

Shareholder Circular  
in connection with item 2 of the agenda of the  
Extraordinary General Meeting of Shareholders  
to be held in Rotterdam on 24 October 2011:

*Approval within the meaning of Section 2:107a of  
the Dutch Civil Code  
for the sale of all or part of DIM Vastgoed NV's real estate portfolio*

17 October 2011

# Information and addresses for shareholders

## *General Meeting of Shareholders*

The Extraordinary General Meeting of Shareholders is to be held at the offices of the DIM Vastgoed NV, on Monday 24 October 2011. The agenda for this meeting is available on the website. DIM Vastgoed's Annual Report 2010 was published on 29 April 2011 and adopted on 28 June 2011 and is also posted on the website.

## *Addresses*

### **DIM Vastgoed N.V.**

DIM Vastgoed N.V. is a closed-end real estate investment company with variable capital.

DIM Vastgoed invests in real estate located in the southeast of the United States.

As an investment institution, DIM Vastgoed N.V. has the statutorily required permit from the Netherlands Authority for the Financial Markets (hereinafter 'AFM').

DIM Vastgoed N.V. has its registered office in Breda, the Netherlands, and is listed in the Commercial Register under number 20083037.

The company's office and correspondence addresses are:

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Telephone	+31 (0)10 201 36 10
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E-mail	info@dimvastgoed.nl
Website	www.dimvastgoed.nl

### **Members of the Management Board**

Frans A. Bakker

Arthur Gallagher

Bob Mitzel

Wilbert O.C.M. van Twuijver

### **Members of the Supervisory Board**

Cornelis J. Van Rees

Ellard J. Blaauboer

Thomas Caputo

### **Company Secretary**

Janneke Pek

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## ***I. Sale of the Portfolio***

### ***Introduction***

This report to shareholders is aimed at obtaining shareholders' approval within the meaning of article 2:107a of the Dutch Civil Code (DCC) (Burgerlijk Wetboek) for the resolution of the Management Board, as approved by the Supervisory Board, for the sale of DIM Vastgoed NV's (hereinafter 'DIM Vastgoed' or 'the Company') entire real estate portfolio (the "Portfolio") or part thereof and describes the findings of the Management and Supervisory Boards of DIM Vastgoed for such sale. The Portfolio currently comprises 21 shopping centers located in the southeast of the United States of America, which is described in detail in the Annual Report 2010 (hereinafter the 'Annual Report 2010') as published by DIM Vastgoed. This report to shareholders should be read in conjunction with the Annual Report 2010 as well as with other DIM Vastgoed documents and information, which are referred to and posted on DIM Vastgoed's website ([www.dimvastgoed.nl](http://www.dimvastgoed.nl)).

### ***DIM Vastgoed and Equity One***

DIM Vastgoed N.V. was incorporated in 1996 as an investment product of Dane Investors Management B.V. (i.e. 'DIM B.V.'). Between 5 October 1999 and 1 August 2010 the Company was listed on the Euronext Amsterdam exchange. The listing was terminated following the public offer dated 17 February 2010, hereinafter referred to as the 'Offer', by South East US Holdings BV, a wholly owned subsidiary of Equity One, Inc, hereinafter jointly referred to as 'Equity One'. As a result of the Offer, Equity One acquired more than 95% of the outstanding shares in the Company. The Offer Memorandum dated 17 February 2010 is also posted on DIM Vastgoed's website.

DIM Vastgoed is a real estate investment fund without its own organization. Management (including real estate management) and all operational matters, such as personnel, accommodation, accounting and all related costs are outsourced to Equity One. In addition the Company has engaged Freeland Group in Rotterdam for Dutch domiciliation and compliance services. The relevant agreements are posted on DIM Vastgoed's website ([www.dimvastgoed.nl](http://www.dimvastgoed.nl)).

Equity One is an owner, developer, and operator of shopping centers.

As of June 30, 2011, Equity One owned or had interests in 219 properties comprising approximately 24 million square feet and consisting of 192 shopping centers, 10 projects under development or redevelopment, 12 non-retail properties, and 5 parcels of land. For further information regarding Equity One, reference is made to its website: [www.equityone.net](http://www.equityone.net)

Following its acquisition of more than 95% of the outstanding shares in DIM Vastgoed, Equity One has initiated squeeze-out proceedings in accordance with articles 2:92a DCC. In these proceedings, the price at which the minority shareholders will be bought out will be determined by the court.

### ***Strategy and Market Conditions***

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. Reference is made to pages 22-25 of the Offer Memorandum. In this light Management of DIM Vastgoed has reviewed the Company's strategy and Portfolio and has concluded that a sale of all or part of the Portfolio is in the best interest of the Company and its stakeholders. In this review, Management has 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 there are no real signs of fundamental recovery. 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.

### ***Sale of Portfolio***

Management has investigated the possibilities to sell the Portfolio at an acceptable price, given current market conditions, and has been exploring a sale with several interested parties. Management has in particular negotiated with a US real estate investment fund about a sale of 17 of the 21 properties in the Portfolio and Management believes that it will be able to conclude a sale of the Portfolio or part hereof within the coming months at prices which will be within a reasonable range of current property values.

For details about the contemplated transaction reference is made to section 'The Contemplated Transaction' below.

In accordance with the relevant regulations and practices of DIM Vastgoed, Management has sought and obtained the approval of the Supervisory Board for the contemplated transaction. The Supervisory Board has carefully considered Management's proposal and has approved a sale of the portfolio or part thereof. For the considerations of the Supervisory Board reference is made to section 'Consideration of the Management Board and the Supervisory Board' below.

The Portfolio cannot be sold, however, without the approval of DIM Vastgoed's General Meeting of Shareholders. For this purpose DIM Vastgoed has called and convened an extraordinary general shareholders meeting for 24 October 2011.

### ***The Contemplated Transaction***

DIM Vastgoed N.V. has concluded an agreement to sell 17 shopping centers comprising approximately 2.1 million square feet for \$224.1 million to BRE Southeast Retail Holdings, LLC, a subsidiary of Blackstone Real Estate Partners VII, or certain of its designated subsidiaries. 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 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. A complete listing of the disposition assets is provided in Annex III A to this circular.

Closing of the transaction is subject to customary conditions, including the approval of the shareholders of DIM Vastgoed, and is expected to occur in the fourth quarter of 2011.

DIM Vastgoed estimates that as a result of entering into the transaction it will recognize a loss on disposal of approximately \$28.5 million in the third quarter of 2011. Net of taxation, this will have an impact on IFRS net result of approximately \$ 18.4 million negative.

### ***Considerations of the Management Board and the Supervisory Board***

In approving the resolution of the Management Board regarding the sale of all or part of the Portfolio and the Contemplated Transaction the Management and Supervisory Boards have taken into account the following:

- Equity One owns 97.8% of the Company and has made its intentions for the Company public in the Offer Memorandum. Equity One has initiated legal proceedings to buy out the minority shareholders and has offered the same price as it offered in the Offer. The price is ultimately determined by the court;
- the Management Board and the Supervisory Board have taken advice of outside legal counsel;
- in accordance with the Dutch corporate governance rules the Chairman of the Supervisory Board has considered whether there are potential conflicts of interest of members of the Supervisory Board and the Management Board in connection with the Contemplated Transaction. It was concluded that, as Equity One currently owns virtually all of the Portfolio, its interest to achieve the highest price possible is aligned with the interest of the minority shareholders;

- without prejudice to the foregoing consideration, the Management and Supervisory Boards have discussed and taken their decision about the sale of the Portfolio and the Contemplated Transaction without messrs. Caputo, Gallagher and Mitzel being present;
- market circumstances and the financial condition of the Company suggest that a sale of all or part of the Portfolio is the only viable option for the Company. The Contemplated Transaction fairly addresses all interests of all stakeholders in the Company;
- no special payments are owed to the Management or Supervisory Boards in connection with a decision to approve sale as proposed and recommended here, nor with its rejection.

### ***Financial Analysis of Sale***

The agreed-upon gross price for selling the 17 shopping centers is \$224.1 million. DIM Vastgoed estimates that as a result of entering into the transaction, it will recognize a loss on disposal of approximately \$28.5 million in the third quarter of 2011. Net of taxation, this will have an impact on IFRS net result of approximately \$18.4 million negative.

These estimated results (IFRS) can be further analyzed as follows:

	<b><i>\$ mln</i></b>
Gross sales proceeds	224.1
Less: selling costs	- 3.3
Net sales proceeds	<u>220.8</u>
Less: book value properties as per last published (interim) balance sheet	- 249.3
Loss on disposal, before taxation	<u>- 28.5</u>
Tax benefit	<u>10.1</u>
Net impact on result	- 18.4

The estimated impact of the transaction on the net asset value ('NAV') per share is as follows:

	<b>Consolidated/ IFRS \$ per share</b>	<b>Stand alone/ Dutch GAAP \$ per share</b>
Last published NAV (31 August 2011)	6.41	8.44
Net transaction result per share, estimated	<u>- 2.25</u>	<u>- 3.20</u>
NAV after transaction (31 August 2011)	4.16	5.24

***Use of Sale Proceeds; Future of DIM Vastgoed following completion of the Contemplated Transaction***

After completion of the sale transaction, DIM Vastgoed will use the proceeds to further pay down its debt. There will be no distribution of proceeds to the shareholders. Following the completion of the transaction, DIM Vastgoed will own only 4 properties. It is the intention of DIM Vastgoed and Equity One to evaluate these properties for sale in due course and possibly discontinue DIM Vastgoed as a separate real estate company within Equity One. The timing and method of such discontinuation will be determined by business, financial, legal and tax considerations. It is currently expected that the legal proceedings to buy out the minority shareholders in DIM Vastgoed will have been completed by that time.

***Framework***

According to article 2:107a of the Dutch Civil Code (DCC) a resolution of the Management Board of DIM Vastgoed to transfer the entire business or almost the entire business of DIM Vastgoed to a third party needs the approval of the General Meeting of Shareholders of DIM Vastgoed. The Contemplated Transaction as well as a possible subsequent sale of the remaining properties in the Portfolio qualify as a transfer for the purposes of abovementioned article. A sale of all or almost all of the properties in the Portfolio is effectively a material liquidation of DIM Vastgoed, possibly resulting in the discontinuation of the enterprise of DIM Vastgoed and should be submitted to the General Meeting of Shareholders of DIM Vastgoed.

For this purpose DIM Vastgoed has called and convened an extraordinary general shareholders meeting for 24 October 2011.

The resolution of the Extraordinary General Meeting of Shareholders to approve the Contemplated Transaction as well as a possible subsequent sale of the remaining properties in the Portfolio can be taken by simple majority, while no quorum is required for the meeting at which such a decision is taken.

***Position of Management Board and Supervisory Board, Recommendation and Resolution***

Having weighed all relevant facts and circumstances, the Management Board and the Supervisory Boards of DIM Vastgoed have decided to submit to the shareholders the sale of the Portfolio or part thereof for approval. The Boards are recommending that the shareholders approve such sale by adopting the following resolution

**Approval under Article 2: 107a of the Dutch Civil Code**

To approve within the meaning of Article 2: 107a of the Dutch Civil Code the resolution of the Management Board, as approved by the Supervisory Board, that the real estate portfolio of DIM Vastgoed, now consisting of 21 shopping centers, or part thereof is sold in whole or in part at a price to be approved by the Supervisory Board of the Company.

**Rotterdam**, 17 October 2011

**The Management Board**

*F.A. Bakker*

*A. Gallagher*

*B. Mitzel*

*W.O.C.M. van Twuijver*

**The Supervisory Board**

*C.J. van Rees*, Chairman

*E.J. Blaauboer*

*T. Caputo*

## II. Other relevant information

### ***Corporate Governance***

For the applicable Corporate Governance structure of DIM Vastgoed, refer the Annual Report 2010.

### ***Position of Major Shareholders***

For the interest of major shareholder in DIM Vastgoed, Equity One refer to the Annual Report 2010. According to Equity One, its current interest in the Company amounts to 97.8%. Equity One has indicated that it will exercise its rights as shareholders at the Extraordinary General Meeting of Shareholders to be held on 24 October 2011 to adopt the proposed resolution on page 6 of this report.

### ***Shareholdings of Management Board and Supervisory Board***

The members of the Supervisory Board and the members of the Management Board do not directly hold any shares in the Company.

### ***Financial Supervision Act regarding 'amended conditions'***

As an investment institution, DIM Vastgoed is bound by the rules stipulated in the Financial Supervision Act. Pursuant to these rules, the Company must investigate whether the approval for sale of the Portfolio as proposed in this report qualifies as a so-called amended condition which requires prior publication. The Management and Supervisory Boards are of the opinion that this is not the case. The Company has informed the Dutch AFM (Financial Markets Authority) of its opinion.

### ***Disclaimer***

This report contains notifications and references to notifications in relation to the future that entail risks and uncertainties. Although DIM Vastgoed is of the opinion that the expectations reflected in such notifications are based on reasonable assumptions, no certainty can be offered that such future expectations will be realized. No guarantee is therefore given as to the accuracy or the completeness of such notifications. Such notifications aimed at the future must be assessed in the knowledge of the fact that the actual events or results may differ to an important extent from the mentioned expectations, resulting – among other things – from changes in a political, economic or legal sense in the markets and the environment in which DIM Vastgoed operates, as well as from general business developments or risks that are inherent in the investments made by DIM Vastgoed. Past returns cannot constitute a guarantee for returns in the future.

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### III. Annexes

- A. List of Properties
- B. Press releases

## A. List of Properties

<b>I. PROPERTIES INCLUDED IN THE CONTEMPLATED TRANSACTION</b>			
	<b>PROPERTY</b>	<b>CITY</b>	<b>STATE</b>
1.	Carolina Pavilion	Charlotte	NC
2.	Salem Road Station	Covington	GA
3.	Keith Bridge Commons	Cumming	GA
4.	Sunrise Town Center	Sunrise	FL
5.	Golden Park	Buford	GA
6.	The Vineyards at Chateau Elan	Braselton	GA
7.	Grayson Village	Loganville	GA
8.	The Shops of Lake Tuscaloosa	Tuscaloosa	AL
9.	Eustis Village	Eustis	FL
10.	Freehome Village	Canton	GA
11.	Loganville Town Center	Loganville	GA
12.	Wilmington Island	Wilmington Island	GA
13.	South Plaza	California	MD
14.	Governors Town Square	Acworth	GA
15.	Dublin Village	Dublin	GA
16.	Greensboro Village Shopping Center	Gallatin	TN
17.	Whitaker Square	Winston-Salem	NC

<b>II. PROPERTIES NOT INCLUDED IN THE CONTEMPLATED TRANSACTION</b>			
	<b>PROPERTY</b>	<b>CITY</b>	<b>STATE</b>
1.	Glengary Shoppes	Sarasota	FL
2.	Brawley Commons	Charlotte	NC
3.	Magnolia Shoppes	Fort Lauderdale	FL
4.	Hammocks Town Center	Miami	FL

## B. Press Release



# Press release

3 October 2011

### **FOR IMMEDIATE RELEASE:**

#### **DIM Vastgoed N.V. Announces the Strategic Sale of 17 Shopping Centers for \$224.1 million and Calls and Extraordinary Meeting of the Shareholders**

Rotterdam, 3 October 2011 – DIM Vastgoed N.V. announced that its Supervisory Board has 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 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. A complete listing of the disposition assets is provided in Exhibit 1 to this press release.

Closing of the transaction is subject to customary conditions, including the approval of the shareholders of DIM Vastgoed, and is expected to occur in the fourth quarter of 2011.

For this purpose, DIM Vastgoed anticipates calling an extraordinary meeting of shareholders for October 24, 2011.

DIM Vastgoed estimates that as a result of entering into the transaction it will recognize a loss on disposal of approximately \$28.5 million in the third quarter of 2011. Net of taxation, this will have an impact on IFRS net result of approximately \$ 18.4 million negative.

**For further information, please contact:**

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[www.dimvastgoed.nl](http://www.dimvastgoed.nl)

**Disposition Properties**

Property	City	State	GLA(sf)
The Shops at Lake Tuscaloosa	Tuscaloosa	AL	70,242
Eustis Village	Eustis	FL	156,927
Sunrise Town Center	Sunrise	FL	128,124
Dublin Village	Dublin	GA	98,540
Freehome Village	Canton	GA	74,340
Golden Park	Buford	GA	68,738
Governors Town Square	Acworth	GA	68,658
Grayson Village	Loganville	GA	83,155
Keith Bridge Commons	Cumming	GA	94,886
Loganville Town Center	Loganville	GA	77,661
Salem Road Station	Covington	GA	67,270
The Vineyards at Chateau Elan	Braselton	GA	79,047
Wilmington Island	Wilmington Island	GA	87,818
South Plaza	California	MD	92,335
Carolina Pavilion	Charlotte	NC	731,678
Whitaker Square	Winston-Salem	NC	82,760
Greensboro Village Shopping	Gallatin	TN	70,203

Total 17 shopping centers

2,132,382