	671
Reclassified to other receivables	-	256
Closing balance as at 31 December	**9,164**	**14,667**

* The comparative numbers have been restated in order to reflect the change in accounting policy regarding the presentation of deferred tax assets and deferred tax liabilities, which have been offset by the Group and which are presented on a net basis.

5. INVESTMENTS IN GROUP COMPANIES

Investments in group companies comprise subsidiaries of DIM Vastgoed.

At the end of 2011 and 2010 there were two (100%)subsidiaries:
- DIM - Governors Town Square LP, Fort Lauderdale, Florida, acquired in March 2006;
- DIM – Whitaker Square, LP, Fort Lauderdale, Florida, established in October 2007.

The movement in Investments in group companies is as follows:

	2011	**2010**
	$'000	$'000
Balance at the beginning of the year	4,421	2,680
Distributions	- 4,078	- 581
Result of subsidiaries	1,249	2,322
Balance at the end of the year	**1,592**	**4,421**

6. COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

	Share capital	Share premium reserve	Revaluation reserve	Other reserves	Result for the year	Total Share-holders’ equity
	($’000)	($’000)	($’000)	($’000)	($’000)	($’000)
Balance at 31 December 2009	18,326	64,561	14,588	31,744	- 66,923	62,296
Allocation result previous year	-	-	-	- 66,923	66,923	-
Currency restatement share capital	- 1,328	-	-	1,328	-	-
Net result for the year	-	-	-	-	5,643	5,643
Allocation to the revaluation reserve	-	-	712	- 712	-	-
Balance at 31 December 2010	16,998	64,561	15,300	- 34,563	5,643	67,939
Allocation result previous year	-	-	-	5,643	- 5,643	-
Currency restatement share capital	- 538	-	-	538	-	-
Net result for the year	-	-	-	-	- 27,829	- 27,829
Allocation to/(from) the revaluation reserve	-	-	- 340	340	-	-
Balance at 31 December 2011	**16,460**	**64,561**	**14,960**	**- 28,042**	**- 27,829**	**40,110**

Share capital - The authorized share capital of the company amounts to € 31,160,456, consisting of 300 priority shares and 20.5 million ordinary shares of € 1.52 each. As of 31 December 2011 € 12,720,982 (2010: € 12,720,982) is issued and paid up, being 300 priority shares and 8,368,767 (2010: 8,368,767) ordinary shares.

Ordinary shares
Shareholders holding ordinary shares are entitled to periodically declared dividends and have one vote per share at the general meetings of shareholders of DIM Vastgoed.

Priority shares
The following specific rights are attached to the priority shares:
- determination of the number and remuneration of supervisory directors
- determination of the number and remuneration of managing directors (in the current situation, nonetheless, the company is managed by Dane Investors Management B.V. and the directorship fee is laid down in the directorship and management agreement)
- binding nomination of supervisory and managing directors for appointment by the general meeting of shareholders
- appointment of the chairman of the supervisory board
- power of veto in respect of amendments to the articles of association and liquidation of DIM Vastgoed N.V.

On 12 July 2010, the Company acquired all 300 issued and outstanding priority shares of the Company held by Stichting Prioriteit DIM Vastgoed. Pursuant to the merger protocol between the Company and Southeast US Holdings B.V. dated 30 December 2009 (and as further described in the Offer Memorandum dated 17 February 2010), the Company and Stichting Prioriteit DIM Vastgoed agreed to abolish and/or cancel the priority shares following the acquisition of control by Equity One over at least 90% of the shares in the Company. This cancellation of the priority shares has been effected by the acquisition of those shares by the Company.

Share premium reserve – The share premium reserve has full fiscal approval.

Revaluation reserve – The revaluation reserve is maintained for unrealized value increases of the investment property. The revaluation reserve is a statutory, non-distributable, reserve in accordance with the Dutch legislation. Allocations to the revaluation reserve are made from the Other reserves.

Currency restatement share capital
The currency restatement on share capital comprises the effect of restating issued and paid up share capital, which is denominated in euro, into US dollars at the rate as of 31 December 2011. The difference is settled with Other reserves.

Reconciliation between consolidated and non-consolidated shareholders' equity
The reconciliation between shareholders' equity as of the end of the year as reported in the consolidated accounts of DIM Vastgoed (based on IFRS) and shareholders' equity as of the end of the year as reported in the company accounts of the company is as follows:

	2011	**2010**
	$'000	$'000
Consolidated shareholders' equity	33,003	52,581
Add: difference in valuation of deferred tax liabilities*	8,005	16,530
Deduct: difference in valuation of deferred tax assets*	- 898	- 1,172
Non-consolidated, company accounts shareholders' equity	**40,110**	**67,939**

* Due to difference in valuation policy (consolidated accounts based on IFRS: nominal basis; company accounts based on Dutch GAAP: discounted basis).

7. NET RESULTS PER SHARE

The calculation of results per share at December 31, 2011 in the Company financial statements was based on the net result attributable to ordinary shareholders of $27,829 negative (2010: $5,643 positive) and a weighted average number of ordinary shares outstanding and in circulation during the year ended December 31, 2011 of 8,216,373 (2010: 8,216,373). The Company has no dilutive potential ordinary shares, therefore the diluted earnings per share is the same as the basic earnings per share.

8. NET ASSET VALUE PER SHARE

The net asset value per ordinary share at the end of the financial year and the preceding two years is as follows:

Date	Shareholders' equity ($'000)	Number of ordinary shares outstanding [1]	Net asset value per share ($)
December 31, 2011	40,110	8,216,373	4.88
December 31, 2010	67,939	8,216,373	8.27
December 31, 2009	62,296	8,216,373	7.58

1) Excluding the shares held by the Company.

Rotterdam, 30 April 2012

The management board

Frans A. Bakker
Arthur L. Gallagher
Bob Mitzel
Wilbert O.C.M. van Twuijver

The supervisory board

Cornelis J. van Rees, Chairman
Ellard J. Blaauboer
Thomas A. Caputo

OTHER DATA

Appropriation of net result

Appropriation of profit as per articles of association

Article 27 of the articles of association states that, if possible, a dividend of 5%, or, if the statutory interest rate is lower than 5%, a dividend based on this statutory interest rate, shall first of all be distributed on the priority shares (art. 27.1). Further, the management board, with the approval of the supervisory board, shall determine what part of the remaining profit shall be allocated to the reserves. The amount then remaining will be distributed, in proportion to the subscribed nominal capital, as a dividend to the holders of ordinary shares.

Proposed appropriation of net result

Management has decided to retain the net result for 2011. No dividend is therefore proposed to the shareholders. Management proposes to allocate the net result for the year to the Other reserves, taking into consideration the required allocation to the legally required Revaluation Reserve.

Events after the balance sheet date

For a description of events after the balance sheet date, please refer to the notes to the consolidated financial statements, note 28 on page 39.

INDEPENDENT AUDITOR'S REPORT

To the general meeting of shareholders of DIM Vastgoed N.V.

Report on the financial statements

We have audited the accompanying financial statements 2011 of DIM Vastgoed N.V., Breda. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2011, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2011 the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of DIM Vastgoed N.V. as at 31 December 2011 its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code and with the Act on Financial Supervision.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of DIM Vastgoed N.V. as at 31 December 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

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

Zwolle, 30 April 2012

Ernst & Young Accountants LLP

Original signed by M. Rooks

REAL ESTATE PORTFOLIO AS OF 31 DECEMBER 2011

Glengary Shoppes

Nature:	shopping center, ‘power center’ (nationally known companies with discount formula), supplemented by a restaurant and a bank
Location:	on the US 41 in Sarasota on the west coast of Florida, diagonally opposite the regional covered ‘South Gate Plaza’ shopping center
Year of building:	1995
Purchase date:	10-01-1997
Purchase price ($’000):	13,775
Rentable surface area (sq.ft.):	99,182
Average base rent per leased sq.ft:	$17.70
Most important tenants:	Best Buy; Barnes & Noble
Percent leased:	100%

Brawley Commons

Nature:	shopping center, ‘neighborhood shopping center’ type, supplemented by office premises (20%) at the rear
Location:	in the new residential and working area on the Brawley peninsula, on the large ‘Lake Norman’ lake to the north of the city of Charlotte, North Carolina
Year of building:	phase 1: May 1997, phase 2: November 1997, phase 3: May/June 1998
Purchase date:	07-07-1998
Purchase price ($’000):	13,835
Rentable surface area (sq.ft.):	119,189
Average base rent per leased sq.ft:	$11.97
Most important tenants:	Lowe’s Foods[1]
Percent leased:	74.6%

[1] This tenant has relocated to another location. Although Lowe’s Foods remains obligated to honor the financial terms of the Lease Agreement with the Company and must make rent payments until the expiration of the lease in May 2017, the premises may remain empty with a possible negative effect on existing tenants and on the attractiveness of the shopping center for prospective tenants.

Magnolia Shoppes

Nature:	combination of a shopping center of the 'neighborhood shopping center' type, and a 16-screen cinema
Location:	Coral Springs, a suburb of Fort Lauderdale, Florida
Year of building:	1998
Purchase date:	02-17-1999
Purchase price ($'000):	11,550
Rentable surface area (sq.ft.):	114,118
Average base rent per leased sq.ft:	$11.40
Most important tenants:	Regal Cinemas; Deal$
Percent leased:	85.2%

Hammocks Town Center

Nature:	shopping center, 'neighborhood shopping center' type, primary necessities of life, supplemented by a city library
Location:	Hammocks Boulevard in Kendall, on the southwest of Miami, Florida
Year of building:	1987, renovated in 1993
Purchase date:	03-31-1999
Purchase price ($'000):	18,300
Rentable surface area (sq.ft.):	172,806
Average base rent per leased sq.ft:	$12.81
Most important tenants:	Publix Supermarkets; Metro Dade Library; Porky's Gym; CVS Pharmacy
Percent leased:	92.4%

BORROWINGS AS OF 31 DECEMBER 2011

Fixed rate mortgage loans

Property	Original nominal amount ($'000)	Maturity date	Contractual interest rate	Balance 12/31/11 ($'000)	Scheduled amortization 2012 ($'000)
Glengary Shoppes	17,150	06/11/16	5.75%	16,332	253
Brawley Commons	6,900	07/01/13	6.25%	6,625	91
Magnolia Shoppes	15,094	07/11/16	6.16%	14,039	232
Total fixed rate mortgages	**39,144**		**6.00%**	**36,996**	**576**

	Maturity date	Contractual interest rate	Balance 12/31/11 ($'000)
Revolving loan facility Equity One	07/01/13	4.50%	14,890
Total Borrowings		**5.57%**	**51,886**