

Dear Sirs,

We have read 'CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses nr 809/2004', June 2004. CESR invites responses to this consultation paper. We represent the European Public Real Estate Association (EPRA) and before we give you our comments we would like to give you some background on EPRA. EPRA provides the European public real estate companies with effective and continuous leadership in matters of common interest. EPRA encourages discussion of issues impacting the industry both within the membership and with appropriate Governmental and regulatory bodies. EPRA endeavours to develop policies concerning standards of reporting disclosure, ethics and industry practices. Although not a disciplinary body, EPRA will actively encourage adherence to these policies. The more than 145 members of EPRA are Europe's leading property companies, investors, investment banks, analysts and advisors.

An important body of EPRA is the Best Practices Committee. This committee has developed industry best practices for external reporting and valuation. The committee closely works together with the International Accounting Standards Board (IASB) and the International Valuation Standards Committee (IVSC).

For more information on EPRA we also would like to refer to our website ([www.epra.com](http://www.epra.com)).

The response we have on the consultation paper relates to the paragraphs 143 to 149. In paragraph 146 CESR recommends that property companies include in their prospectus a valuation report. Paragraph 148 lists a number of requirements, one of which is that the valuation report not be more than 60 days prior to the date of the publication of the prospectus.

EPRA recognises the importance of reliable information in the prospectus and therefore we support the recommendation to include the valuation report. However, we feel that the requirement that the report should not be more than 60 days prior to publication date of the prospectus is too strict. For the following reasons:

- A valuation is an estimate of market values based on market evidence and market assumptions. By nature the volatility of market values, under normal market conditions, is fairly limited.
- Listed property companies in Europe generally value their portfolio externally once or twice a year (UK companies value every quarter externally; but the continental companies have not adopted that yet). Shareholders therefore receive external fair value information with lesser frequency than every 60 days.
- A valuation of the complete portfolio is very time consuming and would lead to substantial additional work load and cost for the companies.

Listed property companies in general value their portfolios externally once a every year at a minimum. CESR could for example recommend to include the latest available valuations, plus a reconciliation to the value as included in the prospectus.

Should you have any question please do not hesitate to contact us.

Yours sincerely,

Nick van Ommen  
EPRA CEO

Hans Grönloh  
Chairman of the Best Practices Committee