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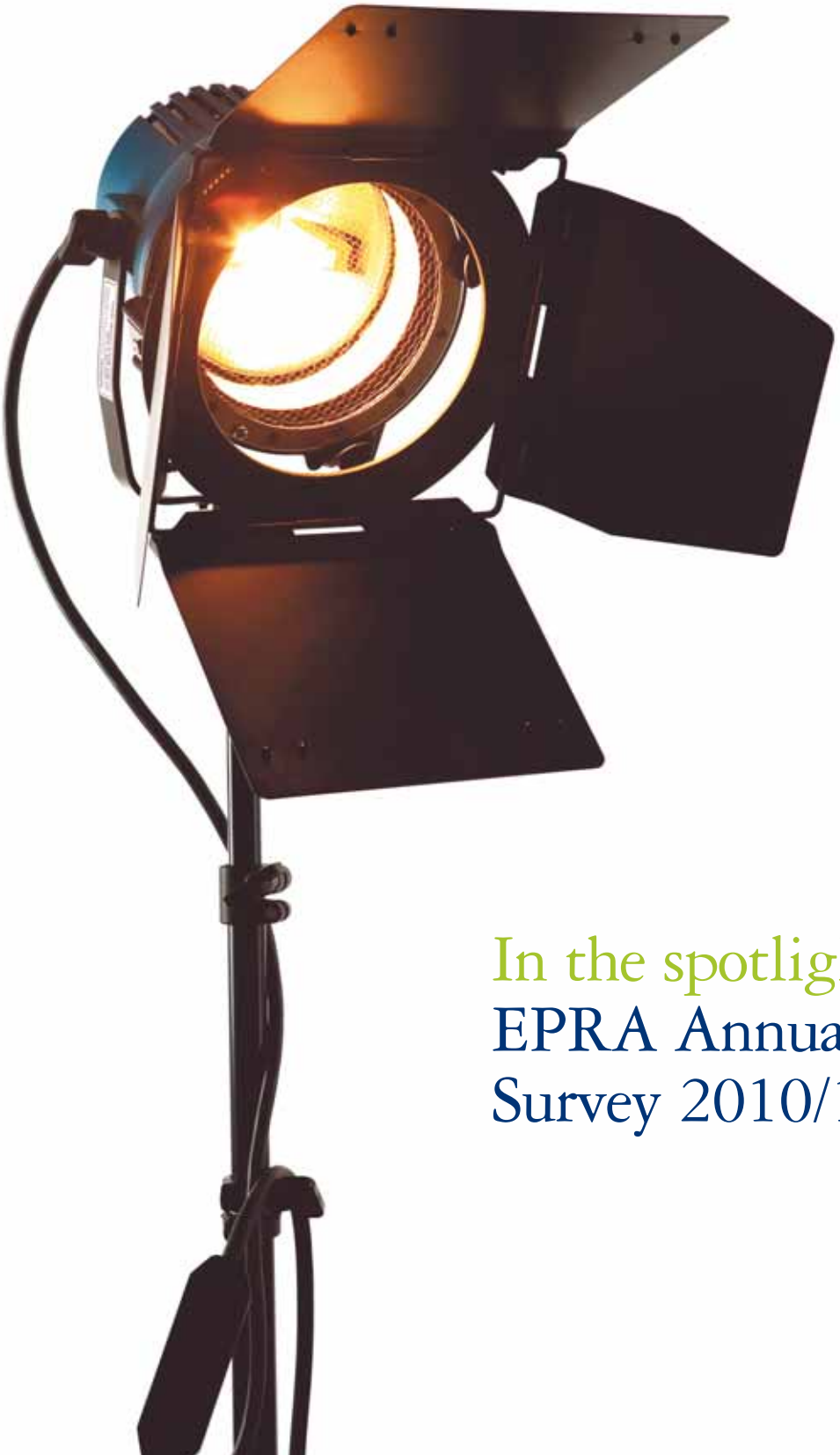

In the spotlight
EPRA Annual Report Survey 2010/11

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Foreword

In the spotlight

We are delighted to support EPRA and the continued promotion of the Best Practices Recommendations (BPR). The purpose of the BPR is to promote consistency and transparency in financial reporting across the sector for the benefit of investors. The survey comprised a review of 83 annual reports from leading listed real estate companies across Europe to assess compliance with EPRA's BPR.

The revised EPRA BPR issued in October 2010 streamlined the number of recommendations, and placed the spotlight on the EPRA Performance Measures, which are at the heart of EPRA's drive to achieve consistency and transparency in the reporting of KPIs across the European listed real estate sector. EPRA's revisions also took out of the BPR any recommendations covered by IFRS.

The impact of the changes on the results of the survey paints a rather different picture to previous years, and a clear two-tiered level of results has emerged – in the top tier, encouragingly, a large number of the 83 companies surveyed have consciously adopted the revised BPR, implementing a number of the EPRA Performance Measures and embracing the recommendations on disclosure of investment property data. 63% of companies surveyed, representing 76% by market capitalisation of the FTSE EPRA/NAREIT Developed Europe indices now adopt the BPR (at least one EPRA Performance Measure).

Consistent with last year, we have awarded Gold, Silver and Bronze awards to those companies we judged to have the best compliance with the BPR. 29 awards were made in total, 9 of them Gold.

We have continued to recognise a company for the Most Improved Annual Report, and the winner this year is Befimmo. This is a fantastic achievement for all companies receiving awards, and I congratulate them.

Now that the BPR have been refocused and streamlined, it is easier for those companies in the second tier from a financial reporting perspective to adopt the revised BPR, and I expect to see the BPR becoming more widely adopted over the next year as the standard of real estate KPI reporting across Europe.

Finally I would like to thank Jennifer Chase, Catherine Rolph and the team of reviewers at Deloitte.

Please contact me, or alternatively Gareth Lewis at EPRA, if you would like any further information about this survey. Members of Deloitte European real estate teams in France, Germany, Belgium, and the Netherlands were involved in the survey, and we would welcome the opportunity to meet with finance teams to discuss the survey and their individual company results.

Claire Faulkner
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"We are very pleased with the increasing uptake of our BPR which is now the industry standard for KPIs. Listed property companies have really demonstrated leadership through high quality, transparent and comparable reports and we are confident that these efforts will have a real impact in attracting more investment into the sector."

Philip Charls
Chief Executive, European Public Real Estate Association (EPRA)

Highlights

Key points from the 2010/11 EPRA survey

- The BPR have been streamlined and refocused and the spotlight is on the EPRA Performance Measures, which are at the heart of EPRA's drive to achieve consistency and transparency in the reporting of KPIs across the European Listed real estate sector
- Our survey identified that a two-tier system in financial reporting has emerged – the best companies having adopted the revised BPR
- 9 companies received EPRA Gold Awards, 9 Silver, and 11 Bronze, being 29 awards in total
- Befimmo has been awarded the 2010/11 EPRA Most Improved Annual Report Award
- 63% of companies surveyed, representing 76% by market capitalisation of the FTSE EPRA/NAREIT Developed Europe indices now adopt the BPR (at least one EPRA Performance Measure)
- 17% of companies included a summary table showing the EPRA Performance Measures, in a prominent place in the Annual Report (a new recommendation in the BPR), and for the first time, some companies have taken the step of including an "EPRA Chapter" within their annual reports, bringing together the EPRA reporting in one place
- In a significant increase from last year, 60% of companies are now reporting the EPRA NAV metric, highlighting the sector's capital return characteristic
- While the EPRA Net Initial Yield and Vacancy Rate disclosures have yet to reach the level of adoption of the other Performance Measures, 24% and 27% of companies respectively included these
- Adoption of the EPRA Performance Measures is becoming more widespread – 12 companies surveyed have included at least one measure for the first time this year, as did all 5 new entrants into the index
- The Additional Guidance issued by EPRA in July 2011 highlights examples of disclosure of the EPRA Performance Measures and clarifies popular queries that have arisen following the release of the revised BPR

1. Introducing the survey

Best Practices Recommendations

Following consultation with a number of investors and property companies, the BPR have undergone significant revision during the last year. The number of recommendations has been reduced and clearly prioritised, with greater emphasis on the key EPRA performance measures such as the longstanding EPRA EPS and NAV metrics and the newer definitions of Net Initial Yield, Topped-up Net Initial Yield and EPRA Vacancy Rate. These are the areas which are seen to be of most relevance to investors and where more consistent reporting across Europe would bring the greatest benefits in the overall transparency of the sector.

We encourage this streamlining approach, which will further promote the adoption of the BPR across Europe.

Purpose of the EPRA Annual Report survey

The continuing purpose of the Deloitte survey is to promote awareness of the BPR and to encourage companies to recognise the value in consistency and transparency in financial reporting. The annual reports have been reviewed for compliance with the most recent EPRA BPR published in October 2010 which became effective for annual periods commencing on or after 1 January 2010. The focus of the survey has been on how many companies have adopted the revised BPR, and the extent to which the BPR are embedded and clearly signposted within financial reporting.

Annual reports for years ending between 30 June 2010 and 31 March 2011 inclusive were reviewed for all members of the FTSE EPRA/NAREIT Developed Europe REITS and Non-REITs indices, comprising 83 listed real estate companies across Europe. Although a small number of companies included in the survey had released their annual reports before the revised BPR were issued and became effective, the majority of the recommendations were included in the previous BPR – there have been few substantive changes other than reducing the number of recommendations, and therefore companies were not penalised in the survey for this.

A consistent approach

Following the success of the new measurement approach applied in 2009/10, the 2010/11 awards continue to recognise the significant effort and contribution many companies make in their annual reporting and in applying the BPR.

Recognition is available through the following Award categories:

Gold Award: For exceptional compliance with the BPR

Silver Award: For annual reports scoring highly based on compliance with the BPR

Bronze Award: For annual reports scoring well based on compliance with the BPR

In addition to recognising the top annual reports by Award category, a 'Most Improved' award has again been made for the annual report of the company showing the greatest improvement in compliance with the BPR. This has been assessed based on those companies which have clearly adopted the revised BPR in the current year, disclosing in full the key EPRA Performance Measures for the first time.

The winners of the Awards are detailed in Section 2, while Section 3 highlights how the 83 companies surveyed complied with key BPR reporting metrics, and identifies trends in compliance with the BPR.

"Feedback from the 2011 reporting season shows that EPRA's efforts to upgrade and prioritise the Best Practices Recommendations are paying off. The Deloitte survey and EPRA Annual Report Awards are an important part of our efforts to promote the BPR and raise the standards of comparability of financial reporting across Europe."

Gareth Lewis
Director of Finance, European Public Real Estate Association (EPRA)

The BPR comprise three sections:

1. **EPRA Performance Measures** – specific additional disclosures for real estate companies within the IFRS framework which are deemed to be of key importance for investors and where more consistent and widespread disclosure is sought – EPRA Earnings, NAV and NNNAV, yields and vacancy rate.

2. **Investment Property Reporting** – investment property disclosures providing guidance in areas where IFRS are not considered to be specific enough for real estate companies.

3. **Additional disclosures** – guidance on further disclosures covering valuation disclosure, management narrative and governance information to make the financial reporting of real estate companies more insightful.

Companies reviewed

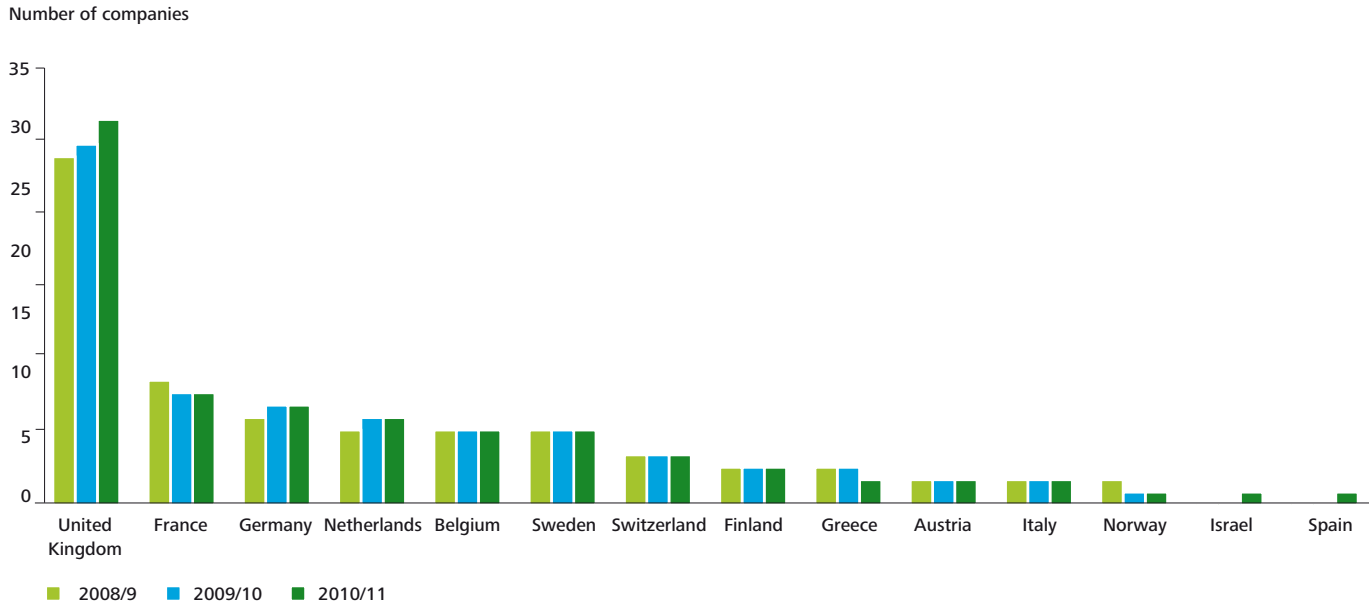
The EPRA review 2010/11 assessed the annual reports of 83 real estate companies from across Europe – the members of the FTSE EPRA/NAREIT Developed Europe REITs and Non-REITs indices. Of the 83 companies surveyed 76% reported to a December year end and 13% to a March year end.

Companies included in the survey in 2010/11 but not in 2009/10	Companies no longer included in the survey
Azrieli Group	Babis Vovos International SA
Capital & Counties Properties PLC	ISIS Property Trust
Hansteen Holdings PLC	
Inmobiliara Colonial S.A.	
London & Stamford Property PLC	

Geographical location and investment

We welcome the new entrants from Israel and Spain into the index this year, further widening the reach of the BPR across Europe. Although there have been some changes in the companies in the index, as shown by Figure 1, UK companies continue to dominate the survey with 31 out of the 83 companies represented.

Figure 1. Where are the companies based?



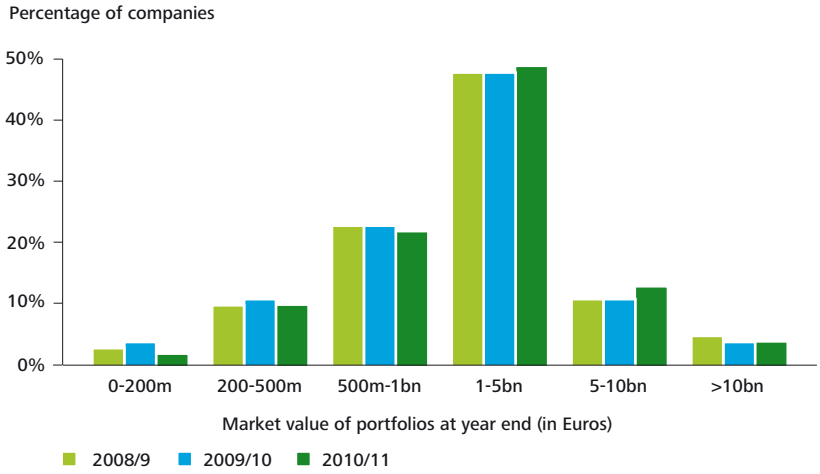
Portfolio size

The portfolio sizes of companies in the Index vary significantly (see Figure 2), between smaller portfolios of €100-200 million, to those valued over €10 billion, demonstrating a wide diversity in the asset management strategies and capabilities of the companies.

Key facts and figures about the survey:

- 76% of companies have December year ends
- Companies from Israel and Spain participating in the survey for the first time this year
- UK remains most highly represented with 31 companies
- Five new joiners in the index, two leavers
- The Euro is the reporting currency for over half of the companies surveyed
- Concentration of mid-sized portfolios of €1-5 billion

Figure 2. How large are the property portfolios?



2. Award winners

We are delighted to present the following companies with Gold Awards for their annual reports:

Company	Key highlights
alstria First German REIT	• Separate EPRA Performance Measures section in prominent place in annual report with tables in format of BPR and narrative explaining the purpose of each measure • Fun feel to the annual report, like a travel guide, colourful and easy to read in bitesize sections • "Points of Interest" tables included containing key data on individual properties
Befimmo	• Report reads easily and the lay-out is fresh with a good balance between text, photographs and financial information including tables and graphs • Transparent reporting with detailed forecast/budget information and management's view on outlook • Separate "EPRA Chapter" with tables in same format as BPR and reconciliation between EPRA and IFRS is provided • Information per property has been enclosed in a complete listing in appendix
British Land	• Opening glossy section sets out clear strategic priorities linking into KPIs • Detailed information given on each sector of portfolio including strategy, key data on selected properties and interesting case studies • EPRA Performance Measures disclosed in separate section "Table B" towards the back of the annual report with full tables reconciling to IFRS data in line with the BPR
CSC Capital Shopping Centres	• Opening sections are concise and to the point – detailing highlights, business at a glance, strategy and KPIs – transparent and easy to read • Separate "EPRA Performance Measures Chapter" bringing together all of the Performance Measures in one place and including disclosure tables reconciling to IFRS measures, in line with the BPR • Easy to read summary pages detailing "Top Properties" with key data about the main properties in the portfolio • Additional investment and development property data included in tables towards back of report
CITYCON creating success for retailing	• Comprehensive management review with detailed strategy and KPIs • Dedicated property portfolio section with information on valuation, tables with key data and detailed analysis of development projects • Separate EPRA Performance Measures section of annual report with summary table and all performance measures tables reconciled to IFRS information
Cofinimmo	• Lay-out of the report is of a high quality with light colours, small text boxes and pictures breaking up the body of the text • Clear reporting of the company's risk by use of a structured overview with description of the risk, potential impact and mitigating factors – clear and immediately highlights the company's focus • Most EPRA recommendations are implemented and disclosed in a separate "EPRA Chapter" within the report • Tables with a full detail of the key information per building has been enclosed in the report
Hammerson	• Management report well set out and easy to read. A lot of information on the financial and property returns are compared with benchmarks • Strategy information is clearly set out with interesting animated drawings, extending the section to consider how strategy is managed from a risk point of view too • Clear references to EPRA Performance Measures with summary table disclosed in prominent place in annual report • Property portfolio review is very interesting to read with concise section talking about the UK and French Real Estate Market, and the outlook
LandSecurities	• The punchy opening piece (Glossy case studies) adds colour to what they do as a business and their vision of the market • Lots of good detail about properties, tenants and developments in a user friendly way • A conscious effort made to try to comply with more EPRA measures with a lot of different detailed tables towards the back of the annual report that cover a host of measures at different levels of analysis
SEGRO WHERE BUSINESS WORKS	• Report well laid out with tabs and clear signposting • EPRA Performance Measures included on KPIs page in a prominent place • Performance Review has detailed information on markets and strategies for improving occupancy and capitalising on opportunities

The following companies have been awarded Silver and Bronze awards:

Capital & Counties Properties PLC

Corio NV

Derwent London PLC

Great Portland Estates plc

Klépierre

PSP Swiss Property AG

Sponda Plc

Wereldhave NV

Züblin Immobilien Holding AG

Affine

Big Yellow Group PLC

Castellum AB

CLS Holdings PLC

Development Securities PLC

Foncière des Régions SA

Helical Bar plc

ING UK Real Estate Income Trust

Unibail-Rodamco SE

Vastned Offices/Industrial NV

Vastned Retail NV

Most Improved Annual Report Award

"The efforts of property companies to further enhance the transparency of the sector are now more relevant for investors than ever before. The development of the EPRA BPR, and their use by the vast majority of listed property companies, is a significant achievement for the sector."

Harm Meijer
Analyst, JP Morgan Chase

3. Survey results

New BPR, new focus

The BPR have undergone significant revision in the last year, streamlining the number of recommendations and prioritising the EPRA Performance Measures. In order to compare on a like-for-like basis, the 2009/10 results have been rescored based on the revised BPR.

As shown in Figure 3, the overall position year on year has shown an improvement on a like-for-like basis. This demonstrates that many companies have taken steps to adopt the revised BPR in the current year, rather than simply presenting the same disclosures year on year, including adopting the new EPRA Yield and Vacancy Rate measures which were poorly disclosed in last year's results.

63% of companies surveyed, representing 76% by market capitalisation of the FTSE EPRA/NAREIT Developed Europe indices now adopt the BPR (at least one EPRA Performance Measure).

However, Figure 3 also clearly shows a two-tiered level to the results – 39 companies have scored less than 30% in this years survey and have not adopted the EPRA Performance Measures.

Analysis by country

The award recognises companies in eight countries. Whilst this demonstrates there is support for the BPR across Europe, companies in six countries have failed to be recognised for awards showing that there is still a way to go in embedding the new BPR into financial reporting in these countries.

The average scores per country show a similar pattern to last year, Austria being one exception where, whilst the average score year on year is relatively consistent, companies in a number of other countries across Europe have stepped up their game as shown in Figure 4 and overtaken Austria in terms of the countries having the highest average score. However, the average score for most countries has improved.

Although Spain and Israel are represented for the first time in the 2010/11 survey, we have reviewed their prior year reports for comparison.

Figure 3. What is the distribution of scores?

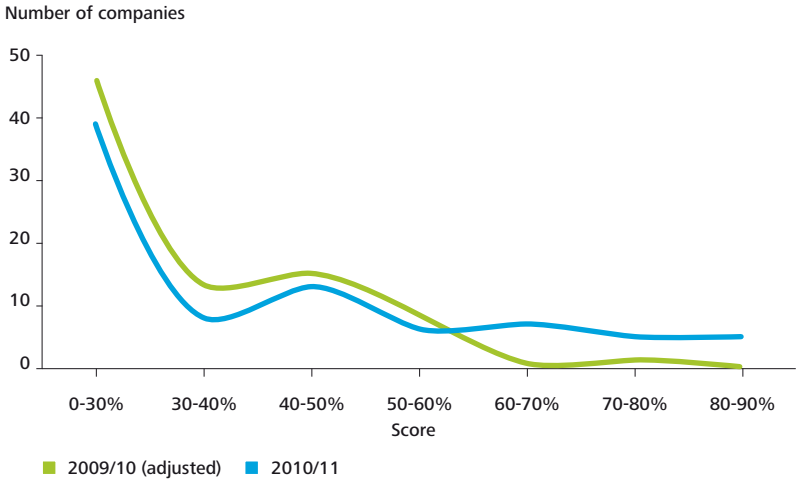
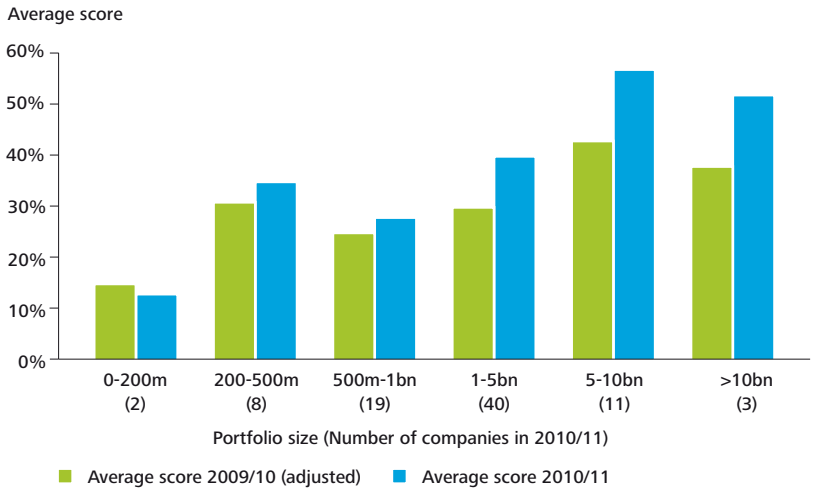


Figure 4. What was the average score per country?

Scores per size of company

We continue to see a link between company size and reporting. In general, companies with portfolios larger than €1bn have achieved the highest average scores in 2010/11, with the companies with portfolios smaller than €200m consistently achieving the lowest reflecting the weight of support behind the BPR by the largest and most prominent companies.

Figure 5. How does size of company influence the score?



News from EPRA

The EPRA Reporting & Accounting Committee has worked intensively with property companies, investors and the broader membership in the past couple of years to develop a clear and focused set of BPR. The evidence demonstrates that these efforts are paying off. The increased adoption of the EPRA KPIs by companies in the EPRA European index which we have witnessed (76% of the index by market capitalisation now adopt one or more of the KPIs, compared with 60% last year), now means there is more pressure on those companies who do not currently adopt the BPR, to embrace the recommendations.

The ongoing market turmoil has resulted in a wave of regulation for business and much of it is aimed at improving disclosure of information to investors. The listed property sector is at risk of being subjected to this regulation, the intended target of which is the traditionally less regulated and less transparent sections of the real estate market including the unlisted and real estate fund sector. It is therefore more important than ever for the listed property sector to be able to collectively demonstrate one of its existing key attributes – clear and transparent communication of performance to shareholders, responding to the needs of investors and complementing the well established IFRS reporting and valuation frameworks.

EPRA's priorities going forward are to build on this already impressive level of adoption to further enhance the comparability of reporting disclosure and enhance the transparency of the European listed property sector. This will be achieved through a combination of European-wide BPR workshops, the publication of more detailed guidance and examples on the EPRA website, and a period of relative stability in the development of the BPR.

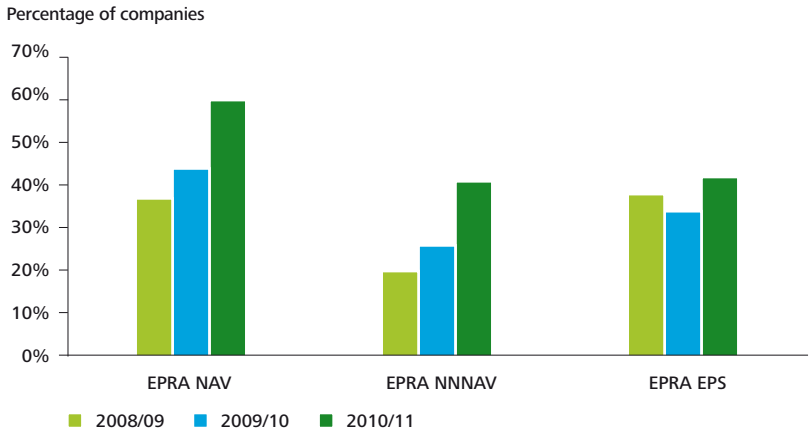
4. EPRA reporting measures

EPRA Performance Measures

This section sets out analysis of the level of compliance with the EPRA Performance Measures section of the BPR (Section 3 of the BPR). The streamlined BPR issued in October 2010 place far greater emphasis on these metrics, being the core EPRA reporting measures where more consistent and widespread disclosure is sought both by investors and analysts alike.

EPRA Performance Measure	Purpose
EPRA Earnings	Provides a common baseline measure for the performance of a company by excluding non-recurring items such as profits/losses from trading, disposals and revaluations to determine the core underlying result which is important for investors and analysts
EPRA NAV	Provides a measure of the fair value of a company on a long term basis and is a useful tool to compare against any investment and/or quoted share price
EPRA NNNAV	Reports net asset value including fair value adjustments in respect of all material balance sheet items which are not reported at their fair value as part of the EPRA NAV
EPRA Net Initial Yield (NIY) and EPRA 'topped-up' NIY	Developed in response to recognised disparities in yield reporting to provide comparable measures across Europe for portfolio valuations
EPRA Vacancy Rate	A "pure" (%) measure of investment property space that is vacant, based on ERV, for consistent reporting

Figure 6. What percentage of companies provided EPRA EPS and NAV figures?



EPRA's efforts to further promote the adoption of the EPRA BPR by European property companies by streamlining and clearly prioritising the recommendations have paid off …

EPRA's efforts to further promote the adoption of the EPRA BPR by European property companies by streamlining and clearly prioritising the recommendations have paid off – 14% of the companies included in the survey have adopted at least one EPRA Performance Measure in the current year for the first time, where no EPRA Performance Measures had previously been disclosed. This includes companies in the survey from countries across Europe, including Germany, Switzerland, France, Belgium, UK, Spain and the Netherlands. Further, all 5 companies which are included in the survey for the first time in 2010/11 (as listed in Section 1) have adopted at least one EPRA Performance Measure in their annual reports. Looking at this a different way, 76% by market capitalisation of the FTSE EPRA/NAREIT Developed Europe indices now adopt the BPR, compared to 60% in previous years, making the investor approved EPRA performance measures the benchmark standard for the industry.

EPRA EPS and NAV

Encouragingly, as shown in Figure 6, there has been a significant increase in the number of companies which disclose at least one of the EPRA EPS or NAV metrics, demonstrating that these performance measures are gaining increasing traction. In particular, there has been a noticeable improvement in the reporting of the EPRA NAV metric, with 60% of companies surveyed disclosing EPRA NAV. Of these companies, 86% provided a full reconciliation between IFRS NAV and EPRA NAV, in a tabular format similar to the examples from Unibail-Rodamco, Corio, Klépierre, Capital Shopping Centres and SEGRO shown in the BPR Additional Guidance issued by EPRA in July 2011.

Although the adoption of the EPS and NNNAV measures has also increased, these measures trail behind EPRA NAV, disclosed by 42% and 41% of companies included in the survey respectively. Interestingly, in the 2008/09 survey, two years ago, the EPRA EPS metric was a more popular measure, disclosed by 38% of companies surveyed, with 37% disclosing EPRA NAV, whereas now, the EPRA NAV measure is clearly the most popular measure, highlighting the sector's capital return characteristic. Some companies and analysts continue to question the relevance of the EPRA NNNAV measure, which perhaps suggests why this measure has not been as widely adopted.

EPRA Yield and Vacancy Rate measures

The EPRA Net Initial Yield and Vacancy measures were introduced into the BPR for the first time in July 2009 in response to recognised disparities in yield reporting by companies and inconsistency in the reporting of vacancy rates. In the prior year survey, the number of companies adopting these new measures was disappointing, although, we recognised that many companies, being aware of the imminent revision to the BPR, opted to delay implementation of these measures until the revised BPR were finalised. The revised BPR issued in October 2010 placed greater emphasis on the importance of these measures, and in response there has been a significant improvement in adoption of the measures in this year's survey as detailed below.

Vacancy rate

27% of companies surveyed disclosed the EPRA Vacancy rate measure. This is a vast improvement from the prior year survey where, whilst 52% of companies surveyed disclosed a vacancy rate (or conversely occupancy rate), very few companies detailed that their vacancy rate measures met the BPR definition. The 27% of companies disclosing EPRA Vacancy rate in this year's survey all provided some explanation as to how their measure aligned with the EPRA definition – either in a glossary, or detailing additional explanations alongside the disclosure. However, disappointingly, very few companies provided additional commentary or analysis to explain any significant or distorting factors or make consideration of likely future trends in the vacancy rate, as recommended in the BPR.

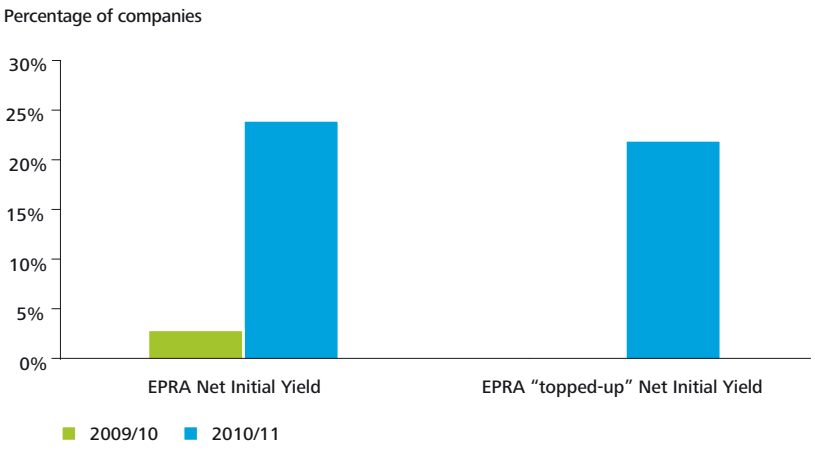
The BPR do not provide a set template or format for the disclosure of EPRA Vacancy rate, and there was a wide range of disclosure formats included in the annual reports in the survey. The BPR Additional Guidance issued by EPRA in July 2011 includes examples of two differing formats for the disclosure of EPRA Vacancy rate, from the Citycon and Vastned Retail annual reports.

Net Initial Yield and "topped-up" Net Initial Yield

As with the EPRA Vacancy rate measure, the number of companies clearly adopting and disclosing the EPRA yield measures has increased significantly as shown in Figure 7, with 24% of companies surveyed disclosing EPRA Net Initial Yield, and 22% disclosing EPRA "topped-up" Net Initial Yield. In the prior year survey, only two out of the 80 companies surveyed disclosed EPRA Net Initial Yield.

However, there is still some way to go in encouraging wider adoption of these measures, and also in encouraging companies to clearly set out the calculation of the yield measures – only 55% of companies disclosing EPRA Net Initial Yield clearly set out the calculation of this measure. The remaining 45% simply disclosed the yield metrics and did not disclose how these measures had been calculated or how they reconciled to any other published yields. Further, only 60% of companies disclosing both EPRA yield measures detailed a reconciliation between these two measures at a portfolio level.

Figure 7. How many companies adopted the new EPRA reporting measures?



Yields are one of the main areas of focus for analysts and investors, initial yields in particular being used to forecast revenue as well as providing comparable information on the quality of portfolios across the sector. The EPRA BPR guidance was intended to encourage real estate companies to disclose two complementary measures, calculated consistently and largely comparable from one company to the next and we expect to see more companies disclosing these measures as the revised BPR gain traction.

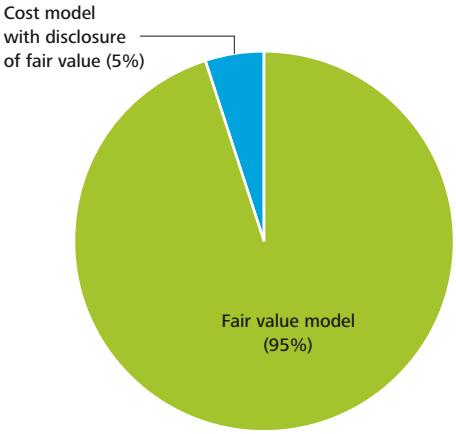
EPRA Performance Measures summary table

The BPR state that companies should provide a summary table showing the EPRA Performance Measures listed above in a prominent place in the Annual Report. At 17% of companies surveyed, practice in this area is emerging. The EPRA Performance Measures continue to be the most important measures of comparability within the industry and bringing these key measures together in one place enhances transparency.

Investment property reporting

This section sets out analysis of the level of compliance with the Investment Property Reporting recommendations detailed in the BPR – these are core EPRA recommendations in the revised BPR.

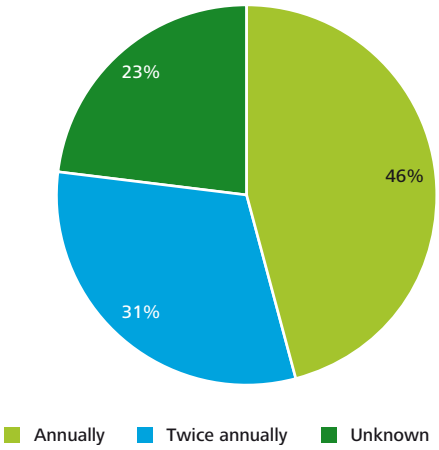
Figure 8. How many companies apply the fair value model?



Fair value model

In accordance with EPRA's guidelines, and entirely consistent with last year, 95% of the companies applied the fair value model in their financial statements, with the four remaining companies disclosing the fair values of their property portfolios whilst adopting the depreciated cost model. All four of these companies are based in France where the use of the depreciated cost model is commonly used in financial reporting. Using the fair value model significantly improves the comparability of the results of the companies, and those companies that do not apply the fair value model are becoming increasingly out of step with the industry norm.

Figure 9. How often do companies disclose they externally value their properties?



Consistent with last year, 46% of companies apply best practice by valuing properties twice annually or more frequently as shown in Figure 9, and clearly state this. However, a large proportion of companies still do not explicitly state the frequency of valuations in their accounting policies, and 17% have not disclosed which valuation standards have been used.

The majority of companies, in line with the BPR, use an external valuer to determine the valuation of the entire investment portfolio, and 89% disclose the names of the firms undertaking the valuations. However, only 30% of companies surveyed disclosed the basis for the valuers' fees. Valuation fees that are dependent upon the outcome of the valuation are in conflict with the independence and objectivity of the valuer, and the BPR recommend disclosure of the basis for the valuers' fees to enable stakeholders to be able to assess the objectivity and independence of the valuers.

To add further credibility to the valuation process, 25% of companies surveyed included a summary of the valuation report/certificate approved by the valuer in the annual report and 30% included a table which reconciles the amounts provided by the valuers to the amounts included in the financial statements. This is considered to be an important step, and all companies are encouraged to ensure that it is easy to reconcile from the valuers' report to the amounts included in the financial statements.

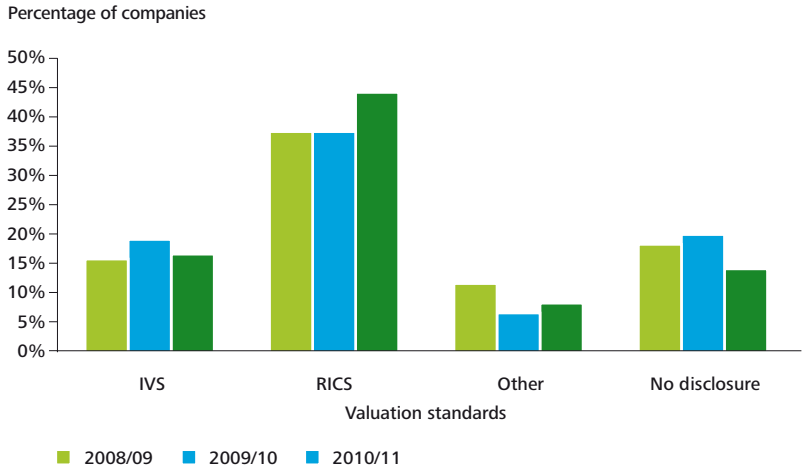
Like-for-like reporting

Like-for-like rental growth excludes changes in rental income that arise from acquisitions, disposals or completion of development projects, to compare the growth of the rental income of the portfolio that has been consistently in operation, and not under development during the periods under comparison.

There has been a slight increase in the number of companies disclosing like-for-like rental growth at 54% of companies in the survey, but of these, only 57% presented like-for-like growth for each significant sector, and only 44% presented like-for-like growth for each geographical business segment.

There was a wide range in disclosure quality in this area, with some companies providing the full like-for-like table disclosure as set out in the BPR, and other companies simply choosing to disclose a figure for like-for-like rental growth in their management review.

Figure 10. How many companies disclose the standards used for valuations?



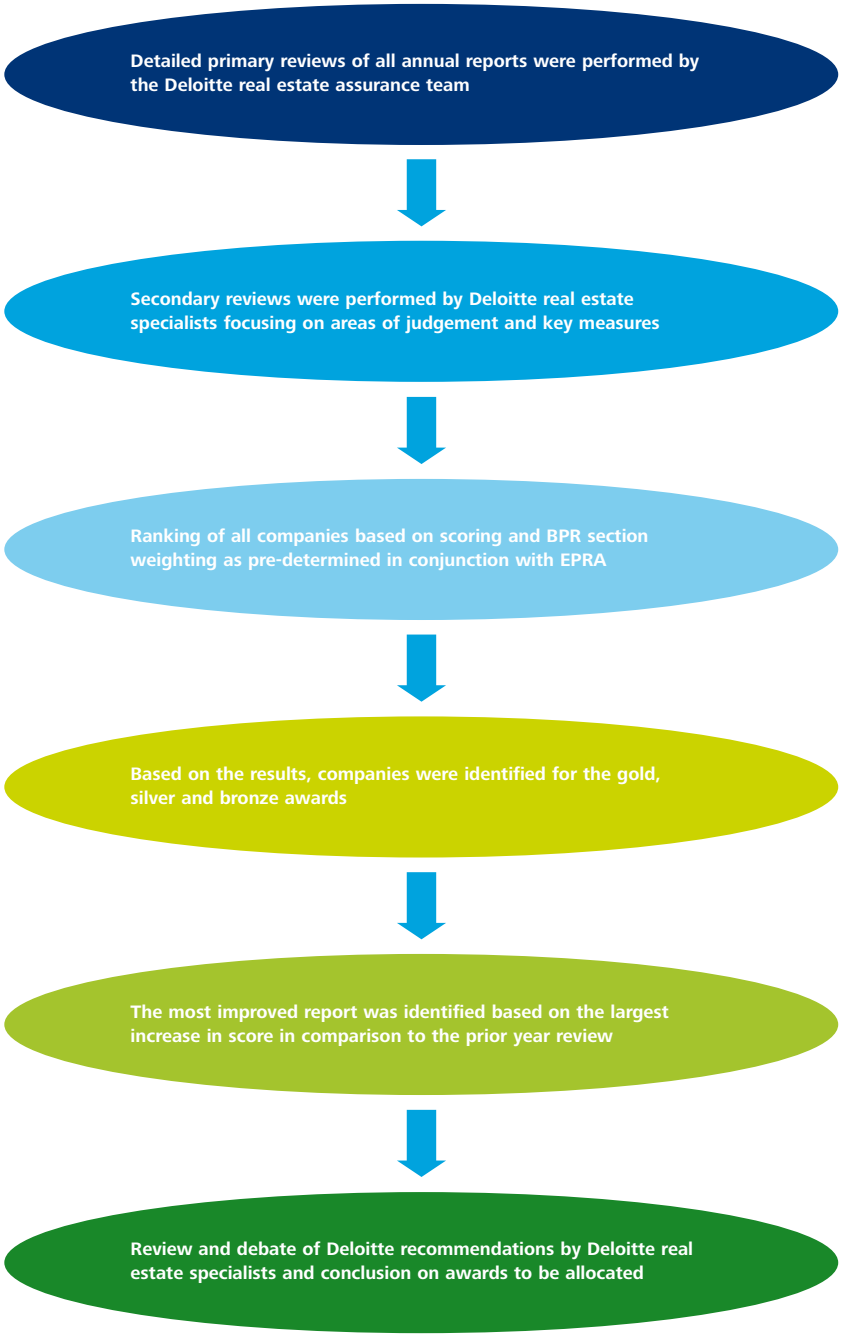
Like-for-like rental growth reporting enables consistency in comparison of operations and allows investors and analysts to estimate organic growth arising from rental reversions and changes in vacancy rate.

In the absence of any other quantitative underlying profit or other analysis, companies are encouraged to provide the disclosure set out in the BPR; like-for-like rental growth reporting enables consistency in comparison of operations and allows investors and analysts to estimate organic growth arising from rental reversions and changes in vacancy rate.

5. Award process

A detailed process was undertaken by the Deloitte real estate assurance team to assess the annual reports of the 83 companies included in the FTSE EPRA/NAREIT Developed Europe REITs and Non-REITs indices. Where applicable, Deloitte client engagement teams were excluded from the review of the relevant company annual reports to ensure objectivity was maintained. An online questionnaire set by Deloitte containing the key areas of focus based directly on the EPRA BPR was followed and was consistent across all companies.

The review process consisted of the following stages:



Participant list

Members of FTSE EPRA/NAREIT Developed Indices at 31 March 2011

Affine
Allreal Holding AG
Alstria Office REIT AG
Azrieli Group
Befimmo (Sicafi)
Beni Stabili SpA
Big Yellow Group PLC
The British Land Company PLC
Ca Immobilien Anlagen AG
Capital & Counties Properties PLC
Capital Shopping Centres Group PLC
Castellum AB
Citycon Oyj
CLS Holdings PLC
Cofinimmo NV/SA
Colonia Real Estate AG
Conwert Immobilien Invest SE
Corio NV
Daejan Holdings PLC
Derwent London PLC
Deutsche Wohnen AG
Development Securities PLC
DIC Asset AG
Deutsche Euroshop AG
Eurobank Properties Real Estate Investment Co SA
Eurocommercial Properties NV
F&C Commercial Property Trust Limited
FABEGE AB
Foncière des Régions SA
Gagfah SA
Gecina SA
Grainger PLC
Great Portland Estates plc
Hammerson PLC
Hansteen Holdings
Helical Bar plc
Hufvudstaden AB
Icade SA
Immobiliare Grande Distribution SPA
ING UK Real Estate Income Trust
Inmobiliaria Colonial S.A.
Intervest Offices NW
Invista Foundation Property Trust Limited
IRP Property Investments Limited
Klépierre SA
Klovern AB
Kungsleden AB
Lamda Development Group SA
Land Securities Group PLC
LEASINVEST-SICAFI
London & Stamford Property PLC
Mercialys SA
Minerva Plc
Mucklow (A.& J.)Group plc
Nieuwe Steen Inv NV
Norwegian Property ASA
Patrizia Immobilien AG
Primary Health Properties PLC
ProLogis European Properties
PSP Swiss Property AG
Quintain Estates and Development PLC
Safestore Holdings plc
Segro PLC
Shaftesbury PLC
Silic SA
Société de la Tour Eiffel SA
Sponda Plc
St.Modwen Properties PLC
Standard Life Inv Prop Income Trust Limited
Swiss Prime Site AG
TAG Immobilien AG
Technopolis Oyj
UK Commercial Property Trust Limited
Unibail – Rodamco SE
The Unite Group PLC
Vastned Offices/Industrial NV
Vastned Retail NV
Warehouses De Pauw Comm. VA
Wereldhave NV
Wereldhave Belgium Comm. VA
Wihlborgs Fastigheter AB
Workspace Group PLC
Züblin Immobilien Holding AG

Deloitte.

Deloitte has an unparalleled breadth and depth of services which make it a world force in its chosen areas of business – audit, tax, consulting and corporate finance. As a leading business advisory firm, we are renowned for our commitment to innovation, quality, client service excellence and for the calibre of our people.

We serve Governments and a broad range of public sector departments, major international and leading corporates, mid market and high growth smaller companies and many private individuals. By harnessing talent and expertise across the firm, we deliver solutions to clients that inspire confidence in what we promise.

Deloitte is the leading advisor to the real estate industry in the UK, and collectively with Drivers Jonas Deloitte, the team comprises of more than 1,000 professionals, with specialist real estate knowledge across all areas of the business. With the financial advice and business expertise of Deloitte combined with the highly-regarded real estate transaction and advisory skills of Drivers Jonas Deloitte, we have established the new benchmark for how real estate advisory services will be provided in today's market.

We have one of the largest Real Estate practices in Europe, with 297 offices in 47 countries. The breadth and depth of our practice allows us to assemble expert teams with specific skills to address our clients' needs on an international basis.

Our dedicated real estate professionals work together to develop and deliver innovative solutions to help our clients build a successful future.

EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

EPRA was established in 1999 and now represents over €250 billion of real estate assets – 90% of the market capitalisation of the FTSE EPRA/NAREIT Europe Index.

EPRA's mission is to promote, develop and represent the European public real estate sector. Its members constitute property companies, investors, advisors and academics in the real estate sector. EPRA provides effective and continuous leadership in matters of common interest by publishing research and encouraging discussion of issues impacting the industry both within the membership and with a wide range of stakeholders, including the EU institutions, governmental and regulatory bodies, and business partners.

EPRA works to foster trust and encourage greater investment in listed real estate companies in Europe. EPRA develops policies concerning standards of reporting disclosure, taxation and industry practices, including EPRA Best Practices Recommendations (BPR). The EPRA BPR provides guidance for property investment companies on interpretation of IFRS, industry specific reporting practices, and key performance indicators. The aim of the EPRA BPR is to 'raise the bar' for listed property investment companies in Europe through improved consistency, comparability and transparency in reporting practices. The EPRA BPRs are continuously developed through wider consultation with EPRA members and other interested parties and fall under the jurisdiction of the EPRA Reporting and Accounting Committee.

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