

The Supermarket REITSM

EQUITY ONE, INC.

March 16, 2010

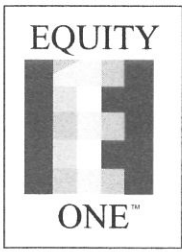
Vereniging van Effectenbezitters
Postbus 240 2501 CE Den Haag
Bezoekadres Amaliastraat 7, Den Haag
Attention: Mr. Jasper Jansen

Mr. Jansen,

We have received your recent letter requesting, among other things, an explanation of Equity One, Inc.'s accounting treatment of our acquisition of additional shares of DIM Vastgoed N.V. in January 2009. The following responds to your letter.

At the time of our 2009 acquisition of a controlling stake in DIM from Homburg Invest Inc., the accounting rules in the United States required us to record a non-cash "bargain" purchase gain of \$26.9 million as a result of the consolidation of DIM's financial results with our results. U.S. GAAP defines a bargain purchase gain as the amount by which the fair value of net assets acquired exceeds both the consideration transferred to obtain control and the fair value of the non-controlling interest. Said another way, we were required to record a gain following the acquisition because the value of DIM's assets, as reported by DIM under IFRS, exceeded the sum of the value of our existing investment in DIM, the value paid by us to Homburg and the value of the remaining equity interest in DIM that we did not own.

The calculation of the gain above was, in part, based on the prior losses reported by us on our investment in DIM. Prior to the transaction, we reported the value of our investment based on the value of DIM's stock price (not asset value), which had resulted in an impairment loss recorded by us in September 2008 of \$32.7 million. This loss was derived by writing down the average per share value of our initial investment of approximately \$20.78 to the closing price of DIM's stock on September 30, 2008 of \$12.20. The 2008 impairment represented a 41% loss on our original investment of \$79.3 million. *Had we not impaired our investment in 2008 following the drop in DIM's stock price, no bargain purchase gain would have been recognized in 2009.* It is also worth noting that the gain was determined as of January 2009 and did not include the additional \$80.9 million decline in asset values reported by DIM in 2009 following Equity One's acquisition.



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Any suggestion that we have not shared in the losses by the minority shareholders is not true. Following our acquisition of 48% of the outstanding ordinary shares of DIM, the value of our investment in DIM was recorded at \$20.78 per share, representing the per share cost we incurred for that investment. On September 30, 2008, we wrote down the investment to DIM's then-current stock price of \$12.20. When we acquired control of DIM, US GAAP required us to record the net assets acquired at fair value. The fair value used by us was the value reported by DIM in its audited financial statements as of December 31, 2008, which corresponded to a net asset value per share of \$11.91. During 2009, asset values in the United States began to drop precipitously and DIM's operations suffered occupancy and revenue declines. These declines continued to put downward pressure on DIM's net asset value, as evidenced by the revaluation losses reported by DIM in September 2009. Our estimate of DIM's net asset value of \$3.85 to \$6.50 per share was calculated in the manner described in the offering memorandum and reflects the current market conditions, DIM's deteriorating operating fundamentals and its high leverage.

I hope that the above explanations answer your questions. While our auditors are unable to comment on or confirm with specificity the responses above, you should be comforted that the basis of these responses is described in detail in our financial statements, which are audited by Ernst & Young LLP.

If you have additional questions or seek additional clarifications, please contact me. We request that you kindly confirm your understanding of the above. In addition, we would greatly appreciate your public statement that we have provided you a satisfactory explanation as well as all necessary information with respect to these matters. We appreciate your continued support of DIM Vastgoed N.V.

Sincerely,

Thomas Caputo,
President
Equity One, Inc.