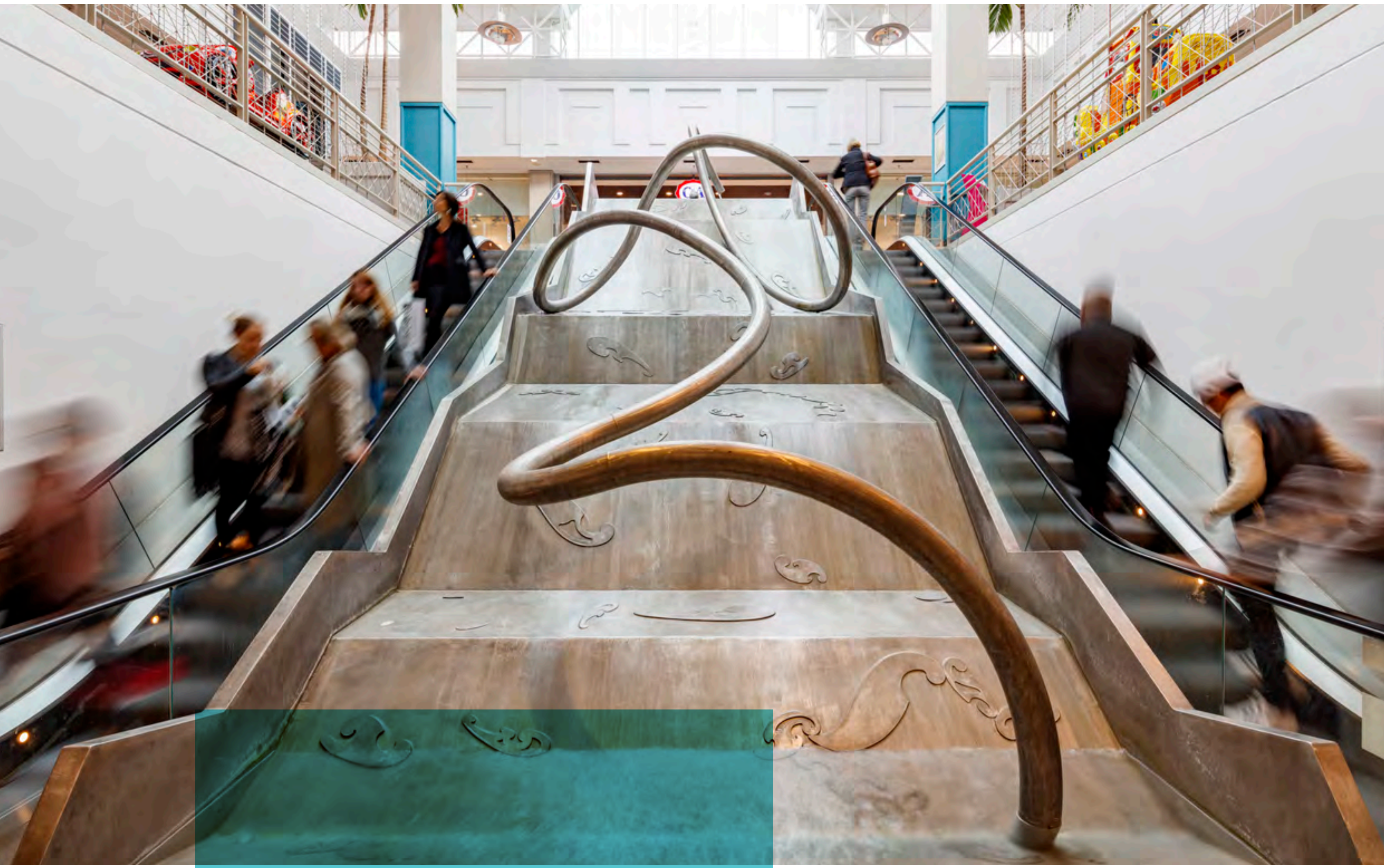
WERELDHAVE BELGIUM



2016

Annual financial report

This annual financial report is a registration document in the sense of art. 28 of the Law of 16 June 2006 on the public offering of investment instruments and the admission of investment instruments to trade on a regulated market.

The Dutch version was approved by the FSMA, according to Art. 23 of the aforementioned Law, on 7 March 2017. This approval does not imply any opinion of the FSMA on the state of the Company. Wereldhave Belgium has its annual financial report drawn up in Dutch. Wereldhave Belgium has made a French and English translation of this annual financial report. Both the Dutch, French and English versions of this annual financial report are legally binding. Wereldhave Belgium, represented by its Management Company is responsible for the translation and the conformity of the Dutch, French and English language versions. However, in case of discrepancies between the language versions, the Dutch version always has priority.

The Dutch version of the registration document approved by the FSMA, according to Art. 23 of the aforementioned law, on 7 March 2017, and the French and English translation are available on the website of the Company (www.wereldhavebelgium.com).

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RISK FACTORS

The Company distinguishes between market, operational, financial and regulatory risks. Certain risks attached to the activities of the Company are amplified by permanent changes on the real estate markets and the economic climate.

Below is a description of the most important risks, the specific measures to manage the risks concerned, and the possible impact of the risks on the company's results and capital.

MARKET RISKS

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Economic climate Slowdown of the economic climate or recession	1) Decline of rental income in the event of re-renting or requests for rental reductions. 2) Higher bankruptcy risk of the tenant. 3) Decline in the fair value of the real estate investment portfolio and consequent decline of the net value of the share and increase in the debt ratio. 4) Probability of the realisation of the risks described below as a direct or indirect result of the economic climate. 5) Increase in vacancy.	Geographic spread of the real estate portfolio across Belgium (See overview of the real estate portfolio p114-116). (1-2-3-4-5) Sector-based diversification of the tenant portfolio (see branch mix p118). (1-2-3-4-5) Active asset management. (1-2-3-4-5) Accumulation and application of market knowledge. (1-2-3-4-5) The average duration of contractual rental agreements up to the first severance possibility is 3.2 years, and up to the end of the rental agreement 6.4 years. (1-2-3-4-5)
Rental market shopping centres Reorientation institutional investors	1) Higher bankruptcy risk of the tenant. 2) Possible increase in the number of doubtful debtors resulting in a decrease in collection frequency. 3) Increase in vacancy due to not finding potential tenants at the market price.	Quality tenants, such as large national and international retailers, with a lower bankruptcy risk. (1-2-3) Active asset management through, amongst others, direct contact with the tenants. (1-2-3) Strict monitoring of the collection policy. (2) Application of standard rental conditions such as the advance payment of rent and the provision of a bank guarantee (equivalent to 3/6 months of rent). (1-2) Stimulation of lease payments by direct debit. (1-2)

The numbering of 'limiting measures' refers to the numbering in the 'possible impact' column.

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Decline in tenant solvency	1) Possible increase in the number of bad debts resulting in a decline in collection frequency. 2) Increase in vacancy due to not finding potential tenants at the market price. 3) Potential decrease of the rental income.	Give preference to quality tenants. (1-3) Screening of tenant solvency via the Graydon database. (1-3) Active asset management through, amongst others, direct contact with the tenants. (1-2) Use of standard rental conditions such as the advance payment of the rent and the provision of a bank guarantee. (1-2)
Deflation risk	1) Postponement/cancellation of purchases of consumer goods (expected price falls) leading to pressure on the tenant turnover. 2) Possible decline of rental income due to negative indexation.	Quality and professional tenants with a lower bankruptcy risk. (2) Insofar as possible, state in the rental agreement that the rental indexation cannot be negative. (1-2)
Inflation risk	1) Increase in the financing cost due to an increase in interest rates. 2) Increasing discrepancy between the collected rental income and the market rent.	Possible hedging against these fluctuations through financial derivatives (see note p177). (1-2) Standard provision of indexation clauses in the leases. (1-2)
Volatility of interest rates Strong fluctuations in the short and/or long term rates on international markets	1) Increase in the financial costs. 2) Fluctuations in the value of financial instruments. 3) As a result of the above, a possible decline of the Net Asset Value and a higher debt ratio. 4) Potential decrease of the distributable result.	Diversification of the various capital sources. (1-2-3) Sufficient number of financial partners and prior examination and comparison of the financial ratings of credit institutions and setting high standards for them. (1-2-3) Hedge against these interest rate fluctuations through financial derivatives. (1-2-3) The debt ratio is limited to < 33% (as a result of the deviation granted by the FSMA), and consequently the impact of any fluctuations is limited. (1) Debts at fixed rate (24.1 %) respectively variabel rate (75.9%) (1-2-3-4)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Financial markets Volatility and uncertainty on the international financial markets	1) Limited possibilities for raising new capital in the form of equity or borrowed capital. 2) Increase in debt ratio and limitation of growth opportunities. 3) Volatility of the share price.	Developing of solid long-term relations with investors and credit institutions so that dialogue can take place on a regular basis. (1-2-3) Wereldhave (International) NV is a reliable, solid and long-term shareholder. (1-2-3) Systematic and consistent communication on the financial outlook for all stakeholders concerned. (1-2-3) Application and observance of the RREC legislation for the purpose of protecting the shareholders. (1-2-3) Sound capital ratios. (1-2-3) Aim for the preservation of sufficient availability margins on confirmed lines of credit. (1-2-3)
Terrorism threat	1) Decline in visitors. 2) Decline in tenant turnover. 3) (Partial) destruction of building and consequently possible decline in rental income.	High quality security (ICT, security services, etc). (1-2) Cooperation with public services (police, etc). (1-2) Insurance against terrorism and loss of rental income. (3)
Geo political situation National/international political instability	1) Increase in financing costs due to an increase in the interest rates and possible decline of the fair value of the real estate investment portfolio. 2) Decrease in the number of investment sources and an increased risk of other financial risks becoming effective. 3) Limited access to capital markets.	Focus on the retail real estate market of politically stable and secure countries. (1-2-3) The debt ratio is limited to < 33% (as a result of the departure granted by the FSMA), and consequently the impact of any fluctuations is limited. (1-2-3) Sound balance sheet ratios. (1-2-3)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Change of value of the real estate portfolio Value growth of the portfolio	1) Change in the balance sheet ratios. 2) Change in the net value of the share.	Proactive asset management under own management. (1-2) Active investment management. (1-2) An investment strategy aimed at quality, retail real estate of standing. (1-2) Active sustainability policy (measures to improve energy performance, certification of buildings, separation of waste flows, etc). (1-2)
Liquidity risk of the share	1) Investors who do not invest in shares because of liquidity. 2) Restrictions on the purchase and sale of large blocks of shares.	Transparent communication (1-2) Financial services by BNP Paribas Fortis (2)

OPERATIONAL RISKS

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Strategy Investment/policy choices	1) Not achieving expected returns. 2) Decline in the revenue stream as well as its stability. 3) Readjustment of the company's risk profile. 4) Decrease in occupancy because the real estate portfolio is not in line with market demand.	Clear long-term investment strategy and consistent management of the capital structure that is regularly evaluated by the Management Company. (1-2-3-4) External valuation by an independent real estate expert prior to purchase. (1-2-3-4) Formal approval procedure relating to investments by Executive Management and the Management Company, and also an experienced management team. (1-2-3-4) Legal, fiscal and environmental-technical due diligence when purchasing real estate. (1-2-3-4) Stipulation of rental guarantees by the real estate vendor. (1-2-3-4) Permanent monitoring via an ICT application project module. (1-2-3-4) Permanent monitoring of the tenant file: financial, turnover, rental pressure, etc. (1-2-3-4)
Development pipeline Solvency contractors, permits, budgeting etc.	1) Uncertainty about future income and occupancy resulting in not achieving the target return. 2) Permits are not granted or incur delays. 3) Changes in the economic climate during the construction phase. 4) Material overrun of the budgets and costs.	Development pipeline limited to 10% of the real estate portfolio. (1-2-3-4) Prior analytical quantification/feasibility study and monitoring by a team specialised in project developments. (1-2-3-4)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Age and quality of buildings Technical aging process	1) Rising maintenance costs. 2) Decrease in occupancy. 3) Reduced attractiveness for tenants resulting in a reduction of rental income.	Draw up a five-year budget every year for structural maintenance and renovation. (1-2-3) Portfolio rotation in order to keep the portfolio up to date (technical, location, etc.). (1-2-3) Multi-year forecast relating to the maintenance of existing premises. (1-2-3) Strict internal coordination by management and monitoring with the real estate managers. (1-2-3)
Vacancy Scenarios of vacant property, such as failures, relocations, shrinkage, etc.	1) Decrease in the occupancy. 2) Decrease in the fair value of the real estate, and as a result also the Net Asset Value. 3) Possible downward adjustment of the ERV. 4) Unforeseen costs or increase in costs that are normally passed on (e.g. common charges for which the owner is liable).	Active management of the real estate portfolio in cooperation with the tenants and stakeholders to keep the value per property up to standard. (1-2-3-4) Make use of the scale of operations in order to be able to realise global deals on different shopping centres. (1-2-3-4) Temporary occupation in the form of pop-ups, marketing actions or other forms of occupation. (4) Active cooperation with towns and brokers to reduce vacant properties as much as possible. (4) Spread of the real estate portfolio as provided in the RREC legislation** to limit the consequences of vacancy. The occupancy rate by 31 December 2016 was 95.8%.(1-2-3)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Destruction of real estate Demolition building by fire, accident, terrorism, etc.	1) Decrease in fair value of assets. 2) Loss or reduction of rental income or rental turnover. 3) Unusability of the building.	The real estate investment portfolio is insured at reconstruction value in accordance with the ABEX index and insurance against a rental loss of a maximum of 36 months. The insured reconstruction value of the portfolio was insured for an amount of € 538.6 million as per December 2016, i.e. 68.7 % of the fair value. The insurance premium is € 169,669. (1-2-3) Active management of the real estate portfolio in cooperation with the tenants and stakeholders to commercially restore the real estate within a period of < 36 months. (1-2-3)
Termination of rental agreement Early termination or non-extension of a rental agreement	1) Risk of vacancy as a result of a decline in occupancy. 2) Decrease in rental income. 3) Unforeseen costs or increase in costs that are normally passed on.	Fall back on rental securities/rental guarantees if necessary. (1-2-3) Conduct commercial negotiations with the tenant to increase the attractiveness of a deal. (1-2-3) Sell-off of contractual rights. (1-2-3)
Concentration risk • tenants • property	1) Material downturn of rental income in the event of departure, bankruptcy or decline in the collection from a tenant. 2) Material decrease in the fair value of the property.	Diversification of income generated per tenant with observance of the legal provisions in this respect (< 20%). The largest tenant (DKV) of the Company represents 5.4% of the total rental income. (1-2) Spread of the real estate portfolio as provided by the RREC legislation** to limit the effects of vacancy. (1-2)

OMSCHRIJVING RISICO	MOGELIJKE IMPACT	BEPERKENDE MAATREGELEN
Debtor risk	1) Non-extension or early break of the rental agreement. 2) Decline in solvency or bankruptcy risk. 3) Tenant concentration. 4) E-commerce. 5) Concentration of real estate investments in one whole.	Short communication line with tenants. (1-2-3) Internal leasing asset management team. (1-2-3) Monitoring of the financial health of tenants (screening, turnover, financials, and rental pressure). (1-2-3) Aim for a high experience factor of the shopping centre, foster customer attachment, active role in the local community. (4) Stringent collection procedure. Using an online application, monthly supervision of outstanding claims and assessment of the adequacy of the provision for bad debts. The provision for doubtful debts as at 31 December 2016 amounts € 53k (1-2-4) Spread of the tenant portfolio – see branch mix p122. (1-2-3-4-5) Limit concentration of important tenants. The top 10 most important tenants < 30%. (2-3-5) Shopping centres provide a wider experience aspect and other services than just shopping. (1-2-3-4-5)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Turnover of key personnel	1) Negative effect on the existing business relations. 2) Loss of decisiveness and efficiency in the management decision-making process. 3) Loss of know-how.	Active monitoring of the workload. (2-3) Clear and consistent procedures to guarantee continuity. (1-2-3) Stimulate teamwork in order to avoid a single individual being solely responsible for a concentration of important strategic tasks. (1) Market-compliant remuneration of staff. (1-2-3)
Interruption of the continuity in Risk and Compliance Management due to force majeure	1) Temporary probability increase in the occurrence of risks.	Provide internal training to instill the principles of Compliance and Risk Management among employees in order to support its continuity. (1) An experienced management team and internal supervision by the Management Company. (1)
External service providers do not correctly observe the service contract	1) Possible negative effect on the income and cost flow, efficiency of the organisation, and general reputation of the company.	Supervision of the activities of important suppliers and service providers on the basis of clear KPIs*, with a results agreement where possible. (1) Option of terminating the service contract in the event of serious misconduct or fraud. (1)
Risk related to IT	1) Possible negative effect on the functioning of the organisation. 2) Possible destruction of operational and strategic data.	Daily backups so that loss of data is limited in time .(1-2) See point 5 Risk Management p18 (1-2)

(*) Key performance indicators
(**) On 23 December 2016 the FSMA granted a renewed dispensation from the ban on investing more than 20% of the assets in one real estate stock. (See Real Estate Report – Summary and overview of the real estate portfolio).

FINANCIAL RISKS

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Counterparty risk Insolvency / credit risk with financial partners	1) Loss of deposits. 2) Higher or unforeseen financial costs. 3) Cancellation or termination of existing lines of credit or Interest Rate Swaps and thus a possible limitation of the growth potential. 4) General negative impact on the income.	Strict financing policy with balanced spread regarding maturity, banks and product limited to the Eurozone. (1-2-3-4) Sound balance sheet ratios. The debt ratio is limited to < 33% (as a result of the departure granted by the FSMA) and consequently the impact of any fluctuations is limited. (1-2-3-4) Stable shareholder structure (Wereldhave NV and Wereldhave International NV own 69.58% of the shares). (1-2-3-4) 20-30% unutilised margin of committed lines of credit. (1-2-3-4)
Cash flow and solvency risk	1) Inability to repay interest and capital. 2) Impossibility to realise growth. 3) Forced sale of real estate with possible impact on the sales price. 4) Unforeseen increase in the debt ratio.	Loans are of the bullet type with clear view of the due dates. (1) 20-30% unutilised margin of committed lines of credit. (1) Strict monitoring with Executive Management and Management Company concerning the impact of possible interest rates changes. (1) Protection against a rise in interest rates by making use of hedging instruments. (1-2-3) Valuation of the real estate portfolio on a quarterly basis by independent real estate experts. (1-2-3-4)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Interest rate development	1) Increase in the weighted average cost of capital. 2) Impact on the profitability of the company.	20-30% unutilised margin of committed lines of credit. (1) Strict monitoring with Executive Management and Management Company concerning the impact of possible interest rates changes. (1-2) Protection against a rise in interest rates by making use of hedging instruments. (1-2)
Dividend risk	1) Volatility of share price. 2) General decline in confidence in the share or the company.	The development of solid long-term relations with investors and financial institutions such that dialogue can take place on a regular basis. (1-2) At least 80% of the corrected positive net result, less the net decline of debt in the course of the financial year, must be paid out as dividend (See note 31 – art 617 Company Code p186). (1-2)
Bank covenant risk Non-compliance with the requirement to meet certain financial parameters under the credit agreements.	1) Cancellation, renegotiation, termination or early payability of the financing agreements by the financial institution upon the non-observance of the imposed ratios.	Prudent financial policy with constant monitoring to satisfy financial parameters. (1) Regular monitoring of the development of the debt ratio and prior analysis of the impact of every intended investment operation on the debt ratio. (1)
Risk of changes in fair value of derivative instruments that are intended to hedge the interest rate risk	1) Counterparty risk to partners who have been concluded financial derivatives. 2) Complexity and volatility of the fair value of the hedging instruments and, consequently, of the net value of the share in accordance with IFRS.	Cooperation with reputed international institutions gerupeteerde. (1) All the derivatives are retained only for hedging purposes. No speculative instruments are held. (2) Fluctuations in the fair value of hedging instruments represent an unrealized non-cash item (if the products are held to maturity and not settled prematurely) and are presented separately in the statement of comprehensive income to increase readability. (2)

REGULATORY RISKS

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Change in international accounting rules and reporting standards IFRS	1) Impact on reporting, capital requirements, use of derivatives and the organisation of the company. 2) Direct or indirect impact on the real estate valuation as well as on the operational activities.	Permanent evaluation of the changes relating to legal standards. (1-2-3) Collect advice from external specialised service providers. (1-2-3) An experienced management team and supervision by the Management Company in order to observe the legislation and to align the strategy with this. (1-2-3)
Legislative framework RREC (1) Loss of company status	1) Change of status to an ordinary real estate company and loss of the advantage of the favorable tax status of RREC. 2) Possible impact on the reporting, capital requirements, use of financial products, credit agreements and general operational organisation of the company. 3) Impact on transparency, returns and results achieved, and the possible valuation. 4) Penalties and/or intensified supervision by the FSMA if the legal (financial) parameters are not satisfied. 5) Possible overrun of the limiting threshold for the free float > 30%.	Continuous evaluation and constant attention by the Management Company. (1-2-3-4) The dividend obligation and financing limits are regularly calculated and determined. (1-2-3-4) Regular dialogue with the FSMA as regulator and supervisor of the Regulated Real Estate Companies. (1-2-3-4) An experienced management team and supervision by the Management Company in order to observe the legislation and to align the strategy with this. (1-2-3-4) The Developer (Wereldhave (International) NV) strictly observes the regulatory legislation on the preservation of the RREC status and in particular regarding the limits relating to the free float. (1-4-5)

1) Referring to existing practices within the Tax Administration, in particular those mentioned in the Circular letter ref. Ci.RH. 423/567.729 dd. 23.12.2014 emanating from the Finance Minister concerning the calculation of exit tax which clarified, among other things, that the value of the assets in question, for calculating the basis of the exit tax (for tax purposes, the taxable amount for the exit tax calculation), is determined by deducting the registration duties or the VAT that would be applied if the assets in question were sold, which is different (it is lower) from the fair value of these assets as determined under IFRS-rules.

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Change of general, urban planning and/or environmental legislation	1) Must comply with the legislation with detrimental implications for the company and/or its shareholders and stakeholders (withholding tax, municipal taxes, and environmental taxes). 2) Not-prepared or incorrect assessment of the impact of the practical application of new legislation. 3) Impact on the purchase and sales prices of real estate. 4) Decrease in the return and consequently the attractiveness of the share. 5) Decline in the fair value of the real estate portfolio.	Remain constantly informed of new legislation by monitoring seminars, assistance by specialists in this respect and self-study. (1-2-3-4-5) An experienced management team and supervision by the Management Company in order to observe the legislation, and to align the strategy with this and evaluate it depending on the specific impact. (1-2-3-4-5)

RISK MANAGEMENT

The Management Company is responsible for the planning, implementation and operation of the internal risk management and control systems geared to the business activities of the Company. The Management Company is aware that no risk management and control system can provide an absolute guarantee for meeting the company objectives and preventing significant errors, losses, fraud or violation of laws or regulations.

The instruments for internal control and risk management are formed by the Corporate Governance Charter, the administrative organisation, the investment strategy approved by the Management Company each year, the Business Principles and the Code of Conduct.

The Company has a system of warnings in the event of breaches. The integrity-sensitive positions are itemised. Special procedures apply for the hiring of employees in such positions.

The Company has set up an appropriate administrative organisation for itself in which the internal control is embedded. The company processes are documented in a database that is available online for all employees. This system not only guarantees the continuity of the company processes, but also records and shares the knowledge available in the company. Moreover, the company processes are developed as job descriptions for each position.

The Administrative Organisation/Internal Control system is based upon an enforced division of roles insofar possible. This system also comprises an automated information system, the access to which is based on the job descriptions. Both contracting and payments take place on the basis of the four eyes principle.

The Company applies strict procedures for the regular compilation of quarterly and annual figures on the basis of the established foundations.The internal management reports are aimed at the direct reporting of changes in the value of investments and the profit per share. Furthermore, electronic data processing is used in an automated integrated central information system.

The Company aims to guarantee the reliability and continuity of its IT organisation and automated data processing by employing a system of preventive and repressive measures. This system is designed to safeguard the integrity, exclusivity, availability and controllability of automated data processing and storage. Daily backups are made of the data files.

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CONSOLIDATED KEY INFORMATION

KEY INFORMATION

	2012	2013	2014	2015	2016
Share price 31/12	82.5	83.22	102.01	110	107.7
Share price/Net result from core activities 31/12	16.9	16.3	19.3	19.5	18.63
Market capitalisation 31/12 (mln)	520.4	525.00	643.5	763.3	747.3
Net asset value per share (conform IFRS)	76.21	77.83	78.99	81.76	86.41
Gross dividend	4.25	4.4	4.6	4.9	5.1
Dividend yield 31/12 (gross) 1)	5.15%	5.29%	4.51%	4.45%	4.74%
Consolidated debt ratio 2)	16.20%	20.60%	34.80%	27.50%	27.60%
Occupationcy rate 3)	93.70%	97%.00	94.10%	94.10%	95.80%
Pay-out ratio	87.27%	86.44%	86.95%	87.00%	88.24%
Free float	30.59%	30.6%	30.59%	30.42%	30.42%

1) Gross dividend divided by the share price on 31/12/2016.

2) See calculation table in note 30 of the consolidated financial report.

3) Sum of indexed rent from current leases divided by the sum of contractual rents and estimated rental value of vacancies.

CONSOLIDATED KEY FIGURES OVER THE PAST 5 YEARS

(X € 1,000)

RESULTS	2012	2013	2014	2015	2016
Net rental income	33,170	35,831	38,932	47,409	49,733
Net result	36,465	34,752	38,855	49,391	66,241
Net result from core activities 1)	29,415	32,089	33,371	39,093	40,078
Net result from non-core activities 2)	7,050	2,663	5,484	10,298	26,163

(X € 1,000)

BALANCE SHEET	2012	2013	2014	2015	2016
Investment properties 3)	499,801	505,322	722,607	731,919	783,357
Lease incentives	1,178	1,652	1,689	1,563	1,152
Investment properties excl. development projects	500,979	506,974	724,296	733,482	784,509
Development projects	55,244	90,159	25,802	40,547	35,318
Shareholders' equity	480,720	490,979	498,284	567,310	599,586

NUMBER OF SHARES	2012	2013	2014	2015	2016
	6,308,198	6,308,198	6,308,198	6,939,017	6,939,017

(X € 1,000)

FAIR VALUE INVESTMENT PROPERTIES BY SEGMENTATION 3), DEVELOPMENT PROJECTS EXCLUDED	2012	2013	2014	2015	2016
Retail	377,503	380,882	597,048	607,026	659,905
Lease incentives	153	386	312	604	575
Fair value investment properties - retail	***377,656***	***381,268***	***597,360***	***607,630***	***660,480***
Offices	122,298	124,440	125,559	124,894	123,452
Lease incentives	1,025	1,266	1,377	958	577
Fair value investment properties - offices	***123,323***	***125,706***	***126,936***	***125,852***	***124,029***
	500,979	**506,974**	**724,296**	**733,482**	**784,509**

(X € 1)

SHARE DATA	2012	2013	2014	2015	2016
Net result from core activities	4.87	5.09	5.29	5.63	5.78
Net result from non-core activities	1.00	0.42	0.87	1.49	3.77
Profit per share	6.04	5.51	6.16	7.12	9.55
Gross dividend	4.25	4.40	4.60	4.90	5.10
Net dividend	3.19	3.30	3.45	3.577	3.57
Net asset value before profit distribution	76.21	77.83	78.99	81.76	86.41

[1] See note 4. Net result from core activities includes rental income, property charges, general expenses and financial results.

[2] See note 4. Net result from non-core activities includes the result on the portfolio, results on disposal of real estate investments and other results (a.o. financial result) that are not included in the net result from core activities.

Belle-Île

3 MESSAGE TO THE SHAREHOLDERS

Dirk Anbeek
Chief Executive Officer

Kasper Deforche
Chief Executive Officer

FOCUS ON LEASING AND OPERATIONS

At the end of June 2016, we waved goodbye to Luc Plasman as CEO of our company and Kasper Deforche took over this role from him. We would like to take this opportunity to thank Luc once again for his dedication and the part he's played in the growth that we've achieved in recent years.

Last year was characterized, it's true, by a less favourable user market, which is curbing retailers' urge for expansion and putting rental levels under pressure. There is also increasing competition from e-commerce and consumer confidence has been far from understanding, so far. The upshot is that the number of visitors to Belgian shopping centres is showing a downward trend.

The right answer to these challenges is to continue to put the customer first. That's why we made several changes. The planning continues so that our company can focus more on 'Leasing' (the Company's letting department) and 'Operations' (management of the portfolio). Consequently, we are more than ever convinced that our strategy to manage our shopping centres with internal teams is still the right choice.

All the above doesn't mean that we didn't make progress on our property development. Firstly, in February, a retail park in Tournai was successfully completed and, soon after that, work started on the expansion and renovation of the existing shopping centre.

In the last quarter we also got the good news that the permits for a possible expansion of the 'Belle Ile' shopping centre in Liège are now final and enforceable.

Right at the end of 2016 a sale went through too, namely the 'Madou' office building in Brussels. This is a new step in the dismantling of the non-core offices portfolio which, currently, still accounts for ca. € 124 mln.

The company will continue to proactively explore investment opportunities in the retail market. The changes that were announced to the Statute of the RREC (regulated real estate company) will influence this favourably.

As for the financial results, we can be rightly proud of the results achieved in 2016.

The net result in 2016, comprising the net result of core and non-core activities, worked out at € 66.2 mln (2015: € 49.4 mln). This increase is, on balance, compared to 2015, the consequence of a higher net result of core activities (€ 1.0 mln) and a higher net result of non-core activities (€ 15.9 mln).

To the General Meeting of Shareholders, a dividend will be proposed of € 5.10 gross - € 3.57 net (2015: € 4.90 gross - € 3.577 net) per share. The dividend will be payable as from 20 April 2017.

Finally, we would like to expressly thank all employees, customers, shareholders as well as all stakeholders for their continued efforts and contribution to the success of our company.

Vilvoorde, 6 March 2017

4 CONSOLIDATED ANNUAL REPORT

PROFILE

Wereldhave Belgium is a public regulated real estate company (RREC) with a focus on commercial real estate in Belgium. The company targets new investments in shopping centres. The value of the investment properties portfolio, including project developments, is € 819.8 mln. The existing operational shopping centre portfolio of € 660.5 mln (approximately 84.2% of the total portfolio, excluding project developments) comprises shopping centres in Liège, Nivelles, Tournai, Ghent, Genk and Kortrijk. In addition, the investment properties portfolio includes offices in Brussels, Vilvoorde and Antwerp. The development portfolio of € 35.3 mln comprises the land positions and investments made relating to the extensionof 'Les Bastions' shopping centre in Tournai and the restructuring and/or expansion of shopping centres in Waterloo and Liège.

Wereldhave Belgium seeks to generate value through the active management of shopping centres and the (re)development of shopping centres for its own portfolio. The Wereldhave Belgium employees maintain direct contact with the tenants. As a result, Wereldhave Belgium is aware of their tenants' issues sooner, and has recent market information at its disposal. Those compentences are also used in the (re)development of projects.

STRUCTURE

Wereldhave Belgium has been an RREC since 27 October 2014 and is subject to the legislation of the Royal Decree of 13 July 2014 and the Law of 12 May 2014. As such the RREC has been licensed and registered by the Financial Services and Markets Authority since 22 September 2014.

Wereldhave Belgium has an RREC tax status and, as a result, does not actually pay any corporation tax, with the exception of any abnormal and favourable benefits and rejected expenses.

Wereldhave Belgium Services NV, 100% subsidiary of the Company, is part of the consolidation of Wereldhave Belgium and acts as the real estate manager of the investment properties portfolio.

The Wereldhave Belgium shares are traded on the Euronext continuous stock exchange in Brussels.

On 31 December 2016 Wereldhave N.V., Schiphol, directly or indirectly held 69.58% of the shares.

VALUATION OF REAL ESTATE

Wereldhave Belgium values its real estate at fair value. IFRS 13 defines the 'fair value' as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the valuation date. The definition thus presumes a hypothetical transaction. So even if the Company intends to use an asset rather than sell it, it determines the fair value based on the (hypothetical) sale price.

The investment properties portfolio is valued externally by independent real estate experts on a quarterly basis.

FINANCIAL POSITION

With a consolidated debt ratio of 27.6% and a solvency of 72.4%, Wereldhave Belgium positions itself as a real estate company with very sound balance sheet ratios.

CORPORATE GOVERNANCE STATEMENT[1]

GENERAL

The Company attaches great importance to achieving a balance between the interests of the providers of risk-bearing capital and the other stakeholders in the company. Openness, sufficient future-oriented provision of information, and business ethics comprise part of this philosophy. The company ethics are embedded in the Business Principles and the Code of Conduct for personnel, which are published on the website www.wereldhavebelgium.com.

In accordance with article 96, §2, 1° of the Companies Code (as amended by the Law of 6 April 2010 to strengthen the corporate governance of publicly listed companies) and the Royal Decree of 6 June 2010 on the designation of the Corporate Governance Code to be observed by publicly listed companies, the Company uses the Corporate Governance Code 2009 as its reference code.

The Belgian Corporate Government Governance Code is available on the website www.corporategovernancecommittee.be. The size of the Company is considered here along with the specific management structure of Wereldhave Belgium, therefore making the corporate governance principles relevant to the management structure of the Management Company.

In its Annual Financial Report, the Board of Directors must dedicate a specific chapter to corporate governance in which the corporate governance practices of the company throughout the financial year concerned are discussed, including the specific information required by the applicable legislation and the Corporate Governance Code.

In accordance with article 96 §2 of the Companies Code this Corporate Governance Statement must, as a bare minimum, contain the following information:

- The Corporate Governance Code applied by the company.
- The main characteristics of the internal systems for control and risk management (regarding financial reporting).
- The shareholder structure, as derived from the transparency declarations that the company has received from its Shareholders and specific financial and business information.
- The composition and operation of the management bodies and its committees.

The Charter and its Appendices stipulate the rules, procedures and methods on the basis of which the Company is managed and monitored.

The Charter is subject, without prejudice to the Articles of Association of the Company and the relevant provisions of Belgian law, such as the Companies Code. Any summaries or descriptions in this Charter of legal and statutory provisions, company structures or contractual relations are only clarifications and may not be considered as legal or fiscal advice on the interpretation or enforceability of such provisions or relations.

The Charter must be read together with the articles of association of the Company, the Annual Financial Report, and other information that is periodically made available by the company. Additional information on each financial year relating to the pertinent changes and events of the previous financial year are reported in a CG Statement.

The Charter can be consulted on the Company website (www.wereldhavebelgium.com) and shall be updated as often as necessary. The Charter was last updated on 29 January 2016 by the Board of Directors.

[1] The Corporate Governance Statement forms an integral part of the Management Report in accordance with article 96, §2 of the Companies Code.

From left to right: Philippe Naert, Dirk Anbeek, Dirk Goeminne, Kasper Deforche, Jacques de Smet and Luc Plasman (until 30/06/2016)

COMPLY OR EXPLAIN PRINCIPLE

Derogations from the recommendations in the 2009 Code are underlined in the Corporate Governance Charter. To this end the Company applies the principle of 'comply or explain'.

On the date of this Annual Report derogations from the following provisions of the 2009 Code are explained:

Composition of the remuneration committee

As the company satisfies two (average number of employees < 250 people and annual net turnover < 50 mln) of the three criteria stipulated by article 526*quater* of the Companies Code, the Board of Directors has not set up a remuneration committee.

The Board of Directors sees the work of the remuneration committee as the work of the full Board of Directors, and this in derogation from provision 5.4./1 contained in appendix E of the 2009 Code, which stipulates that the remuneration committee consists exclusively of non-executive directors.

The remuneration committee of the Board of Directors consequently consists of all members of the Board of Directors (i.e. including the two chief executive officers).

Composition of the Audit Committee

In derogation from provision 5.5 of the 2009 Code that stipulates that each committee must consist of at least three members, the Audit Committee of the Board of Directors of the Management Company only consists of two members.

Complying with the recommendation of the 2009 Code that the Audit Committee must have at least three members, would mean that almost the entire Board of Directors is a member of the Audit Committee.

MANAGEMENT STRUCTURES

The Company has the legal form of a partnership limited by shares according to Belgian law.

Genk Shopping 1

The Company has active and silent partners. The active partners have joint and several unlimited liability for all obligations of the company. The sleeping partners are only liable for the debts and losses of the Company up to the level of their contribution, provided that they do not carry out any acts of management.

STATUTORY MANAGEMENT COMPANY

According to the Articles of Association, the Company is managed by one or more management companies, who must have the capacity of active partner.

The Management Company is appointed by an Extraordinary General Meeting of Shareholders in the presence of a notary, and in observance of the requirements for an amendment of the Articles of Association.

The Management Company is authorised to perform all acts of internal management that are necessary or useful for the realisation of the Company purpose, with the exception of those actions legally reserved to the General Meeting of Shareholders.

The Management Company performs its duties through the intervention of its Board of Directors. The appointment of the Management Company is for a period of indefinite duration.

The current Management Company is Wereldhave Belgium N.V.

BOARD OF DIRECTORS

By virtue of the law and its Articles of Association, the Board of Directors of the Company is constituted such that the RREC can be managed in accordance with article 4 of the RREC Act. This principle is applied with the utmost stringency: the Company, the Board of Directors and the Executive Managers do not consider the special interests of Shareholders, the Management Company, the Directors, the Developer or the Executive Managers. The interests that are taken into consideration in the management of the Company are not limited to the Shareholders and extend to all components of the notion of 'corporate interest' that is referred to in the Companies Code.

The Board of Directors is the governing structure of the Company. It acts jointly.

Thus the role of the Board of Directors is to determine the strategic vision of the Company, which is based on a contribution to long-term value, the supervision of the policy of the Executive Managers/Chief Executive Officers and the general state of affairs of the Company and its Subsidiaries. To this end it examines whether the risks have been well evaluated and checks their management in the context of regular and strict controls.

Social responsibility, mix and diversity in general are also criteria in the decision-making process of the Board of Directors.

The Board of Directors has both a supervisory and advisory role and thereby targets the interests of the Company, the business and all its Shareholders. The Board of Directors acts as a committee with joint responsibility without mandate and independent of the partial interests involved in the Company.

Composition

The Board of Directors consists of at least four people, of which:

- One or more Directors, with a maximum of half of the total number of Directors, can be executive directors. In other words, they can also exercise an operational role within the company.
- At least three Directors qualify as 'independent' in the sense of article 526ter of the Companies Code and Appendix A of the Corporate Governance Code.

The list of the members of the Board of Directors, published in the CG Statement, states which directors are independent.

The Board of Directors is composed such that there is a balance of skills and professional experience in disciplines such as real estate, finance and general management, without excluding candidate directors whose experience in other areas and whose personalities would contribute to the Company.

In accordance with article 518bis of the Companies Code, the publicly listed companies are required to ensure that in principle a minimum of one third of the Board of Directors is either male or female depending on the composition of the remainder, as of the first day of the sixth financial year commencing after the publication of the Act of 28 July 2011 in the Belgian Official Gazette.

Belle-Île

For publicly listed companies whose free float is less than 50% (free float of the Company as per 31 December 2016: 30.42%), applicable to the Company, this requirement only starts as of the first day of the eighth financial year commencing after the publication of the Act of 28 July 2011 in the Belgian Official Gazette, i.e. 1 January 2019. In accordance with article 96, §2, 6° of the Companies Code, the members of the Board of Directors confirm they comply with and make the necessary efforts in order to satisfy the legal conditions on gender diversity. At the Annual General Meeting 2017 of the Management Company, the Board of Directors will nominate a female director.

Every Director must also have the personal attributes enabling him/her to perform his/her work flexibly and jointly, but with full independence of mind.

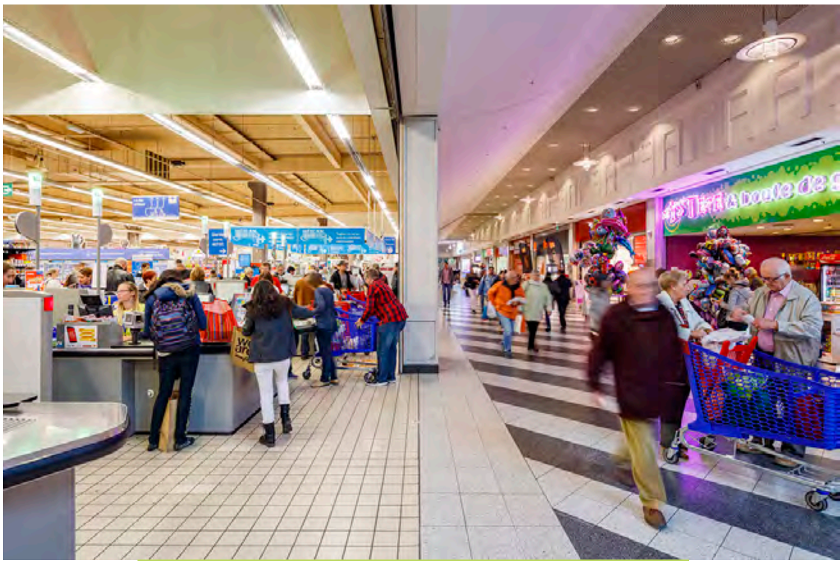
He/she must have an impeccable reputation of integrity (especially with regard to confidentiality, conflicts of interest and the prevention of abuse of privileged information), have a critical and business-like attitude and be able to develop a strategic vision.

Every Director must also be sufficiently motivated and have enough time to attend the meetings of the Board of Directors – and if applicable the meetings of the committee(s) he/she is a member of – and to prepare for these meetings.

For the composition of its Board of Directors the Company prefers complementarity of skills, experience and knowledge and, insofar possible, a mix of genders and diversity in general.

Two of the Directors are appointed as Chief Executive Officers and are responsible for the day-to-day management of the Company, and together form the Executive Management, and are thus Executive Managers in the sense of the RREC Law. The Chief Executive Officers may not also act as Chairman of the Board of Directors. The Chief Executive Officers are assisted in the execution of their duties by the other executive director(s) and a compact management organisation.

The Board of Directors has decided not to create an 'executive committee' in the sense of the Companies Code.



Belle-Île

Duration, appointment, evaluation and extension of the directors' appointments

Duration

The duration of the directors' mandates is limited to four years. The mandates are renewable.

The Directors are appointed and their mandate is renewed by the General Meeting of the Management Company, on proposal of the Board of Directors.

In order to ensure the continuity of the work of the Board of Directors and to prevent several Directors resigning simultaneously, the Board of Directors has drawn up a schedule on the basis of which Directors step down periodically.

The most recent departure schedule for the next three years drawn up by the Board of Directors shall be reported in the Annual Financial Report. For each Director it states when he/she was first appointed and when he/she was last reappointed.

The directors do not have any mutual family ties.

DIRECTORS	POSITION	START DATE MANDATE	MOST RECENT RENEWAL	END OF MANDATE
Luc Plasman	Managing Director Executive Manager	01/07/2011	30/06/2015	30/06/2016
Philippe Naert	Independent Director Member of the Audit Committee	01/04/2015		31/03/2017
Jacques de Smet	Independent Director Chairman of the Audit Committee	01/04/2015		31/03/2018
Dirk Goeminne	Independent Director Chairman of the Board of Directors	01/04/2015		31/03/2019
Kasper Deforche	Managing Director Executive Manager	01/07/2016		31/03/2020
Dirk Anbeek	Managing Director Executive Manager	31/07/2012	13/07/2016	08/04/2020

Appointment
In accordance with the RREC Law the people who participate in the management or policy of the Company, without participating in the Executive Management, must have the prerequisite expertise and experience appropriate to the execution of their duties.

Before submitting its proposals to the General Meeting, the Board of Directors shall:

(1) Collect advice and recommendations, in particular:
- regarding the number of Directors it deems desirable, without this number falling below the legal minimum;
- regarding the compatibility of the profile of the Director whose appointment must be extended, if applicable, as required by the Board of Directors;
- regarding the definition of the desired profile, based on the general selection criteria for the Directors, and based on the latest evaluation of the operation of the Board of Directors (which shows the current and required skills, knowledge and experience within the Board of Directors), and any special criteria applied in the search for one or more new Directors.

(2) In turn, it shall interview the candidates, if required check their curriculum vitae and references, take note of their other mandates (in publicly listed companies or otherwise) and evaluate them.

(3) Deliberate in accordance with the internal rules of the Boards of Directors.

The Board of Directors shall ensure that there are appropriate plans for the succession of the Directors, ensure that each appointment or each renewal of a Director's mandate, both for executive and non-executive Directors, enables the continuity of the operations of the Board of Directors and its committees to be guaranteed, and shall maintain the balance in the skills and experience of their members.

Non-executive Directors are made duly aware of the scope of their duties at such time that they propose their candidacy, in particular regarding their time management in the context of their duties. They may not take more than five directorships in publicly listed companies into consideration. Any alterations to their other relevant commitments and new commitments outside the Company are reported to the Chairman of the Board of Directors at the appropriate time. The Chairman of the Board of Directors reports this to the Secretary of the Company.

Each proposed appointment of a Director by the General Meeting of Shareholders is accompanied by a recommendation of the Board of Directors. The proposal states the proposed duration of the appointment, which may not be longer than four years, and includes relevant information about the professional qualifications of the candidate, together with a list of the positions that the candidate already holds. The Board of Directors shall state which candidates meet the independence criteria of Appendix A of the Corporate Governance Code. Without prejudice to the applicable legal provisions in this respect, appointment proposals shall be announced at least 24 days before the General Meeting of Shareholders, together with the other items on the agenda.

In the event of (re)appointment, a prior assessment of the profile outline shall take place. The reasons for re-appointment shall be explained to the General Meeting of Shareholders. In event of re-appointment, the way in which the candidate has performed his/her role as Director shall be taken into account. The presence of a conflict of interest during the underlying term shall be taken into account for the decision.

If one or more Directors' appointments become available, the remaining Directors have the right to fill these provisionally until the next General Meeting of Shareholders, which shall conduct the final election.

All the members of the Board of Directors must be natural persons.

Professional development

The Chairman ensures that new Directors are given adequate initial training to enable them to contribute quickly to the Board of Directors.

The Directors shall continuously update their knowledge of the affairs of the Company and the development of the real estate sector.

The Directors shall set aside sufficient time to effectively perform their duties and assume their responsibilities.

Evaluation

Under the leadership of its Chairman, the Board of Directors regularly evaluates (at least every two to three years) its size, composition, performance and that of its committees, as well as its interaction with the Executive Managers/the Executive Management.

This evaluation process has four objectives:
- to assess the operation of the Board of Directors and its committees;
- to check whether the key issues have been thoroughly prepared and discussed;
- to evaluate the actual contribution of every Director, his/her attendance at the meetings of the Board of Directors and the committees, as well as his/her constructive involvement in the discussions and the decision-making process; and
- to determine whether the current composition of the Board of Directors or the committees is in line with what is desirable.

Current members of the Board of Directors

The Board of Directors consists of the following five members (six until 30 June 2016):

Dirk Anbeek, (53), WTC Schiphol Toren A, Schiphol Boulevard 233, 1118 BH Schiphol, The Netherlands, has been Chief Executive Officer and Executive Manager since 31 July 2012. His appointment was renewed immediately after the General Meeting of 2016 for a period of four years until 8 April 2020.

Mr D. Anbeek is also Chairman of Wereldhave N.V., reference shareholder of Wereldhave Belgium.

Nationality: Dutch

Before Dirk Anbeek was appointed as statutory director of Wereldhave NV in 2012, he worked as a director for Albert Heijn EVP Franchise & Real Estate (2006-2009) and as Senior Vice President Business Planning & Performance (2004-2006). From 1996-2004 Mr Anbeek held various management positions within Ahold. He was senior consultant at PWC from 1994-1995. Furthermore, he held various management positions at DSM from 1988 to 1994.

(attendance rate during his mandate in 2016: 100%)

Current mandates:

- Statutory director of Wereldhave NV (publicly listed)
- Supervisory director of Ordina NV (publicly listed)
- Supervisory director of Detailresult Groep NV

Mandates ending in the last five years:

- none

Luc Plasman (63), Medialaan 30/6, 1800 Vilvoorde, Director and Chief Executive Officer since 1 July 2011 to 30 June 2016; during this period, comprises the Executive Management of the Company together with D. Anbeek. He has several years of experience in the (re)development of real estate projects and is also Chairman of the Belgium-Luxembourg Council of Shopping Centres (General Secretary since 1 January 2017).

His appointment ended on 30 June 2019. By mutual agreement the current mandate was prematurely terminated on 30 June 2016.

Nationality: Belgian

Luc Plasman graduated in civil engineering at the KUL in 1977. After two years of working as an assistant at the Institute of Industrial Chemistry at the KUL, as of 1980 Luc Plasman worked successively for ITH-Omnicadd NV (consulting engineers), IPEO/IGOPEX NV (project development) and WilmaProject Development NV (project development). From 1997 to 2010, Luc Plasman was Chief Executive Officer of ING Real Estate Development Belgium NV.

(attendance rate during his mandate until 30 June 2016: 100%)

Current mandates:

- Chairman (General Secretary) of the Belgium-Luxembourg Council of Shopping Centres (BLSC)
- Independent director NV VANA Real Estate

Mandates ending in the last five years:

- Chief Executive Officer of Wereldhave Belgium NV (until 30 June 2016)
- Director Wereldhave Belgium Services NV (until 30 June 2016)
- Director WBPM (until 30 June 2016)
- Director Halle Vastgoed (until 30 June 2016)
- Director Immo Guwy (until 30 June 2016)

- Director Waterloo Shopping bvba (until 30 June 2016)

Kasper Deforche (35), Medialaan 30/6, 1800 Vilvoorde, Director since 1 April 2015 for a period of four years (until 30 June2016 non-executive director, from 1 July 2016 Executive Director). In addition to a Masters of Applied Economic Sciences at the KU Leuven, he also holds degrees from Antwerp Management School, Solvay Brussels School and Harvard Business School. He has more than 10 years of experience in retail real estate and has previously worked at AG Real Estate and Vastned Retail Belgium.

Other mandates as director in publicly listed companies: none

(attendance rate during his mandate in 2016: 100%)

Current mandates:
- Director Wereldhave Belgium Services NV
- Director Multilist NV
- Director Pandecadadia NV
- Chief Executive Officer of Wereldhave Belgium NV (since 1 July 2016)
- Director Wereldhave Belgium Property Management (since 1 July 2016)
- Director Halle Vastgoed (since 1 July 2016)
- Director Immo Guwy (since 1 July 2016)
- Director Waterloo Shopping bvba (since 1 July 2016)
- Director Repsak BVBA
- Director of the Belgium-Luxembourg Council of Shopping Centres (BLSC)

Mandates ending in the last five years:
- Director Ag Re B2C NV
- Director Ag Real Estate Group Asset Management NV
- Director Ag Real Estate Westloan NV
- Director Agridec NV
- Director Citymo NV
- Director Gent Zuid NV
- Director Ladolcevita NV
- Director Ninia NV
- Director Nouvelles Galeries De Boulevard Anspach NV
- Director RDV-Invest NV
- Director RF-Invest NV
- Director RV-Invest NV
- Director Senre BVBA
- Director Shopimmo NV
- Director Societe De Developpement Commercial D'anderlecht Pour 200 NV
- Director Societe Hoteliere Du Wiltcher's NV
- Director Nobel NV
- Director Urbis NV
- Director Kanam Grund Kievitplein A NV
- Director Kanam Grund Kievitplein B NV
- Director Kanam Grund Kievitplein C NV
- Director Kanam Grund Kievitplein D-E-F NV
- Director Kanam Grund Kievitplein G NV
- Director Kanam Grund Kievitplein H NV
- Director Kanam Grund Kievitplein Parking NV
- Director Kanam Grund Kievitplein Shopping NV
- Director Kanam Grund Kievitplein J NV

Dirk Goeminne (61), Oudeheerwegheide 77, 9250 Waasmunster has international experience in various retail concerns and can thus make an important contribution to the strategic decision-making. He was appointed as independent Director and also Chairman of the Board for a period of four years starting on 1 April 2015 and ending on 31 March 2019.

Nationality: Belgian

Dirk Goeminne graduated from the UFSIA Antwerp with a Master of Applied Economic Sciences in 1976 and as a commercial engineer in 1977, and started his career in 1977 as an auditor at Price Waterhouse & Co.

Gent Overpoort

As of 1979 Dirk Goeminne worked in the textile and clothing industry and held successive management positions at ITC/ IDECO, Femilux NV, WE Belgium – WE France – WE Luxemburg, WE Europe BV. Since 1997 he was successively Chief Operating Officer and Chairman of the Executive Board of Hema BV. From 2003 to 2007 he was Chairman of the Executive Board of V & D and Member of the Executive Board of Maxeda.

(attendance rate during his mandate in 2016: 100%)

Current mandates:
- Independent Director of Van de Velde NV (Publicly listed)
- Supervisory Director of Beter Bed Holding NV (The Netherlands)
- Supervisory Director of Stern Groep NV
- Chief Executive Officer of Ter Beke NV (Publicly listed)
- Director JBC NV
- Supervisory Director Wielco BV (The Netherlands)

Mandates ending in the last five years:
- None

Philippe Naert (73) Struikenlaan 13, 2930 Brasschaat, has international experience in general management and marketing. He obtained a Master of Civil Engineering at the KUL in 1966, a 'postgraduate diploma in Management Science' at Manchester University (UK) in 1967 and a Ph.D. in Business Administration at Cornell University (US) in 1970. He was appointed independent Director for a period of two years starting on 1 April 2015 to 31 March 2017.

Nationality: Belgian

(attendance rate during his mandate in 2016: 100%)

Current mandates:
- Director of MDCS BVBA

- Director of MDCS International NV
- Chairman of the Board of Directors and independent director of Natural Granen Gebr De Scheemaecker
- Chairman of the Board of Directors and independent director of Hout van Steenberge NV
- Independent director of Concordia Textiles NV
- Chairman of the Board of Directors and independent director of Hobbyrama NV
- Independent director of 3D NV
- Independent director of Matériaux Gondry
- Independent director of Jori NV
- Chairman and independent director of Duror NV (Terre Blue)
- Chairman and non-executive director of Oxford Policy Management Ltd
- Chairman and independent director of Truncus NV
- Chairman and independent director of Chillafish NV

Mandates ending in the last five years:
- Director of Philippe Naert BVBA
- Independent director of KBC Groep NV
- Director and Dean of Antwerp Management School
- Independent director of Stock Americain Van Wiemeersch
- Chairman of the Board of Directors and independent director of Floré
- Independent director of Trilations NV

Jacques de Smet (67), Hagedoornlaan 96, 1180 Brussels has international financial experience in various companies.

He was appointed as independent Director for a period of three years starting on 1 April 2015 to 31 March 2018.

Nationality: Belgian

Jacques de Smet graduated from the VUB with a Master of Economic Sciences in 1973. He has held various management positions in various international companies.

(attendance rate during his mandate in 2016: 100%)

Current mandates:
- Chief executive officer of Gefor NV
- Independent director of Elia NV (publicly listed)
- Permanent representative of Gefor NV, member of the Board of Directors of Sabca NV (publicly listed)

Mandates ending in the last five years:
- none

Statements concerning the directors and executive management

On the basis of the information at its disposal, Wereldhave Belgium NV, Statutory Management Company, confirms that:

- for at least the past five years neither itself, nor its Directors or, in the event of companies acting as Director, their permanent representative, nor members of the Executive Management:
  - have been convicted of fraud;
  - have been subject to official or publicly expressed accusations and/or imposed penalties by a legal or supervisory authority (including recognised professional organisations), or have ever been declared incompetent by a court of law to act as a member of the management of a company or to act in the context of the management or the performance of the activities of a company;
  - have had an executive position as a member of the management, leading or supervisory bodies of a company at the time of a bankruptcy, receivership or liquidation.
- there are currently no contracts of employment or service-providing agreements with the Directors, or with the RREC, or with the Statutory Management Company, providing for specific payments at the end of the employment.
- the contracts of employment or service-providing agreements concluded between the Statutory Management Company and/or the RREC and the members of the Executive Management do not provide specific payments at the end of the employment.

Chairmanship

The Board of Directors appoints one of its independent Directors as Chairman, on the basis of his/her knowledge, abilities, experience and mediation skills.

The role of the Chairman consists of independently facilitating the operation of the Board of Directors and promoting the quality of the Company's management.

The specific duties of the Chairman are:

- communication with the Executive Managers/ Executive Management;
- chairing the Board of Directors and the associated tasks, as set out in the Charter and the Articles of Association of the Company
- negotiating with any advisors appointed by the Board of Directors;
- discussing the results of the annual evaluation of the operation of the Board of Directors with the members of the Board.
- to take also initiatives on subjects such as the selection, (re)appointment and assessment of members of the Board of Directors, payment issues, contacts/ communication with external advisers, in preparation for the debate on these subjects in the plenary meeting of the Board of Directors.
- to ensure in particular that the best Corporate Governance practices are applied to the relations between the Shareholders, the Board of Directors and the Executive Managers/ Executive Management.

Moreover, the Chairman ensures that:

- new members of the Board of Directors go through an introduction and training programme;
- the members of the Board of Directors promptly receive all information required for the proper performance of their duties;
- there is enough time for deliberations and decision-making by the Board of Directors.

Furthermore, the Chairman carries out the tasks assigned to him/her by law, the Articles of Association of the Company and the Board of Directors.

Duties of the Board of Directors

In addition to its legal and statutory obligations the Board of Directors carries out the duties of the Management Company. In that capacity it is responsible for the following tasks, among others:

- The Board of Directors preserves the values and the strategy of the Company, its willingness to take risks and the main policy guidelines.
    - Strategic decisions including investments and disinvestments, the leasing strategy, the general operation of the Company, and decisions on any initiative presented to the Board of Directors.
    - The Board of Directors provides the necessary financial and human resources to enable the Company to achieve its objectives.
    - When realising its objectives, the Board of Directors takes corporate social responsibility and diversity in general into account.
- The Board of Directors:
    - assesses the performance of the Executive Managers/Executive Management and the realisation of the Company's strategy;
    - assesses the effectiveness of the Audit Committee;
    - takes the necessary measures to safeguard the integrity of the Company, taking the assessment of the Compliance Officer into account;
    - takes the necessary measures for the timely publication and communication of the annual accounts and other financial and non-financial information to the Shareholders and potential Shareholders, in accordance with the existing legislation and regulations;
    - approves the internal control and risk management structure set up by the Executive Management and evaluates its implementation, taking account of the assessment of the Audit Committee and the person responsible for the Independent Internal Audit role and the Risk Officer;
    - supervises the performance of the Auditor and the internal audit function, taking the assessment of the Audit Committee into account;
    - describes and publishes the main features of the internal control and risk management systems of the Company.
- The Board of Directors decides on the structure of the Executive Management and defines the responsibilities entrusted to the Executive Management. They are incorporated in the internal rules of the Board of Directors and of the Executive Management.
- Taking measures for a smooth and effective dialogue with the current and potential shareholders, and with the customers of the Company (i.e. users of its real estate), based on mutual understanding of the objectives and interests, and in the interest of the Company.

Acceptance of the applicable rules

By accepting his/her mandate, the Director accepts all the rules applicable to the Management Company and the Company, and in particular the legislation on RRECs, the Articles of Association of the Company and of the Management Company, the Charter and the Internal Rules.

Right of information

Every Director is entitled to receive all information and documents required for the proper performance of his/her duties, without prejudice to the information and documents relating to corporate opportunities as defined in the Charter, and in the cases stipulated therein.

Operation

General

The Articles of Association of the Company stipulate that the Management Company must be organised in such a way that, within its Board of Directors, at least two natural persons are responsible for the Executive Management of the Company, who together form the Executive Management and who are also the Executive Managers in the sense of the RREC Law, as well as the Chief Executive Officers.

Frequency

The Board of Directors meets at least four times a year, and as often as necessary.

The frequency and schedule of the meetings are defined by the Board of Directors in close consultation with the Chief Executive Officers. The meeting schedule is set for the entire calendar year, by the end of the third quarter of the previous calendar year at the latest. Four meetings were held in 2016.

The Board of Directors discusses the strategy and the risks attached to the Company at least once a year.

Notice of meeting and agenda

The Board of Directors meets after being convened by its Chairman or two Directors. The notice of meeting must be given at least 24 hours before it convenes.

The notices of meeting are validly given by letter or any other telecommunication means of a tangible medium. They include the agenda.

The agenda states the topics that shall be considered at the meeting.

The Chairman ensures that the Directors punctually receive appropriate and correct information before the meetings so that the Board of Directors can deliberate with sound knowledge of the facts.

In the preparation for the meeting of the Board of Directors, the Directors shall spend the necessary time to examine the information and the documents they receive, and shall request additional information and documents when they deem it appropriate. They undertake to actively participate in the activities of the Board of Directors.

Chairmanship and secretariat
The Chairman chairs every meeting.

If absent, he is replaced by the oldest Director.

The Board of Directors has appointed a Company Secretary. All Directors may avail themselves of the Secretary's (E. De Landtsheer) services.

Proxies
Any Director unable to attend may be represented by another member of the Board of Directors at a specific meeting. The proxy must be appointed in writing, or by any other telecommunication means of a tangible medium.

A Director may represent several colleagues and cast as many votes for which he/she has been appointed as proxy, in addition to his/her own vote.

Decisions, quorum and majority
Except in the event of force majeure, the Board of Directors may only validly deliberate and decide if at least half of its members are present or represented. If this condition is not met, a new meeting must be convened which, provided that two Directors are present or represented, shall validly deliberate and decide on the items on the agenda of the previous meeting

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Every decision of the Board of Directors is taken by an absolute majority of the Directors present or represented and, if one or more of them abstain, by a majority of the other Directors. In the event of a tie, the vote of the person chairing the meeting shall be decisive.

All Directors have one vote. Blank votes and abstentions shall be considered as not having been cast when the number of votes is counted. If, after a second vote there is no majority on a decision to be made, the proposal shall be considered as rejected.

In exceptional cases that can be suitably justified by extreme urgency and Company interests, the Board of Directors may take decisions in writing. However, this procedure may not be used for closing the annual accounts and, if applicable, to call on the authorised capital. The decisions must be taken by the unanimous agreement of the Directors. The signatures of the Directors shall be placed either on a single document, or on several copies thereof. These decisions shall have the same validity as if they were taken by a properly convened meeting of the Board of Directors, and shall bear the date of the last signature placed on the above-mentioned document by the Directors.

Minutes

The deliberations and votes of the Board of Directors provide a summary of the discussions, specify the decisions taken and report any reservations of specific Directors.

They are signed by the Chairman of the Board of Directors and at least one other Director and the members who so wish.

The original is intended for the archives of Wereldhave Belgium NV. The Company keeps a copy for its own archives.

The Chairman, a Chief Executive Officer, each of whom acts in concert with another Director, are authorised to authenticate copies or excerpts of the minutes.

Transactions in company securities

For transactions in Company securities, the Director is subject to the preventive rules on market abuse in Appendix 7 of the Corporate Governance Charter.

For example, he/she must inform the Compliance Officer prior to any transaction.

Integrity and dedication

For all Directors, both executive and non-executive, and for the latter irrespective of whether or not they are independent, it is necessary that they can decide based on an independent judgement.

The Directors ensure that they receive detailed and accurate information, which they thoroughly study to obtain and maintain a good understanding of the main aspects of the company activities. They request clarification whenever they deem it necessary.

Although they are part of the same collective body, both executive and non-executive Directors each play a specific complementary role in the Board of Directors:

- The executive Directors provide the Board of Directors with all relevant and financial information so that the latter can effectively fulfill its role.
- The non-executive Directors present the strategy and the main policy guidelines, as proposed by the Executive Managers, in a critical and constructive way for discussion, and help elaborate it further.
- The non-executive Directors closely examine the performance of the Executive Managers in light of the agreed objectives.

The Directors must carefully handle the confidential information they receive in their capacity of Director.

A Director shall step down in the interim in the event of inadequate performance, structural disagreement of opinions, and incompatibility of interests, or when it is otherwise warranted, such as if sufficient grounds demonstrate that the Director's integrity has been jeopardised.

A business relationship between a Director and the Company must be reported in the Annual Financial Report.

A Director must immediately report a (potential) direct or indirect conflict of interest to the Chairman. A Director involved in a case of a conflict of interest shall provide all information on this to the Chairman, including the relevant information on his/her spouse, registered partner or other life partner, foster child, and blood relatives and relatives by marriage up to the second degree.

The Director concerned shall not participate in the Board of Director's assessment of the existence of a conflict of interest.

There is a 'conflict of interest' when the Company plans to enter into a transaction with a legal person:

(i) in which a Director has a personal financial interest;

(ii) in which a member of the board has a family relationship with a Director;

(iii) in which a Director holds a managerial or supervisory position.

The number of directorships of a member of the Board of Directors in other publicly listed companies and similar positions in non-listed companies or organisations is limited in order to guarantee the proper performance of the duties. To determine the number of directorships that can be deemed acceptable in such companies in an individual case, the workload resulting from these positions is ultimately decisive. However, the maximum number of directorships in publicly listed companies is five.

In November, each Director reports all directorships and other similar positions that could affect the workload. The report is made by updating a curriculum vitae to be sent out by the Secretary for publication in the Annual Financial Report.

For the individual Directors, the Annual Financial Report states the age, profession, main position, nationality and all other directorships in publicly listed companies. Moreover, the most significant ancillary posts shall be reported, insofar significant to perform the role of Director.

The Directors require permission from the Board of Directors to accept directorships in other publicly listed companies and similar positions in non-listed companies or organisations. The members of the Board of Directors shall request permission prior to the publication of any nomination for appointment. The request shall be submitted to the Chairman. The Chairman shall submit such a request relating to him or herself to two other members of the board.

THE COMMITTEES OF THE BOARD OF DIRECTORS

In accordance with articles 522, 526bis and 526quater of the Companies Code, the Management Company may form one or more advisory committees within its ranks and under its exclusive responsibility, such as, for example, a Strategic Committee, an Audit Committee, an Appointment Committee and a Remuneration Committee, and determine their internal rules.

The Board of Directors has created an Audit Committee. The role, composition and operation thereof are set out in the Internal Rules of the Audit Committee that are attached as Appendix 3 of the Charter and form an integral part of it. Moreover, the Board of Directors specifies the composition and the operation of the Audit Committee in the Corporate Governance Statement, which forms a separate chapter of the Annual Financial Report.

As the Company only meets two (average number of employees < 250 people and net annual turnover < 50 million) of the three criteria stipulated by article 526quater of the Companies Code, the Board of Directors has not set up a Remuneration Committee.

The Board of Directors has decided not to set up a Strategic Committee either. Moreover, the work of the Appointments Committee is performed by the full Board of Directors. The Board of Directors believes that its limited size enables efficient deliberations on the topics concerned. For the same reason, a Supervisory Committee of the Executive Managers has not been created as the responsibilities for this are exercised by the Directors who are not Executive Managers.

THE AUDIT COMMITTEE

Composition and remuneration

The Audit Committee consists of two members appointed by the Board of Directors of the Management Company from among the independent Directors. To comply with the recommendation of the Corporate Governance Code that the Audit Committee must have at least three members would lead to almost the entire Board forming part of the Audit Committee.

The members of the Audit Committee must have relevant knowledge and experience in accordance with the provisions of the Corporate Governance Code, in particular in accounting, audit and financial matters, with at least one 'independent' Director (In this case, Mr Jacques de Smet) holding a higher education certificate in economics or finance or having acquired the relevant experience in these subjects. The Audit Committee is not chaired by the Chairman of the Board of Directors.

The duration of the Audit Committee members' mandate may not exceed the duration of their directorship. The end of an Audit Committee member's mandate as Director also cancels his Audit Committee mandate.

If a maximum of four meetings are held per year, no attendance fees are paid to the members of the Audit Committee, unless decided otherwise by the Board of Directors.

The current composition of the Audit Committee:

Independent Director and Chairman

Jacques de Smet
Jacques de Smet has international financial experience in various companies.
Attendance quorum: 100% (4/4)

Independent Director

Philippe Naert
Philippe Naert has international experience in general management and marketing.
Attendance quorum: 100% (4/4)

Chairmanship

The Management Company's Board of Directors appoints the Chairman of the Committee.
He/she may not be the Management Company's Chairman of the Board of Directors.

The Chairman of the Audit Committee calls the meetings and stipulates the agenda, after consulting the Chief Financial Officer (CFO).

The Chief Financial Officer (CFO) ensures that the members of the Committee reach a consensus, after critical and constructive discussion of the items on the agenda.

The Chairman takes the necessary measures to create a climate of trust within the Committee and ensures its efficient operation. He ensures, among others, that each new member of the Committee is inducted smoothly, with the necessary personal contacts and the communication of useful information regarding the operation of the Committee in order to guarantee quick and efficient teamwork.

The Chairman is also the favoured point of contact of the Board of Directors regarding any matter for which the Committee is qualified.

Responsibilities

The Committee assists the Board of Directors and the Executive Managers in preserving a true and fair representation of the Company accounts as well as the quality of the internal and external audits and the information supplied to Shareholders and the market. To this end, the Committee provides the necessary advice and recommendations to the Board of Directors of the Management Company and the Executive Managers.

Special duties of the Audit Committee:

(1) In the context of financial reporting and monitoring of the process for their compilation:

- supervises the accounting integrity of the financial information provided by the Company: the drafting of the statutory annual accounts, consolidated accounts, the quarterly reports and the drafting of important financial communications for publication;
- examines any change in the application of the accounting principles, analyses and validates the accounting policies and the reporting;
- obtains information from the Chief Financial Officer (CFO) about the methods to be used for accounting treatment of significant and unusual operations, when various accounting treatments are possible;
- discusses the main financial reports with the Chief Financial Officer (CFO) and the Auditor.

(2) In the framework of the monitoring of the efficiency of the internal audit systems and the risk management of the Company:

- examines the internal audit and risk management procedures applied by the Company and its subsidiaries to ensure that the risks have been properly identified, managed and reported correctly to the Audit Committee;
- checks the description of the internal audit and risk management procedures, which must be included in the management report;
- examines the report that the Executive Manager must present to the Board of Directors, the FSMA and the Auditor on the evaluation of the internal audit procedures (which are comprised of three concrete pillars, i.e. internal audit, risk management and compliance, and these pillars are supervised by the person responsible for, respectively, the Independent internal audit function, the risk management function (the Risk Officer) and the compliance function (the Compliance Officer) – also called the independent control functions). Examines the notes and the risk management in the Annual Financial Report;
- examines the specific measures set up to enable staff or other people in contact with the Company to confidentially express their concerns on possible irregularities in the financial reporting or other matters;
- approves the internal audit operating rules and any changes to them, and is responsible for monitoring the efficiency of the internal audit and executes the assignment given to it according to the relevant operating rules.

(3) In the context of monitoring the annual and half year accounts:

- ensures the follow-up of the Auditor's questions and recommendations;
- examines the draft statutory annual accounts and consolidated annual accounts and expresses their opinion on them before presenting them to the Board of Directors;
- if necessary, consults the Chief Financial Officer (CFO) and the Auditor.

(4) In the context of monitoring the external audit:

- advises the Board of Directors on the appointment, re-appointment or dismissal of the Auditor and the amount of fees that must be paid for the execution of his/her commission;
- verifies the independence of the Auditor of the Company;
- grants prior approval for every commission entrusted to the Auditor of the Company, and which falls outside their statutory role. Verifies the nature and scope of non-audit services provided, and defines and applies a formal policy, which stipulates what types of non-audit services are excluded or allowed after examination by the Committee or automatically allowed, all this with the 'one-to-one' rule kept in mind;
- keeps itself apprised of the work programme of the Company Auditor;
- verifies the efficiency of the external audit procedure.

For the execution of its duties, the Committee discusses the main items with the Chief Financial Officer (CFO), the Auditor and any other person in the Company who it considers necessary to consult.

After reporting to the Chairman of the Board of Directors, the Audit Committee may request any advice and assistance from legal, accounting or other advisers that it deems necessary for the execution of its duties.

However, the Board of Directors has the sole power of decision.

The Audit Committee's performance of its duties does not in any way release the Board of Directors and its members from their own obligations and responsibilities.

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Operation

Meetings

The Audit Committee meets as often as necessary for its proper operation, and in any case at least four times per year, on the request of its chairman, one of its members, the Chairman, a Chief Executive Officer and the Chief Financial Officer (CFO). If necessary or on the request of one of its members or the Auditor, the Chairman of the Audit Committee can fix extraordinary meetings. The members are expected to attend all meetings of the committee. The Audit Committee may speak with any relevant person, without the presence of the Executive Managers. The Chairman of the Audit Committee may request the Auditor to attend a meeting of the Audit Committee.

The Audit Committee meets at least twice per year with the external auditor and the internal auditor in order to consult with them on subjects relating to its internal rules and on all matters arising from the audit process, and in particular the significant weaknesses of the internal audit.

The Audit Committee meets at least once a year the Auditor for an exchange of ideas on any issue that falls within its charge, and any issue raised by the audit process.

The Audit Committee may be assisted by the Company Secretary in the performance of its duties.

Moreover, for the performance of its role the Audit Committee may be assisted or advised by one or more experts appointed by the committee in return for a fee to be borne by the Company.

Although the Audit Committee is assigned with the tasks and authorities set out in these rules, it is not the role of the Audit Committee to plan or implement accountancy audits to determine whether the financial reporting and publications of the Company are complete and comply with the applicable law and regulations.

The Audit Committee may only exercise the authorizations that the Board of Directors has expressly granted and may not exercise any powers that extend further than the authorizations of the Board of Directors.

Each year, the Executive Managers/the Executive Management report to the Board of Directors on the developments in the relations with the Auditor, including in particular its independence (including the desirability of the rotation of the partners concerned within an Audit office that is assigned with the audit and the performance of non-audit activities for the Company by the same office).

The Audit Committee shall advise the Board of Directors on the report. Also on the grounds of this, the Board of Directors stipulates its shortlist for the appointment of an Auditor to the General Meeting of Shareholders.

Agenda – documents

The chairman of the Audit Committee specifies the agenda for the meetings of the Audit Committee and reports to the Board of Directors. Except for urgent circumstances, the meetings of the Audit Committee shall be convened at least five working days beforehand. The meeting of the Audit Committee shall be scheduled beforehand, insofar possible, and forms part of the schedule for the preparation of the annual accounts.

Every member of the Audit Committee has access to the books, data and offices of the Company and has the authority to conduct meetings with managers and employees insofar necessary or useful for the proper completion of its task.

A member of the Audit Committee exercises this right in consultation with the chairman of the Audit Committee and the Company Secretary.

Decisions, quorum and majority
In order to validly deliberate, the two members of the Audit Committee must be present. A member of the Audit Committee may not be represented by proxy. The advice and recommendations are made by a majority. The chairman of the Audit Committee does not have a decisive vote.

Minutes

The chairman of the Audit Committee appoints a person who is responsible for the secretariat of the Audit Committee and for drawing up the minutes of the meetings.

The minutes provide a summary of the discussions, specify the advice and recommendations, and in particular state the reservations that the members of the Committee made, if applicable. They shall be presented as a draft to all members of the Committee and are then formally approved and signed during a subsequent meeting of the Committee.

The original is kept by the Company, while a copy is handed to the Company Secretary for the files of the Company. The minutes are kept available for the Auditor.

A copy of the Audit Committee's minutes is available for all the members of the Board of Directors.

Reports

After each meeting of the Audit Committee the chairman of the Audit Committee (or in his/her absence, another member of the Audit Committee appointed for this purpose) reports to the next meeting of the Board of Directors on the execution of its duties, and in particular after the meetings dedicated to the compilation of the Annual Accounts intended for publication.

When the Audit Committee reports to the Board of Directors, the Audit Committee discusses the issues for which it considers an action or improvement necessary, and makes recommendations on the measures to be taken.

Evaluation

At least every three years the Audit Committee evaluates its own efficiency, operation and its interaction with the Board of Directors, re-examines its Internal Rules, and if applicable then recommends the necessary adjustments to the Board of Directors.

EXECUTIVE MANAGERS / EXECUTIVE MANAGEMENT

The Internal Rules attached as Appendix 4 of the Charter and which form an integral part thereof, describe the role, composition and operating rules.

In accordance with article 14, §3 of the RREC Law, the actual management of the Company is entrusted to at least two people, who hold the title of 'Executive Manager' or member of the Executive Management or Chief Executive Officer. The Executive Managers are also the Chief Executive Officers (2) of the Management Company's Board of Directors.

The Executive Managers are currently:

- D. Anbeek, Chief Executive Officer of the Board of Directors of the Management Company
- K. Deforche, Chief Executive Officer of the Board of Directors of the Management Company

Role

The role of the Executive Managers is primarily:

- to propose the Company strategy to the Board of Directors;
- to prepare all decisions that must be taken by the Board of Directors to fulfill its obligations;
- to execute the decisions of the Board of Directors regarding the acquisition or the transfer of real estate or shares of real estate companies in any form;
- to decide on the acquisition or transfer in any form of real estate or shares of real estate companies with a value, according to the general strategy stipulated by the Board of Directors;
- to lease real estate, and more generally to enter into agreements in this respect, in accordance with the general strategy stipulated by the Board of Director;
- to ensure the day-to-day management of the Company, and report to the Board of Directors in this respect;
- to monitor the treasury position of the Company, and to present the Board of Directors with a current, accurate and clear view of the operational and financial developments of the Company and its shareholdings;
- to organise internal audits (systems for the identification, evaluation, management and monitoring of financial, real estate and other risks, including the internal audit and risk management systems relating to the financial reporting process, including the Annual Financial Report and the consolidated Annual Accounts), without prejudice to the supervisory role of the Board of Directors, based on the framework approved by the Board of Directors;
- to supervise the preparation of the financial statements, corresponding to the applicable standards for Annual Accounts, accounting standards and accounting policies of the Company.
- the mandatory publication of the annual accounts by the Company;
- to present an objective and understandable evaluation of the financial situation, the budget and the 'business plan' and the monitoring thereof, to the Board of Directors;
- to hire and dismiss staff members and determine their remuneration, and

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- to bear the general responsibility and liability on the internal audit procedures that comprise three specific pillars, i.e. internal audit, risk management and compliance, and these pillars are supervised by the person responsible for, respectively, the independent internal audit function, the risk management function (the Risk Officer) and the compliance function (the Compliance Officer), also called the independent control functions.

Duties

The Executive Managers participate in the internal execution of Company activities and the outlining of its policy. In this respect their main duties are:

- to execute the decisions of the Board of Directors in general;
- to analyse the general policy and general strategy of the Company and, if need be, make proposals in this respect to the Board of Directors, to actually execute the general strategy and general policy of the Company, as decided by the Board of Directors;
- to predefine the opportunities or the needs with regard to investment, disinvestment and financing, and as the case may be to make proposals in this respect to the Board of Directors;
- to direct and lead the management team of the Company in accordance with the decisions of the Board of Directors;
- to supervise the detailed, targeted, reliable and accurate preparation of the financial statements, according to accounting standards and accounting policies of the Company, and to present the financial statements to the Board of Directors;
- to evaluate the financial situation, the budget and the business plan of the Company objectively and understandably, and to present the evaluation to the Board of Directors.

- to execute internal audits (systems for the identification, assessment, management and monitoring of financial and other risks), without detracting from the monitoring role of the Board of Directors and the role of the independent control functions, i.e. the person assigned with the independent internal audit function, the Risk Officer, and the Compliance Officer respectively;
- to report to the Board of Directors, the FSMA and the Auditor on the evaluation of the internal audit procedures, which comprise three specific pillars, i.e. internal audit, risk management and compliance, and these pillars are supervised by the person responsible for, respectively, the independent internal audit function, the Risk Officer and the Compliance Officer;
- to prepare the publication of the financial statements and the other financial and non-financial information.

The Executive Managers of the Company perform their duties without prejudice to the authorities of the Board of Directors.

The Executive Managers acting together are authorised to represent the Company, and with regard to the day-to-day management the Executive Managers, acting alone, are authorised to represent the company.

Operation
The Executive Managers meet at least twice per month, and also as often as necessary.

The Executive Managers take the necessary measures to create a climate of trust and close mutual cooperation, by contributing to open discussions and the constructive presentation of divergent opinions.

The Executive Managers carry out their duties collectively.

Corporate Governance
The Executive Managers act in the sole interest of all stakeholders. They organise their personal and business activities in such a way as to avoid any direct or indirect conflicts of interest with the Company (as explained in Appendix 7 of the Corporate Governance Charter).

They do not make any decisions and do not act in matters within their purview of responsibility, even should they be placed in a situation of a conflict of interests with the Company or with the sole interests of its Shareholders.

The Executive Managers undertake to comply with the provisions of the Belgian Corporate Governance Code and this Charter, in particular regarding the rules to prevent conflicts of interest and market abuse. The provisions regarding 'Integrity and dedication' of Directors apply to the Executive Managers.

Supervision

The Executive Managers are responsible for the execution of their duties, which they carry out under the supervision of the Board of Directors and without prejudice to the duties of the members of the Board of Directors.

The mandate of the Executive Managers runs respectively until 31 March 2020 (K. Deforche) and 8 April 2020 (D. Anbeek)

The regularly report to the Board of Directors on the execution of duties.

AUDIT FUNCTIONS

In the context of its internal audit, the Company must set up the internal audit procedures, a risk management policy and an integrity policy.

These are additionally supervised by the person responsible for the internal audit function, the risk management function and the compliance function respectively (together they are the 'independent audit functions').

Independent compliance function

Article 17, §4 of the RREC Law stipulates that the public Regulated Real Estate Company *"must take the necessary measures to be able to continually have a suitable independent compliance function to ensure the observance by the public Regulated Real Estate Company, its directors, executive management, employees and representatives, of the legal rules relating to the integrity of the business of the public Regulated Real Estate Company"*. Article 6 of the RREC Royal Decree stipulates that the public Regulated Real Estate Company *"must take the necessary measures to be able to permanently have a suitable independent compliance function. The compliance function is suitable when it ensures, with reasonable certainty, the observance by the public Regulated Real Estate Company, its directors, executive managers, employees and representatives, of the legal rules relating to the integrity of the business of the public Regulated Real Estate Company"*.

The 'independent compliance function' can be understood as an independent function within the Company, aimed at examining and fostering the observance by the company of the rules relating to the integrity of Company activities. The rules concern those arising from the company policy, status, and other legal and regulatory provisions.

In other words, this is a part of the corporate culture with an emphasis on honesty, integrity and the observance of high ethical standards in the conduct of business. These standards require the company and its employees to behave with integrity, i.e. honestly, reliably and credibly.

Mr Laurent Trenson (Company employee and senior accountant) was appointed as head of the independent compliance function on 22 September 2014 in accordance with article 14, §4 of the RREC Law. Mr Laurent Trenson's mandate of the independent compliance function is for a duration of three years. In his capacity as the person in charge of the compliance function, Mr Laurent Trenson reports to Mr Kasper Deforche, in his capacity as Executive Manager of the Company and Chief Executive Officer of Wereldhave Belgium NV, i.e. the statutory Management Company of the Company.

Independent risk management function

Article 17, §5 of the RREC Law stipulates that the public Regulated Real Estate Company *"must have a suitable risk management function and a suitable risk management policy"*. In the context of the 'risk management policy' the company must demonstrate that it is able to effectively assess, control and monitor the (potential) exposure to risks (e.g. operational, market, liquidity and counterparty risks) attached to its 'portfolio' and other activities.

The person responsible for the risk management function is responsible inter alia, for drawing up, developing, monitoring, updating and implementing the risk management policy and the risk management procedures.

Mr Laurent Trenson (Company employee and senior accountant) was appointed as head of the independent risk management function on 22 September 2014 in accordance with article 14, §4 of the RREC Law. Mr Laurent Trenson's mandate of the independent risk management function is for a duration of three years. In his capacity as the person in charge of the risk management function, Mr Laurent Trenson reports to Mr Kasper Deforche, in his capacity as Executive Manager of the Company and Chief Executive Officer of Wereldhave Belgium NV, i.e. the statutory Management Company of the Company.

Independent internal audit function

Article 17, §3 of the RREC Law stipulates that the public Regulated Real Estate Company "takes the necessary measures to be able to continue to be in possession of a suitable internal audit function. The FSMA may allow departures to the provisions of the first paragraph if the public Regulated Real Estate Company demonstrates that this requirement is not proportionate and suitable in view of the nature, size and complexity of its business, without, however, being able to depart from the actual requirement to possess an internal audit function. The FSMA may impose specific conditions for granting such departures."

The 'internal audit' can be understood as an independent assessment function embedded in the organisation. This function is aimed at investigating and evaluating the proper operation, effectiveness and efficiency of the internal (audit) processes/procedures applied by the Company, including the compliance function and the risk management function. The person responsible for the internal audit may give the various members of the organisation analyses, recommendations, advice, evaluations and information on the activities audited, within the scope of the exercise of their responsibilities.

The Company has appointed the external consultant, JP Advisory Services BVBA, represented by its permanent representative, John Puttemans, appointed as the person in charge of the internal audit. Mr Dirk Anbeek (Chief Executive Officer and Executive Manager of Wereldhave Belgium N.V., i.e. the statutory Management Company of the Company), has been appointed as non-operational Executive Manager, in accordance with article 14, §4 of the RREC Law, who supervises the internal audit function performed by JP Advisory Services BVBA and is thus considered to be the person ultimately responsible for the internal audit of the Company. The mandate of JP Advisory Services BVBA as external consultant, and the mandate of Mr Dirk Anbeek as the person ultimately responsible for the internal audit function, have a duration of three years from the date of 22 September 2014.

REMUNERATION REPORT

REMUNERATION OF THE MANAGEMENT COMPANY

The Statutory Management Company receives a fixed remuneration for the exercise of its mandate.

This remuneration covers the costs of the independent Directors. The annual remuneration reflects the responsibilities and time spent by the independent Directors. Costs may not be charged to the Statutory Management for non-independent Directors.

The remuneration method of the Statutory Management Company is described in article 15 of the Articles of Association. It can thus only be changed by a decision to amend the Articles of Association by the General Meeting of Shareholders.

The remuneration is due per calendar year and is payable after approval of the annual accounts by the General Meeting of Shareholders. The remuneration of the Management Company for 2016 was € 120,000 (ex. VAT) and is paid by Comm. VA Wereldhave Belgium.

The remuneration of the Statutory Management Company is subject to supervision by the Auditor and satisfies article 35, §1 of the RREC Law.

OVERVIEW OF INDIVIDUAL COMPENSATION DURING 2016

(ALL AMOUNTS ARE - WHERE APPLICABLE - EXCL. VAT)

INDEPENDENT NON-EXECUTIVE MANAGERS	FIXED
Dirk Goeminne - President	25,000
Jacques de Smet - President of the Audit Committee	22,500
Philippe Naert	20,000

DEPENDENT EXECUTIVE MANAGERS	
K. Deforche (until 30 June 2016)	unpaid mandate [1)]
Executive Management - Effective Leaders:	
D. Anbeek	unpaid mandate
L. Plasman	unpaid mandate (employee status)
K. Deforche (since 1 Juli 2016)	unpaid mandate [1)]

[1)] See Remuneration of Executive Management members

REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration amount for independent Directors is determined by the Management Company's General Meeting, on the proposal of the Board of Directors.

The total remuneration consists of an annual fixed amount. The independent Directors are entitled to an annual fixed remuneration of € 20,000. The Chairman of the Board of Directors receives an additional € 5,000 each year, the Chairman of the Audit Committee € 2,500. Independent directors are not entitled to variable remuneration or other benefits.

The remuneration amount for non-independent executive Directors is established in agreement with the Statutory Management Company and is determined by the Board of Directors. The same procedure is applied for every adjustment of remuneration for the dependent Directors. The remuneration methodology relating to Kasper Deforche is explained in detail in the chapter 'Remuneration of Executive Management members'. The mandate of Dirk Anbeek is unpaid. He represents the reference shareholder and receives a remuneration in this respect.

The Remuneration Policy of the Company purposes to offer those involved with the company's management, remuneration such that it can attract, keep and motivate the desired profiles.

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The Statutory Management Company wishes to offer those involved a level of remuneration comparable to that which is offered by other companies for similar positions. Except in the event of a decision by the Management Company to the contrary, the remuneration policy shall not be altered over the next two years.

In order to keep informed of the remuneration applicable on the market, the Statutory Management Company participates in benchmarks of social secretariats or specialised consultants. It may also consult these specialists occasionally irrespective of any benchmarks.

For a more in-depth perspective on the characteristics of the various categories of those who collect remuneration, one can consult other chapters of the Governance Charter.

REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Remuneration Policy of the Company relating to the Executive Management is a matter for the Board of Directors of the Statutory Management Company. Remuneration of the Executive Management is evaluated annually. The Board of Directors of the Statutory Management Company has developed and approved a suitable Remuneration Policy that consists of two components:

- a fixed remuneration;
- a variable remuneration in the short and long term.

The Company complies with the remuneration policy of the Companies Code and the Royal Decree applicable to Regulated Real Estate Companies, as well as the principles of the Corporate Governance Code.

Each year, the Board of Directors of the Statutory Management Company analyses the remuneration policy for the members of the Executive Management and examines whether an adjustment is required. All components of the remuneration policy are analysed. This analysis is coupled with an assessment (benchmarking) of the remuneration policy of other publicly listed real estate companies.

REMUNERATION OF EXECUTIVE MANAGEMENT MEMBERS

The amount of remuneration for Executive Management members consists of the following components: a fixed remuneration and a short term and long-term variable remuneration. The mandate of Dirk Anbeek is not remunerated. He represents the reference shareholder and receives a remuneration in this respect.

Fixed remuneration for Executive Management members is determined according to their individual responsibilities and skills. This remuneration is not related to the profit of the RREC.

Variable remuneration is determined and based on the effective realisation of the financial and qualitative objectives that are annually established and evaluated by the Board of Directors of the Statutory Management Company. These objectives are determined according to well defined criteria, weighted according to their importance, and approved by the Board of Directors of the Statutory Management Company.

Short-term variable remuneration:
For financial year 2016 the evaluation criteria for determining variable remuneration were as follows: the direct profit per share (25%), occupancy rate (25%), the like-for-like rent growth (25%), the progress of the development portfolio (10%), and the General Management (15%).

The Board of Directors of the Statutory Management Company evaluated the realisation of these objectives for 2016, and set short term variable remuneration at € 70,000 for Kasper Deforche (*).Following the termination of employment (employee status) between the Company and Luc Plasman dated 30 October 2016, a lump sum of € 144,000 has been granted.

Long-term variable remuneration:
The Board of Directors of the Statutory Management Company evaluated the realisation of these objectives for 2016, and set the variable remuneration at € 80,000 for Kasper Deforche (*).

Allocation criteria/objectives:

- The Company achieved its targets for 2016:
  - earnings per share (EPS) (75%);
  - sustainability (25%).

Conditions:

- Half payable in the second year following the year for which the allowance is granted and the other half in the third year in which the allowance is granted;
- Employed by the company at the time of payment;
- If the employment has ended before the payment date as a result of an organisational decision that is not related to performance, the variable remuneration remains earned.

Except in the event of a decision to the contrary by the Management Company, the Remuneration Policy shall not be altered over the next two years.

The other benefits include the reimbursement of professional expenses incurred in relation to their position.

The contracts of the Executive Management do not provide a right to reclaim variable remuneration that is attributable to incorrect financial data.

Members of the Executive Management hold no shares, share options or other rights to acquire shares.

The Ordinary General Meeting of Shareholders that decides on the Annual Financial Report of the Statutory Management Company's Board of Directors shall also decide on the remuneration report by a separate vote.

2016	FIXED COMPENSATION	VARIABLE COMPENSATION SHORT TERM	VARIABLE COMPENSATION LONG TERM	RETIREMENT PLAN	FRINGE BENEFITS	TOTAL
L. Plasman (until 30/10/2016)	€ 350,111	€ 0	€ 0	€ 10,341	€ 5,228	€ 365,681
	€ 275,000	€ 70,000	€ 80,000	€ 0	€ 0	€ 425,000
D. Anbeek	unsalaried mandate					

2016	FIXED COMPENSATION	VARIABLE COMPENSATION SHORT TERM	VARIABLE COMPENSATION LONG TERM	RETIREMENT PLAN	FRINGE BENEFITS	TOTAL
L. Plasman	€ 203,960	€ 72,000	€ 72,000	€ 11,282	€ 3,974	€ 363,216
D. Anbeek	unsalaried mandate					

*Details on service agreements

a.Service agreement between Kasper Deforche and the Company for holding the position of CEO of the relevant listed entity. There is an annual fixed fee of € 125,000 for financial year 2016 (from 1 July 2016, € 150,000) and variable remuneration amounting to at least € 50,000 and a maximum of € 100,000 (excl. VAT) which is payable for half in the second year following the year for which the remuneration was granted and the other half in the third year following the year for which the remuneration was granted. A flat rate of 12 months' remuneration is foreseen in the event of termination by the Company.

b.Service agreement between REPSAK BVBA, with registered office at Onze Lieve Heerweg 16 – 1860 Meise, with as permanent representative Kasper Deforche, and Wereldhave Belgium Services NV, for handling the operational management of the relevant management entity. There is an annual fixed fee of € 125,000 for financial year 2016 (from 1 July, € 150,000) and variable remuneration amounting to at least € 50,000 and a maximum of € 100,000 (excl. VAT) which is payable in the second year following the year for which the remuneration was granted. A flat rate of 12 months' remuneration is foreseen in the event of termination by the Company.

PREVENTION AND CONFLICTS OF INTERESTS

Conflicts of interests and conflicting functions

The Director arranges his personal and professional interests in such a way that all conflicts with the interests of the Company are ruled out and correspond exclusively with the interests of the Shareholders.

The Director informs the Board of Directors of conflicts of interests, and if applicable, he does not vote on the point in question, in accordance with the Companies Code.

Every Director who determines that a transaction brought before the Board of Directors is of such a nature as to be of interest to a different company in which he performs a director's mandate or other mandate, shall immediately notify the Chairman of the Board of Directors of this. Only if the entity that he is part of applies appropriate 'Chinese Walls' procedures, he withdraws from the deliberation and decision-making process with regard to this transaction and does not receive the information regarding the transaction, in accordance with what is stipulated in this respect in the Charter.

A Director may accept mandates at other companies, as long as he does not perform more than five director's mandates in listed companies and as long as he complies with the obligations regarding notification of these mandates that are stipulated in the Charter. Every Director who is planning to accept a mandate in addition to the one he is carrying out (excluding director's mandates in companies that are controlled by the Company and excluding director's mandates that are, according to the judgement of the Director in question, not of such a nature that they influence his availability) notifies the Chairman of this fact, and examines together with the Chairman whether this new burden leaves him with sufficient availability for the Company.

Preventive rules for conflicts of interests

Regarding the prevention of conflicts of interests, the Company is, on the one hand, subject to the articles 523 and 524 of the Companies Code and the articles 36, 37 and 38 of the RREC Law, and on the other hand, it is subject to the stipulations of its Corporate Governance Charter.

Article 523 of the Companies Code stipulates that a director with an interest of a property management-related nature that is in conflict with a decision or a transaction falling under the authority of the Board of Directors, must notify the other directors of this before the Board of Directors makes a decision, and must refrain from participating in the deliberations or the vote; the minutes of the Board of Directors must contain the legally prescribed statements. The Corporate Governance Charter clarifies that transactions between the Company and its directors must take place in accordance with the usual market conditions. Such transactions are also published in the Annual report, with mention of the conflict of interests and the statement that the stipulations regarding this have been complied with.

Belle-Île

Article 524 of the Companies Code also requires decisions or transactions performed in execution of decisions of the Company (or its subsidiaries) that relate to the relationships with connected companies (excluding those with their respective subsidiaries) to be submitted to a committee of independent Directors, assisted by one or multiple independent experts, for advice. The aforementioned procedure does not apply to (i) usual decisions and transactions that have taken place under usual market conditions for similar transactions and (ii) decisions and transactions that represent less than 1% of the net assets of the Company according to the most recent consolidated Annual Accounts.

Article 37 of the RREC Law stipulates that the FSMA must be notified of transactions planned by the public Regulated Real Estate Company or one of its subsidiaries if one or multiple of the following persons is directly or indirectly acting as a counterparty in that transaction or gains any property benefit from it:

- the persons that control the public Regulated Real Estate Company or own participation in it;
- the persons with whom (a) the public Regulated Real Estate company, (b) a subsidiary of the public Regulated Real Estate Company, (c) the business manager-legal person of the public Regulated Real Estate Company in the form of a partnership limited by shares, or of a company controlled by the same, (d) the promotor and (e) the other shareholders of a subsidiary of the public Regulated Real Estate Company are connected or are linked by virtue of participating interest;
- the business manager-legal person of the public Regulated Real Estate Company or one of its subsidiaries that has taken the form of a partnership limited by shares;
- the promotor of the public Regulated Real Estate Company;
- the other shareholders of all subsidiaries of the public Regulated Real Estate Company; or

- the directors, the business managers, the members of the management committee, the persons entrusted with the daily management, the senior managers or the agents:
  - of the public Regulated Real Estate Company or one of its subsidiaries;
  - of the business manager-legal person of the public Regulated Real Estate Company or one of its subsidiaries that has taken the form of a partnership limited by shares;
  - of the promotor;
  - of the other shareholder of any subsidiary of the public Regulated Real Estate Company; and
  - of a person that controls the public Regulated Real Estate Company or owns participation in it.

In its notification to the FSMA, the Company must demonstrate that the planned transaction is in its interest, and must also demonstrate that the transaction has a place within the normal course of its business strategy.

Transactions covered by article 37, § 1 of the RREC Law must be carried out under normal market conditions (article 37, §3 of the RREC-Law).

The Company must comply with the valuation of the expert in accordance with article 49, § 2, of the RREC Law when a transaction with the above-mentioned persons relates to real estate.

The provisions of Articles 36 and 37 of the RREC law do not apply to:

- transactions involving a sum that is less than the lowest amount of either 1% of the consolidated assets of the public Regulated Real Estate Company or € 2,500,000;
- the acquisition of securities by the public RREC or one of its subsidiaries in the context of a public issue by a third-party issuer, for which a promoter or one of the persons referred to in Article 37, § 1 acts as intermediary within the meaning of Article 2, 10° of the Law of 2 August 2002;
- the acquisition of or subscription to the shares in the public RREC issued as a result of a decision by the general meeting by the persons referred to in Article 37, § 1; and
- transactions involving the liquid assets of the public RREC or one of its subsidiaries, provided by the person acting as counterparty has the capacity of intermediary within the meaning of Article 2, 10° of the law of 2 August 2002 and that these transactions are executed under normal market conditions.

Overview of conflicts of interests in the previous and current financial year

There have been no conflicts of interests within the Company between the Company, its Business Manager and the members of the Board of Directors in the previous financial year and in the current financial year up to the Date of this Annual Report.

CODE OF CONDUCT FOR FINANCIAL TRANSACTIONS

Introduction

Insider trading is the purchase or sale of shares or other financial instruments while making use of accurate and important not-yet-published information regarding the Company, its clients or suppliers with the intent of gaining unjustified advantage. Insider information is information that could be used by a reasonable investor in his/her investment decision. Insider trading is unethical and is illegal in most countries. It is also unethical and, in some cases, illegal, to share insider information that one has obtained within the context of one's position, other than within the normal scope of executing one's position.

The Company has decided to improve prevention of insider trading by adopting a policy and by implementing a specific procedure. Insider trading is a part of criminal law: the persons involved, as well as the company, can become the object of criminal and/or administrative prosecution. It also increases the risk that procedures are instituted against the Company, its Directors and the Senior Managers, and that their liability is at stake in procedures with regard to fraud with financial instruments. Notwithstanding this policy, the Company expects legal and ethical conduct from its Directors, Senior Manager and Employees.

Objective

The Company has adopted this policy with regard to its Directors, Executive Managers, Employees, family members and appointed third parties that have access to insider information regarding the Company, in order to avoid any (appearance of) violation of the laws governing:

- the purchase and sale of securities issued by the Company while the person involved had insider information at his/her disposal (information that was not published, was accurate and important, and which could significantly influence the share price of the financial instruments involved);
- providing insider information to third parties.

Scope

This policy applies to Directors, Executive Managers, Wereldhave Group employees, their family members (together the 'Insiders') and all third parties who have inside information about the Company due to their connections.

The present policy applies to all transactions involving securities issued by the Company, including the shares, share options and all other securities that the Company could issue, such as preference shares, convertible bonds, warrants and listed options or any other derived product. The policy also applies to all securities of which the underlying value is the share of the Company, regardless of the issuer. Securities that are purchased or sold for the account of a Director, Senior Manager or employee of Wereldhave Group in execution of a contract for the discretionary management of a securities portfolio entered into with a bank or registered financial intermediary are not considered to have been purchased or sold by the Insider.

After the policy text has been approved by the members of the Board of Directors, a copy is transmitted to every Director, Executive Manager, employee or designated third party; every new Director, Executive Manager, employee and designated third party will receive a copy of the policy at the moment he/she becomes employed by or at the beginning of his/her relationship with the Company.

Directors, Executive Managers and key employees

Directors and Executive Managers

The Directors and Senior Managers have regular or occasional access to insider information. They are advised to exercise due caution when purchasing or selling Company securities. In case of doubt they can consult the Compliance Officer.

Key employees

Due to their position in the Company and their regular or occasional access to insider information, key employees must exercise due caution when purchasing or selling Company securities. The Company will modify the list of key employees at the appropriate time in order to include the names of new key employees and to remove the names of key employees that have left the Company.

Risk & Compliance Officer – Internal Audit

Every public Regulated Real Estate Company must apply internal audit procedures, a risk management policy and an integrity policy within the framework of its internal monitoring. It is supervised by the person charged with respective functions of internal audit, risk management and compliance in accordance with article 17, § 3, 4 and 5 of the RREC Law (these are referred to as the 'independent checking functions' collectively).

Definition of 'insider information'

On 3 July 2016, the European Market Abuse Regulation (or "MAR") entered into force. The Market Abuse Regulation is directly applicable in all EU Member States and contains rules that apply to all who wish to trade in securities of the Company or other affiliates.

Concerning this Market Abuse Regulation, the Company has adopted new regulations for its employees, management and directors, with rules for ownership of and transactions in shares of Wereldhave Belgium or in derivative financial instruments such as outstanding stock options or convertible bonds.

In the context of the aforementioned Market Abuse Regulation, market abuse must be interpreted as (i) insider trading, (ii) the unlawful disclosure of insider information, and (iii) market manipulation.

In application of article 17 MAR, forbidden are a) insider trading or attempts at insider trading, b) advising others to engage in insider trading or c) unlawfully communicating insider information. In application of article 18 MAR, it is forbidden to manipulate or attempt to manipulate the market (as market manipulation is defined in article 12 MAR).

In accordance with article 7 MAR, insider information is defined as any non-public information that is specifically and directly or indirectly related to the Company or its Financial Instruments, which, if it were made public, could have a significant impact on the price of these Financial Instruments.

Information is considered to probably have a significant impact on the price of Financial Instruments if a reasonable investor would be likely to use this information to base in part his or her investment decisions upon.

Information is deemed to be specific if it relates to a situation that exists or which may reasonably be assumed will occur, or to an event that has occurred or which may reasonably be assumed will occur, and if the information is specific enough to draw a conclusion on the possible impact of the situation or event intended above on the prices of Financial Instruments.

In the case of a process spread over time that is intended to cause a particular situation or event take place, or that results in a certain situation or event, this future situation or future event, as well as the intermediate steps in this process related to the creation or the occurrence of such a future situation or future event, is considered specific information in this context. An intermediate step in the process spread over time is considered as insider information if this intermediate step meets the criteria for insider information.

In application of article 8 MAR, insider trading takes place when a person who has insider information uses this information for his or her own account or on behalf of third parties to acquire or dispose of, directly or indirectly, financial instruments to which that information relates. The use of insider information for cancelling or changing an order concerning a financial instrument to which the information relates, when the order was placed before the person concerned possessed the insider information in question, shall also be considered as insider trading.

Consulting the Compliance Officer
Every Insider who wishes to be certain as to whether the information that he/she has access to is accurate and important and public, is advised to consult the Compliance Officer before purchasing or selling Company securities.

Policy of the Company and procedures

Prohibited activities

- Insiders are prohibited from purchasing or selling Company securities if they have access to insider information about the Company;
- Insiders may not purchase or sell Company securities outside the trading windows as described below, or during special closed periods to be determined by the Compliance Officer;
- Directors, Executive Managers and key employees may only purchase or sell Company securities after they have informed the Compliance Officer of this in accordance with the procedure described below. The Directors, Executive Managers and key employees are advised to keep track of documents that demonstrate the reason of purchase or sale to the extent possible;
- Insiders shall not notify third parties (including their family members, analysts, private investors, members of an investment group and news media) of insider information concerning the Company, except in the framework of the normal exercise of their role within the Company, and only after having received permission for this from the Compliance Officer. If insider information is shared with third parties, the Company will take the necessary steps to safeguard the confidentiality of the information, for example by asking the third party to confirm in writing that he/she/it will respect the stipulations of the policy and/or having him/her/it sign a confidentiality agreement. Every question of third parties regarding accurate and important not-yet public information about the Company must be transmitted to the Compliance Officer;
- Insiders shall not make any recommendations regarding the purchase or sale of Company securities when they have access to insider information regarding the Company, except that Insiders must recommend third parties against purchasing or selling Company securities if this purchase or sale would constitute a breach of the law or of the policy. The Company strongly advises Insiders not to utter any recommendations to third parties regarding the purchase and sale of securities of the Company, not even when they do not have access to insider information regarding the Company;

- Insiders shall not purchase or sell any securities of a different listed company or advise third parties to purchase or sell those securities or share insider information about that other public company while they have access to insider information about that company within the context of their position within the Company.

Trading windows and closed periods

Trading windows for Directors, Executive Managers and key employees.
After having informed the Compliance Officer in accordance with the procedure described hereafter, the Directors, Executive Managers and key employees may purchase and sell Company securities during a period that starts at the closing of the stock exchange on the second complete business day following publication by the Company of its report regarding its (quarterly, biannual or) Annual Results, and ends at the closing of the stock exchange on the last day of the quarter in question.

Trading windows for other Insiders.
Insiders who are not Directors, Executive Managers or key employees may purchase or sell securities of the Company during a period that starts at the closing of the stock exchange on the second complete business day following publication by the Company of its report regarding its (quarterly, biannual or) Annual Results, and ends at the closing of the stock exchange on the last day of the quarter in question.

No purchasing or selling during a trading window for persons that have access to insider information.
Insiders that have access to insider information regarding the Company shall not purchase or sell Company securities, not even during trading windows. Whoever has access to insider information may only purchase or sell during a trading window after closing of the stock exchange on the second complete business day following the publication of the information in question by the Company.

No purchasing or selling during the closed period, nor during special closed periods.
Insiders shall not purchase or sell Company securities outside the applicable trading windows or during special closed periods that the Compliance Officer shall determine. Insiders shall not notify third parties that a special closed period has been determined.

In application of article 19, section 11 MAR, a person with managerial responsibilities at the Company in principle must refrain from carrying out transactions for his or her own account or, directly or indirectly, for the account of a third party, relating to shares or debt instruments of the Company or to derivatives or other related Financial Instruments during a closed period of thirty calendar days prior to the publication of the annual and half-yearly financial report.

A "person with managerial responsibilities" is a person who:

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a. is a member of a management or supervisory body;
b. has a managerial position but is not part of the bodies referred to under a) and who has regular access to insider information relating directly or indirectly to the Company, and who also has the power to take management decisions affecting the future developments and business prospects of the company.

Exceptions for exceptional circumstances. The Compliance Officer may allow the purchase or sale of Company securities outside the applicable trading windows (with the exception of the special closed periods) on an individual basis, taking into account special (financial or other) circumstances.

Procedure

Directors, Executive Managers and key employees may only purchase or sell Company securities after:

- having informed the Compliance Officer in writing of the number of securities involved and the nature of the transaction planned;
- having provided written confirmation to the Compliance Officer that they do not have access to insider information regarding the Company, at the latest two days before carrying out the planned transaction.

The Compliance Officer may allow the purchasing or sale of Company securities on an individual basis outside the applicable trading windows due to special (financial or other) circumstances.

If this occurs, the following procedure applies:

- the person involved notifies the Compliance Officer in writing of the special circumstances as well as the number of securities and the nature of the transaction planned;

- the person involved provides written confirmation to the Compliance Officer that he/she does not have access to insider information regarding the Company, a maximum of two days before the planned transaction; and
- the Compliance Officer provides written permission to carry out this transaction.

Precedence of legal restrictions

If legislation imposes more restrictions than the Insiders policy, the restrictions imposed by legislation apply. If insiders wish to know whether there are any stricter legal restrictions, they can consult the Compliance Officer.

Possibly civil, criminal and disciplinary sanctions

Civil and criminal sanctions

Insider trading or sharing insider information with third parties can have severe consequences. Whoever is found in breach of the legislation in respect to insider trading and sharing insider information with third parties, can be condemned to payment of the amount of profit gained or of the loss avoided, payment of the amount of the loss suffered by the person who has purchased the securities or to whom the securities have been sold, or payment of a civil compensation or a criminal fine, or to a prison sentence. The Company and/or those responsible for the person who has been found in breach can also be condemned to pay a civil compensation or a criminal fine.

Disciplinary sanctions

In the event of breach of the Insiders' policy by a Business Manager, an employee or a family member, a disciplinary sanction can be imposed on the Executive Manager or the employee. This sanction can even be dismissal for gross negligence.

Notification of breaches

Insiders who have knowledge of a breach of policy stipulations or of the legislation concerning insider trading or sharing insider information by another Insider must immediately inform the Compliance Officer about this. The Compliance Officer who knows about the breach decides together with the legal advisor of the Company whether the Company should publish the insider information and whether the Company should notify the competent authorities of the breach.

Disclosure obligation for persons with managerial responsibilities and persons closely related to them

Article 19, section 1 MAR foresees from 3 July 2016 the obligation for "persons with managerial responsibilities" and "persons closely related" to them (hereinafter "Parties with a Disclosure Obligation") to report to the Company and to the FSMA (Financial Services and Markets Authority) the transactions that they perform for their own account in shares or debt instruments of the Company, derivatives or other financial instruments connected thereto, without delay and no later than 3 working days after the date of the transaction.

A "person with managerial responsibilities" is a person who:

a)is a member of a management or supervisory body;

b)has a managerial position but is not part of the bodies referred to under a) and who has regular access to insider information relating directly or indirectly to the Company, and who also has the power to take management decisions affecting the future developments and business prospects of the Company.

By "persons closely related" to them must be understood:

a)the spouse of the person with managerial responsibilities, or any partner of that person who is legally regarded as equivalent to a spouse;

b)children who are legal dependants of the person with managerial responsibilities;

c)other relatives of the person with managerial responsibilities who on the date of the transaction in question shared the same household as the person concerned for at least the last year;

d)a legal entity, trust or partnership whose managerial responsibilities are discharged by a person referred to in a), b) and c) above, which is directly or indirectly controlled by such a person, established in favour of such a person, or whose economic interests are substantially equivalent to those of such a person.

Parties with a Disclosure Obligation shall report their transactions to the Company and the FSMA through the online reporting application developed by the FSMA.

The disclosure obligation intended In article 19, section 1 MAR applies when the total amount of the transactions reaches a threshold of € 5,000 within a calendar year.

The notification intended in article 19, section 1 MAR must contain the following information:

- The name and contact details of the person with managerial responsibility or, where applicable, the name of the person closely related to this person;
- Reason for notification;
- Name of the relevant issuer (Wereldhave Belgium Comm. VA);
- Description and characteristics of the financial instrument;
- Nature of the transaction(s) (e.g. acquisition or disposal) and indicating whether the transaction is related to the exercise of a stock option programme or to the specific examples cited in article 19, section 7 MAR;
- Date and location of the transaction(s); and,
- Price and size of the transaction(s). In the case of a transaction involving financial instruments as collateral and a potential change in value is foreseen, this fact must be reported, together with the value of the financial instruments on the date they are provided as collateral.

Notwithstanding article 19, section 3, first and second paragraphs MAR, the reported transactions are published by the FSMA on its website instead of by the Company.

The Company shall notify the persons with managerial responsibilities at the Company in writing of their responsibilities under article 19 MAR. The Company shall draw up a list of all persons with managerial responsibilities and persons closely related to them. The persons with managerial responsibilities in turn shall notify the persons closely related to them in writing of their responsibilities under article 19 MAR and retain a copy of this notification.

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Lists of persons with insider information

In application of article 18, section 1 MAR, the Company shall draw up lists of persons having access to insider information and who, on the basis of an employment contract, work or perform other tasks in which they have access to insider information, such as consultants, auditors and rating agencies (the list of insiders), on the basis of the standard forms drawn up by the FSMA, and shall continually update this list of insiders in accordance with that which is stipulated in article 18, section 4 MAR.

The aforementioned lists must be kept for five years and may be requested by the FSMA. The Company shall take all reasonable steps to ensure that the persons appearing on the list of insiders declare in writing that they are aware of their legal obligations and of the penalties that apply to insider trading and unlawful communication of insider information.

Disclosure of insider information

In application of article 17, section 1 MAR, the Company shall make the insider information that directly relates to the company public as soon as possible.

However, in accordance with article 17, section 4 MAR, the Company may, at its own responsibility, delay the public disclosure of insider information, provided that each of the following conditions are met:

- Immediate disclosure would likely harm its legitimate interests,
- It is unlikely that the public would be misled by this delay,
- The Company is able to ensure the confidentiality of the information in question.

In the event that the Company would decide to delay the disclosure of insider information, it shall inform the FSMA immediately after the information has been made public and explain in writing how the conditions for the delay were met.

Questions

All questions regarding policy stipulations and its procedures should be addressed to the Compliance Officer.

SUSTAINABILITY

GENERAL

Since 2013, Wereldhave Belgium has been actively monitoring and communicating with regard to the sustainability of the portfolio, raising awareness within the company, and involvement with its stakeholders.

In view of the increasing importance and attention that Wereldhave is giving to sustainability, last year was the first time the CSR report was included in the annual report.

A distinction needs to be made between the Wereldhave group and Wereldhave Belgium. Wereldhave Belgium follows its own objectives and meets these through its real estate portfolio.

The general objectives and state of affairs for 2016 are shown in the following diagram:

2016 KPI'S

PILLAR	TARGET	YEAR-END	STATUS BE
BRICKS	Improve energy efficiency with 30%	2020	on track
	Health & Safety Assessments for all shopping centres	2017	on track
	BREEAM 'Very Good' shopping centres	2020	44%
PEOPLE	Employee satisfaction scores of 7,5 or higher	2017	100%
	Increase average training to 25 hours pp	2017	on track
	Increase % female senior managers to 33%	2016	20%
PARTNERS	Create 1,000 permanent retail jobs (WH)	2017	on track
	75% of new leases considered to be 'green'	2015	89%
	Sustainable sourcing for all new suppliers	2016	94%
SOCIETY	Improve retail customer satisfaction to 'Good'	2016	100%
	Invest 1% of NRI	2016	100%
	95% of WH staff involved	2016	72%
GROUP	Maintain GRESB Green Star	2016	100%
	Maintain inclusion in DJSI Europe Index	2016	100%
	Maintain EPRA Gold Award sBPR	2016	100%

Since at the end of 2016 certain objectives were terminated or some objectives had already been achieved or had become standard practice, the objectives will be supplemented and strengthened for 2017. Where a few years ago we were more concerned with the big picture, we now see that we can go into more detail with personnel as well as with stakeholders.

A materiality matrix was also established for the Company that reflects the priorities of the stakeholders. This matrix will be reviewed and evaluated annually. Some points are already well implemented and require less attention and thus are lower in the chart, while other items that perhaps did not exist at the beginning of the report are now given a higher priority.

MATERIALITY MATRIX 2016

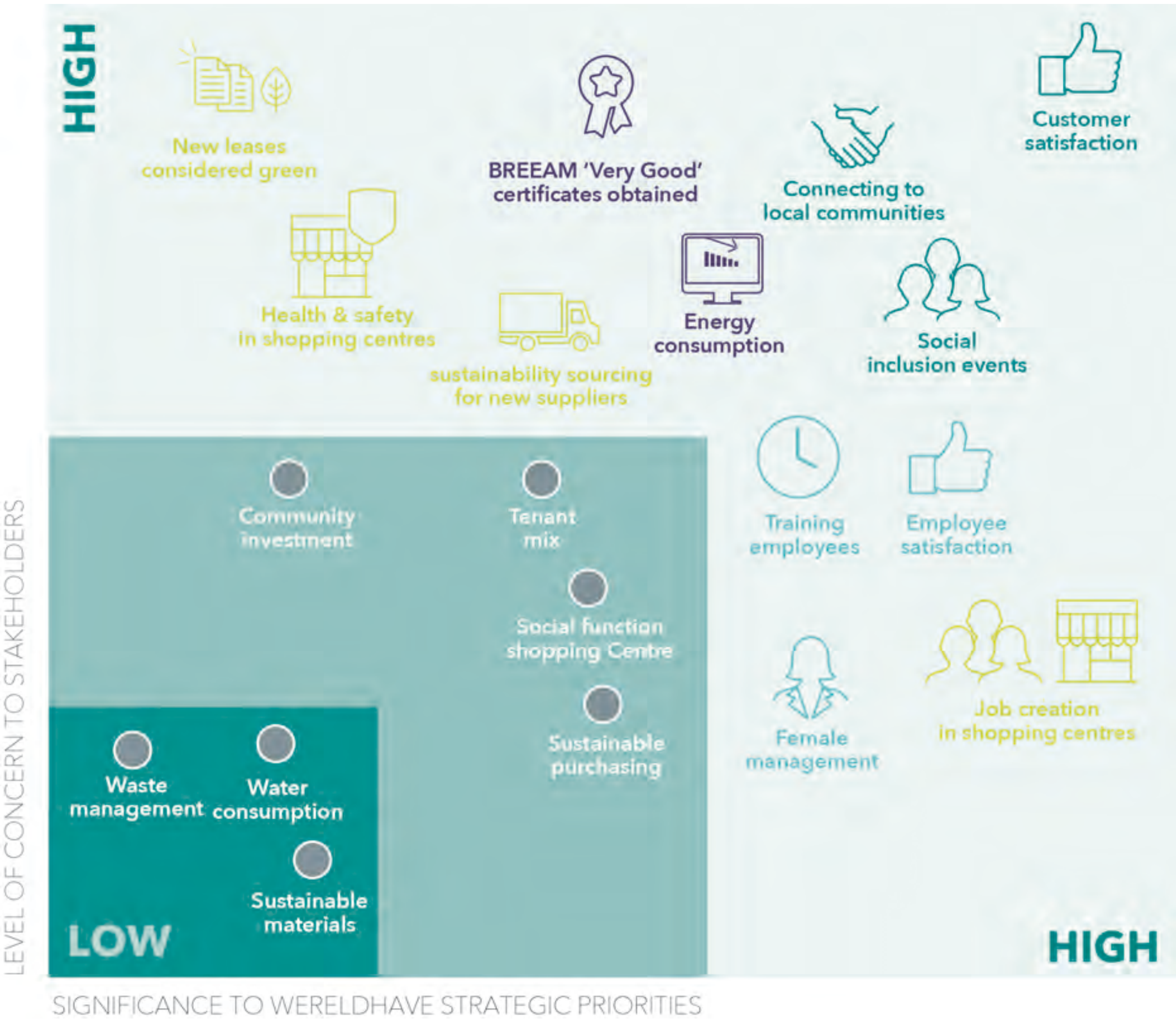

Figure: Materiality Matrix 2016

STAKEHOLDERS

1	Customers	All visitors	Satisfaction surveys SC websites Social media Events	Customer journey Communication Health & safety	Footfall Keep in touch with customer base Input for improvement Input for events
2	Retailers	All tenants	(key) account management Retailer seminars Tenant satisfaction surveys Tenant associations Sustainability committees	Energy, Water & Waste Health & safety Green leases BREEAM in-use Customer satisfaction Footfall	Mutual partnership Turnover Sustainability goals
3	Investors	Equity & debt providers Advisors Assurance firms	AGM Annual report Interim statements and trading updates One-to-one meetings EPRA Real estate seminars	Strategy Financing requirements Loans Governance Remuneration Reporting	Stability Transparency Guidance
4	Employees	All employees New recruits Representative bodies	News letters Result presentations Onboarding Career development Works council meetings intranet	Culture Remuneration Ethics and compliance Role clarity Health & safety	Inspired employees Committed and engaged Think retail
5	Suppliers	All suppliers	Supplier dialogue Charter Procurement Review of policy	Health & safety BREEAM in-use Ethics and integrity Sustainable value chain management	Partnerships Reliability Transparency Quality-cost control
6	Local communities	Catchment area	Events Licenses and permits Environment City competitiveness	Attractive social environment Health & safety Planning and regulations Job creation	Attractive sustainable environment Stronger community networks Long term relationship

Figure: List stakeholders

THE 4 PILLARS OF SUSTAINABILITY

Our Sustainability Framework consists of four pillars. These pillars are the basis of our CSR strategy. Each pillar contains a strategic approach that affects the Wereldhave portfolio, the organisation, the collaboration with partners and the contribution to the environment.

Figure: The 4 pillars of sustainability

PILLAR 1, BRICKS

The first pillar of Wereldhave Belgium's sustainability framework is dedicated to reducing the environmental impact of our buildings. We are attempting to reduce the impact on the environment by optimising energy efficiency, using sustainable materials and promoting public transport.

1. Increasing energy efficiency by 30% between 2013 and 2020. Using smart meters and building management systems, Wereldhave is able to monitor its energy consumption on a 24/7 basis.
2. Health risk and safety assessments for shopping centres in 2018. This is a new objective that was redefined in 2016 to the drafting of a health & safety dashboard in 2017: inspections, tests, procedures,... are clearly listed and monitored.
3. BREEAM VERY GOOD for shopping centres in 2020. BREEAM certification provides a comprehensive assessment of each building in order to reduce impact on the environment.

For the period Q4 2015 to Q3 2016, consumption in the shopping centres (like for like) decreased for electricity, water and gas. The big drop in gas consumption (-16%) is due to shutting down the heating in the warmer months (May to October) with no loss of comfort for visitors. The offices recorded a decrease everywhere (between -7% and -29%), except for gas (+5%). This increase needs to be investigated further. It is possibly related to configuration errors or measurement points that cause a false start of the system.

All data is based on absolute figures, mainly for the common parts and do not take account of degree days (= a severe winter or a hot summer).

The installation of smart meters was completed later than planned. We therefore must see 2016 rather as a reference year, although we started already in 2013. The stability of the figures for 2015 and 2016 makes this reliable, but it above all gives a better understanding of the centres or offices that are performing slightly better and those that are performing slightly worse. These best practices are now being analysed in order to exchange them and allow us to plan better in 2017. We are also investigating free cooling by opening the skylights at night during the summer. An energy plan per object is recommended and will also be one of the KPIs in 2017, as will be a water and waste management plan.

The tenants in some shopping centres have already been sensitised by a night walk this year: equipment or lighting that was unnecessarily left on was reported. Such interventions can take place each year: it is interesting for our equipment, but is also a service and introduction to the sustainability policy of Wereldhave Belgium.

Regarding waste, in total (retail + offices) 37% was recycled and 63% incinerated, with a large amount of the heat released in incineration being reused as energy.

RETAIL PERFORMANCE

		Q4-Q3	Q4-Q3	DELTA
Electricity	**kWh**	**2015**	**2016**	**15-16**
TOTAL absolute		6,384,189.00	7,568,399.56	
like for like absolute			6,365,813.56	-0.29%
Gas	**kWh**	**2015**	**2016**	**15-16**
TOTAL absolute		3,735,786.00	3,723,576.22	
like for like absolute			3,126,070.22	-16.32%
Water	**m³**	**2015**	**2016**	**15-16**
TOTAL absolute		23,397.20	29,937.80	
like for like absolute			22,569.80	-3.54%
Waste	**ton**	**2015**	**2016**	**15-16**
TOTAL absolute		1,339.01	1,578.00	
like for like absolute			1,348.32	0.69%

OFFICE PERFORMANCE

		Q4-Q3	Q4-Q3	DELTA
Electricity	**kWh**	**2015**	**2016**	**15-16**
TOTAL absolute		7,401,634.77	6,916,443.00	
like for like absolute				-6.56%
Gas	**kWh**	**2015**	**2016**	**15-16**
TOTAL absolute		5,256,845.00	5,536,024.00	
like for like absolute				5.31%
Water	**m³**	**2015**	**2016**	**15-16**
TOTAL absolute		28,641.00	20,384.00	
like for like absolute				-28.83%
Waste	**ton**	**2015**	**2016**	**15-16**
TOTAL absolute		235.71	192.22	
like for like absolute				-18.45%

The existing retail portfolio will be assessed using the BREEAM In-Use tool with the aim of achieving a Very Good certification in the area of building and management: Nivelles and Kortrijk were started in 2016, and both results were very good: Very Good was achieved for buildings and even an Excellent for management. The challenge for 2017 is to bring all the shopping centres to the same management level and to standardise procedures.

This was the first time that Wereldhave Belgium had an In-Use assessment performed. This was in the context of a large portfolio approach across the entire Wereldhave group, as well as a BRE pilot project with guidance and assessment by Bopro.

Ghent Overpoort and Genk 'Shopping 1' already obtained their BREEAM Construction Very Good certificate in 2015.

For the expansion and (re)developments in Liege and Tournai, the BREEAM Design/ Construction process is also being followed with the same minimum target: a Very Good certificate.

On 31 December 2016, 44% of our Belgian retail portfolio (4/9) had been certified. Since Waterloo still needs to be redeveloped and the Genk City Square is an existing gallery, they can be removed from the scope, in which case 4/7 (57%) has been certified.

Where possible local energy production was used. Thus solar panels were installed in Nivelles in 2012, followed in 2014 by Liege and Ghent. All provisions have been made in the expansions to easily allow the connection of new solar panels.

Other actions taken in 2016:

- LED lighting in the parking areas of the offices in Berchem
- LED lighting in the parking areas of the offices in Vilvoorde, Medialaan.
- Outdoor seating in Vilvoorde, Medialaan
- Start-up of Building Management System, Sauter, for the offices
- Energy assessment for the offices
- LED lighting in the parking area of Shopping Nivelles
- Intensive actions (in the context of the BREEAM assessment) for Shopping Nivelles and Ring Shopping Kortrijk Noord: adding or calibrating water-save buttons on the toilets, adding motion detectors, night walks, improved ecology at the sites, communication with tenants and visitors ... We will continue to identify, analyse and address energy consumption in 2017.

Figure: BREEAM In-Use certificate Ring Shopping Kortrijk Noord

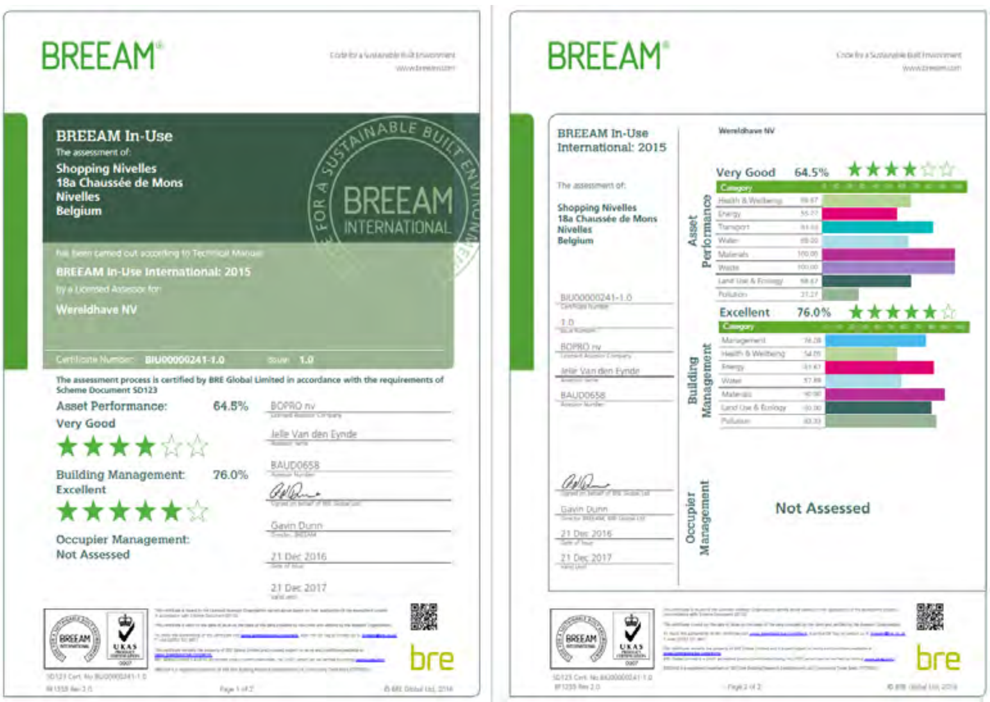

Figure: BREEAM In-Use certificate Shopping Nivelles

BREEAM ASSESSMENT

BREEAM (Building Research Establishment Environmental Assessment Method) is an objective and widely spread assessment tool to evaluate the sustainable performance of a building. Wereldhave Belgium uses 3 specific BRE assessments methods:

1) Design, it is the start phase of a new concept and gives tools to develop an idea in a sustainable way.

2) New Construction, follows the Design phase and can evaluate the actual new erected building.

3) In-Use, when an asset is already a longer time part of the portfolio, you can assess its performance on Asset Level and Building Management.

Wereldhave Belgium decided not to include Occupier Management as we cannot control individual use.

This evaluation gives insight in our different activities, and gives opportunities to improve on certain levels and share best practices within the Wereldhave Belgium portfolio, so we will have profound and durable procedures to operate and to facilitate future assessments.


Picture: Nightwalk in Kortrijk


Picture: Insects hotel in Njvelles

AIR BEE 'n BEE

One of the sustainable development goals of the United Nations is Biodiversity, this topic is also embedded in the BREEAM certification in Land Use and Ecology. Our centres can contribute to the bigger environment by a clever green setup and conscious maintenance, but also by delivering habitats to support existing species.

After a survey and analysis by our ecologist, immediate action was undertaken to create a "bee hotel". In our regions there are about 350 species of wild bees, approximately 60 of them will inhabit the hotel. Bees are very important and one of the first actors in our food chain, they provide pollination for many of our fruit and vegetable crops. As they live solely, they do not harm, so perfectly safe to install.

Wereldhave Belgium asked the local nonprofit organization Natuurpunt to work together and create awareness workshops in Nivelles and Kortrijk. First an inspiring presentation was given (what is a bee, difference between a solitary bee and a honey bee,…), followed by filling boxes with bamboo and wood, at the end the boxes were placed inside the bigger frame and the so called "Air Bee-n-Bee" was ready to open for our small guests. Later on bird and/or bat boxes will follow, together with some small reshaping of the landscape.

PILLAR 2, PEOPLE

The second pillar is aimed at further development of the staff. Wereldhave Belgium wishes to be a good employer for people who wish to invest in themselves, their work and their company.

1) Satisfaction rates in questionnaires among the staff of 7.5 or higher in 2017;
2) Increase in the average number of hours of training to 25 h./employee;
3) Increase in the percentage of female Senior Managers to 33% in 2016.

The second survey was conducted in the summer of 2016. Response was large, with participation of 79.2%. The survey focused on 'Satisfaction' with a score of 7.8. 'Engagement' scored 7.8, 'Retention' 7.7, 'Job clarity' 6.8, 'Efficiency' 6.9 and 'Leadership', 7.1. The first steps for improvement were taken in late December with the request to set up a working group. The action plan will take further shape in 2017.

In 2016, the target with respect to training was abandoned since the number of training hours did not correspond at all to the needs of each position. Meanwhile, a search is being conducted for a more suitable way to allow people to grow in their job. The Company did still organise sustainability road shows in various shopping centres, asset manager days for sharing best practices in the shopping centres, as well as Sharepoint training in view of the organisational transition.

Picture: Immorun © Immorun

Wereldhave Belgium participates in IMMORUN

Even before firing the starting gun, the Immorun was already a success. With 5 teams we exceeded all previous years, we even went International with Team Schiphol.

The setup is easy: each team consists of 3 runners and every lap a runner joins, at the end the first runner has sweat out 9km, the second one has suffered for 6km and the last one has done 3km. A nice bio buffet was well appreciated afterwards and with the participation fee a small amount was donated to Local Solutions Development Group.

This Immorun took place in the middle of the Mobility Week, besides biking to work or even taking stairs (a sustainability side project), these athletes took it to the next level!

PILLAR 3, PARTNERS

This refers to relationships with stakeholders aimed at achieving our sustainable objectives.

1.Creating new permanent jobs in the retail sector when making new investments;
2.75% of new rental contracts are in conformance with the ‘Green Lease’ in 2016. The ‘Green Lease’ clauses concern working conditions, materials, energy consumption, etc.; in this way, tenant and lessor attempt to decrease their ecological footprint;
3.Redefining and implementing a sustainable purchasing policy for all new suppliers in 2016.

In February 2016, the retail park 'Les Bastions' in Tournai was opened, with 8 new shops (including AS Adventure, Brico, Maisons du Monde ...). 81 jobs were created. Since 2014, 301 new jobs have been added by expansions and renovations.

The green lease was approved in 2014 and has since been properly implemented. Nearly 90% of new and renewed contracts were signed with this annex. This was also an agenda item at the General Meeting in 2016: consumption was discussed as well as the various sustainability campaigns. Here we see further room for improvement. Tenants after all differ, and for some sustainability principles are new, while others have been aware of this for some time based on their own history or a parent company. The challenge is to exchange good practices, to continue to communicate and to involve tenants in the campaigns that the Company organises or that we can implement together.

Local teams were also deployed to the green lease to work on 1 of these points: a contest for the best sustainable initiative was launched in 2015 and was completed in 2016. This contest concerned the entire group. In the end, the jury selected Genk 'Shopping1' with its campaign ‘Bike to Work/ Shopping’.

A sustainability charter was drawn up together with an external consultant (Bopro), a kind of manual for correct and sustainable behaviour, that was implemented mid-2015. Several suppliers were interviewed in advance about their findings (maintenance, technical maintenance, safety, waste). In 2016, in addition to Operations contracts, Development contracts and others were also added: in short, all contracts that result in sustainable partnerships. 17 contracts were considered in 2016, of which 16 signed the charter.

Shopping Centre Sustainability award

Summer 2015 we launched the Shopping Centre Sustainability Award. Idea was to promote awareness in the Shopping Centres: All Shopping centre teams were asked to create a green project, which relates the Green Lease with their daily live. The Green lease is about lowering our ecological footprint together with our tenants by raising awareness, improve equipment and daily routines, together with a proper communication. At the end, the participating teams sent in a movie explaining what they had done.

Participants:

Finland: Green Office

Finland: Waste Management

Netherlands: Solar Panels

BE Liège: Textile recuperation

BE Nivelles: Rainwater recuperation

BE Genk: Bike to work/shopping

BE Kortrijk: Electrical charging points

In October Shopping 1 from Genk was chosen as the winner. They promoted bike usage to their shopping center. In first case for tenants (leading by example), but also possible for visitors. The jury appreciated the well-structured movie which also showed the involvement of tenants and visitors, and the engagement of the local team. This award represents a budget of € 5.000 to invest in a new or existing sustainability project. Team Genk listened to their users and will install electrical charging points and will promote bike usage with a bigger event, exploring also partnerships with the city and its office of tourism.Besides this Award, the jury also saw potential in Finland's Green Office, a best practice for all local offices.

Cyclo-urban delivery project at Belle-Ile

Fullpacked, a package too heavy or too large? In November, Belle-Ile proposed to its customers the free bicycle transportation of their purchases, with the collaboration of the company "Rayon 9".

By contacting the Info-Ticket, customers were able to pack their goods in a special box. Any parcel brought before noon was delivered the same afternoon, others were delivered the following morning. "Rayon 9" has recently provided a bicycle delivery service. Their local project, with a social and solidarity focus, stems from the current saturation of the road network and the traditional job market. This young company aims to reduce the nuisance of the traffic while proposing a rewarding job, in an innovative sector, to young people with a low level of training.At the moment this service still needs some time to be discovered by the customers. A majority comes by car, but for those who come by bus or bike it might be an interesting option to be explored. The project will be further tested, improved, analyzed and evaluated in 2017.

PILLAR 4, SOCIETY

This pillar focuses on the social responsibility within the catchment area of the shopping centre. We wish to improve social integration and play a meaningful role in the local community.

1) Improving client satisfaction to GOOD. The aim is to score 7.5 (out of 10) or higher. A positive client experience improves the number of visitors and the time spent at the shopping centre, resulting in more purchases and increased turnover;
2) Investing 1% of the net rental income in social initiatives with a link to the local community;
3) Involving 95% of the staff in a social integration event in 2016.

Visitors to Nivelles, Liege, Genk and Tournai were interviewed in the course of 2015. An average of 81.5% was achieved. The results were analysed and points for improvement for 2016 included in the specific business plans for each centre. This survey is conducted every two years.

In 2016, a tenant survey was conducted for the first time in the shopping centres. Feedback was good, but the process can be improved by performing this research internally and testing the sensitivities of the tenant ourselves. In addition, the positioning of the centres was further analysed with surveys in other cities in order to further flesh out the action plan for tenants as well as visitors. This action plan will follow in 2017.

A total of 106 social campaigns were held in the various shopping centres (including the Red Cross, Oxfam book collection, pop-up tea room by a social employment site, toy collection, other support for charities,…). During the year, an administrative valuation was made of the areas made available: an estimated rental value/m² for a given period. Other initiatives were expensed. A 1.05% NRI was obtained for 2016.

Personnel involvement was given form this year in various workshops. Thus everyone was given the choice and time to participate, subject to his or her possibilities. In addition to visiting waste management company Van Gansewinkel (external), a workshop was held in Belle-Ile on the honeybees and the solar panels located on the roof. Insect hotels have been built in Kortrijk and Nivelles in collaboration with Natuurpunt. All of these workshops find their context in a better understanding of and specific campaigns related to sustainability at the sites.
31 employees (approximately 72%) participated.

'Les Bastions' Retail Park: Planting of 100 trees.

This campaign is running in parallel with the objective of Tournai to plant 1 tree per inhabitant by 2020. The 100 trees that were planted at the retail park were the first for Tournai. More of course will follow with the expansion of the shopping centre.

Ring Shopping Kortrijk Noord: XL Vending Machines for charity (12-31 December 2016)

Supporting a good cause in an amusing way: a giant vending machine packed with candy, gadgets, coupons and gift cards.

Customers deposited one euro, turned the handle firmly, and received a nice surprise in the form of a ball. Ring Shopping donated all of the proceeds to Kloen, a Roeselare-based organisation dedicated to children with rheumatism, children with cystic fibrosis and hospital clowns.

€ 1,528 was raised, all for Kloen vzw.

Customers could pick up their gadget, gift or coupon at the participating shop. The participation of retailers creates added value for the campaign and brings additional visitors to their shops.

'Shopping 1'in Genk: KSO uit de kast (9 November 2016)

Pupils in artistic secondary education (KSO) surprised on 9 November in seven Flemish cities (including Genk) and in Brussels with striking performances and actions. Purpose of " KSO uit de kast " is to make the art education better known to the general public. Genk 'Shopping 1 'was during one day the studio of art education, where visitors were invited to participate in artistic activities: live drawing / painting, window tableau, art, photo and video reports, live statues, movement improvisation, a quiz, a contest .

During this action, all the shopping was used and animated. There were more visitors who enthusiastically participated in the activities.

'Belle-Ile' in Liège: K-dolls exhibition (15-23 January 2016)

"Kiwanis Dolls" is an exhibition project of Kiwanis service organization with twenty giant images and some small statues. The origin of this project lies with a small doll that helps children in a hospital.

The idea of the 'K-Dolls in the city' is creating an artistic action around the doll and raise awareness about the action: Giant puppets are painted by artists and then exhibited in Belgium and Luxembourg. Belle-Ile was one of the first places of the expo. Besides an auction smaller craft activities were also held for the children. A fruitful collaboration!

5 MANAGEMENT REPORT

MISSION AND STRATEGY

MISSION: FOCUS ON SHOPPING CENTRES

Wereldhave Belgium wishes to be a professional property investor and lessor that focuses on investments and or expansions in shopping centres. In that way, Wereldhave Belgium offers an attractive and structural investment yield for a low risk profile of its total real estate portfolio. The focus on shopping centres that the Company has chosen implies a higher concentration geographically as well as a higher concentration of the risk of technical issues and fire.

STRATEGY: VALUE CREATION AND RISK SPREADING

Wereldhave Belgium pursues a stable growth of the direct result and of the dividend. That is exactly the reason why value creation and risk spreading are central. Investment risks are spread over various regions in Belgium. Value is created for investors by means of:

1) rent growth thanks to active management of shopping centres;
2) development (and redevelopment) of shopping centres for the Company's portfolio.

Active management of shopping centres

Wereldhave Belgium invests in shopping centres that set the tone in their catchment area. Via active management and internal know-how, the RREC strengthens its centres' market position, aimed at an increase in the visitor numbers, shop turnovers and rental incomes. The RREC also invests in the attractiveness, quality and sustainability of its shopping centres. Due to high occupancy, they contribute to the permanence of the result.

In-house development

Developing high-quality property for the Company's portfolio on an at-cost basis is the second pillar of value creation. By completing projects under its own management, the RREC optimally tunes quality to user requirements and plans the timing of the investment according to the market situation.

PROPERTY MANAGEMENT – MANAGEMENT OF THE INVESTMENT PROPERTIES' PORTFOLIO

Wereldhave Belgium Services NV, with its registered offices at 1800 Vilvoorde, Medialaan 30 box 6, with company registration number 0422.120.838, acts as the real estate manager of the RREC's investment properties' portfolio.

99.52% of the shares of Wereldhave Belgium Services are held by the Company. The fees paid to Wereldhave Belgium Services are charged directly to the tenants in accordance with the contractual conditions described in the rental agreements.

Wereldhave Belgium Services has an administrative, accounting, financial and technical organisation that is appropriate for management of the real estate portfolio of the Company.

The directors of Wereldhave Belgium Services have the required professional reliability, accreditation (BIV) and suitable experience as described in and in accordance with article 19 of the RREC law.

Even though the Belgian property market has its own local knowledge and practices, there is much room for exchange of 'best practices' in markets where the Wereldhave Group is active.

Against the background of an economic climate that is set to remain difficult for Europe for the coming period, it is more important than ever to provide input for business choices from operational excellence.

In order to boost this operational excellence, efficient data management is being worked on. The organisation has a BO-BI framework for operational purposes. Data must be provided from the same sources and streams and therefore business processes must be harmonised optimally.

IMPORTANT DEVELOPMENTS

SHOPPING CENTRES

Wereldhave Belgium focuses on convenience centres that are dominant in their catchment area and has a preference for sites with the potential for future expansion. Via a proactive approach, the GVV strives to maintain and strengthen the market position of its shopping centres. The importance of shopping centres rose this year to ca. 85% of the property investment portfolios.

In the shopping centres, 47 commercial leases were concluded during 2016 (11 new contracts and 36 lease renewals).

The retail park, adjoining the 'Les Bastions' shopping centre in Tournai, has been operational since 19 February 2016 and is 97% let.

Wereldhave Belgium is constantly looking to expand the portfolio through acquisitions and new property developments.

OCCUPANCY

The EPRA occupancy rate – see above – of the shopping centres is 95.9% (31 December 2015: 94.9%). The like-for-like rental growth of the core portfolio of property investments (shopping centres) is 4.9% (2015: 1.8%) (including an average indexation of 2.09%). The shopping centres in Nivelles, 'Les Bastions' in Tournai and 'Belle-Île' in Liège are almost fully let. The occupancy rate of the shopping centre 'Ring Shopping Kortrijk Noord' and Genk 'Shopping 1' was 93.4% and 81.9% respectively.

DEVELOPMENT PROJECTS

As at 31 December 2016, the fair value of the development projects portfolio was € 35.3 mln (31 December 2015: € 40.5 mln).

The net decrease of € 5.2 mnl is, on balance, attributable to the following factors:

- The transfer (reclassification) of the retail park (10,000 m²) adjacent to the shopping centre 'Les Bastions' in Tournai from development projects to operational investment properties (€ - 17.0 mln);
- The investments (€ 16.2 mln) mainly concern the structures needed to develop the € 14.2 mln expansion of the 'Les Bastions' shopping centre in Tournai by 15,000 m². This development is going to plan and, by now, the marketing thereof is in full swing. Delivery of the building is scheduled for Q2 2018. The initial costs (€ 1.3 mln) relating to a possible expansion (8,000 m² in GLA (Gross Lettable Area)) of the 'Belle-Ile' shopping centre in Liège are, in particular, the study and design costs. Planning permission and environmental permit have been granted and are final. The marketing of this project has started;
- The inner-city development project 'Coeur de Ville' in Waterloo (10,000 m² GLA) is part of a master plan which, currently, is filed with the local authority for re-assessment, but with no consensus thus far. In that light, it's difficult for the Management Company to estimate when they will be able to finalize this project. Due to these changed circumstances, a downward value adjustment was deemed appropriate and the fair value was set at € 1.9 mln, i.e. the value of the landholding and the estimated value of the permits. This value was confirmed by the independent property valuer. The Management Company holds that the other start-up costs (€ -4.4 mln) should be revalued downward and it will closely monitor the concrete evolutions and decisions of the local authority.

DEVELOPMENT PROJECTS – TIMELINE

PROJECT	(RE)DEVELOPMENT					DESCRIPTION
	2015	2016	2017	2018	2019	
'Les Bastions' Tournai Extension						Investment € 65.8m. Expected return 6.25 – 6.75%
'Belle-Ile' Liège Extension						Investment € 50m. Expected return 6.0 – 6.5%
Waterloo Redevelopment of the downtown mall						Investment € 52m. Expected return 6.75% -7.25%

OFFICES

The EPRA occupancy evolved from 93.4% as per 31 December 2015 to 90.9% as per 31 December 2016. An area of approximately 1,200 sqm is vacant in the building located on Medialaan 28 in Vilvoorde.

The Management Company makes every effort to reduce the vacancy rate. Consolidation of the current occupancy and renegotiation of the lease contracts on the due date remain the priority.

REAL ESTATE CERTIFICATES

The participation held in the listed real estate certificates 'Basilix' and 'Ring Shopping Kortrijk Noord' are in the liquidation phase.

The liquidation coupon on the limited undistributed amount were included in trade receivables, therefore this will have no more impact on the results of the company.

FINANCIAL RESULTS

NET RESULT FROM CORE ACTIVITIES

In 2016 Wereldhave Belgium posted a net result from core activities of € 40.1 mln (2015: € 39.1 mln). The net rental income increased by € 2.3 mln, mainly due to the retail park in Tournai that became operational (€ 0.7 mln), additional rental income (€ 0.9 mln) related to paid parking in the shopping centre 'Genk Shopping I' and several higher rental income from, a.o. temporary leases, pop-ups, and rent adjustments (€ 0.7 mln).

Property charges decreased slightly with € 0.7 mln; general costs and other operating income and charges are € 1.8 mln higher, mainly due to a lower capitalization of fees charged to development projects.

Operational financial expenses decreased by € 0.5 mln thanks to lower nominal interest rates.

The real estate certificate 'Basilix' was liquidated in 2015 and this had a one-off positive impact on the results of 2015 (€ 0.6 mln).

The net result from core activities per share amounts to € 5.78 (2015: € 5.63).

NET RESULT FROM NON-CORE ACTIVITIES

The net result from non-core activities amounts to € 26.2 mln (2015: € 10.3 mln). The net result from non-core activities arises mainly from realised and unrealised changes in the value of assets in the portfolio (€ 26.3 mln) and other result on portfolio (€ -0.1 mln).

EQUITY AND DEBT

On 31 December 2016 the shareholders' equity amounts to € 599.6 mln (31 December 2015: € 567.3 mln). The net asset value per share, including the profit for the current year, amounts to € 86.41 (31 December 2015: € 81.76).

In 2016, the average interest rate on the outstanding loans amounts to 0.99% (average interest rate 2015: 1.19%).

Wereldhave Belgium's guideline for the longer term is a solvency ratio of about 70%. At 31 December 2016, the Company relies on external and 'intracompany' funding; the long-term loans were concluded in the form of 'revolving credits' respectively, maturing in 2017 (€ 30 mln), in 2018 (€ 30 mln), in 2019 (€ 214.5 mln), in 2021 (€ 130 mln) and a non-committed credit line (€ 26 mln) with no maturity date. The amount of unused credit lines was € 128.5 mln at 31 December 2016.

Calls are at a variable interest rate and are stated at fair value. These are only credit facilities for which no security has been provided. The fair value does not significantly differ from the nominal value since it is about short-term advances to a variable interest rate.

The Company concluded an interest rate swap (IRS) where the variable rate was converted into a fixed rate until the maturity date of the credit facility (1st April 2019 – € 50 mln).

Due to the solid balance sheet, the sensitivity to changes in interest rates is limited and the dynamism of the Company increases when making new investments.

In accordance with the calculation method prescribed by the Royal Decree of 13 July 2014, the debt ratio on the total assets at 31 December 2016 is 27.6% (2015: 27.5%).

The average interest rate on outstanding loans in 2016 amounted to 0.99% (average 2015: 1.19%).

Belle-Île

EVENTS HAVING OCCURRED AFTER THE END OF THE FINANCIAL YEAR

No significant events occurred after 31 December 2016 that could be of influence to the present financial report or that should be mentioned in it.

RESEARCH AND DEVELOPMENT

Due to the nature and specific activities of the company, there are no activities that relate to research or development.

ALLOCATION OF THE PROFIT

PROFIT

Earnings 2016, including net result from core and non-core activities, are € 66.2m (2015: € 49.4 mln). Compared to 2015, this increase is due to a higher net result from core activities (€ 1.0 mln) and a higher net result from non-core activities (€ 15.8 mln).

Based on a payout ratio of 88% of the operating income, shareholders will be proposed with a gross dividend of € 5.10 per share for 2016. After deduction of the withholding tax of 30%*, this results in a net dividend of € 3.57.

As 6,939,017 shares are participating in the result of 2016, the distributable dividend is € 35.4 mln.

A payment of 88% of the operating distributable result is in accordance with Article 45, 2 ° of the RREC-Law and Article 13 of the RREC-KB which requires a minimum payment of 80% of the operating result.

DIVIDEND

At the general meeting of shareholders a gross dividend (coupon 21) of € 5.10 gross – € 3.57 net (2015: € 4.90 gross – € 3.577 net) per share will be proposed. The dividend is payable as from 20 April 2017. Financial services are provided by BNP Paribas Fortis.

(*) Decreed dividends payable after 1 January 2017 (subject to certain exemptions) are subjected to a withholding tax of 30% instead of 27% (Program law of 25 December 2016 published in the Belgian Official Gazette of 29 December 2016).

PROSPECTS

Begin 2017, the leasing team has been strengthened to increase occupancy rate and to support the leasing of the expansion project in Tournai. This project will, however, contribute to the direct result only from 2018.

For 2017 Wereldhave Belgium aims for stable direct result per share. Except for unforeseen circumstances, this objective can be realised.

The development projects are monitored at close range and are expected to make a positive contribution to the profit with their operational start.

The Management Company of Wereldhave Belgium declares:

1) that based on the performed assessment and taking into account the recommendations of the Corporate Governance Code, the internal risk management and control systems of Wereldhave Belgium are adequate and provide a reasonable assurance that the financial statements included in this Annual Report contain no inaccuracies of material importance. The Management Company has no indication that the risk management and control system would not have functioned in accordance with the description or that this system would not have functioned properly in the current year;
2) that the annual accounts provide a true and fair view of the assets, liabilities, financial position and result of Wereldhave Belgium and the companies included in the consolidation;
3) that the Annual Report provides a true and fair view of the situation on the balance sheet date, the course of business during the financial year of Wereldhave Belgium and the affiliated companies, the figures of which have been included in its Annual Accounts;
4) that the main risks confronting Wereldhave Belgium and its affiliated companies have been described in the Annual Report; and
5) that after taking all reasonable measures, the information in this report, to its knowledge, is in accordance with the facts and contains no omission which could affect the scope of the Annual Report.

The Management Comany

NV Wereldhave Belgium

D. Goeminne, Voorzitter

J. de Smet

P. Naert

K. Deforche

D. Anbeek

Vilvoorde, 6 March 2017

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EPRA

These data are exclusively for information and are not required in compliance with the RREC Law nor subject to any review by public authorities; these figures have not been audited by the statutory auditor.

EPRA (European Public Real Estate Association) is an organization that promotes European listed real estate sector, helps develop and represent in order to boost confidence in the sector and to increase investment in listed real estate in Europe.

EPRA PERFORMANCE MEASURES

TABLE	EPRA PERFORMANCE MEASURE	DEFINITION		2015	2016
1	**EPRA Earnings**	Earnings from operational activities Objective: To measure the result of the strategic operational activities, excluding (i) changes in fair value of financial assets and liabilities (ineffective hedges), and (ii) realized and unrealized gain or loss on investment properties.	x € 1,000	39,040	40,128
			€/share	5.63	5.78
2	**EPRA NAV**	Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystalise in a long-term investment property business model Objective: To provide stakeholders with relevant information on the fair value of assets and liabilities within a real estate investment company with a long-term strategy.	x € 1,000	569,773	602,193
			€/share	82.11	86.78
3	**EPRA NNNAV**	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes Objective: Provides stakeholders with relevant information on the fair value of assets and liabilities within a real estate entity.	x € 1,000	567,310	599,586
			€/share	81.76	86.41
4	**EPRA Net Initial Yield (NIY)**	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs Objective: a tool to compare real estate portfolios.		5.7%	5.7%

5	**EPRA Vacancy Rate**	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio Objective: To measure the vacancy of the investment properties portfolio based on market rent.	5.4%	4.2%
6	**EPRA Cost Ratio (including direct vacancy costs)**	EPRA costs (including direct vacancy costs) divided by gross rental income, minus the fees for leasehold and building rights Objective: To measure the relevant general and operational costs in order to be able to form an image and to make an analysis of the costs of the Company.	13.5%	15.3%
7	**EPRA Cost Ratio (excluding direct vacancy costs)**	EPRA costs (excluding direct vacancy costs) divided by the gross rental income, minus the fees for leasehold and building rights Objective: To measure the relevant general and operational costs in order to be able to form an image and to make an analysis of the costs of the Company.	11.6%	13.7%

TABLE 1: EPRA EARNINGS

(X € 1,000)

		2015	2016
Net result IFRS (group share)		**49,391**	**66,241**
Adjustments to calculate EPRA Earnings			
Exclude:			
I.	Changes in value of investment properties	-8,743	-26,364
II.	Profit or losses on disposal of investment properties	0	0
III.	Other portfolio result	215	251
VI.	Changes in fair value of financial instruments and associated close-out costs	-1,823	0
EPRA Earnings (group share)		39,040	40,128
Weighted average number of shares		6,939,017	6,939,017
EPRA Earnings per share		**5.63**	**5.78**

TABLE 2 EN 3: EPRA NAV EN EPRA NNNAV

(X € 1,000)

	2015	2016
Net Asset Value (group share)	567,310	599,586
Net Asset Value per share (group share)	81.76	86.41
Exclude:		
I. Fair value of financial instruments	733	808
II. Deferred taxes	1,730	1,799
EPRA NAV (group share)	569,773	602,193
Number of shares at year end	6,939,017	6,939,017
EPRA NAV per share (group share)	**82.11**	**86.78**
Include:		
I. I. Fair value of financial instruments	-494	-808
II. Deferred taxes	-1,693	-1,799
EPRA NNNAV (group share)	498,284	599,586
Number of shares at year end	6,308,198	6,939,017
EPRA NNNAV per share (group share)	**81.76**	**86.41**

TABLE 4: EPRA NET INITIAL YIELD (NIY) AND 'TOPPED-UP' NIY

(X € 1,000)

	2015	2016
Investment properties	774,029	819,827
Exclude:		
Investment properties built or developped in portfolio available for lease	-40,547	-35,318
Investment properties held for sale	0	-18,699
Properties available for lease	***733,482***	***765,810***
Include:		
Estimated transaction costs resulting from hypothetical disposal of investment properties	76,715	19,159
Investment value of the real estate portfolio available for lease (B)	***810,197***	***784,969***
Annualised gross rental income	48,573	47,211
Exclude:		
Property charges	-2,175	-2,189
Annualised net rental income (A)	***46,398***	***45,022***
EPRA NET INITIAL YIELD (A/B)	**5.7%**	**5.7%**

TABLE 5: EPRA VACANCY RATE

SEGMENT	LETTABLE SPACE IN M²	ESTIMATED RENTAL VALUE (ERV) OF VACANT SPACES IN € 1,000	ESTIMATED RENTAL VALUE (ERV) IN € 1,000	EPRA VACANCY RATE 2015	EPRA VACANCY RATE 2016
Offices	78,409	945	10,973	6.60%	7.50%
Retail	155,157	2,022	39,414	5.10%	5.40%
Investment properties available for lease	**233,566**	**2,967**	**50,387**	**0**	**0**

The EPRA vacancy ratio on 31 December 2016 has decreased with 1.2% compared to 31 December 2015 mainly through leases in the shopping centres portfolio.

TABLE 6: EPRA COST RATIOS

(X € 1,000)

	2015	2016
Overhead expenses	3,075	4,626
Write-downs on trade receivables	0	0
Fees for building rights and leaseholds	371	382
Property charges	3,294	2,618
Exclude:		
Fees for building rights and leaseholds	-371	-382
EPRA costs (including vacancy costs) (A)	***6,369***	***7,244***
Vacancy costs	-915	-781
EPRA costs (excluding vacancy costs) (B)	***5,454***	***6,463***
Rental income decreased with fees for building rights and leaseholds (C)	47038	47211
EPRA Cost Ratio (including vacancy costs) (A/C)	**13.5%**	**15.3%**
EPRA Cost Ratio (excluding vacancy costs) (B/C)	**11.6%**	**13.7%**

The EPRA Cost Ratio (including vacancy costs) and the EPRA Cost Ratio (excluding vacancy costs) as per 31 December 2016 have increased compared to 31 December 2015, mainly due to the increase of general costs (€ 1.5 mln) during 2016.

Ring Shopping Kortrijk

7

REAL ESTATE REPORT

THE BELGIAN REAL ESTATE MARKET

INVESTMENT IN RETAIL PROPERTY AT A HIGH LEVEL

After the record year 2015, which was mainly driven by transactions as Wijnegem Shopping Centre and Waasland Shopping, investment in retail property has remained at a very high level.

In 2016 too, a major shopping centre, namely Mediacité in Liège, was sold for almost 250 million euros. It should be noted, however, that about half of the total 1.2 bn euros in investment in retail property is for the account of high street shops.

Because of historically low interest rates, the prime locations' yields has continued to compress in recent years, causing prices to rise. For retail property in less favourable locations or in the case of high vacancy rates, this positive trend is more in doubt.

RENTAL LEVELS IN SHOPPING CENTRES STABLE IN 2016

In 2016 the lettings market remained active, partly due to the letting of new shopping centres: 'Docks' in Brussels and 'Rive Gauche' in Charleroi.

One definite trend is that popular shops ('crowd-pullers') in shopping centres are trying to capitalise on their strong negotiating position by securing rents which are contingent on the future turnover of the shop or on other specific benefits or contributions. A property developer is inclined to go along with this in the interests of the commercial mix of the centre as a whole and the 'pull' this will have on smaller retail units.

On average, market rents have remained stable in recent years, albeit with marked differences depending on how successful the shopping centre is (e.g. if several retails units are unoccupied). In secondary centres, retailers' turnovers have been badly hit, resulting in negative corrections of rental levels.

RECORD LEVELS FOR INVESTMENT IN OFFICES

The office space market was characterized by a very high level of investment volume and featured a few highly significant transactions (the Ellipse building, Astro Tower, Tour & Taxis, among others).

Prime location's yields fell further to an all-time low of 4.75%.

LETTINGS MARKET FOR OFFICES REMAINS CHALLENGING, ESPECIALLY IN PERIPHERAL LOCATIONS

The relatively high level of new rental contracts was chiefly driven by the public sector, with several transactions by Belgian and EU bodies.

Due to relatively limited speculative new developments and a continuing reconversion of offices into residential projects, vacancy rates, on average, decreased.

In the peripheral locations however, demand for offices remained at a low level with, as a consequence, high vacancy rates and pressure on market rents.

Source: inspired, in part, by CBRE Market Trends Belgium 2016 and C&W Marketbeat Belgium Retail Q4 2016

SUMMARY AND OVERVIEW OF THE REAL ESTATE PORTFOLIO

SUMMARY OF THE REAL ESTATE PORTFOLIO

	SHOPPING CENTRES	%	OFFICES	%	TOTAL
(x € 1,000)					
Fair value					
Real estate investments (excluding projects)	660,480		124,029		784,509
Projects	35,318				35,318
Total real estate investments	**695,798**	**84.86%**	**124,029**	**15.14%**	**819,827**
Acquisition value	492,380	77.06%	146,549	22.94%	638,929
Insured value (*)	412,840	76.65%	125,751	23.35%	538,591
Contractual rent	39,615	80.24%	9,754	19.76%	49,369

(*) insured through a General Construction Risk policy

Genk Stadsplein

COMPOSITION OF THE REAL ESTATE PORTFOLIO

	YEAR OF CONSTRUCTION OR MOST RECENT RENOVATION	DIVERSIFICATION OF THE PORTFOLIO (IN % OF VALUATION)	LETTABLE AREA (IN SQM)
Retail			
Shopping Centre "Belle-Ile", Quai des Vennes 1, 4020 Liège	1994	22.39%	30,252
Shopping Centre Nivelles, Chausée de Mons 18A, 1400 Nivelles	2012	17.34%	28,600
Shopping Centre "Les Bastions", Boulevard W. de Marvis 22, 7500 Tournai	1996	7.54%	15,540
Retailpark 'les Bastions' in Tournai	2016	2.28%	10,350
Shopping Centre "Shopping I", Rootenstraat 8, 3600 Genk	2014	8.46%	27,100
Shopping Centre "Kortrijk Noord", Ringlaan, 8500 Kortrijk	1973	13.14%	32,000
"Forum Overpoort", Overpoortstraat, 9000 Gent	2014	1.95%	3,700
Genk - Stadsplein, Stadsplein 39, 3600 Genk	2008	5.72%	15,618
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410 Waterloo	1968	1.74%	3,347
		80.56%	**166,507**
Offices			
Madou Centre, Bischoffsheimlaan 1-8, 1000 Brussels	2002	2.28%	12.162 / 504*
Businessclass office park, Jan Olieslagerslaan 41-45, 1800 Vilvoorde	1998	0.41%	3.048 / 29*
'Business- & Media' office park, Medialaan 30, 1800 Vilvoorde	1999	1.24%	5.449 / 201*
'Business- & Media' office park, Medialaan 32, 1800 Vilvoorde	1999	0.84%	3.907 / 120*
Business- & Media' office park, Medialaan 28, 1800 Vilvoorde	2001	2.73%	12.772 / 246*
De Veldekens I, Roderveldlaan 1-2, 2600 Berchem	2001	2.20%	11.192 / 368*
De Veldekens II, Roderveldlaan 3-4-5, 2600 Berchem	1999	3.22%	16.003 / 1.008*
De Veldekens III, Berchemstadionstraat 76-78, 2600 Berchem	2002	2.21%	11.192 / 208*
		15.13%	**78,409**
Development in commercial projects			
Extension shopping centre 'Les Bastions' in Tournai		2.91%	
Redevelopment shopping centre in Waterloo		0.23%	
Extension shopping centre 'Belle-Ile' in Liège		0.31%	
Nivelles land positions		0.85%	
Total development projects		**4.30%**	**0**
Total		**100%**	**244,916**

* archives

(1) Rental value vacancy is the difference between the theoretical rental value of the property and the received rental income.

(2) The theoretical rental value equals the contractual rent increased with the value of rental vacancy.

(3) To determine the estimated rental value, external valuation experts rely on their knowledge of the property market and on recent transactions. The rental value is influenced by the location of the property, the suitability of the site, the qualities of the building and the market conditions.

(4) The occupancy rate is calculated by dividing the (indexed) contractual rental of current leases by the sum of contractual rents and estimated rental value (market rent) of the vacancy. The latter are determined based on the level of the current rents.

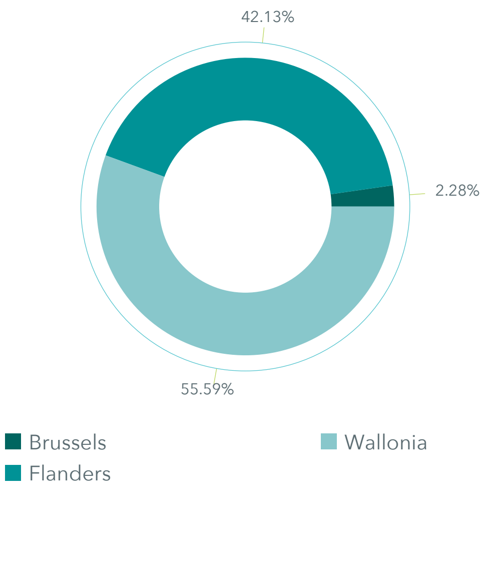
(5) This property is fully owned by NV Immo Guwy and Waterloo Shopping BVBA and are not included in the statutory accounts.

PARKINGS (NUMBER OF SPACES)	RENTAL INCOME 2016 (€ X 1,000)	RENTAL VALUE VACANCY (€ X 1,000)	THEORETICAL RENTAL VALUE 2016 (€ X 1,000)	ESTIMATED RENTAL VALUE (€ X 1,000)	OCCUPANCY RATE 2016
		(1)	(2)	(3)	(4)
2,200	11,278	0	11,278	10,927	100.00%
1,452	8,476	28	8,504	7,860	99.60%
1,260	3,569	0	3,569	3,121	100.00%
360	763	28	791	1,127	97.50%
1,250	4,438	964	5,402	5,328	81.90%
2,000	6,153	448	6,601	6,833	93.40%
0	825	60	885	938	93.60%
44	3,286	99	3,385	2,930	96.60%
95	827	0	827	849	100.00%
	39,615	**1,627**	**41,242**	**39,914**	**95.90%**
150	2,639	0	2,639	2,563	100.00%
82	228	95	323	314	69.60%
178	580	255	835	769	66.90%
123	387	186	573	541	65.60%
305	1,284	224	1,508	1,732	87.10%
238	1,427	0	1,427	1,506	100.00%
316	2,123	8	2,131	2,107	99.60%
217	1,086	231	1,317	1,403	83.50%
	9,754	**1,000**	**10,754**	**10,935**	**90.90%**
	49,369	**2,627**	**51,996**	**50,849**	**95.80%**

KEY INFORMATION

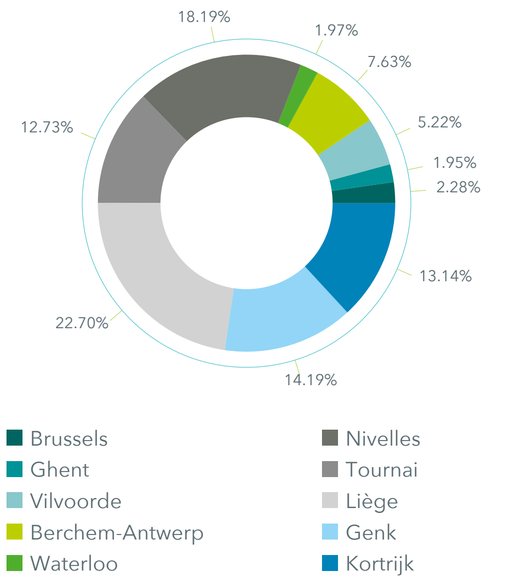
GEOGRAPHICAL BREAKDOWN

(as % of fair value)



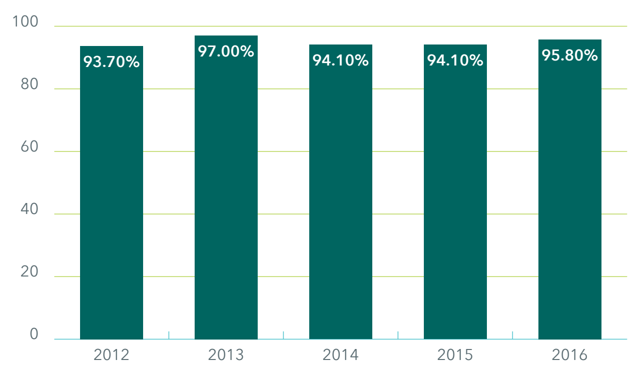
GEOGRAPHICAL BREAKDOWN

(as % of fair value)



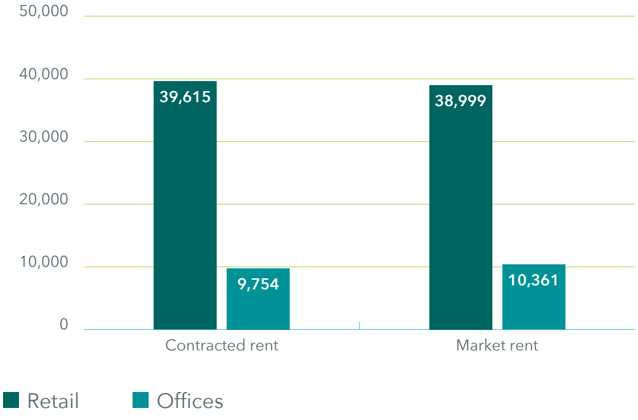
AVERAGE OCCUPANCY

(in % of rental income)



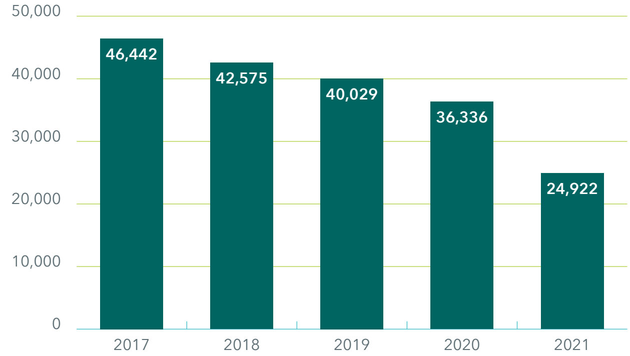
CONTRACTED RENT/MARKET RENT

(x € 1.000)



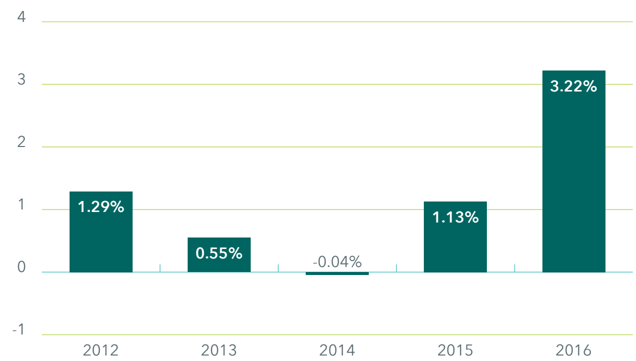
CONTRACT RENT OVER 5 YEARS (TILL FIRST NOTICE POSSIBILITY)

(x € 1,000)



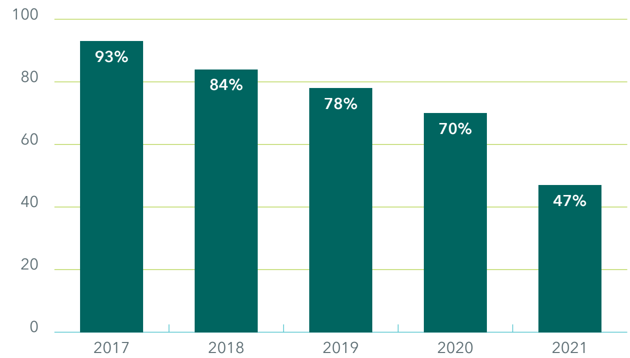
PORTFOLIO REVALUATION

(in %)



GUARANTEED RENTAL INCOME

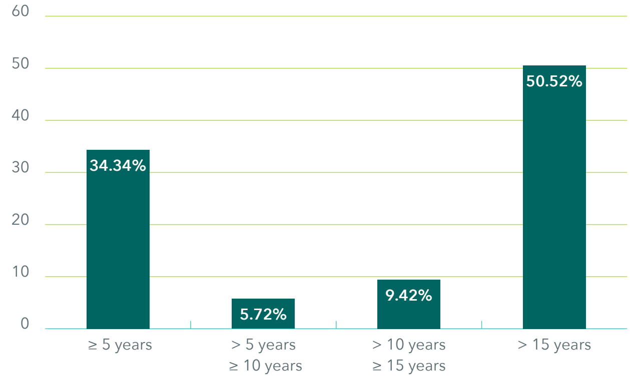
(in %)



BRANCH MIX

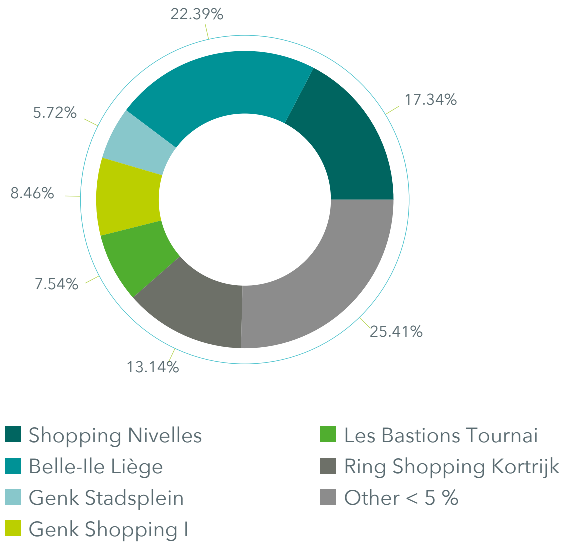
AGE ANALYSIS OF THE REAL ESTATE PORTFOLIO

(in % of valuation)



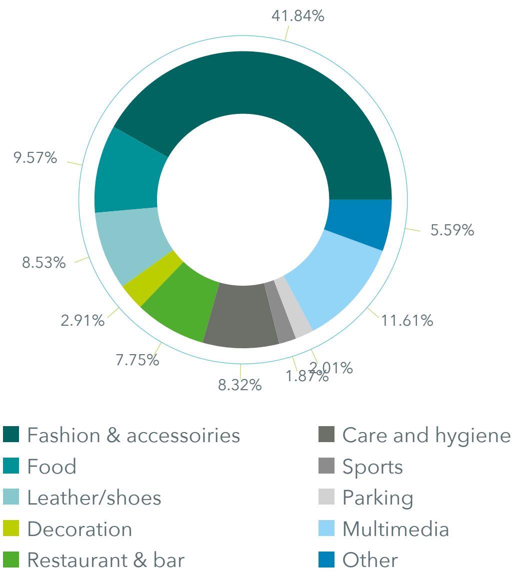
INVESTMENT PROPERTIES > 5%

(in % fair value)



BRANCHE MIX INVESTMENT PROPERTY RETAIL

(as % of rental income)



*TOP 10 TENANTS**

Global Portfolio

	TENANT	SECTION	%
1	Ergo Services DKV	Offices	5.4%
2	Carrefour Belgium	Retail	3.7%
3	Hennes & Mauritz	Retail	3.2%
4	C&A	Retail	3.1%
5	Delhaize Group	Retail	1.9%
6	A.S. Watson Group	Retail	1.8%
7	Sportsdirect.com	Retail	1.6%
8	Argenta Spaarbank	Offices	1.6%
9	Ricoh	Offices	1.5%
10	Proximus	Offices	1.5%
			25.3%

Retail

	TENANT	%
1	Carrefour Belgium	3.7%
2	Hennes & Mauritz	3.2%
3	C&A	3.1%
4	Delhaize Group	1.9%
5	A.S. Watson Group	1.8%
6	Sportsdirect.com	1.6%
7	Redisco	1.4%
8	Blokker	1.4%
9	Excellent Retail Brands	1.3%
10	Hema	1.3%
		20.7%

Offices

	TENANT	%
1	Ergo Services DKV	5.3%
2	Argenta Spaarbank	1.7%
3	Ricoh	1.6%
4	Amadeus Benelux	1.0%
5	Proximus	1.0%
6	ABN Amro Bank	0.9%
7	24+	0.6%
8	Antea Belgium	0.6%
9	Quintiles Belgium	0.6%
10	WGEO	0.4%
		13.7%

* Expressed as a percentage of annualized contractual rent.

AVERAGE DURATION OF LEASE AGREEMENTS

The average duration of contractual lease agreements until the first possibility of termination is 3.2 years, and the average duration until the end of the lease contracts is 6.4 years.

INSURED VALUE INVESTMENT PROPERTIES PORTFOLIO

The insured value of the portfolio of real estate investments is based on an annual external valuation of 'new-build value' made by a recognised property expert. The insured values are adjusted automatically annually according to the applicable index.

In order to avoid multiple claims between owner and tenant, the standard lease agreements stipulate that insurance agreements of the underlying property units are entered into by the owner-lessor for the rebuild value of the property unit, including 'loss of rent' for a period of 36 months.

The insurance risk is underwritten by AIG EUROPE Limited.

The total insured value of the portfolio of the investment properties amounts to € 538.6 mln.

The proportional share of the insured value compared to the fair value is explained by the high value of the land compared to the construction value, inherent to commercial real estate.

The insured value represents 53% of the fair value of the investment properties portfolio.

The insurance premium for 2016, including taxes, amounts to € 169,669.

OPERATIONAL MANAGEMENT

The Company has an internal management organisation that manages the disciplines of administrative, technical and commercial management of property.

Wereldhave Belgium Services NV, subsidiary, has an administrative, accounting and technical organisation that is fitting for management of the real estate portfolio of the Company. The directors of Wereldhave Belgium Services have the required professional reliability, accreditation (BIV) and appropriate expertise as described and in accordance with Article 13 of the RREC Law and suitable experience in accordance with Article 19 of the RREC Law.

DEROGATION IN ACCORDANCE WITH ARTICLE 30 §3 AND §4 OF THE RREC LAW

On 23 December 2016, the FSMA allowed a renewed derogation on the prohibition of investing more than 20% of the assets in one property unit. This derogation has been allowed against the following cumulative conditions:

- The derogation has been accorded until 31 December 2018;
- The Company reports the share that the shopping centre 'Belle-Ile' represents in the investment properties portfolio to the FSMA every quarter;
- The periodic reports and prospectuses that the Company will publish in the future must state explicitly that the focus on shopping centres that the Company has chosen imply a higher geographical concentration as well as a higher concentration of the risk of, among other things, technical problems and fire.

In accordance with article 30 §4 of the RREC Law, the debt ratio of the Company may not exceed 33% as long as the derogation on article 30 §1 and §2 of the RREC Law applies. The consolidated debt ratio is 27.6% as per 31 December 2016.

The purchase value (contribution value and additional investments when obtaining the status of real estate investment trust/public regulated real estate company (1998)) of the shopping centre 'Belle-Ile' in Liège amounted to € 75.8 mln. The fair value as per 31 December 2016 amounted to € 183.4 mln, which is 22.4% of the investment property portfolio. The rental incomes for 2016 amounted to € 11.3 mln.

COMPLETION OF RETAIL PARK 'LES BASTIONS' IN TOURNAI

The retail park, adjacent to the shopping centre 'Les Bastions' in Tournai, was technically completed on 18 February 2016. The construction phase was approximately 1 year.

The investment cost of this project amounted to € 17 mln and was financed by uptake of existing credit facilities. The lettable area amounts to 10,350 sqm.

The structural criteria retained by Wereldhave Belgium included, durable quality products, flexible rentable space and architectural interaction with the existing shopping centre.

As of 31 December 2016 the occupancy rate was 97%. Major tenants include AS Adventure, Blokker, Maison de Monde, ZEB and Brico.

COMPLETION OF EXTENSION 'LES BASTIONS' IN TOURNAI

The redevelopment of the shopping centre consists of both a structural renovation of the existing shopping centre and, secondly, an innovative extension with respect for the environment.

The investment cost of this project amounts to € 65.8 mln and is funded by uptake of existing credit facilities.

After renovation and extension (15,000 sqm) the gross leasable area of the shopping center will be approximately 30,000 sqm.

This development fits into the strategy of the Company to build a portfolio of convenience shopping centres which are dominant in a strong and extensive catchment area.

The opening is planned for the beginning of 2018.

DESCRIPTION OF THE REAL ESTATE PORTFOLIO

SHOPPING CENTRES

Shopping centre 'Belle-Ile'

Quai des Vennes 1, 4020 Liège

Top 5 tenants

Carrefour Belgium	10,95%
WE	3,87%
Hennes & Mauritz	3,56%
C&A	3,30%
Coolcat	2,19%

Number of tenants: 99
Construction: 1994
Location: Belle-Ile is located in the southeast of Liège, at the start of the 'Autoroute des Ardennes' – E25
Lettable area: 30,252 m²

Shopping centre Nivelles

Chaussée de Mons 18A, 1400 Nivelles

Top 5 tenants

Delhaize Group	5,46%
Hennes & Mauritz	4,75%
Sportsdirect.com	3,55%
Retail Concept	2,61%
Delcambe Chaussures	2,37%

Number of tenants: 100
Construction: 1974 – Extension: 2012
Location: The shopping centre of Nivelles is located at the periphery of Nivelles, exit 'Nivelles Sud' of highway E19 *Lettable area:* 28,600 m²

Shopping centre Kortrijk Noord

Ringlaan, 8500 Kortrijk

Top 5 tenants

C&A	5,39%
Hennes & Mauritz	4,69%
Albert Heijn	3,52%
Hema	3,47%
Timmermans	2,97%

Number of tenants: 83
Construction: 1973
Location: The shopping centre is located alongside the ring of Kortrijk
Lettable area: 32,000 m²

Shopping centre 'Les Bastions'

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

C&A	11,77%
Delhaize Group	9,85%
Hema	3,81%
Ici Paris XL	3,71%
La Grande Récré	3,48%

Number of tenants: 59
Construction: 1979 – Renovation: 1996
Location: The shopping centre is located alongside the ring of Tournai
Lettable area: 15,540 m^2

Retail Park 'Les Bastions'

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

Maisons du Monde	17,77%
Sportsdirect.com	15,27%
Brico	15,15%
Harrar	12,17%
Retail Concepts	10,10%

Number of tenants: 9
Construction: 2016
Location: Het Retail Park 'Les Bastions' is gelegen aan de ring van Tournai
Lettable area: 10.350 m^2

Shopping centre Genk 'Shopping 1'

Rootenstraat 8, 3600 Genk

Top 5 tenants

Genkpark	18,11%
Carrefour Belgium	14,26%
Sportsdirect.com	6,11%
Lunch Garden	4,74%
Piocheur	4,44%

Number of tenants: 56
Construction: 1967 – Renovation: 2014
Location: The shopping centre is located in the centre of Genk
Lettable area: 27,100 m^2

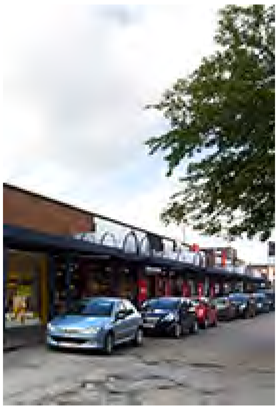
Genk Stadsplein

Stadsplein 39, 3600 Genk

Top 5 tenants

Hennes & Mauritz	15,33%
Zara	13,30%
Quiral	9,25%
C&A	8,72%
JBC	6,60%

Number of tenants: 61
Construction: 2008
Location: The shopping centre is located in the centre of Genk
Lettable area: 15,618 m²



Shopping centre Waterloo

Chaussée de Bruxelles 193-195,
1410 Waterloo

Top 5 tenants

Taboo	22,49%
Club	19,45%
Planet Parfum	12,97%
Natural Food	10,58%
Eram Chaussures	8,50%

Number of tenants: 12
Construction: 1968
Location: The shopping centre is located in the centre of Waterloo
Lettable area: 3,347 m²

'Forum Overpoort' Gent

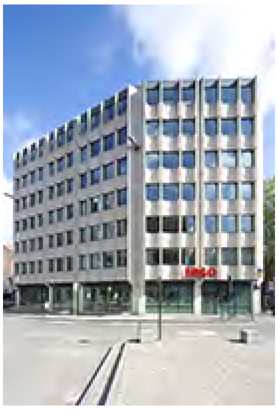
Overpoortstraat, 9000 Gent

Top 5 tenants

House Industries	24,46%
Pam Team	24,46%
DO Invest	17,31%
Albert Heijn België	13,87%
A.S. Watson Group	9,29%

Number of tenants: 7
Construction: 2014
Location: The complex is situated along the Overpoortstraat, in the city centre
Lettable area:
3,700 m² + 119 student rooms

OFFICES

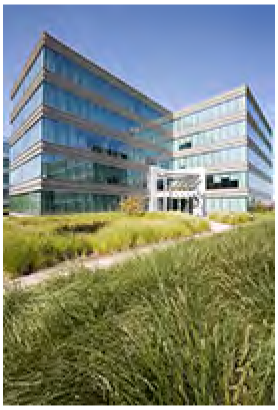


Office building in Brussels
Madou Center, Bischoffsheimlaan 1-8, 1000 Brussels

Tenant

Ergo Services KDV	100%

Number of tenants: 1
Construction: 1975 – Renovation: 2002
Location: Along the inner ring of Brussels, in district Arts/Loi
Lettable area: 12,162 m²



Office building in Vilvoorde
Medialaan 30-32, 1800 Vilvoorde

Top 5 tenants

Quintiles Belgium	31,02%
Amadeus Benelux	20,48%
Nutrition & Santé B-Lux	13,73%
Intersystems Benelux	8,72%
Ricoh	2,94%

Number of tenants: 10
Construction: 1999
Location: In business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area Medialaan 30: 5,449 m²
Lettable area Medialaan 32: 3,907 m²

Office building in Vilvoorde
Medialaan 28, 1800 Vilvoorde

Top 5 tenants

Ricoh	53,05%
WGEO Ltd Belgium	14,47%
ENI Gas & Power	12,57%
Quinz Advocaten	12,57%
Monster Belgium	11,57%

Number of tenants: 7
Construction: 2001
Location: In business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 12,772 m²

Office building in Vilvoorde
Jan Olieslagerslaan 41-45, 1800 Vilvoorde
Top 3 tenants

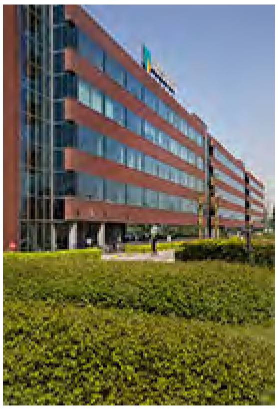
Sebia	51,49%
Crawford & Co	38,55%
Key Travel	9,97%

Number of tenants: 3
Construction: 1998
Location: In business park 'Business Class', near the Vilvoorde train station
Lettable area: 3,048 m²

Office building in Antwerp
Veldekens II, Roderveldlaan 3-4-5, 2600 Antwerp
Top 5 tenants

ABN Amro Bank	19,33%
24+	18,72%
Astrea	7,82%
Vito	7,34%
AON Belgium	7,30%

Number of tenants: 18
Construction: 1999
Location: Alongside the Antwerp ring
Lettable area: 16,003 m²



Office building in Antwerp
Veldekens I, Roderveldlaan 1-2, 2600 Antwerp
Top 3 tenants

Argenta Spaarbank	49,93%
Proximus	29,78%
Antea Belgium	20,29%

Number of tenants: 3
Construction: 2001
Location: Alongside the Antwerp ring
Lettable area: 11,192 m²

Office building in Antwerp
Veldekens III, Berchemstadionstraat 76-78, 2600 Antwerp

Top 5 tenants

Amadeus Benelux	26,00%
TVM Belgium	13,32%
CWS-Boco Belux	7,81%
Pearlchain	6,92%
Mazars Bedrijfsrevisoren	6,68%

Number of tenants: 15
Construction: 2002
Location: Alongside the Antwerp ring
Lettable area: 11,192 m^2

PROJECTS

Shopping centre 'Les Bastions' – Tournai

Sector
Retail

Type
Extension

Extent
Extension shopping centre: 14,500 m 2 GLA
Shopping centre after extension: 32,500 m 2 GLA

Estimated completion
Q1 2018

Expected return
6.25% – 6.75%

Status
Committed

- start construction Q1/2016
- estimated completion: Q1/2018
- investment: € 65.8 mln

Commercial complex – Waterloo

Sector
Retail

Type
Multifunctional redevelopment of the shopping centre

Extent
10,000 m 2 GLA

Estimated completion
Q2 2021

Expected return
6.75% – 7.25%

Status
Not committed.

This urban development project is part of a master plan that is again being studied at this time by the local authorities. In this context, it is difficult for the Management Company to estimate when this project could effectively be realised. The Company monitors closely the actual developments and decisions of the local government

Investment: € 52 mln

Shopping centre 'Belle-Ile' – Liège

Sector
Retail

Type
Extension

Extent
+/- 8,000 m 2 GLA

Estimated completion
Q1 2019

Expected return
6.0% – 6.5%

Status
Not committed.
The socio-economic and the building permit has been obtained.

Priorities are:
(1) attractive (international) brands
(2) optimization of the branche mix
(3) sustainability

Investment: € 50 mln

REAL ESTATE EXPERTS' REPORT

Resolutions of the real estate experts, prepared on 31 December 2016, following the valuation of the property portfolio, as referred to the Royal Decree of 13 July 2014 with respect to regulated real estate companies, the RREC.

Both reports were executed according to the fair value as defined in the 'International Valuation Standards', published by the 'Royal Institution of Chartered Surveyors' (the 'Red Book'), an Internationally accepted Valuation method. The Fair Value is defined as 'the price that would be received if an asset was sold or as the price that would have to be paid to transfer a liability in an orderly transaction between market participants at the valuation date'.

EVALUATION PRINCIPLES FOR THE PROPERTY PORTFOLIO

Cushman & Wakefield

Investment products: Capitalisation method
Our methodology is based on the Market Value and not on the replacement cost. The method used is the capitalisation of the market rent (MR) with corrections to take account of the rent effectively paid and/or any other element that could influence the value of the property such as cost of void.

In a first step, we determine the market rent.

We analyse at which level the building could be let tomorrow in the market. To determine this value, we based ourselves on our internal data and on transactions currently going on in the market, while taking into account the location, the accessibility, the site, buildings' characteristics… This market rent per square meter will be multiplied with the respective surface to come to the total estimated market rent.

After we have determined this market rent, we then calculate the adjusted market rent (AMR). Two cases can occur:

In those cases where the current passing rent (PR) is under this ERV, it is unlikely that in contract renewals with sitting tenants, the full ERV will be obtained. It is standard market practice to take into account that no more than 60% of the gap between the actual passing rent and the ERV can be bridged in renegotiations. This mainly due to the high legal protection for sitting tenants under Belgian commerce law.

In those cases where the market rent (ERV) is under the passing rent however, the highest rent a landlord should hope to achieve is the market rent. Since, being prudent, one should assume that the sitting tenant will use the break to negotiate his rent downward and bring it in line with the market.

The second step consists in evaluating at which yield an investor would be ready to buy this property. To determine this yield, we based ourselves on the most comparable transactions and on transactions currently going on in our investment department. We obtain a gross market value before corrections.

In a third step, we then calculate the difference between the current rent and the AMR until the next break. The corrections applied are negative when the tenant pays less than the capitalised value and positive when he pays more. These corrections will come in addition or in deduction of our initial gross market value to arrive at a gross market value after corrections.

The last step consists in obtaining the net market value of the property. We achieve this value by deducting the normative hypothetical costs of 2.5%.

Valuation total: € 660.5 mln.

Troostwijk – Roux Expertises CVBA
We opted to employ the income approach for the valuation of the existing assets.

The Valuations were performed by experienced appraisers and were based on:

- The information made available to us by the company, such as the current rent, the conditions of the lease agreement, service fees, investment expenditure, etc;
- The assumptions and valuation methods employed by the appraisers were wholly mar- ket-oriented, such as yields and capitalisation factors. They were based on expert opinion and the observation of the markets.

The income approach:

- The fair value of an investment property (= the Market Value) is determined by employing the discounted cash flow projections, based on reasonable estimates of the future rental income and investments according to the present leases and the other contracts. Where possible, external information was also used, such as current market rental prices for similar properties, the condition and the location. When it comes to capitalising projected cash flows, capitalisation factors should be used that represent the evaluation of uncertain market factors in the present market with respect to the sum and the timing of the cash flows.

Methodology: DCF

The valuation of the properties was performed using the discounted cash flow method (DCF), a method used to determine the current (market) value on the basis of the future free cash flows.

Valuation

On the basis of what is set out in this Valuation, we are of the opinion that as of 31 December 2016 the sum of the separate market values of the leasehold properties and buildings, in relation to and as a result of the various leases, amounts to:

Total: € 124.0 mln

This Valuation contains no negative values.

The market value is consistent with valuations performed for the drafting of the annual financial statements.

Transaction costs

The Valuation does not include VAT and the construction costs were not taken into account, nor was the value appraisal in the event of any Property being sold. Our net valuation does not include the expenses payable by the buyer either, which vary between the different regions.

Assumptions and sources of information

An assumption is defined in the Red Book's glossary as a 'supposition that is accepted as true' ('Assumption'). Assumptions are facts, conditions or situations that influence the subject or the approach to a valuation and that – by agreement – must be verified by the appraising party as a component of the valuation process. In our valuations we employed a number of assumptions as well as a specific number of information sources. We are of the opinion that our assumptions are reasonable, bearing in mind our knowledge of the Properties and the contents of the reports made available to us. But should it turn out that these assumptions are incorrect, then the valuation must be reviewed. We refer to the assumptions used in our valuation below.

Inspections

We inspected all properties and the company's management board informed us that no significant alterations were made to any properties whatsoever since our previous inspection.

Information

We assumed that the information provided to us by Wereldhave Belgium and its professional consultants concerning the Properties was both complete and accurate.

It follows from this that we drew up an assumption that details which factors can affect the value, such as possible rental transactions, rent reviews, pending statutory requirements and decisions concerning planning made available to us, and that contains up-to-date information.

Titles

During an earlier valuation of the Properties, we based our work on the information provided by the company with respect to the quality and negotiability of the titles to ownership for each Property. In those cases where we did not have access to statutory reports or titles to ownership, we assumed that, unless proven otherwise, the Properties were freely available for sale and that they are free of encumbrances, mortgages and other charges. Our Valuation was based on information that we obtained from third parties, including the property rights that, as appraisers for Wereldhave Belgium for accounting purposes, we did not verify separately: we deemed the information obtained to be accurate.

Surface areas

We did not measure the Properties and used the surface areas provided to us and the measurement reports conducted for certain Properties in order to check the surface areas.

Machinery and installations
Tangible fixed assets such as elevators, escalators, air conditioning and other standard installations were considered to be an integral component of the properties and constitute a part of our valuations. Machinery and installations, other installations and equipment belonging to the tenants were not included in our valuation.

No specialised tests were performed on any of the service systems, and for the purposes of the valuation we assumed that they were in good condition and in line with the applicable laws and legislation.

Environmental and soil survey
No inspections or environmental evaluations were included in our assignment, and we did not perform a historic survey into contamination of the land and buildings. Unless we were told otherwise, we assumed that the Properties are not affected by soil contamination and that there is no reason to believe that the current or future designated use of the Properties will be affected by this factor.

We were not tasked with conducting structural inspections of the Properties, but in our report we identified the need for repairs, where necessary. The Properties were appraised on the basis of the opinion of the Company that, subject to recommendations to the contrary, no hazardous materials were used in the construction of the buildings.

Planning
We only made verbal inquiries about urbanisation plans. In the course of our investigation the local authorities informed us that there were no violations with respect to town planning, landscaping or any other plans. The information provided to us by the planning officers was nevertheless issued without any obligation on their part, which is why we cannot accept responsibility for incorrect information or substantive omissions in the provided information.

We examined the building permits and assumed that the properties were built and are used in accordance with all required permits and that there are no unresolved legal issues.

We assumed that all buildings comply with the statutory requirements as well as those of the local authorities, including building, fire, health and safety regulations.

Leases
With respect to the lease terms, contractual leases, indexation, additional income, unrecoverable expenses and investment expenditure, we based our work on the information available in the leases that the Company made available to us for the purposes of this Valuation.

While we did not conduct an investigation into the creditworthiness of the tenants, we still took our knowledge of the market perception of the tenants' financial situation into account in our Valuation. We assumed that each tenant can meet its lease obligations and that there have been no breaches of contracts.

As of 31 December 2016, the total value of the property portfolio amounts to € 784.5 mln.

Development projects
Property that is being constructed or developed for future use as investment property is classified as a development project. Development projects are initially valued at cost and are subsequently valued at fair value. Fair value measurement on development projects is only applied for if the fair value is considered to be reliably measurable. If not, development projects are valued at historical cost less durable impairments. The following criteria are adopted to determine when a reliable fair value of development projects can be determined:

- building permit obtained;
- agreements with general contractors signed;
- sufficient finance arrangements in place;
- > 70% pre-let.

The total value of Development projects as of 31 December 2016 amounts to € 35.3 mln.

8 STOCK EXCHANGE & WERELDHAVE BELGIUM

DIVIDEND AND NUMBER OF SHARES

In 2016, shareholders of the Company achieved a return (incl. share price fluctuations and gross dividend) of 2.4% (2015: 11.2%).

The return of the EPRA Index Europe amounts to 4.7%. The price/Net result from core activities ratio at the end of 2016 was 18.6.

The closing share price of the Company at 31 December 2016 was € 107.70 compared to € 110.00 on 31 December 2015.

Neither Wereldhave Belgium nor any of its subsidiaries owns shares of Wereldhave Belgium.

There are no preference shares or shares without voting rights, nor are there convertible bonds or warrants that give entitlement to shares. Each of these shares provides one voting right at the General Meeting and these shares thus represent the denominator for notification purposes within the framework of the transparency regulations (i.e. notifications in case of reaching, exceeding or not reaching the legal threshold of 5% or a multiple of 5%). The Company does not apply an additional statutory threshold.

With an average of 1,347, the traded volumes in 2016 were 26% lower than in 2015 (on average 1,824 a day).

The velocity ratio of the share in 2016 was 0.02%.

THE WERELDHAVE BELGIUM SHARE

NUMBER OF SHARES	31-12-2014	31-12-2015	31-12-2016
Number of shares at year end	6,308,198	6,939,017	6,939,017
Number of shares entitled to dividends	6,308,198	6,939,017	6,939,017
Registered shares	4,393,310	4,553,106	4,553,137
Dematerialized shares	1,914,888	2,385,911	2,385,880
Market capitalization at closing (€ mln)	643	763	747
Free float	30.6%	30.4%	30.4%
Share price (€)	31-12-2014	31-12-2015	31-12-2016
Highest closing price	104.17	112	121.3
Lowest closing price	79.34	85.27	98.96
Share price at closing	102.01	110	107.7
Premium (+) / Discount (-) relative to the actual net asset value (%)	29.14	34.54	24.64
Average share price	92.68	101.9	110.01
Data per share (€)	31-12-2014	31-12-2015	31-12-2016
Net value (fair value)	78.99	81.76	86.41
EPRA Net asset value	78.99	81.76	86.41
Gross dividend	4.6	4.9	5.1
Net dividend	3.45	3.58	3.57
Gross dividend yield (%)	4.51%	4.45%	4.74%
Net dividend yield (%)	3.38%	3.25%	3.31%
Pay out ratio	87.00%	87.00%	88.24%
Volume (number of shares)			
Average daily volume	1,370	1,824	1,347
Volume per year	349,324	466,905	346,302
Velocity ratio	0.02%	0.03%	0.02%

DIVIDEND

A gross dividend per share of €5.10 gross – € 3.57 net (2015: € 4.90 gross – € 3.577 net) is proposed to the General Meeting of Shareholders. The dividend will be made payable as of 20 April 2017. Decreed dividends made payable after 1 January 2017 (subject to certain exemptions) are subject to a withholding tax rate of 30% instead of 27% (Program law of 25 December 2016 published in the Belgian Official Gazette State Journal of 29 December 2016).

SHAREHOLDERSHIP

NAME	NUMBER OF VOTING RIGHTS HELD DIRECTLY	% OF VOTING RIGHTS HELD DIRECTLY
Wereldhave N.V.	2,524,529	36.38%
WTC Schiphol Toren A		
Schiphol Boulevard 233		
1118 BH Schiphol		
Nederland		
Wereldhave International N.V.	2,303,372	33.20%
WTC Schiphol Toren A		
Schiphol Boulevard 233		
1118 BH Schiphol		
Nederland		
Public	2,111,116	30.42%
TOTAL	**6,939,017**	**100.0%**
Transparancy declaration		
Federale Verzekeringen	347,645	5.01%
Stoofstraat 12		
1000 Brussel		
België		

Listing of shares held by Effective Leaders and members of the Board of Directors	
Dirk Anbeek	0
Luc Plasman	200
Kasper Deforche	0
Dirk Goeminne	0
Jacques De Smet	0
Philippe Naert	0

OTHER INFORMATION

Other information under Article 34 of the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments admitted for trading on a regulated market.

1. Capital structure

At the date of this annual financial report, the share capital of Comm. VA Wereldhave Belgium is € 292.77 mln divided among 6,939,017 shares, each representing 1/6,939,017 part of the share capital without par value and fully paid.

There are no legal or statutory restrictions on the transfer of securities and the exercise of voting rights.

2. Employee share scheme

There is currently no employee share scheme.

3. Shareholder agreements which could lead to transfer restrictions or limitations on the exercise of voting rights

On 28 October 2008, Wereldhave NV and Wereldhave International NV, according to the Law of 12 April 2007, Article 74 § 7 point 3, mutually reported that they were in possession of more than 30% of the shares with voting rights in the company at the 1st of September 2008.

On 31 December 2016, 6,939,017 shares are outstanding, of which 36.38% is held by Wereldhave NV, 33.20% by NV Wereldhave International and 30.42% by the public.

Wereldhave International NV is a 100% subsidiary of Wereldhave NV.

4. Authorised capital

Pursuant to article 7 of the Articles of Association, the Company's Management Company is authorised to raise the Company's share capital, on one or more occasions, by a maximum amount of € 292,773,778.51.

By virtue of said article 7 of the Articles of Association, the general meeting of the Issuer is empowered to renew said authorisation as regards the authorised capital.

The authorisation to raise the Company's share capital, on one or more occasions, by a maximum amount of € 292,773,778.51 was renewed by the extraordinary general meeting of 8 April 2015, for a term of five years, counting from the compulsory disclosure in the Supplement to the Belgian Official Gazette, Orders and Decrees of this decision on 24 April 2015. The authorisation granted is therefore valid until 24 April 2020. As at the date of the present annual report, the Company has not yet availed itself of said authorisation. This authorisation is renewable.

If the capital increases decided on by the Management Company, as a consequence of the permission granted, comprise an issue premium, the amount of this issue premium must be placed in a special, non-distributable account called 'issuance premiums' which, like the capital, will constitute the security for third parties and cannot be reduced or dispensed with this unless a decision to this effect is taken by a General Meeting that is assembled in accordance with the attendance and majority requirements envisaged for a capital reduction, with the exception of conversion into capital, as provided for above.

This/(These) capital increase(s) can be subscribed for in cash or in kind, or through the incorporation of reserves and issuance premiums, as well as all own assets under the IFRS separate financial statements of the Company (prepared under the Regulatory Regime governing publically Regulated Real Estate Companies (RRECs)) that may be converted into share capital, with or without the creation of new shares, with or without voting rights, in accordance with the rules provided for in the Companies Code, the articles of association or the applicable legislation governing the public RRECs.

FINANCIAL CALENDAR FOR 2017

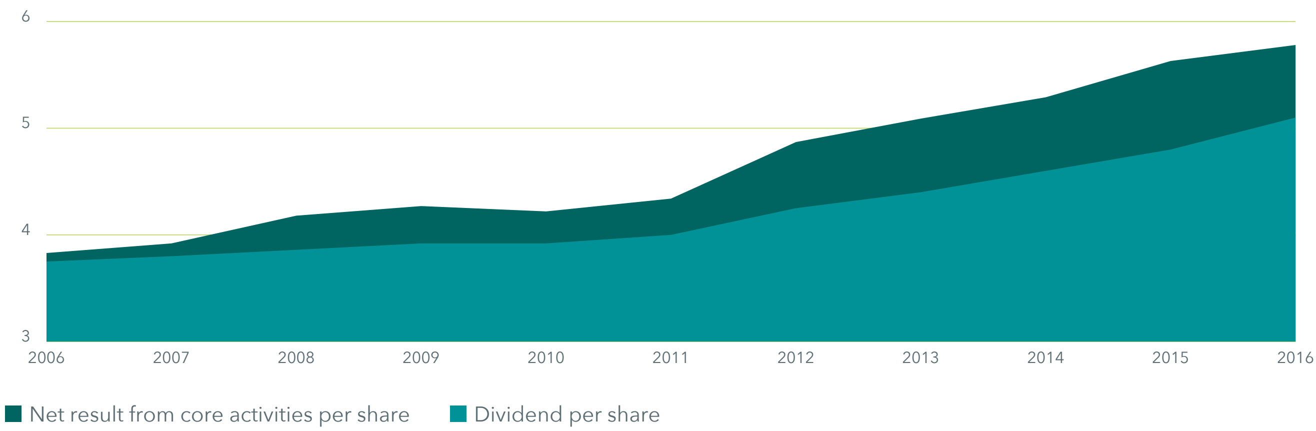
Press release results 2016 (8:00 AM)	Thursday 2 February 2017
General Meeting of Shareholders	Wednesday 12 April 2017
Ex-dividend	Tuesday 18 April 2017
Dividend record date	Wednesday 19 April 2017
Dividend payable 2016	Thursday 20 April 2017
Press release Q1 2017 (8:00 AM)	Thursday 20 April 2017
Press release Q2 2017 (8:00 AM)	Wednesday 20 July 2017
Press release Q3 2017 (8:00 AM)	Thursday 20 October 2017

Any changes to the financial agenda will be published in a press release that can also be consulted on the website of the Company: www.wereldhavebelgium.com.

STOCK EXCHANGE DATA

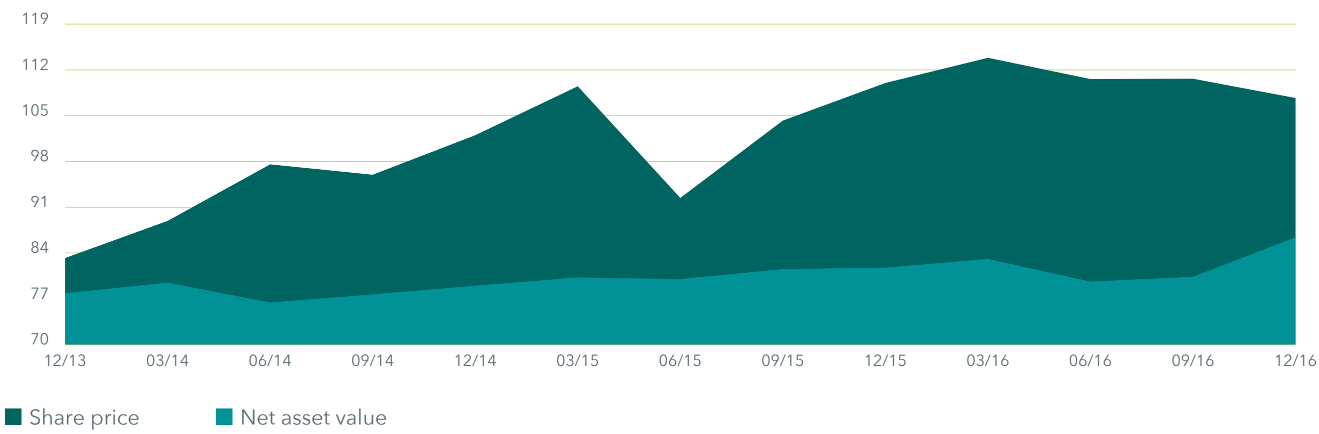
NET RESULT FROM CORE ACTIVITIES PER SHARE AND DIVIDEND PER SHARE

(x € 1)



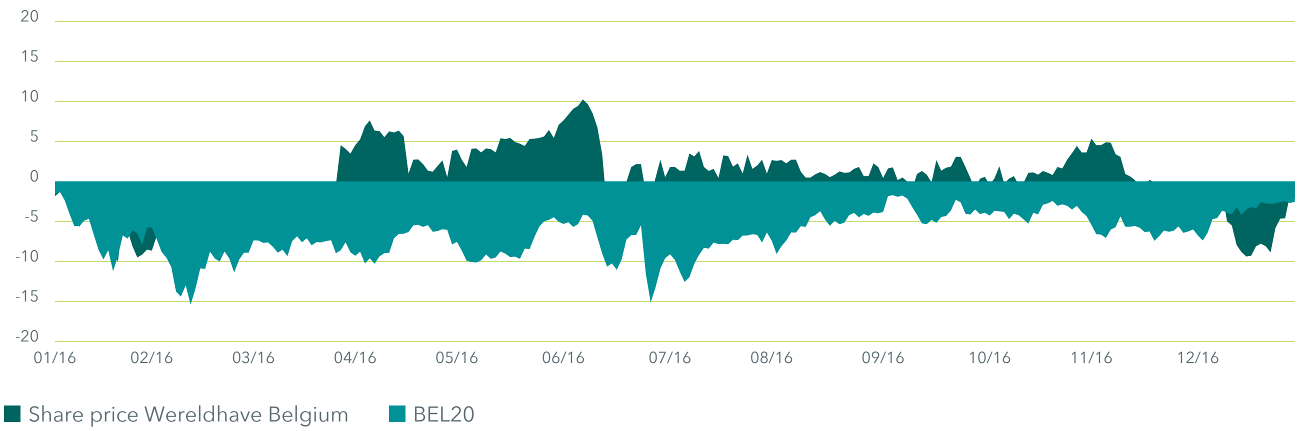
SHARE PRICE/NET ASSET VALUE

(before profit sharing x € 1)

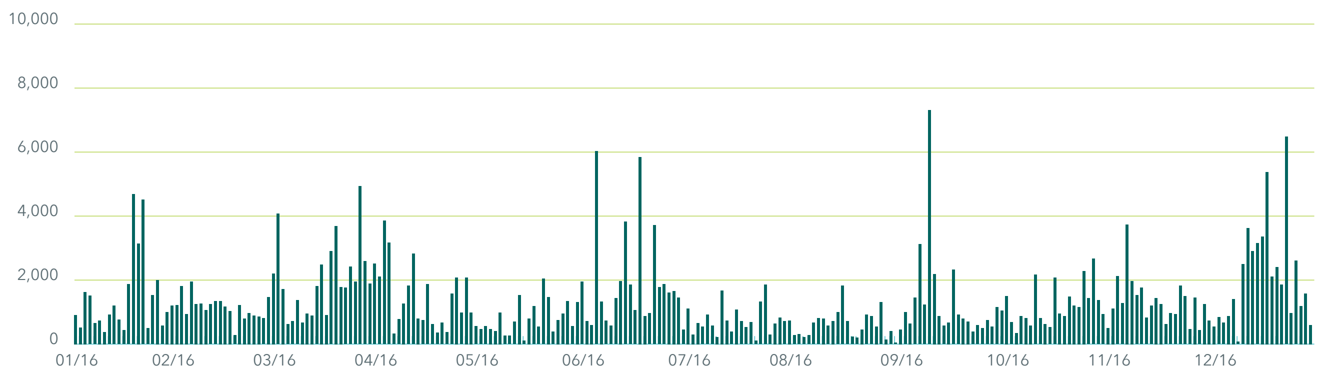


COMPARISON WERELDHAVE BELGIUM TO BEL20 CLOSE INDEX

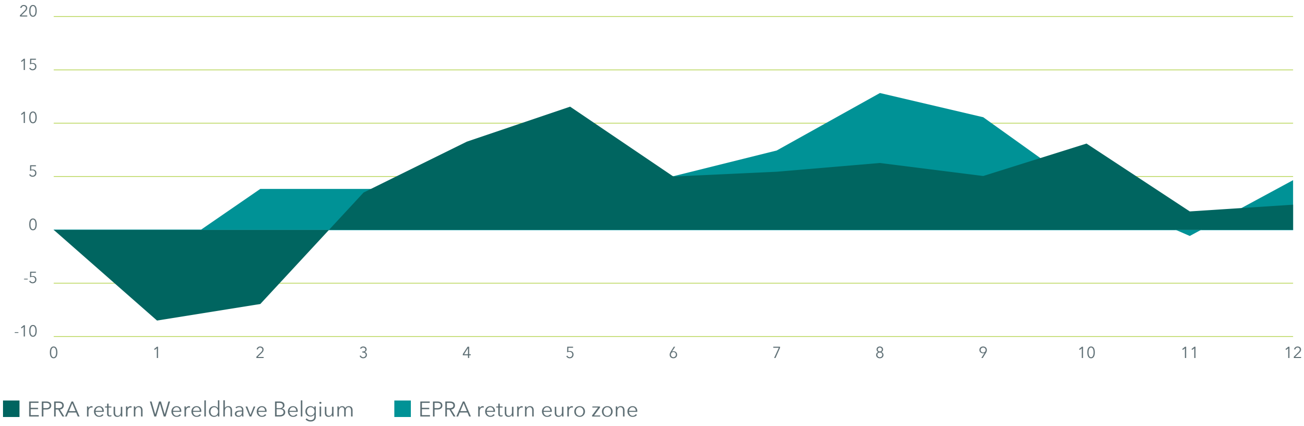
in %



TRADED VOLUMES WERELDHAVE BELGIUM



EPRA RETURN 2016*



(*) These data are given for guidance only and are not required in accordance with the RREC-law and are also not subject to any verification by public authorities; these figures have not been audited by the auditor.

(**) Share price evolution (including gross dividend) of Wereldhave Belgium.

9 FINANCIAL REPORT

CONTENTS FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(X € 1,000)

	ASSETS	31 DECEMBER 2015	31 DECEMBER 2016
I.	Non-current assets		
C.	Investment properties	774,029	819,827
		774,029	*819,827*
D.	Other tangible assets	654	632
		654	*632*
II.	Current assets		
D.	Trade receivables	8,139	9,451
E.	Tax receivables and other current assets	5,907	3,249
F.	Cash and cash equivalents	6,231	6,501
		20,277	*19,201*
	Total assets	794,960	839,660

(X € 1,000)

	SHAREHOLDERS' EQUITY	31 DECEMBER 2015	31 DECEMBER 2016
I.	Shareholders' equity attributable to the parent company's shareholders		
A.	Capital	292,774	292,774
B.	Issue premiums	50,563	50,563
C.	Reserves		
a.	Legal reserve	36	36
b.	Reserve for the balance of changes in fair value of real estate properties	103,745	113,007
d.	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-733	-808
j.	Reserve for actuarial gains and losses of defined pension schemes	-993	-880
m.	Other reserves	986	986
n.	Accumulated result	71,541	77,667
D.	Net result of the year	49,391	66,241
		567,310	*599,586*
II.	Minority interests	0	0

(X € 1,000)

LIABILITIES		31 DECEMBER 2015	31 DECEMBER 2016
I.	Non-current liabilities		
A.	**Provisions**		
	Pensions	1,232	1,168
B.	**Non-current financial liabilities**		
a.	Credit institutions	110,000	140,000
c.	Other		
	Other loans	36,000	22,000
	Rent guarantees received	396	497
C.	**Other non-current financial liabilities**		
	Authorised hedging intruments	733	808
E.	**Other non-current liabilities**	0	16,447
F.	**Deferred taxes - liabilities**		
b.	Other	1,730	1,799
		150,091	***182,719***
II.	Current liabilities		
B.	**Current financial liabilities**		
a.	Credit institutions	63,000	45,200
c.	Other		
	Other	1,417	434
D.	**Trade payables and other current liabilities**		
b.	Other		
	Suppliers	6,222	5,821
	Taxes, remunerations and social security contributions	1,234	1,162
F.	**Accrued charges and deferred income**		
	Real estate income received in advance	2,082	1,570
	Other	3,604	3,168
		77,559	***57,355***
	Total shareholders' equity and liabilities	**794,960**	**839,660**
	Net asset value per share (x € 1)	81.76	86.41

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(X € 1,000)

		31 DECEMBER 2015	31 DECEMBER 2016
I.	**Rental income**		
	Rent	46,744	49,369
	Indemnification for early termination of lease	665	364
	Net rental income	***47,409***	***49,733***
V.	**Recovery of rental charges and taxes normally paid by the tenant on let properties**	8,376	10,908
VII.	**Rental charges and taxes normally paid by the tenant on let properties**	-8,716	-11,466
		-340	***-558***
	Property result	**47,069**	**49,175**
IX.	**Technical costs**		
	Recurrent technical costs		
	Repairs	-372	-408
	Compensation for total guarantees	-92	0
	Insurance premiums	-40	-48
		-504	***-456***
X.	**Commercial costs**		
	Agency commissions	-369	-315
	Publicity	-179	-300
		-548	***-615***
XI.	**Charges and taxes on non-let properties**		
	Costs on non-let properties	-727	-616
	Real estate tax on non-let properties	-188	-165
		-915	***-781***
XII.	**Property management costs**		
	(Internal) property management costs	-1,327	-766
		-1,327	***-766***
	Property charges	***-3,294***	***-2,618***
	Property operating results	**43,775**	**46,557**
XIV.	**General company costs**		
	Staff costs	-1,420	-2,085
	Other	-1,655	-2,541
XV.	**Other operating income and charges**	971	751
		-2,104	***-3,875***
	Operating results before result on the portfolio	**41,671**	**42,682**

(X € 1,000)

		31 DECEMBER 2015	31 DECEMBER 2016
XVII.	**Result on disposals of other non-financial assets**		
	Net sales of other non-financial assets (sale price - transaction costs)	1	-1
		1	***-1***
XVIII.	**Variations in the fair value of investment properties**		
	Positive variations in the fair value of investment properties	23,558	50,660
	Negative variations in the fair value of investment properties	-14,815	-24,296
		8,743	***26,364***
XIX.	**Other result on portfolio**	-215	-117
		-215	***-117***
		8,529	***26,246***
	Operating result	**50,200**	**68,928**
XX.	**Financial income**		
	Interests and dividends received	559	0
	Net results on disposals of financial assets	1,823	0
XXI.	**Net interest charges**		
	Nominal interest charges on loans	-2,960	-2,372
XXII.	**Other financial charges**		
	Bank charges and other commissions	-76	-97
	Financial result	***-654***	***-2,469***
	Result before tax	**49,546**	**66,459**
XXV.	Corporate tax		
	Corporate tax	-102	-134
	Deferred tax on market fluctuations of investment properties	-53	-84
	Tax	***-155***	***-218***
	Net result	**49,391**	**66,241**
	Net result shareholders of the Group	**49,391**	**66,241**
	Result per share (x € 1)	**7.12**	**9.55**
	Diluted result per share (x € 1)	**7.12**	**9.55**

STATEMENT OF COMPREHENSIVE INCOME

(X € 1,000)

		31 DECEMBER 2015	31 DECEMBER 2016
I.	**Net result**	**49,391**	**66,241**
II.	**Other comprehensive income**		
	Items taken in the result		
B.	Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	-239	-75
C.	Changes in the fair value of financial assets available for sale	-565	0
	Items not taken in the result		
E.	Actuarial gains and losses of pledged pension schemes	-6	113
		-810	38
	Comprehensive income (I + II)	**48,581**	**66,279**
	Attributable to:		
	Minority interests	0	0
	Shareholders of the group	48,581	66,279

CONSOLIDATED CASH FLOW STATEMENT

(X € 1,000)

	31 DECEMBER 2015	31 DECEMBER 2016
Cash flow from operating activities		
Net result before tax	49,546	66,459
Income from interest and dividends	-559	0
Gain on sale real estate certificates	-1,822	0
Result exclusive of dividend received	**47,165**	**66,459**
Depreciation tangible assets	261	265
Rental discounts and investments	830	765
Interest charges	3,030	2,561
Variations in the fair value of investment property	-8,743	-26,364
Movements in provisions	-1,250	-1,679
Movements in short term debts	1,693	-1,819
Corporate tax paid	-102	-213
Corporate tax received	121	2,891
	-4,160	***-23,593***
Net cash flow from operating activities	**43,005**	**42,866**
Cash flow from investment activities		
Sale real estate certificates	18,127	0
Advances received on non-current assets	0	16,447
Payment for investment property	-102,040	-20,074
Income sale investment property	0	0
Acquisition furniture and vehicles	-104	-297
Interest received	559	0
Net cash flow from investment activities	**-83,458**	**-3,924**
Cash flow from financial activities		
Capital increase	49,418	0
Appeal credit institutions/Other	123,000	79,200
Repayment credit institutions/Other	-97,500	-81,000
Dividends paid	-29,023	-34,001
Interest paid	-3,265	-2,871
Net cash flow from financing activities	**42,631**	**-38,672**
Net cash flow	**2,178**	**270**
Cash & bank balances		
At 1 January	4,053	6,231
Increase/decrease cash and bank balances	2,178	270
At 31 December	**6,231**	**6,501**

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

(X € 1,000)

2015	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	LEGAL RESERVE	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
Balance at 1 January 2015		**266,160**	**27,759**	**36**	**104,043**
Capital increase		26,614			
Issue premiums			22,804		
Variations in the fair value of hedging instruments					
Variations in the fair value of financial assets available for sale	a				
Transfer from reserves					
Provisions for pensions					
Other					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					-298
Dividend over 2014	b				
Balance at 31 December 2015		**292,774**	**50,563**	**36**	**103,745**

(X € 1,000)

RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF AUTHORISED HEDGING INSTRUMENTS SUBJECT TO HEDGE ACCOUNTING	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AVAILABLE FOR SALE	RESERVE FOR ACTUARIAL GAINS AND LOSSES OF DEFINED PENSION SCHEMES	OTHER RESERVES	ACCUMULATED RESULT	NET RESULT OF THE YEAR	TOTAL
-494	565	-987	1,019	100,183		498,284
						26,614
						22,804
-239						-239
	-565					-565
			-31			-31
		-6		78		72
			-2			-2
					49,391	49,391
				298		0
				-29,018		-29,018
-733	**0**	**-993**	**986**	**71,541**	**49,391**	**567,310**

(X € 1,000)

2016	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	LEGAL RESERVE	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
Balance at 1 January 2016		**292,774**	**50,563**	**36**	**103,745**
Variations in the fair value of hedging instruments					
Variations in the fair value of financial assets available for sale					
Transfer from reserves					
Provisions for pensions					
Other					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					9,262
Dividend over 2015	c				
Balance at 31 December 2016		**292,774**	**50,563**	**36**	**113,007**

Explanation

a	Variations in the fair value of financial assets available for sale Revaluation real estate certificates: -565
b	Dividend paid 2014 € 4.60 (net € 3.45) per share: -29,018
c	Dividend paid 2015 € 4.90 (net € 3.577) per share: -34,001

(X € 1.000)

RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF AUTHORISED HEDGING INSTRUMENTS SUBJECT TO HEDGE ACCOUNTING	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AVAILABLE FOR SALE	RESERVE FOR ACTUARIAL GAINS AND LOSSES OF DEFINED PENSION SCHEMES	OTHER RESERVES	ACCUMULATED RESULT	NET RESULT OF THE YEAR	TOTAL
-733	0	-993	986	120,932		567,310
-75						-75
						0
						0
		113				113
				-2		-2
					66,241	66,241
				-9,262		0
				-34,001		-34,001
-808	**0**	**-880**	**986**	**77,667**	**66,241**	**599,586**

NOTES

1. GENERAL INFORMATION

Wereldhave Belgium (the Company) has the status of a Regulated Real Estate Company (RREC). The Company invests preferably in shopping centers and/or extensions of shopping centers and, possibly (additionally), in offices, residential property and other real estate.

The Company is managed by the sole Statutory Management Company, represented by the Board of Directors. The Board of Directors of the Management Company, Wereldhave Belgium NV, is composed of at least four members. One is Executive Board member of Wereldhave N.V. and three have the legal position of Independent Director.

The Company quotes at the Euronext continuous stock exchange in Brussels.

The consolidated annual accounts from 1 January to 31 December 2016 are the result of the consolidation of Wereldhave Belgium with its subsidiaries.

The consolidated annual accounts and consolidated annual report were approved by the Board of Directors of the Management Company on 6 March 2017. The General Meeting of Shareholders will be held on 12 April 2017 at the registered offices of the company. The General Meeting of Shareholders is authorised to change the approbation of the result within legal limits.

2. FISCAL STATUS

Since 27 October 2014, Wereldhave Belgium benefits from the tax status of RREC and is therefore (provided that certain conditions are met) not submitted to corporate income tax, except on possible exceptional profits and on disallowed expenditures.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION ANNUAL ACCOUNTS 2016

The Group's functional currency is the Euro. The consolidated financial statements of the Company have been presented in Euros, rounded to the nearest thousand. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. The consolidated and statutory financial statements of the Company are determined on basis of the fair value unless otherwise stated.

The consolidated accounts have been prepared before distribution of profit. The consolidated balance sheet and the profit and loss account are established in accordance with the scheme applicable to all Belgian RREC's, in accordance with the Royal Decree of 13 July 2014.

In 2016 the below mentioned new IFRS standards or interpretations thereon, relevant to the Company, became applicable. These new or adjusted standards and their interpretation had a minimal impact on Wereldhave Belgium's reporting for the year 2016. It concerns the following standards:

- Amendments to IAS 16 and IAS 38 'Statement on acceptable depreciation method'
- Amendments to IFRS 11 "Accounting for acquisitions of interests in joint operations'
- Amendments to IAS 1 'The reporting initiative'
- Improvements to IFRSs 2012-2014 cycle is a collection of minor improvements to four existing standards
- Amendments to IFRS 10 and IAS 28, "Investment Companies - application of the exception to consolidation '
- Amendments to IAS 16
- Amendments to IAS 27 'equity method in the separate financial statements'
- Changes in IFRS 10 and IAS 28: Sale or Transfer of assets between an investor and an associate or a joint entity

New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2016, and have not been applied in preparing these consolidated financial statements:

IFRS 15 Revenue from Contracts with Customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Barter Transactions Involving Advertising Services. IFRS 15 is effective for the annual reports beginning on or after 1 January 2018, with early adoption permitted, and has been endorsed by the EU. Clarifications to IFRS 15 Revenue from Contracts with Customers (issued on 12 April 2016) has not yet been endorsed by the EU.

The implementation of IFRS 15 is expected not to have a material impact on the Group's consolidated financial statements.

IFRS 16 Leases published on 13 January 2016 makes a distinction between a service contract and a lease based on whether the contract conveys the right to control the use of an identified asset and introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. For lessors, there is little change to the existing accounting in IAS 17 Leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. This new standard has not yet been endorsed by the EU.

The full extent of the impact has not yet been determined. The Group has started an initial assessment of the potential impact on its consolidated financial statements. The Group expects that the impact will be limited due to the fact that the Group primarily acts as lessor.

IFRS 9 Financial Instruments published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements, which align hedge accounting more closely with risk management. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. This new standard has been endorsed by the EU.

The implementation of IFRS 9 is expected not to have a material impact on the Group's consolidated financial statements.

The disclosure initiative (Amendments to IAS 7) requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for annual periods beginning on or after 1 January 2017, with earlier adoption permitted. These amendments have not yet been endorsed by the EU.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12) clarifies the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. Further, the amendments provide guidance on estimating probable future taxable profits when assessing the recognition of deferred tax assets when there are insufficient taxable temporary differences relating to the same taxation authority and the same taxable entity. The amendments are effective for annual periods beginning on or after 1 January 2017, with earlier adoption permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2) issued on 20 June 2016 covers three accounting areas: the measurement of cash-settled share-based payments; the classification of share-based payments settled net of tax withholdings; and the accounting for a modification of a share-based payment from cash-settled to equity-settled. The amendments are effective for annual periods commencing on or after 1 January 2018. As a practical simplification, the amendments can be applied prospectively so that prior periods do not have to be restated. Retrospective, or early, application is permitted if companies have the required information. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

Transfers of property assets to/from, investment property (Amendments to IAS 40) issued on 8 December 2016, clarifies that a property asset is transferred to, or from, investment property when and only when there is an actual change in use. A change in management intention alone does not support a transfer. The amendments are effective for annual periods beginning on or after 1 January 2018, with earlier adoption permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

IFRIC 22 Foreign currency transactions and Advance consideration issued on 8 December 2016, clarifies the transaction date to be used to determine the exchange rate for translating foreign currency transactions involving an advance payment or receipt. The interpretation is effective for annual periods beginning on or after 1 January 2018, with earlier adoption permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

Annual improvements to IFRSs 2014-2016 Cycle, issued on 8 December 2016, covers the following minor amendments:

- IFRS 1 First-time Adoption of IFRS: Outdated exemptions for first-time adopters of IFRS are removed (effective for annual periods beginning on or after 1 January 2018);
- IFRS 12 Disclosure of Interests in Other Entities: Also applies to interests that are classified as held for sale or distribution (effective for annual periods beginning on or after 1 January 2017) and
- IAS 28 Investments in Associates and Joint Ventures: A venture capital organisation, or other qualifying entity, may elect to measure its investments in an associate or joint venture at fair value (effective for annual periods beginning on or after 1 January 2018, with earlier adoption permitted).

The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

3.2 CONSOLIDATION

Subsidiaries

A subsidiary is an entity that is (exclusively or jointly) controlled by another entity.

Control is having power over the entity, having the rights on variable return due to its participation in the entity, and having the possibility to use power over the entity to influence the amount of income. The annual accounts of a subsidiary are included in the consolidated annual accounts according to the method of full consolidation from the start until the end of the control. If necessary, the general principles of the financial reporting of the subsidiary are changed in order to achieve consistent principles within the Group. The reporting period of the subsidiary is in accordance with that of the parent company.

Intercompany transactions, balances and unreed profits on transactions between subsidiaries are eliminated. Unrealised losses are also eliminated.

The basic principles of financial reporting for subsidiaries have, where necessary, been adapted to guarantee the consistency with the basic principles for the group.

Incorporating acquisitions

For acquisitions, Wereldhave Belgium assesses whether it is IFRS 3 'Business Combinations' or IAS 40 'Investment Property' that applies. Acquisitions are considered to be a business combination if there is an acquisition of assets, rental activities and such a management organisation that the acquired entity can function autonomously as a company, with the aim of generating economic profits. Wereldhave Belgium does not necessarily consider acquisitions of real estate that for business economic reasons are purchased within a legal company to be a business combination, but assesses each acquisition individually on the basis of the aforementioned business characteristics.

For the acquisition of business combinations, the fair value of the participation acquired is offset against the price paid for the acquisition. If the fair value is lower, the difference between the sums paid and the fair value is accounted for as goodwill. If the sums paid are lower, the difference is accounted for directly in the profit and loss account.

If an acquisition is not qualified as a business combination, it is incorporated on the basis of the individual assets and liabilities; additional acquisition costs are capitalised and no goodwill or tax deferrals are taken into account.

Costs relating directly to the acquisition are incorporated in the profit and loss account.

3.3 EQUITY

The objective of Wereldhave Belgium, when managing capital (as presented in the annual accounts), is to safeguard the group's going concern, provide returns for the shareholders, benefits for other stakeholders and to maintain such a capital structure to optimize the cost of capital. Further Wereldhave Belgium manages its capital to ensure that it meets the requirements from laws and regulations (Royal Decree of 13 July 2014). The share capital is described in note 3.12.

Derogation shopping centre 'Belle-Ile' in Liège in accordance with article 30 §3 and §4 of the RRECLaw.

On 23 December 2016, the FSMA (financial services and markets authority) allowed a renewed derogation to the shopping centre 'Belle-Île' in Liège on the prohibition of investing more than 20% of the assets in one property unit. The derogation is granted subject to the following cumulative conditions:

- The derogation has been accorded until 31 December 2018;
- The Company must quarterly report to the FSMA the share represented by the shopping center 'Belle-Ile' in the investment portfolio;
- The periodic reports and prospectuses that will be published by the Company in the future should explicitly mention that the chosen focus on shopping by the Company involves a greater concentration geographically, as well as a greater concentration of risk including technical issues and fire.

Wereldhave Belgium may adjust the amount of dividends, return capital to shareholders, issue new shares or sell assets to maintain or adjust the capital structure.

3.4 BUSINESS COMBINATIONS AND GOODWILL

When the company takes control of an activity, as defined in IFRS 3 – Business Combinations, the assets, liabilities and possible identifiable liabilities of the acquired activity are entered at their fair value. The difference between the fair value of the consideration transferred to the seller and the share of Wereldhave Belgium in the fair value of the acquired net assets is a goodwill asset on the balance sheet. If the difference is negative, then this surplus (negative goodwill or badwill) is booked into the result after confirmation of the values.

The costs related to the acquisition, such as advisor fees, are booked directly as expenses (Net result from non-core activities).

3.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets having an indefinite useful life, e.g. goodwill, are not subject to amortisation and are tested on an annual basis for impairment. Assets subject to amortisation are reviewed for impairment when events or changes in circumstances occur which give an indication that the book value may not be recoverable.

Impairment is recognized in the profit and loss account for the amount that the book value of an asset exceeds the recoverable amount, being the fair value minus selling costs. Non-financial assets other than goodwill, which are impaired, are assessed for possible recovery of the impairment on each reporting date.

3.6 INVESTMENT PROPERTIES

Investment properties are those properties which are held to earn rental income or for capital appreciation or for both. On acquisition, investment properties are recognised at cost, including transaction costs. Investment properties are stated at fair value at the balance sheet date. Fair values are based on the estimated amount for which a property could be exchanged on the date of valuation in an arm's length transaction.

Fair value is based on the capitalisation of market rents less operating costs like maintenance, insurances costs and fixed charges. The net capitalisation factor and the present value of the differences between market rent and contracted rent, of vacancies and of maintenance expenditure to be taken into account are calculated for each property individually. Sale costs at the expense of the purchaser, among which transfer tax, are deducted from the fair value. At first balance sheet date after purchase, these sale costs are recognised in the income statement. After acquisition subsequent expenditure is added to the asset's carrying amount when it is probable that future economic benefits will flow to the entity. All other expenditure, such as repairs and maintenance, are charged to the income statement during the financial period in which they are incurred.

The part property in own use is not significant and therefore not classified separately as property in own use.

Investment properties that are located on a long term (emphytéose/erfpacht) lease parcel are valued at fair value in the same way as other investment properties, providing the fair value of the real estate includes the cash value of the obligations to pay the lease as a deduction.

The portfolio is valued quarterly at fair value by an independent external valuer in conformity with 'International Valuation Standards' and 'European Valuation Standards'. Valuation differences are recognised in the income statement.

Rent-free periods and rent reductions

The rent-free periods or the lease incentives granted to tenants are amortised on a straight-line basis over the term of the related lease, but only until the first break right of the tenant.

Capitalised rent-free periods or other rent reductions are amortised over the term of the related lease and deducted from the rent income. In the determination of the fair value of the investment properties portfolio, rent-free periods and other rent reductions are deducted from the valuation result in order to avoid double booking.

Development projects

Property that is being constructed or developed for future use as investment property is classified as a development project.

Development projects are initially valued at cost and are subsequently valued at fair value. Fair value measurement on development projects is only applied for if the fair value is considered to be reliably measurable. If not, development projects are valued at historical cost less durable impairments. The following criteria are adopted to determine when a reliable fair value of development projects can be determined:

- building permit obtained;
- agreements with general contractors signed;
- sufficient finance arrangements in place;
- > 70% pre-let.

The cost price comprises the cost price of the work carried out, the costs of personnel directly related to the project, charged with technical supervision and project management on the basis of time spent and the capitalised interest charges until the delivery date on the basis of the interest charges to be attributed directly to the development project or on the basis of the group's average effective interest rate if there is no specific project financing. Interest charges comprise interest and all the costs of Wereldhave Belgium relating to attracting money.

The fair value of project developments is determined in exactly the same way as real estate investments providing that the capitalisation factor is adjusted for any development risks present. If possible, the fair value is determined by independent real estate experts. If this is not possible, an internal calculation model with similar parameters is used.

Impairment losses are recognised in the income statement. Development projects are transferred to investment properties on the date of technical completion.

3.7 OTHER TANGIBLE ASSETS

Property and equipment are stated at cost less depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets:

- office furniture: 10 years
- equipment: 3-5 years
- cars (excl. residual value): 4 years

Other tangible assets are yearly tested for impairment.

Gains and losses on disposals are recognised in the income statement.

3.8 FINANCIAL ASSETS

Financial assets will include items due after more than twelve months, unless mentioned otherwise. Capital gains on disposals are accounted for under results on disposals. Acquisitions and sales are accounted for based upon trade date. Wereldhave Belgium classifies its financial assets in the following categories:

- at fair value through profit or loss;
- loans and receivables and
- available for sale.

The classification depends on the purpose for which the financial assets were acquired. The classification is determined at initial recognition.

The fair value of financial instruments is, if available, determined by relevant quoted (bid)prices. In case the valuations are not available on markets, the fair value is based on information from banks, which is recalculated in an internal calculation model. When information from banks is also not available only internal calculation models are used.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading.

Financial assets at fair value through the income statement are initially and subsequently valued at fair value. The fair values are current bid prices in case these are available. In case an open market value is not available, the fair value is based on information of banks, which is recalculated with internal calculation models.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans issued and other receivables are taken into account, initially at fair value plus transaction costs directly attributable to the loan and subsequently at an amortised cost basis. Amortised cost is taken to the income statement under interest income and expense on the basis of the effective interest method.

When there is objective evidence that the company will not be able to collect all amounts due, an impairment of loans and receivables is established via the income statement to the amount collectible. Indicators for non-collectability are amongst others significant financial difficulties of a debtor, non-compliance of payment conditions and bankruptcy.

Financial assets available for sale

Financial assets available for sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Financial assets available for sale are initially recognised at fair value plus acquisition costs and subsequently valued at fair value. Valuation results are directly taken to the comprehensive income. In case a decline of the fair values is significant or prolonged, impairments will be accounted for as impairment in the income statement under revaluation result. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in comprehensive income are included in the income statement as results on disposal.

Dividends on financial assets are recognised in the income statement as other income and expense when the right to receive payments is established.

Financial instruments

Hedging instruments are initially valued according to cost price and according to fair value at the following reporting date. Changes in the Fair Value of financial instruments are applied in the profit and loss account, unless the derivative complies with hedge accounting.

The fair value of a financial instrument is the amount that the Company expects to receive if it is disposed on the balance sheet date, taking into account the applicable interest rate and the credit risk of the other party. If a financial instrument can be documented as an effective hedge for the possible change that is due to a certain risk connected to an asset or liability or a very likely future transaction, the part of the result arising from the change in value of the instrument that has been determined to be an effective hedge is immediately justified in the other elements of the global result (equity capital) under 'Changes in the effective part of the Fair Value of authorised hedging instruments subject to hedge accounting as defined in IFRS'. The ineffective part of the instrument is included in the income statement.

3.9 NON-CURRENT ASSETS AVAILABLE FOR SALE

Non-current assets (or a disposal group) are held for sale in case its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition. In addition, the sale must be highly probable, management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. The sale should be completed within one year from the date of classification.

Non-current assets (or disposal group) classified as held for sale shall be measured at the lower of its carrying amount and fair value less costs to sell. No remeasurement takes place when the assets are already measured at fair value. Non-current assets held for sale or the assets from a disposal group shall be presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale shall be presented separately from the other liabilities.

Those assets and liabilities that are held for sale shall not be offset. Investment properties available for sale are valued in accordance with IAS 40.

A disposal group is a group of assets and liabilities that is sold or intended to be sold in one transaction.

3.10 TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms. Indicators for such an event are among others significant financial difficulties of a debtor, non-compliance to payment conditions and bankruptcy. The amount of the provision is the difference between the asset's carrying amount and the estimated future cash flows. The movement in the provision is recognised as general costs in the income statement.

When trade receivables are uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against general costs in the income statement.

3.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and cash deposits. Cash equivalents are short-term, highly liquid investments (< 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 SHARE CAPITAL

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction from the proceeds.

3.13 PROVISIONS

A provision is recognised in the balance sheet when a legal or implicit obligation would exist, as a result of a past event and when it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.14 INTEREST BEARING DEBT

Interest bearing debts are initially recognised at fair value, less direct attributable transactions costs. Any difference between nominal and book value is recognised in the income statement over the period of the interest bearing liabilities on the basis of the effective interest per loan. The short-term portion of loans outstanding to be repaid within twelve months is shown under current liabilities.

3.15 PENSION SCHEME

Defined contribution plans

As a consequence of the minimum guaranteed rates of return, imposed by law, Belgian pension plans are now classed as 'Defined benefit plans' and the Company, therefore, has no pension plans that qualify as 'defined contribution plans' under IFRS (International Financial Reporting Standards).

Defined benefit plans

Defined benefit plans are pension schemes where participants can derive statutory benefits at the pension date.

For defined pension plans, the cost of the defined benefits is determined according to the 'Projected Unit Credit Method', in which actuarial valuations are performed at every balance sheet date. The discount rate is the yield at the reporting date of high-quality corporate bonds with a maturity similar to the term of the group's liabilities.

The net pension liability (or asset) relating to defined pension plans included in the balance sheet corresponds to the difference between the obligations of defined pension plans and the fair value of the plan assets. In the event of a surplus, the net credit balance from defined pension plans shall be limited to the present value of the future economic benefits in the form of a reduction in future contributions to the plan or, alternatively, a cash refund.

The obligations are calculated on the basis of the legally guaranteed minimum return.

The fair value of the assets is determined by applying IAS19.115; qualifying insurance policies are therefore taken into account.

Revaluations of the net pension liability (or asset) of defined benefit obligations comprise actuarial profits and losses on the defined benefit obligations, deviations from the expected return and changes in the effect of the cap on the remaining pension claim. These revaluations are entered in the overall result and incorporated directly in the net equity.

The Company determines the net interest cost (or return) on the net defined benefit liability (or asset) for the period by multiplying the net defined benefit liability (asset) by the discount rate as determined at the start of the annual reporting period, taking account of expected changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. This net interest charge is recognized in the consolidated income statement.

3.16 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently at amortised cost basis using the effective interest method.

3.17 LEASES

Properties leased out under operating leases are included in investment properties in the balance sheet. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable under other non-current assets.

Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases, are charged to the income statement on a straight-line basis over the period of the lease. Leases of assets where the group company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding obligations, net of finance charges, are included in long term liabilities. The interest element of the finance cost is charged to the income statement over the lease period. The investment properties acquired under finance leases are carried at their fair value.

3.18 REVENUE

Rental income

Rental income from investment property leased out under operating lease is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives having the nature of rent free periods are recognised as an integral part of the rental income. The incentives are amortised over the term of the lease, limited to the first break of the lease. Amortisations are charged to rental income.

Rental income does not include amounts charged to tenants in respect of common costs. Rental income is shown on an accrual basis.

Variable rental income such as rental income from investment property or rental income from incidental rental are accounted for in the profit and loss account for the period to which they relate if they can be reliably assessed. If assessment is not possible, they will be incorporated at the time of realisation.

3.19 EXPENSES

Charges and taxes payable by tenants on let properties (+/-)

These are shown on a gross basis when the property owner acts as a principal. In the presentation on a gross basis costs and charges are shown separately. Costs and charges are shown on an accrual basis.

Property expenses

The amount consists of operating cost for the account of the owner attributable to the accounting period, such as:

- technical costs

- charges and taxes of vacant properties
- property management
- commercial costs

Technical costs include (major) repairs to and maintenance of the buildings, costs of studies regarding maintenance and repairs, costs for total guarantees (a 'Total Guarantee' maintenance contract guarantees a constant level of yearly maintenance fees even if major repairs become necessary in case of unforeseen failures or breakdowns) as well as costs of vacant properties.

Commercial costs include the depreciation of expenditure in connection with a letting. The expenditure is depreciated over the term of the lease.

Investment property depreciation charges are not recognised since investment properties are valued at fair value (see note 6 'Investment properties'). The fair value calculation takes into account technical and economical obsolescence.

General costs

The amount comprises general costs attributable to the accounting period. Direct staff costs relating to property management are included in property expenses. Direct staff costs relating to supervising and monitoring development projects are capitalised on the basis of time spent.

3.20 INTERESTS

Interests comprise the total of interests attributable to the accounting period on loans, other debts, accounts receivable and cash and bank balances and is split between interests received and paid. Due to the amortised cost valuation of interests bearing debts as well as amortisation of the liability portion of convertible bonds, interest will include interest addition to interest bearing debts on the basis of the effective interest rate per loan.

Interest directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets, starting at the moment of undertaking activities that are necessary to prepare the asset for its intended use till completion unless no further development takes place. The interest capitalised is calculated the groups weighted average cost of borrowings or the borrowing cost of a specific project financing.

3.21 CORPORATE TAX

Income tax on profit and loss for a year comprises current tax. 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 adjustment to taxation in respect of previous years.

3.22 SEGMENT REPORTING

Operational segments are the individual activities of the Group, which are regularly assessed by the Group's Chief Operating Decision Maker (CODM), in order to assess each segment's performance and to allocate resources to them.

The Group's segment reporting is presented, e.g. how the internal financial information of the Group is organized and reported to the Board of Directors of the Statutory Manager, who is the Group's CODM. The Board of Directors of the Statutory Manager assesses the Group's performance and allocates resources based on the individual sectors, namely 'Offices' and 'Retail'.

Results, assets and liabilities per segment comprise items which can be directly attributed thereto.

3.23 DIVIDENDS

Dividends are recognised as debts to shareholders in the year in which they are attributed.

3.24 IMPORTANT ASSESSMENTS

Investment properties

The assets of the company mainly consist of the real estate portfolio. The market value of these assets cannot be assessed using official quotations or listings.

A valuation based on fair value is a time- and place-based estimate. IFRS 13 defines 'fair value' as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. The definition assumes a (hypothetical) transaction. So even if the company intends to use an asset rather than sell, it determines the fair value based on the (hypothetical) retail price.

An independent external valuer bases his fair value valuation on his own market knowledge and information.

The fair value is based on a net yield calculation, where market rents are capitalised and normative property expenses (such as the costs of maintenance, insurance and expenses) are deducted. The yields used are specific for the country, the location, the type of property, the level of maintenance and the general lettability of every single property. The determination of applicable yields is based upon comparable transactions, added with market and building specific knowledge and remaining other assumptions.

Apart from assumptions with regard to yields, costs for future maintenance investments are also taken into account in the valuation. Furthermore, explicit assumptions are made per lettable location and per tenant with regard to the possibility of (re)letting, the start date of such (re)letting and the costs related hereto. Finally, adjustments are made for expected costs of vacancy (present and future) and for differences between the market rent and contractual rent. The valuation is carried out after the deduction of hypothetical normative sales costs, set at 2.5%, which will be charged to the buyer.

General assumptions with regard to the valuation of investment property have been disclosed in note 6.

4. CONSOLIDATED STATEMENT OF NET RESULT FROM CORE (1) AND NON-CORE (2) ACTIVITIES TO 31 DECEMBER

(X € 1,000)		2015		2016	
		(1)	(2)	(1)	(2)
	Net rental income	47,409		49,733	
	Rental charges and taxes normally paid by the tenant on let properties	-340		-558	
	Property charges				
IX.	Technical costs	-504		-456	
X.	Commercial costs	-548		-615	
XI.	Charges and taxes on non-let properties	-915		-781	
XII.	Property management costs	-1,327		-766	
XIV.	General company costs	-3,075		-4,626	
XV.	Other operating income and charges	971		751	
	Operating results before result on the portfolio	**41,671**		**42,682**	
XVII.	Result on disposals of other non financial assets	1		-1	
XVIII.	Change in fair value of the investment properties				
	- positive		23,558		50,660
	- negative		-14,815		-24,296
XIX.	Other result on portfolio		-215		-117
	Operating result	***41,672***	***8,528***	***42,681***	***26,247***
	Financial result	-2,477	1,823	-2,469	0
	Result before tax	***39,195***	***10,351***	***40,212***	***26,247***
	Corporate tax	-102	-53	-134	-84
	Net result	**39,093**	**10,298**	**40,078**	**26,163**
	Profit per share (x €1)	5.63	1.49	5.78	3.77

Wereldhave Belgium distinguishes the net result from core and non-core activities. This provides a clearer view of the Company's result. The net result from core activities includes the rental income result, the property expenses, the general costs and the financial result. The net result from non-core activities includes the valuation result, the result on disposal of investment properties and other results (i.a. financial result) that are not allocated to the net result from core activities. Such presentation is not required by IFRS Standards.

5. SEGMENT INFORMATION

The segmentation (offices and retail) reflects the approach of the Statutory Management Company on the assessment of the financial benefit and the allocation of resources and group activities. As Statuary Management Company, it operates as a 'chief operating decision maker'.

The segmentation of rental income, property charges, investment properties and revaluations to the following sectors occurs as follows:

(X € 1,000)

2016		OFFICES	RETAIL	TOTAL
	Rent	9,754	39,614	49,369
	Indemnification for early termination of lease	110	254	364
	Net rental income	**9,864**	**39,869**	**49,733**
	Rental charges and taxes normally paid by the tenant on let properties	-118	-440	-558
IX	Technical costs			-456
	Repairs	-178	-230	
	Insurance premiums	-2	-46	
X	Commercial costs			-615
	Agency commissions	-231	-84	
	Publicity	-41	-258	
XI	Charges and taxes on non let properties			-781
	Costs on non let properties	-313	-302	
	Real estate tax on non let properties	-15	-150	
XII	(Internal) property management costs	-70	-696	-766
	Property operating results	**8,895**	**37,662**	**46,557**
XIV/XV	General company costs and other operating income and charges			-3,875
	Operating result before result on the portfolio			***42,682***
XVII	Result on disposals of other non financial assets			-1
XVIII	Variations in the fair value of investment properties			26,364
	Positive variations in the fair value of investment properties	7,563	43,097	
	Negative variations in the fair value of investment properties	-9,482	-14,814	
XIX	Other result on portfolio	0	-117	-117
	Operating result			***68,928***
	Financial result			***-2,469***
	Result before taxes			**66,459**

(X € 1,000)

2016	OFFICES	RETAIL	TOTAL
Corporate tax			-134
Deferred taxes on market fluctuations of investment properties			-84
Tax			***-218***
Net result			**66,241**
Investment properties			
Investment properties excl. development projects			
Balance at 1 January	124,894	607,026	731,920
Investments	478	3,178	3,656
Transfer from development to investment	0	17,030	17,030
Revaluation	-1,920	32,671	30,751
Balance at 31 December	***123,452***	***659,905***	***783,357***
Capitalised rent incentives	577	575	1,152
Value investment properties excl. development projects	**124,029**	**660,480**	**784,509**
Development projects			
Balance at 1 January		40,547	40,547
Investments		15,873	15,873
Transfer from development to investment		-17,030	-17,030
Revaluation		-4,388	-4,388
Capitalised interest		316	316
Balance at 31 December		**35,318**	**35,318**

(X € 1,000)

2015		OFFICES	RETAIL	TOTAL
	Rent	9,676	37,068	46,744
	Indemnification for early termination of lease	148	517	665
	Net rental income	**9,823**	**37,586**	**47,409**
	Rental charges and taxes normally paid by the tenant on let properties	-152	-188	-340
IX	Technical costs			-504
	Repairs	-220	-152	
	Compensation for total guarantees	-45	-47	
	Insurance premiums	-12	-28	
X	Commercial costs			-548
	Agency commissions	-207	-162	
	Publicity	-31	-148	
XI	Charges and taxes on non let properties			-915
	Costs on non let properties	-398	-329	
	Real estate tax on non let properties	-134	-54	
XII	(Internal) property management costs	-227	-1,100	-1,327
	Property operating results	**8,397**	**35,378**	**43,775**
XIV/XV	General company costs and other operating income and charges			-2,104
	Operating result before result on the portfolio			***41,671***
XVI	Result on disposal of investment properties			0
XVII	Result on disposals of other non financial assets			1
XVIII	Variations in the fair value of investment properties			8,743
	Positive variations in the fair value of investment properties	2,654	20,904	
	Negative variations in the fair value of investment properties	-3,760	-11,055	
XIX	Other result on portfolio	0	-215	-215
	Operating result			***50,200***
	Financial result			***-654***
	Result before taxes			**49,546**

(X € 1,000)

2015	OFFICES	RETAIL	TOTAL
Corporate tax			-102
Deferred taxes on market fluctuations of investment properties			-53
Tax			***-155***
Net result			**49,391**
Investment properties			
Investment properties excl. development projects			
Balance at 1 January	125,559	597,048	722,607
Investments	441	-701	-260
Acquisitions	0	0	0
Transfer from development to investment	0	0	0
Revaluation	-1,106	10,679	9,573
Balance at 31 December	***124,894***	***607,026***	***731,920***
Capitalised rent incentives	958	604	1,562
Value investment properties excl. development projects	**125,852**	**607,630**	**733,482**
Development projects			
Balance at 1 January		25,802	25,802
Investments		15,340	15,340
Disposals		0	0
Transfer from development to investment		0	0
Revaluation		-830	-830
Capitalised interest		235	235
Balance at 31 December		**40,547**	**40,547**

6. INVESTMENT PROPERTIES

(X € 1,000)

	2015	2016
Investment properties excl. development projects		
Balance at 1 January	722,607	731,920
Transfer of development projects to investment properties	0	17,030
Investments	-260	3,656
Revaluations	9,573	30,751
Balance at 31 December	***731,920***	***783,357***
Book value of capitalised rent incentives	1,562	1,152
Value investment properties excl. development projects	**733,482**	**784,509**
Development projects		
Balance at 1 January	25,802	40,547
Transfer of development projects to investment properties	0	-17,030
Investments	15,340	15,873
Revaluations	-830	-4,388
Capitalised interest	235	316
Balance at 31 December	***40,547***	***35,318***
Total investment properties	**774,029**	**819,827**

6.1 INVESTMENT PROPERTIES EXCLUDING DEVELOPMENT PROJECTS

INVESTMENTS

The investments concern investments in the existing portfolio (2016: € 3.7 mln; 2015: € -0.3 mln).

TRANSFER FROM DEVELOPMENT PROJECTS TO INVESTMENT PROPERTIES

Transfer (reclassification) of the retail park (10,000 m²), adjacent to the shopping center "Les Bastions" in Tournai, from development projects to operational investment properties (€ 17.0 mln).

CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES

The valuation result (2016: € 30.7 mln; 2015: € 9.6 mln) is the result of the positive and negative valuation result of the investment properties portfolio excluding development projects. This variation is attributable to the non-recurring positive effect of the change in the average transaction rate to 2.5% (€ 54.9 mln) and to a negative revaluation (€ -24.2 mln) from the existing portfolio mainly due to lower valuations for the buildings in Genk and the office building Madou.

2.5% Transfer duties rate

In the course of the second semester of 2016, a study (conducted by independent real estate experts) ordered by the association of REIT's (BE-REIT), confirmed that the average transfer duty percentage of 2.5%, which is applied by the sector, can still be considered as acceptable. The previous studies were completed 10 years ago. Due to legislative changes over the last years, there was some uncertainty as to the realistic nature of this rate. The outcome of the recent study confirmed this reality and thus removes such uncertainty.

Because Wereldhave Belgium was the only remaining REIT that did not apply the percentage of 2.5%, it decided to perform additional analysis of the sector study outcome by examining whether this lower rate may also be applied to the type of real estate in which it invests, i.e. shopping centres. Wereldhave Belgium ordered a legal analysis and entrusted one of its legal advisers to examine the various possible transaction scenarios for the Company (applying the lower rate).

This legal analysis, as well as the recent legislative changes creating a framework for unlisted real estate investment companies (FIIS) and the announced modification of the REIT Act (expected in April 2017, and implying that REIT participations of less than 50% can be held in institutional REIT's or related companies (with a minimum level of 25%)), opens new perspectives to structure transactions with lower rates.

- Based on the above and its own market insights, the Company considers that the legal and practical reality to operate with lower rates is extended and that it is appropriate to apply the 2.5% rate (Instead of the nominal transaction costs of 10% -12.5%).
- The Manager (Board of Directors) of Wereldhave Belgium believes that the pallet of possible scenarios offers a broader perspective for possible divestments and considers appropriate to asses and apply those scenarios for future divestment projects. The change in the applied transaction percentage was considered as a change in estimate in accordance with IFRS and the positive impact of € 54.9 mln was recognized in the income statement in 2016.

Madou building

The closing of the legal transfer of the office building Madou occurred at the end of 2016. In the course of 2016, the current tenant notified his decision to leave the premises by the end of the lease agreement (i.e. 31 January 2018). Given the fact that the building needs substantial investments to enable new leasing, combined with the non-strategic nature of the office building portfolio, it was decided to sell this asset. However, Wereldhave Belgium keeps the right on the rent cash flow up to the expiry of the current lease and bears the operational risks up to that date. The sales agreement therefore provides that the buyer will only have the use of this asset in the state in which it will be until the expiry date of the lease agreement (i.e. 31 January 2018).

Wereldhave Belgium considers that the realization criteria are not (yet) fulfilled per end 2016 because not all significant risks and revenues of the asset were transferred at that time. This is a.o. based on the assessment that the impact of the continuing involvement can be considered as significant.

On this basis, the accounting processing will occur as follows:

- The asset is not considered as realised in the accounting and still appears in the balance sheet at his fair value (€18.6 mln);
- The balance of cash flow related to the current lease agreement will still appear as revenue until the expiration of this agreement (early 2018). The same applies to the balance of rental costs. The fair value of this investment property will decrease in the same proportion. As such, the property will not or barely contribute to the net result in 2017 and 2018;
- The payment received from the buyer will appear as a debt in the balance sheet per 31 December 2016, i.e. as a prepayment;
- The asset can be realised upon the expiry of the lease agreement with the current tenant given the fact that at that moment, all significant risks and advantages will be transferred.

The investment portfolio was valued at 31 December 2016 by Cushman & Wakefield and CVBA Troostwijk-Roux, independent real estate experts.

RENT-FREE PERIODS AND LEASE INCENTIVES

Rent-free periods or 'lease incentives' allowed to tenants, are amortized over the term of the lease, but not later than the first possibility of termination on the side of the tenant.

Capitalised rent-free periods or other lease incentives are amortized over the term of the lease contract and deducted from the rental income.

In order to avoid double counting, the rent-free periods and other lease incentives are deducted from the valuation result when determining the fair value of the investment properties' portfolio.

VALUATION

Investment properties are valued at fair value. IFRS 13 defines the 'fair value' as the price that would be received if an asset was sold or as the price that would have to be paid to transfer a liability in an orderly transaction between market participants at the valuation date. Thus, the definition assumes a (hypothetical) transaction. So even if the company has the intention to use an asset rather than sell it, it determines the fair value based on the (hypothetical) selling price.

The fair value is based on the market rent minus the normative operation costs. In order to determine the fair value, the net capitalization factor and the net present value of the differences between the market rent and the contractual rent, of vacancy and of the necessary future investments, are determined for each object. The hypothetical normative transaction costs of 2.5% are deducted from this value.

6.2 DEVELOPMENT PROJECTS

INVESTMENTS

The investments (€ 15.9 mln) mainly concern the construction works related to the development of the extension (€ 13.9 mln) of shopping centre 'Les Bastions' in Tournai with 15,000 m². This development goes according to plan, and the commercialisation is ongoing. Technical completion is scheduled for the second quarter of 2018. The start-up costs (€ 1.3 mln) relating to a possible extension (8,000 m² GLA) of shopping centre 'Belle-Île' in Liège are, in particular, study and design costs. Urbanistic and environmental permits have been granted and are final. The commercialisation of this project has been started;

The project costs achieved related to the other development projects concern starting and study costs.

TRANSFER FROM DEVELOPMENT PROJECTS TO INVESTMENT PROPERTIES

Transfer (reclassification) of the retail park (10,000 m²), adjacent to the shopping center "Les Bastions" in Tournai, from development projects to operational investment properties (€ 17.0 mln).

REVALUATIONS

The property investments/property developments portfolio is valued according to cost price initially and subsequently according to fair value. If the fair value cannot be reliably determined, the development project is valued based on the historical cost price minus permanent depreciations (see point 3. *Accounting policies*).

The urban development project "Coeur de Ville" at Waterloo (10,000 m² GLA) is part of a master plan that is again being studied at this time by the local authorities, but without consensus. In this context, it is difficult for the Management Company to estimate when this project could effectively be realised. As a result of these changed circumstances, it was considered that there were indications of an impairment and the fair value was set at € 1.9 mln, being the value of the land position and the estimated value of the permits. This value has been confirmed by the independent real estate expert. The Management Company estimates that the other start-up costs (€ -4.4 mln) needed to be written-down and the concrete developments and decisions of the local authorities are to be monitored closely.

CAPITALISED INTEREST

Interest (€ 0.3 mln) that is directly attributable to a property development for which a substantial period is needed before it is ready for use is activated as part of the costs of the asset in question. The capitalised interest is calculated as the weighted average of the financing costs of the group or the financing costs of specific project financing.

The weighted average interest rate for 2016 was 0.99% (2015: 1.19%).

6.3 SENSITIVITY ANALYSIS

(X € MLN)		VALUATION PARAMETERS 'FAIR VALUE'		
	TOTAL	PUBLIC QUOTATION LEVEL 1	QUANTIFIABLE PARAMETERS LEVEL 2	UNQUANTIFIABLE PARAMETERS LEVEL 3
Assets measured at fair value				
Investment properties	784.5			784.5
Development projects *	35.3			35.3
Available for sale				
Liabilities whose fair value is described				
Reserve authorised hedging instruments	0.8		0.8	
Interest-bearing liabilities	207.2		207.2	

There were no reclassifications between the different levels during the year of return.

*Development projects are first valued at cost and, after that, at fair value. If its fair value cannot be measured reliably, the development projects can be valued at historical cost less impairments. The following criteria are chosen in order to decide when a property development can be measured at fair value:

- An irrevocable building permit has been obtained;
- An approved building contract;
- Funding requirements are met;
- >70% has already been pre-let.

		RANGE	WEIGHTED AVERAGE
Hypothesis capitalisation of the market rent method			
Capitalisation factor	Retail	5,4 - 6,2%	5.70%
	Offices	6,7 - 7,8%	6.90%
Market rent	Retail	€ 150 - € 1.000	€ 242
	Offices	€ 90 - € 175	€ 138
Hypothesis DCF			
Discount rate		5.75% - 7.2%	6.40%
Inflation %		2%	2%
Duration		10 year	10 year

The sensitivity of the fair value can be estimated as follows:

- The effect of an increase (decrease) of 1% of rental income leads to an increase (decrease) of the fair value of the portfolio of about € 8.4 mln;
- The effect of an increase (decrease) of the average initial yield of 25 basis points leads to a decrease (increase) of the portfolio of about € 35.2 mln.

7. OTHER TANGIBLE ASSETS

(X € 1,000)

	OFFICE EQUIPMENT	CARS	TOTAL
Balance on 1 January 2016	265	389	654
Purchases (+/-)	63	238	301
Disposals (+/-)	0	-53	-53
Depreciation (+/-)	-112	-158	-270
Balance on 31 December 2016	**216**	**416**	**632**
Balance on 1 January 2015	382	429	811
Purchases (+/-)	5	142	147
Disposals (+/-)	0	-59	-59
Depreciation (+/-)	-122	-123	-245
Balance on 31 December 2015	**265**	**389**	**654**

(X € 1,000)

	2015	2016
Total purchase cost	2,101	2,460
Total depreciation	-1,447	-1,828
Net book value	654	632

Other tangible assets include plant, machinery and equipment as well as vehicles.

8. CURRENT RECEIVABLES

(X € 1,000)

	2015	2016
Rent	1,647	4,848
Common charges to receive	1,002	1,279
Other	5,490	3,324
Tax receivables and other current assets	5,907	3,249
Totaal	**14,046**	**12,700**

(X € 1,000)

	2015	2016
Aging balance Rent		
Current	0	178
< 30 days	677	3,658
>= 30 days and < 90 days	287	91
>= 90 days and < 360 days	310	774
>= 360 days	373	147
Total	**1,647**	**4,848**

The fair value of the trade receivables (€ 9.4 mln) corresponds to the balance sheet value due to the very short-term nature of these assets and the bank guarantees given by the lessees (€ 18.2 mln). The rise in the rent item is due to the fact that the advance levy on immovables is only passed on to lessees after receipt of tax assessment notices (these are not sent out by the Tax Administration until late November). The costs were passed on by the Company in early December.

There are no lessees that account for > 10% of the turnover.

The Company's shareholding in the listed real estate certificates 'Basilix' and 'Ring Shopping Kortrijk Noord' is now in the final stages of liquidation. The liquidation coupons relating to the limited, undistributed balance were recorded under the item 'trade receivables-Other' (€ 873k). Consequently, these coupons no longer affect the Company's trading result.

(X € 1,000)

	2015	2016
Tax receivables and other current assets	5,907	3,249
Taxes		
Withholding tax to recover: Ring Shopping Kortrijk Noord	3,221	550
Withholding tax to recover: Basilix	2,295	2,193
Withholding tax to recover: Other	0	95
Property tax to recover	236	310
VAT to recover	155	101

9. CASH AND CASH EQUIVALENTS

(X € 1,000)

	2015	2016
Bank	6,231	6,501
Total	**6,231**	**6,501**

The heading 'Bank' gives an overview of the financial accounts at different financial institutions.

10. SHARE CAPITAL

(X € 1,000)

	AMOUNTS	NUMBER OF SHARES
Issued capital		
On 31 December 2015	292,774	6,939,017
On 31 December 2016	292,774	6,939,017
Bearer shares and dematerialised shares without nominal value		
Registered		4,553,137
Dematerialised		2,385,880
Total on 31 December 2016		**6,939,017**
Issue premiums		
On 31 December 2015	50,563	
On 31 December 2016	**50,563**	

Shareholders

Of the 6,939,017 shares in circulation at 31 December 2016, 36.38% were held by Wereldhave N.V. 33.20% by N.V. Wereldhave International and 30.42% by the general public.

The statutory Management Company is entitled to increase the company capital in one or more issues by a maximum amount of € 292,773,778.51. This authorisation has been renewed on 16 February 2015 and is valid for five years.

DATE	OPERATION	CAPITAL MOVEMENT (€ X 1,000)	TOTAL CAPITAL AFTER OPERATION (€ X 1,000)	NUMBER OF CREATED SHARES	TOTAL NUMBER OF SHARES
15 January 1998	Incorporation	172,750	172,500	5,234,636	5,234,636
14 May 1999	Merger by absorption of Groter Berchem plc	52,469	224,969	97,311	5,331,947
11 April 2012	Merger by absorption of Redevco Retail Belgium plc	41,191	266,160	976,251	6,308,198
16 February 2015	Capital increase in cash	26,614	292,774	630,819	6,939,017
Issue premiums					
11 April 2012	Merger by absorption of Redevco Retail Belgium plc	27,759			
16 February 2015	Capital increase in cash	22,804			
On 31 December 2016		**50563**			

11. PENSION OBLIGATIONS

(X € 1,000)

	2015	2016
Net liability on 1 January	1,372	1,232
Movements in liabilities	-140	-64
Net liability on 31 December	**1,232**	**1,168**

Within the framework of a 'Defined benefit plan' for the benefit of the staff 53.4 FTE (2015: 50.2 FTE) a provision was created of € 1.168k (2015: € 1.232k). All defined benefit plans are financed externally via a collective insurance contract. All plans comply with the regulatory frameworks and minimum financing requirements; these were reviewed on 31 December 2016.

The provision has been recalculated by an external actuary. The actuarial assumptions are in line with the market, and the main assumptions include the discount rate (1.15%), expected future salary increases (2.0%) and expected inflation (2.0%.) No specific assets were used for these liabilities.

12. LONG-TERM FINANCIAL DEBTS

Wereldhave Belgium has seven committed credit lines (revolving credits) amounting to € 404.5 mln, € 162 mln of which was used at the end of 2016. The average interest rate for 2016 was 0.99% (2015: 1.19%).

The fair value does not differ from the nominal value since it concerns short-term prepayments with variable interest rate.

It concerns credit facilities for which no guarantees have been provided.

These credit lines are, admittedly, the subject of several covenants – the 'retention of REET status' and a 'negative pledge' being the main ones. The Board of Directors of the Management Company keeps a close watch on these covenants. As at 31 December, all conditions relating to the covenants have been met. (see Title 1: Risk factors/Financial risks)

(IN € MLN)

	COMMITTED AMOUNT	CALLED UP BY 31 DECEMBER 2015 (**)	CALLED UP BY 31 DECEMBER 2016 (**)	MATURITY
Borrower				
BNP Paribas Fortis	30	30	0	11/04/2017
ING	30	30	0	17/04/2018
ING	50	50	50	01/04/2019
Wereldhave NV (*)	150	22	22	31/07/2019
Wereldhave NV (*)	14.5	14	0	18/08/2019
BNP Paribas Fortis	70	0	60	30/04/2021
KBC	60	0	30	30/04/2021
TOTAL	**404.5**	**146**	**162**	

(*) Wereldhave NV holds on 31 December 2016, directly and indirectly 69,58% of the outstanding shares of the Company.

(**) These amounts are not cumulative.

Sensitivity analysis

A change (+/-) of the financial market interest rate by 1% has an effect of € 1.6 mln on the result and the equity capital (€ 0.2 per share).

13. RENT GUARANTEES RECEIVED

(X € 1,000)

	2015	2016
Guarantee tenants	396	497
Net book value	**396**	**497**

14. AUTHORISED HEDGING INSTRUMENTS

The Company currently has performed one Interest Rate Swap regarding the ING loan amounting to € 50 mln (final expiry date 1 April 2019).

MATURITY	NOMINAL AMOUNT	INTEREST RATE	BALANCE ON 31/12/2016
Start date: 22/10/2014	€ 50 mln	1.51%	€ -0.8 mln
End date: 01/04/2019			

By performing this Interest Rate Swap, the variable interest rate (Euribor – 3 months + margin) is converted to a fixed interest rate until the final expiry date of the credit facility. Thus, this financial instrument is considered a 'cash flow hedge' as stipulated in IAS 39 § 86 (b). This concerns a full effective hedge, processed completely in the statement of comprehensive income.

15. OTHER NON-CURRENT LIABILITIES

The payment received from the buyer of the office Madou is classified as a long-term debt in the balance sheet at 31 December 2016, as being a prepayment. See also note 6.

16. DEFERRED TAXES

(X € 1,000)

	2015	2016
Deferred taxes	1730	1799

The provision for deferred taxes (Immo Guwy – Waterloo Shopping) is the result of the difference between fair value of the investment properties and the fiscal book value.

17. CURRENT LIABILITIES

(X € 1,000)

	2015	2016
Credit institutions	63,000	45,200
Other current financial liabilities	1,417	434
Trade payables	6,222	5,821
Taxes, remunerations and social security contributions	1,234	1,162
Rental income received in advance	2,082	1,570
Other accrued charges and deferred income	3,604	3,168
Total	**77,559**	**57,355**

Credit institutions: Wereldhave Belgium has a committed credit line (revolving credit) by BNP Paribas Fortis of € 30 mln with a duration until 2017, which was withdrawn entirely by the end of 2016. The withdrawals take place according to a variable interest rate.

The Company also has a non-committed credit line amounting to € 26 mln without expiry date with BNP Paribas Fortis, € 15.2 mln of which was withdrawn by the end of 2016.

For 2016 as a whole, the weighted average interest rate was 0.99% (2015: 1.19%). Fair value does not differ from the nominal value as it concerns short-term advances at floating interest rates. No collateral security was put up for this credit facility.

CREDIT INSTITUTIONS

(IN € MLN)

	COMMITTED AMOUNT	CALLED UP BY 31 DECEMBER 2015 (*)	CALLED UP BY 31 DECEMBER 2016 (*)	MATURITY
Borrower				
BNP Paribas Fortis	30	0	30	11/04/2017
BNP Paribas Fortis	60	60	0	30/04/2016
TOTAL	**90**	**60**	**30**	

(IN € MLN)

	UNCOMMITTED AMOUNT	CALLED UP BY 31 DECEMBER 2015 (*)	CALLED UP BY 31 DECEMBER 2016 (*)	MATURITY
Borrower				
BNP Paribas Fortis	26	3	15.2	N/A
TOTAL	**26**	**3**	**15.2**	

(*) Wereldhave NV holds on 31 December 2016, directly and indirectly 69,58% of the outstanding shares of the Company.

OTHER CURRENT FINANCIAL DEBTS (€ 0.4 mln)

The dividends of previous financial years that have not been collected yet (€ 64k), deferred charges (€ 0.4 mln), inter-company interest payable (€ 14k).

SUPPLIERS

The trade payables (€ 5.8 mln) concern the short-term liabilities related to investments, development projects and current supplier obligations. Per object, the obligations are assigned as follows:

Remaining investment commitment Tournai Retail Park	745
Remaining investment commitment Tournai Shopping Centre	2,109
Remaining investment commitment shopping centre Genk 'Shopping 1'	190
Remaining investment commitment shopping centre Nivelles	57
Remaining investment commitment shopping centre Genk Stadsplein	177
Remaining investment commitment shopping centre Kortrijk	353
Remaining investment commitment office building	55
Various suppliers	2,135
	5,821

TAXES, REMUNERATIONS AND SOCIAL CHARGES (€ 1.2 mln)

Taxes (€ 0.3 mln), remunerations and social charges (€ 0.9 mln).

PROPERTY YIELDS RECEIVED IN ADVANCE (€ 1.6 mln)

Rental incomes received with regard to the following calendar year.

OTHER ACCRUALS (€ 3.2 mln)

This concerns the accruals related to general company expenses and real estate charges.

18. RENTAL INCOME

(X € 1,000)

	2015	2016
Rental income	48,260	50,805
Rent reductions	-1,516	-1,436
Rent	***46,744***	***49,369***
Indemnification for early termination of lease	665	364
Net rental income	**47,409**	**49,733**

The rental income is spread among about 500 (trade) leases, held with national and international retailers and leading companies.

Office and retail space are the object of (trade) lease contracts with various expiry dates. Rents are adjusted based on the health index annually. The lease agreements determine the rent, the rights and obligations of the tenant and lessor, termination and renewal conditions and any common charges. Passing on of charges is not included in the rental income.

Lease incentives are spread over the period from the start of the lease contract until the first possibility of termination by the contracters.

Rent loss as a result of vacancy, expressed as a percentage of theoretical rent amounted to 4.2%.

The ten main tenants represent 25.3% of the total rental income.

The future aggregate contractual rent from lease agreements on 31 December 2016 is as follows:

(X € 1,000)

	2015	2016
Year 1	45,410	46,442
Year 2 - year 4	108,557	118,940
Year 5	31,420	24,922
Net book value	**185,387**	**190,304**

19. RECOVERY OF RENTAL CHARGES AND TAXES NORMALLY PAID BY THE TENANT ON LET PROPERTIES

(X € 1,000)

	2015	2016
Recovery of rental charges paid by the owner	8,376	10,908
Net book value	**8,376**	**10,908**

This amount includes the recharging of the common charges (€ 9,3 mln) and of promotional costs (€ 1,6 mln) as contractually stipulated in the lease agreement.

20. RENTAL CHARGES AND TAXES NORMALLY PAID BY THE TENANT ON LET PROPERTIES

(X € 1,000)

	2015	2016
Rental charges paid by the owner	-8,716	-11,466
Net book value	**-8,716**	**-11,466**

This amount includes the common charges (€ 9.6 mln) and promotional costs (€ 1.9 mln).

21. PROPERTY CHARGES

(X € 1,000)

	2015	2016
Technical costs	504	456
Vacancy charges	727	616
Commercial costs	548	615
Property tax due to vacancy	188	165
Management costs	1,327	766
Net book value	**3,294**	**2,618**

Technical costs comprise the recurring maintenance (€ 408k) and the insurance premiums (€ 48k).

Commercial costs comprise the agent fees (€ 315k) and the publicity costs (€ 300k).

The internal management costs include costs that can be attributed directly to the conservation of the investment portfolio (€ 766k).

22. GENERAL COSTS

(X € 1,000)

	2015	2016
Staff costs		
Salaries	1,912	1,631
Social security	962	1,049
Allocation salary cost to development projects	-2,345	-1,262
Profit sharing	628	469
Pensien en insurance costs	423	439
Other staff costs	241	347
Subtotal staff costs	***1,821***	***2,673***
Allocated to management/property charges (22%)	-401	-588
Total staff costs	**1,420**	**2,085**
Other costs		
Audit fees	199	87
Advisory fees	809	1,153
Other costs	1,114	1,672
Subtotal other costs	***2,122***	***2,912***
Allocated to management/property charges (22%)	-467	-371
Total other costs	**1,655**	**2,541**
Other operating income and charges		
Other income	-1,451	-1,498
RREC costs	232	221
Investment fund tax	383	526
Subtotal other operating income and charges	***-836***	***-751***
Allocated to management/property charges (22%)	-135	0
Total other operating income and charges	**-971**	**-751**
Total general costs	**2,104**	**3,875**

THE APPORTIONMENT KEY FOR ASSIGNING GENERAL EXPENSES TO PROPERTY CHARGES

For 2016, 22% (2015: 22%) of the general expenses (2016: € 0.9 mln, 2015: € 1.0 mln) has been assigned to management/ property charges. This apportionment key has been computed normatively and applied to the respective tasks of the employees and the other general expenses.

PENSION COSTS

The pension costs contain the premium for the pension schemes of employees.

STAFF

As per 31 December, an average of 50.3 FTE was employed.

The profit sharing, paid out to employees, is based on the following indicators: occupancy, property charges, management fees, sustainability and like-for-like rental growth. For each indicator, an objective has been set. The score compared to the objectives determines the result.

MANAGEMENT COMPANY

The remuneration of the Management Company is fixed at € 120,000.

23. RESULT DISPOSALS OF INVESTMENT PROPERTIES AND VALUATIONS DIFFERENCES

(X € 1,000)

	2015	2016
Positive revaluation	23,558	50,660
Negative revaluation	-14,815	-24,296
Net book value	**8,743**	**26,364**

See also note 6.1

24. NET REALIZED GAINS ON DISPOSAL OF FINANCIAL ASSETS

(X € 1,000)

	2015	2016
Financial assets held for sale: real estate certificates		
Balance as at 1 January	9,116	0
Reclassification real estate certificates 'Basilix'	-9,116	0
Revaluations (via equity)	0	0
Balance as at 31 December	**0**	**0**

(X € 1,000)

	2015	2016
Realization of real estate certificates	10,380	0
Value at 31 December	-9,116	0
Variation	559	0
Realized gain on liquidation real estate certificate	**1,823**	**0**

The participation held in the listed real estate certificates ‘Basilix’ and ‘Ring Shopping Kortrijk Noord’ are in the liquidation phase.

The liquidation coupon on the limited undistributed amount were included in trade receivables, therefore this will have no more impact on the results of the Company.

25. FINANCIAL RESULT

(X € 1,000)

	2015	2016
Financial income		
Interests received (coupon real estate certificate Basilix)	559	0
Net results on disposals of financial assets	1,823	0
	2,382	***0***
Interest costs	-2,960	-2,372
Other	-76	-97
Total	**-654**	**-2,469**
Average interest rate on loans	1.19%	0.99%
Net interest costs	-2,960	-2,372
Weighted average debt for the period	248,700	239,600

The interest charges (€ 2.4 mln) include the interest paid on cash management of the company.

26. TAXES ON RESULT

Corporate income tax is calculated based on any exceptional and favourable advantages and rejected expenses.

The subsidiaries are subject to the common tax regime and may therefore need to pay corporate tax under the normal regime.

(X € 1,000)

	2015	2016
Corporate tax	-102	-134
Deferred tax on market fluctuations of investment property	-53	-84
Total	**-155**	**-218**

The provision for deferred taxes (Immo Guwy – Waterloo Shopping) is the result of the difference between the fair value of the investment properties and the fiscal book value.

27. RESULT PER SHARE

The result per share is calculated based on the total profit after tax and the average number of shares held in the year (2016: € 9.55; 2015: € 7.12). No financial instruments have been issued that are convertible into shares.The weighted average of the number of shares held as per 31 December 2015 was 6,939,017.

28. DIVIDEND

After the balance sheet date, the Board of Directors of the Management Company has proposed to pay out an amount of € 35.4 mln (2015: € 34.0 mln), i.e. a gross dividend of € 5.10; net € 3.57 (2015: € 4.90 – € 3.577) per share. No provision has been made in the consolidated annual accounts for the dividend.

Calculation of the dividend is done in accordance with the relevant legislation (Royal Decree of 13 July 2014).

DETERMINATION OF THE AMOUNT OF MANDATORY DIVIDEND

(X € 1,000)

	2015	2016
Net result	***48,832***	***68,627***
Depreciation	141	158
Other non-monetary elements	215	116
Result on disposal of real estate properties	-1,823	0
Variation in the fair value of real estate properties	-8,513	-29,763
Corrected result for mandatory distribution	***38,852***	***39,138***
Minimum result to be distributed (80%)	31,082	31,310
Operating result allocated to dividend distribution	34,001	35,389
Operating result allocated to dividend distribution / per share	4.90	5.10

The corrected result does not need to be further modified for any possible non-exempt gain on disposals of property investments or debt reductions.

As a result, the corrected result equals the amount that is eligible for the mandatory payment of 80% according to article 45, 2° of the RREC Law.

29. ARTICLE 617 OF THE COMPANIES CODE

The amount, as referred to in article 617 of the Belgian Companies Code, of paid-up capital or, if this amount is higher, the called-up capital, plus all reserves which, pursuant to the law or the articles of association, may not be distributed, is determined in Chapter 4 of annex C of the Royal Decree of 13 July 2014.

DETERMINATION OF THE AMOUNT PURSUANT TO ARTICLE 617 OF THE COMPANY CODE

(X € 1,000)

	2015	2016
Non-distributable elements of shareholders' equity for profit distribution		
Capital	292,774	292,774
Issue premiums	50,563	50,563
Legal reserve	0	
Reserve for the balance of changes in fair value of real estate properties	107,943	116,456
Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-733	-808
Reserve for the balance of changes in fair value of financial assets available for sale	0	0
Reserve for actuarial gains and losses of defined pension schemes	0	0
Result of the financial year which, pursuant to chapter 4 of annex C of the Royal Decree of 13 July 2014, is to be allocated to non-distributable reserve		
Transfer of the result on portfolio to the reserve for the balance of changes in fair value of real estate properties	8,513	29,763
Total non-distributable shareholders'equity	**459,060**	**488,748**
Shareholders' equity	568,782	603,407
Proposed dividend distribution	34,001	35,389
Number of shares	6,939,017	6,939,017
Remaining reserves after distribution	75,721	79,270

30. DETERMINING THE DEBT RATIO

(X € 1,000)

		STATUTORY BALANCE SHEET	CONSOLIDATED BALANCE SHEET
Total items "Liabilities" in the balance sheet		237,524	239,977
I.	Non current liabilities	180,834	182,719
	A. Provisions	-1,089	-1,168
	C. Other non-current financial liabilities - Authorised hedging instruments	-808	-808
	F. Deferred taxes - Liabilities	0	-1,799
II.	Current liabilities	56,689	57,258
	A. Provisions		
	C. Other current financial liabilities - Authorised hedging instruments		
	F. Accrued charges and deferred income	-4,208	-4,640
Total items "Liabilities" considered for the calculationof the debt ratio (numerator)		231,419	231,561
Total "Assets" in the balance sheet		840,930	839,562
Authorised hedging instruments recorded under assets			
Total "Assets" considered for the calculation of the debt ratio (denominator)		840,930	839,562
Debt ratio		**27.5%**	**27.6%**

31. INTRA-GROUP RELATED PARTY TRANSACTIONS

The remuneration of the Management Company, Wereldhave Belgium NV, is determined by the General Meeting of Shareholders and has been set at € 120,000 (excl. VAT).

Intra-group fees, relating to IT support, amounts over 2016 € 345k (excl. VAT).

Credit facilities (revolving credits) provided by the FBI according to Dutch law Wereldhave N.V. to the Comm. VA Wereldhave Belgium.

- On 31 July 2014, Wereldhave NV has a credit facility amounting to € 150 mln granted for a period of 5 years. As per 31 December 2016, € 22 million has been withdrawn by the Company.
- On 18 August 2014, Wereldhave NV has an additional credit facility amounting to € 14.5 mln granted for a period of 5 years. As per 31 December 2016, no use was made of this credit facility by the Company.

Both credits were granted according to conditions that are in line with the market (Euribor + 120 Bps and Euribor + 80 Bps respectively).

Except from the decreed dividends and the above-mentioned transactions, there have been no other transactions with other group companies in 2016.

Compensation for the executive / non-executive directors / members of the executive management is explained in the remuneration report included in the consolidated annual report (See p. 59 and p. 63)

The NV Wereldhave Belgium holds no shares or options in the Company and/or in NV Wereldhave Belgium. The members of the Board of Directors of the Management Company hold no shares. The Company has not extended loans, advances or guarantees to NV Wereldhave Belgium nor to the members of the Board of Directors.

32. LIST OF CONSOLIDATED COMPANIES

The companies below were incorporated into the consolidation according to the full consolidation method:

COMPANY	ADDRESS	COMPANY NUMBER	INVESTMENTS IN AFFILIATED ENTERPRISES (X € 1,000)	HELD PART OF CAPITAL (IN %)
Joseph II plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0472.903.308	62	99.84%
Immo Guwy plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0404.024.004	8,463	100%
Waterloo Shopping Ltd.	Medialaan 30 B 6, 1800 Vilvoorde	BE 0452.882.013	208	100%
W.B.P.M. plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0833.792.402	62	99%
Wereldhave Belgium Services plc	Medialaan 30 B 6, 1800 Vilvoorde	BE 0422.120.838	1,503	99.52%
			10,298	

Except for Wereldhave Belgium Services NV, the administration of these companies is done by the Company in its role as parent company.

J-II NV

J-II NV, with its registered offices at Medialaan 30, box 6, 1800 Vilvoorde, and with company number 0472.903.308, was established on 29 September 2000 within the framework of the sale to Fortis Bank NV of the amount of ground rent paid under the agreement dated 11 May 2000 in which Wereldhave Belgium Comm. VA provided a long-term lease of 27 years to the European Union for a property located at 1000 Brussels, Joseph II-laan 26-30. At the moment of establishment, bare ownership of this property was included in the capital of J-II NV and its shares were pledged in favour of Fortis Bank NV. This company has no activities, other than being the holder of the residual ownership rights of the above-mentioned property.

The value of the residual property rights of this property located at Joseph II-laan 26-30, 1000 Brussels equals € 1 for J-II NV, since J-II NV has granted the long leaseholder (the European Union) a purchase option for acquisition of the residual ownership rights, plus the non-expired annual amount of ground rent due from the date of exercising the option until 10 May 2027, whereby the long leaseholder (the European Union) can exercise the purchase option in the second quarter of the year 2026 upon payment of € 1, to be increased by the not yet expired annual ground rent due as from the date of exercising the purchase option until 10 May 2027, as a result of which the long leaseholder will become the full owner of the property starting from 30 September 2027. The de facto expectation is that the long leaseholder (the European Union) will exercise the purchase option in the second half of the year 2026 of the long lease right (i.e. 2027), with the result that it is thus correct from an accounting point of view that the current book value of the residuary ownership rights of this property located at Joseph II-laan 26-30, 1000 Brussels for J-II NV equals € 1 (i.e. the purchase price due from the long lease giver (the European Union) upon exercising the purchase option during the period from 1 July 2026 – 31 December 2026). In addition, it can be stated that J-II NV has no other obligations towards the long leaseholder (i.e. the European Union) within the framework of this transaction or towards BNP Paribas Fortis as the purchaser of the ground rent amount of the long leasehold agreement.

Waterloo Shopping BVBA and Immo Guwy NV

Waterloo Shopping BVBA, with its registered offices at Medialaan 30, 1800 Vilvoorde and with company number 0452.882.013, and Immo Guwy NV, with its registered office at Medialaan 30, 1800 Vilvoorde, and with company number 0404.024.004 are two project companies that are active within the framework of modernisation and expansion to 10,000 m² of an open space shopping centre in Waterloo with underground parking garage and 52 apartments in the centre of Waterloo. Immo Guwy NV will develop the retail and parking part that forms part of a residential, retail and parking project at the previous 'Delhaize site' in Waterloo, which is part of the block between Chaussée de Bruxelles, Avenue Reine Astrid, Avenue de l'Ange and Rue Maurice Verbeeck; Waterloo Shopping BVBA will develop the residential part.

The urban development project "Coeur de Ville" at Waterloo (10,000 m² GLA) is part of a master plan that is again being studied at this time by the local authorities, but without consensus. In this context, it is difficult for the Management Company to estimate when this project could effectively be realised. As a result of these changed circumstances, it was considered that there were indications of an impairment and the fair value was set at € 1.9 mln, being the value of the land position and the estimated value of the permits. This value has been confirmed by the independent real estate expert. The Management Company estimates that the other start-up costs (€ -4.4 mln) needed to be written-down and the concrete developments and decisions of the local authorities are to be monitored closely.

The investment amount of this development is estimated at about € 52 mln.

WBPM NV

WBPM NV, with registered office at Medialaan 30, 1800 Vilvoorde and with company number 0833.792.402 is an ad hoc company that was established on 8 February 2011. The limited operational activity is coming to an end and consists solely of the administrative, legal and technical services of a limited number of property projects of ING REDH Belgium NV that have not been taken over by Wereldhave Belgium Comm. VA.

Wereldhave Belgium Services NV

Since July 2014, the Company owns 99.52% of the shares of Wereldhave Belgium Services NV, which acts as a property and asset manager of the Company's investment properties portfolio.

33. LEASEHOLD- AND INVESTMENT LIABILITIES NOT SHOWN ON THE BALANCE SHEET

The Company has contracted investment liabilities amounting to € 17.4 mln. These concern the expansion of the 'Les Bastions' shopping centre in Tournai. The leasehold liabilities amount to € 33.4 mln and these are related to the 'Ring Kortrijk Shopping Noord' shopping centre.

The ageing analysis of the leasehold- and investment liabilities is as follows:

(X € 1,000)

	2015	2016
< 1 year	3,586	14,798
>1 year - < 5 year	1,544	4,544
> 5 year	31,894	31,508
Total	**37,024**	**50,850**

34. REMUNERATION OF THE AUDITOR

The remuneration concerning the auditing activities for 2016 amounted to € 91,250 excl. VAT, for audit related activities € 8,000 excl. VAT and for non-audit activities € 10,515 excl. VAT.

35. BRANCHES

The company has no branches.

36. LAWSUITS AND ARBITRATION

The Company, as a defendant or a plaintiff, is involved in a small number of lawsuits which the Company generally feels are not likely to have a major impact on the financial position or the profitability of the Company, either because the sums which are at issue are relatively insignificant or because the risk of a judgement against the Company is minor.

Withholding tax on decreed dividends to Wereldhave NV and Wereldhave International NV

Litigation is ongoing regarding the repayment of Belgian withholding tax (5% tax at source) that had been paid for the years 1999 and 2000.

In the course of the action, the Court of Appeal in Brussels made a preliminary referral to the European Court of Justice in Luxembourg about correct application of the Parent/Subsidiary Directive (90/435/EEC) and about the principle of free movement of capital.

In his advice, the Advocate General concluded that the Parent/Subsidiary Directive does not apply in the present case. He did not, however, comment on correct application of the principle of free movement of capital due to unclear phrasing of the question.

There is no ruling, as yet, from the Court of Justice.

The ruling of the Court of Justice is scheduled for 8 March 2017.

Only after a final court decision will it become clear whether the 5% withholding tax has to be deducted on dividends paid by the Company to the Dutch affiliates Wereldhave NV and Wereldhave International NV.

The final outcome of this dispute will probably not be known till 2018, at the earliest.

Should – after intervention of a final court decision about the years 1999 and 2000 – the Tax Administration decide to collect the withholding taxes and overdue payments by legal process for past tax assessment periods, as provided for under Belgian law, then Wereldhave NV and Wereldhave International NV shall, each for their part in the lawsuit, indemnify the Company against any action to settle the wrongly, not-deducted withholding tax that was payable on dividend payments included in said tax assessment periods.

AUDITOR'S REPORT

Statutory auditor's report to the general meeting of Wereldhave Belgium Comm. VA as of and for the year ended 31 December 2016

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended 31 December 2016, as defined below, as well as our report on other legal and regulatory requirements.

Report on the consolidated financial statements - unqualified opinion

We have audited the consolidated financial statements of Wereldhave Belgium Comm. VA ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2016 and the consolidated statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR'000 839.660 and the consolidated statement of profit or loss and other comprehensive income shows a profit for the year of EUR'000 66.241.

The statutory manager's responsibility for the preparation of the consolidated financial statements

The Company's statutory manager is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the statutory manager determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the statutory manager, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the Company's officials and the statutory manager the explanations and information necessary for performing our audit.

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

Unqualified Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The statutory manager is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify the scope of our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Kontich, 7 March 2017

KPMG Statutory Auditor

Represented by

Filip De Bock

Bedrijfsrevisor

STATUTORY STATEMENT

STATUTORY STATEMENT OF FINANCIAL POSITION

(X € 1,000)

ASSETS		31 DECEMBER 2015	31 DECEMBER 2016
I.	Non-current assets		
C.	**Investment properties**	753,626	802,191
		753,626	***802,191***
D.	**Other tangible assets**	460	491
E.	**Financial non-current assets**		
	Assets available for sale		
	Real estate certificates	0	0
	Investments in affiliated enterprises	10,329	10,298
	Amounts receivable from affiliated enterprises	11,442	9,834
G.	**Trade receivables and other non-current assets**	0	0
		22,231	***20,623***
II.	Current assets		
D.	**Trade receivables**	6,235	8,779
E.	**Tax receivables and other current assets**	5,751	3,147
F.	**Cash and cash equivalents**	4,116	6,190
		16,102	***18,116***
	Total assets	**791,959**	**840,930**

(X € 1,000)

SHAREHOLDER'S EQUITY		31 DECEMBER 2015	31 DECEMBER 2016
I.	Shareholder's equity attributable to the parent company's shareholders		
A.	**Capital**	292,774	292,774
B.	**Issue premiums**	50,563	50,563
C.	**Reserves**		
b.	Reserve for the balance of changes in fair value of real estate properties	107,943	116,456
d.	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-733	-808
i.	Reserve for the balance of changes in fair value of financial assets available for sale	0	0
j.	Reserve for actuarial gains and losses of defined pension schemes	-885	-809
n.	Accumulated result	70,288	76,604
D.	**Net result of the year**	48,832	68,627
		568,782	***603,407***
II.	**Minority interests**	**0**	**0**

(X € 1,000)

LIABILITIES		31 DECEMBER 2015	31 DECEMBER 2016
I.	**Non-current liabilities**		
A.	**Provisions**		
	Pensions	1,132	1,089
B.	**Non-current financial liabilities**		
a.	Credit institutions	110,000	140,000
c.	Other		
	Other loans	36,000	22,000
	Rent guarantees received	396	490
C.	Other non-current financial liabilities		
	Authorised hedging intruments	733	808
E.	Other non-current liabilities	0	16,447
		148,261	***180,834***
II.	**Current liabilities**		
B.	**Current financial liabilities**		
a.	Credit institutions	63,000	45,200
c.	Other		
	Other loans	0	0
	Other	602	635
D.	**Trade payables and other current liabilities**		
b.	Other		
	Suppliers	6,024	5,554
	Taxes, remunerations and social security contributions	1,072	1,092
F.	Accrued charges and deferred income		
	Real estate income received in advance	1,970	1,360
	Other	2,248	2,848
		74,916	***56,689***
	Total shareholder's equity and liabilities	**791,959**	**840,930**
	Net asset value per share (x € 1)	81.97	86.96

STATUTORY PROFIT AND LOSS ACCOUNT

(X € 1,000)

		2015	2016
I.	**Rental income**		
	Rent	45,882	48,493
	Indemnification for early termination of lease	665	364
	Net rental income	***46,547***	***48,857***
V.	**Recovery of rental charges and taxes normally paid by the tenant on let properties**	1,439	1,646
VII.	**Rental charges and taxes normally paid by the tenant on let properties**	-1,779	-2,202
		-339	***-556***
	Property result	**46,208**	**48,301**
IX.	**Technical costs**		
	Recurrent technical costs		
	Repairs	-351	-393
	Compensation for total guarantees	-92	0
	Insurance premiums	-40	-49
		-483	***-442***
X.	**Commercial costs**		
	Agency commissions	-370	-315
	Publicity	-173	-284
		-543	***-599***
XI.	**Charges and taxes on non let properties**		
	Costs on non let properties	-727	-615
	Real estate tax on non let properties	-184	-163
		-910	***-778***
XII.	**Property management costs**		
	(Internal) property management costs	-1,007	-813
		-1,007	-813
	Property charges	***-2,943***	***-2,632***
	Property operating results	**43,265**	**45,669**
XIV.	**General company costs**		
	Staff costs	-623	-1,427
	Other	-1,316	-2,027
XV.	**Other operating income and charges**	-265	-340
		-2,204	***-3,794***
	Operating results before result on the portfolio	**41,060**	**41,875**

(X € 1,000)

		2015	2016
XVI.	**Result on disposals of investment properties**		
	Net property sales (selling price – transaction costs)	0	0
	Book value of the property sold	0	0
		0	***0***
XVII.	**Result on disposals of other non financial assets**		
	Net sales of other non financial assets (sale price - transaction costs)	-4	-5
		-4	***-5***
XVIII.	**Variations in the fair value of investment properties**		
	Positive variations in the fair value of investment properties	23,328	49,671
	Negative variations in the fair value of investment properties	-14,815	-19,908
		8,513	***29,763***
XIX.	**Other result on portfolio**	-215	-116
		-215	***-116***
		8,294	29,642
	Operational result	**49,354**	**71,517**
XX.	**Financial income**		
	Interests and dividends received	552	-8
	Net results on disposals of financial assets	1,823	0
XXI.	**Net interest charges**		
	Nominal interest charges on loans	-2,734	-2,147
XXII.	**Other financial charges**		
	Bank charges and other commissions	-74	-88
	Net losses on disposals of financial assets	0	-512
XXIII.	**Variations in the fair value of financial assets and liabilities**		
	Other	0	0
	Financial result	***-432***	***-2,755***
	Result before tax	**48,922**	**68,762**
XXIV.	**Corporate tax**		
	Corporate tax	-90	-135
	Tax	***-90***	***-135***
	Net result	**48,832**	**68,627**
	Result per share (x € 1)	7.04	9.89
	Diluted result per share (x € 1)	7.04	9.89

STATEMENT OF COMPREHENSIVE INCOME

(X € 1,000)

		31 DECEMBER 2015	31 DECEMBER 2016
I.	**Net result**	**48,832**	**68,627**
II.	**Other comprehensive income**		
	Items taken in the result		
B.	Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	-239	-75
C.	Changes in the fair value of financial assets available for sale	-565	0
	Items not taken in the result		
E.	Actuarial gains and losses of pledged pension schemes	63	76
		-741	***1***
	Comprehensive income (I + II)	**48,091**	**68,628**

Belle-Île

STATUTORY STATEMENT OF MOVEMENTS IN EQUITY FOR 2016

(X € 1,000)

	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	LEGAL RESERVE	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
Balance at 1 January 2015		**266,160**	**27,759**	**0**	**108,741**
Capital increase		26,614			
Issue premiums			22,804		
Variations in the fair value of hedging instruments					
Variations in the fair value of financial assets available for sale	a				
Transfer from reserves					
Provisions for pensions					
Other					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					-798
Dividend over 2014	b				
Balance at 31 December 2015		**292,774**	**50,563**	**0**	**107,943**
Balance at 1 January 2016		**292,774**	**50,563**	**0**	**107,943**
Variations in the fair value of hedging instruments					
Variations in the fair value of financial assets available for sale					
Transfer from reserves					
Provisions for pensions					
Other					
Net result					
Transfer of the result on the portfolio to reserve for the balance of changes in fair value of real estate properties					8,513
Dividend over 2015	c				
Balance at 31 December 2016		**292,774**	**50,563**	**0**	**116,456**

(X € 1,000)

RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF AUTHORISED HEDGING INSTRUMENTS SUBJECT TO HEDGE ACCOUNTING	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AVAILABLE FOR SALE	RESERVE FOR ACTUARIAL GAINS AND LOSSES OF DEFINED PENSION SCHEMES	OTHER RESERVES	ACCUMULATED RESULT	NET RESULT OF THE YEAR	TOTAL
-494	565	-948	0	98,508		500,291
						26,614
						22,804
-239						-239
	-565					-565
						0
		63				63
						0
					48,832	48,832
				798		
				-29,018		-29,018
-733	**0**	**-885**	**0**	**70,288**	**48,832**	**568,782**
-733	0	-885	0	119,120		568,782
-75						-75
						0
						0
		76				76
				-2		-2
					68,627	68,627
				-34,001		-34,001
-808	**0**	**-809**	**0**	**85,117**	**68,627**	**603,407**

Notes

a	Variations in the fair value of financial assets available for sale Revaluation real estate certificates: -565
b	Dividend paid 2014 € 4.60 (net € 3.45) per share: -29,018
c	Dividend paid 2015 € 4.90 (net € 3.577) per share: -34,001

PROFIT APPROPRIATION (IN ACCORDANCE WITH THE SCHEDULE SET OUT IN SECTION 4 OF PART 1 CHAPTER 1 OF APPENDIX C FROM THE ROYAL DECREE OF 13 JULY 2014)

(X € 1,000)

		31 DECEMBER 2015	31 DECEMBER 2016
A.	**Net result**	48,832	68,627
B.	**Transfer to/from reserves**	-8,513	-29,763
	Transfer to/from reserve for the balance of changes in fair value of real estate properties		
	Financial year	-8,513	-29763
C.	**Return on capital**	34,001	35,389
	(In accordance with article 13, §1, paragraph 1 from the Royal Decree of 13 July 2014)		
D.	**Return on capital, - other than C**	0	0

The statutory annual accounts, the notes, the statutory report of the Management Company and the Auditor's report concerning the statutory annual accounts of Wereldhave Belgium can be obtained free of charge at the Company's Head Office. These documents are also available on our website:
www.wereldhavebelgium.com

The auditor delivered an unqualified audit opinion.

The statutory annual accounts, the notes, the annual report and the Auditor's report will, according to the legal regulations, be deposited at the National Bank of Belgium.

Responsibility statement according to Section 12 § 2 of the Royal Decree of 14 November 2007

The Management Company of Wereldhave Belgium declares:

1) that based on the assessment performed and taking into account the recommendations of the Corporate Governance Code, the internal risk management and control systems of Wereldhave Belgium are adequate and provide a reasonable degree of certainty that the financial reporting as included in this Annual Report is free of material misstatement.
   The Management Company has no evidence that this risk management and control system would not have functioned in accordance with the description or that this system would not have functioned properly in the current year;
2) that the Annual Accounts present a true and fair view of the assets, liabilities, financial position and result of Wereldhave Belgium;
3) that the Annual Report provides a true and fair view of the situation on the balance sheet date, the course of business during the financial year of Wereldhave Belgium;
4) that the main risks confronting Wereldhave Belgium have been described in this Annual Report; and
5) after taking into account every reasonable measure for such purpose, that the information contained in the Annual report reflects, to his knowledge, actual fact and no information has been omitted which, if disclosed, would alter the meaning of the Annual report.

The Management Company

Wereldhave Belgium NV

D. Goeminne, Chairman

J. de Smet

P. Naert

K. Deforche

D. Anbeek

Vilvoorde, 6 March 2017

10 GENERAL INFORMATION

IDENTIFICATION AND STATUTORY PROVISIONS

Name
The Company is a public Regulated Real Estate Company (RREC) according to Belgian law.

On 8 April 2015 the name of the Company was changed from 'C.V.A. Wereldhave Belgium S.C.A.' to 'Wereldhave Belgium'.

Registered office
Medialaan 30, box 6 – 1800 Vilvoorde.

Company registration number (RPR Brussels)
The Company is registered with the Crossroads Bank for Enterprises under number 0412.597.022.

Term
The Company was incorporated for an unlimited term.

Legal form, incorporation, publication
The Company was incorporated, in the form of a public limited company and under the name 'RANK CITY WALL (BELGIUM)', by deed executed by Mr Pierre Spaey, notary in Sint-Jans-Molenbeek, on 8 August 1972, published in the annexes to the Belgian Official Gazette on 18 August 1972, under number 2520-9.

The Company was converted into a partnership limited by shares by the extraordinary general meeting of shareholders held on 15 January 1998, the minutes of which were drawn up by Mr Eric Spruyt, notary of Brussels, and published in the annexes to the Belgian Official Gazette on 7 February 1998, under number 980207-208.

As from 15 January 1998 the Company has also been known as a 'property investment fund with fixed capital under Belgian law', or SICAFI under Belgian law, and registered with the FSMA. As a SICAFI, the Company was subject to (i) the provisions of the Royal Decree of 10 April 1995 relating to SICAFI's and subsequently to the provisions of the Royal Decree of 7 December 2010 relating to SICAFI's (which repealed the aforementioned Royal Decree of 10 April 1995), and (ii) to the provisions of the Law of 20 July 2004 relating to certain forms of collective management of investment portfolios and subsequently to the provisions of the Law of 3 August 2012 relating to certain forms of collective management of investment portfolios (which repealed the aforementioned Law of 20 July 2004).

Taking into account the entry into force of the Law of 19 April 2014 relating to alternative investment funds and their managers (hereafter the AIFMD Law), the Company opted to apply for the status of public regulated real estate company, as introduced by the Law of 12 May 2014 relating to regulated real estate companies (hereafter the RREC Law), in place of the status of public SICAFI. In this context, on 8 August 2014 the Company submitted its licence application as a public regulated real estate company to the FSMA. The Company was subsequently licensed as a public regulated real estate company by the FSMA on 22 September 2014 in accordance with Articles 9, §3 and 77 of the RREC Law, under the condition precedent of the amendment of the Articles of Association of the Company and in compliance with the provisions of Article 77, §2 et seq. of the RREC Law. On 27 October 2014, the extraordinary general meeting of shareholders of the Company eventually and unanimously approved the change of the Company object with a view to changing status from SICAFI to public regulated real estate company in accordance with the RREC Law. As no right of withdrawal was exercised at the aforementioned extraordinary general meeting of shareholders, and all conditions precedent to which the amendment of the Articles of Association was subject by the extraordinary general meeting of shareholders and the licence granted by the FSMA had been met, since 27 October 2014 the Company benefits from the status of public regulated real estate company. The Company is of the understanding that the new status of public regulated real estate company corresponds better to economic reality and provides an appropriate legal framework for the Company in its capacity as operational and commercial real estate company. This status enables the Company to continue its current activities in the interests of the Company, its shareholders and other stakeholders, and to position itself consistently as REIT ('Real Estate Investment Trust').

As a public regulated real estate company, the Company is no longer subject to the provisions of the Royal Decree of 7 December 2010 relating to SICAFI's and the Law of 3 August 2012 relating to certain forms of collective management of investment portfolios, but since 27 October 2014 the applicable regulations consist of the RREC Law and the RREC Royal Decree.

The Company is registered with the FSMA.

The Company is a public company that initiates a public offering as defined in Article 438 of the Companies Code.

The Articles of Association of the Company (the Articles of Association) have been amended on several occasions, inter alia as a result of:

- Deed executed by Mr Frank Depuyt, notary in Sint-Jans- Molenbeek, standing in for his fellow notary Mr Hans Berquin of Brussels, on 5 November 1987, published in the annexes to the Belgian Official Gazette on 2 December 1987 under number 871202-114.
- Deed executed by Mr Hans Berquin, notary in Brussels, on 13 December 1995, published in the annexes to the Belgian Official Gazette on 18 January 1996, under number 960118-488.
- Deed executed by Mr Eric Spruyt, notary in Brussels, on 14 January 1998, published in the annexes to the Belgian Official Gazette on 21 February 1998, under number 980211-344.
- Deed (the name was changed to the present one and the public limited company was converted into a partnership limited by shares) executed by Mr Eric Spruyt, notary in Brussels, on 15 January 1998, published in the annexes to the Belgian Official Gazette on 7 February 1998, under number 980207-208.

- Deed executed by Mr Eric Spruyt, notary in Brussels, on 16 January 1998, published in the annexes to the Belgian Official Gazette on 7 February 1998, under number 980207-209.
- Deed executed by Mr Denis Deckers, notary in Brussels, on 14 May 1999 (merger of the public limited company 'Groter Berchem' and the limited share partnership 'Wereldhave Belgium'), published in the annexes to the Belgian Official Gazette on 8 June 1999, under number 990608-160.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 10 May 2002, published in the annexes to the Belgian Official Gazette on 5 July 2002, under number 20020705-537.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 13 April 2006, published in the annexes to the Belgian Official Gazette on 12 May 2006, under number 5068041.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 11 April 2007, followed by a deed establishing the fulfilment of the condition precedent drawn up by Mr Denis Deckers, notary of Brussels, on 12 November 2007, published in the annexes to the Belgian Official Gazette on 26 November 2007, under number 7168947.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 16 December 2011 (among others, adoption of a new text of the Articles of Association), published in the annexes to the Belgian Official Gazette on 27 January 2012, under number 025102.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, holder of the original instrument, with the assistance of Mr Jan Muller, associate notary of Waasmunster, on 11 April 2012, published in the annexes to the Belgian Official Gazette on 9 May 2012, under number 086309.
- Minutes drawn up by Mr Denis Deckers, notary in Brussels, on 10 April 2013, published in the annexes to the Belgian Official Gazette on 6 May 2013, under number 69095.
- Minutes drawn up by Ms Daisy Dekegel, associate notary in Brussels, on 9 April 2014, published in the annexes to the Belgian Official Gazette on 24 April 2014, under number 20140424-87218.
- Minutes drawn up by Ms Daisy Dekegel, associate notary in Brussels, on 27 October 2014, published in the annexes to the Belgian Official Gazette on 17 November 2014, under number 20141117-0207907, followed by an amending deed executed by Ms Daisy Dekegel, associate notary of Brussels, on 13 January 2015, published in the annexes to the Belgian Official Gazette on 3 February 2015, under number 20150203-017996.
- Minutes drawn up by Ms Nathalie Meert, associate notary in Antwerp, standing in for her colleague Ms Daisy Dekegel, associate notary of Brussels, who was restricted at territorial level, on 23 January 2015, published in the annexes to the Belgian Official Gazette on 17 February 2015, under number 20150217-025683, and this under the conditions precedent, the fulfillment of which was established by deed executed by the aforesaid Ms Daisy Dekegel on 16 February 2015, published in the annexes to the Belgian Official Gazette on 10 March 2015, under number 2015-03-10/0036809.

The Articles of Association were lately amended by minutes drawn up by Ms Daisy Dekegel, associate notary in Brussels, on 8 April 2015 (inter alia change of the company name from 'C.V.A. WERELDHAVE BELGIUM S.C.A.' to 'WERELDHAVE BELGIUM'), published in the annexes to the Belgian Official Gazette on 24 April 2015, under number 2015-04-24/0059754.

Luchthavenlaan 1

Financial year

The financial year begins on 1 January and ends on 31 December of each year.

Consultation of publicly accessible documents

- The Articles of Association may be consulted at the Clerk's Office of the Commercial Court of Brussels and at the registered office and on the website of the Company;
- The annual accounts are deposited with the Central Balance Sheet Office of the National Bank of Belgium;
- Each year, the annual accounts and relative reports are sent to the registered shareholders as well as to any other person requesting a copy, and are may be consulted on the website of the Company;
- Resolutions appointing and dismissing the members of the Board of Directors and the Manager are published in the annexes to the Belgian Official Gazette;
- Financial statements and invitations to general meetings are published in the financial press.
- Relevant public company documents are available on the website of the Company (www.wereldhavebelgium.com).

Other publicly accessible documents are may be consulted at the registered office of the Company.

Company purpose

Article 4 of the Articles of Association:

4.1 The exclusive purpose of the Company is:

a. to make real estate available to users, directly or through a company in which it holds a participating interest, in accordance with the provisions of the RREC Law and the decisions and regulations enacted in implementation thereof; and,

b. within the limits of Article 7, b) of the RREC Law, to hold real estate assets listed in Article 2, 5°, vi to x of the RREC Law. Property within the meaning of Article 2, 5° of the RREC Law is understood to mean:
   i. real estate as defined in Articles 517 et seq. of the Civil Code and the rights in rem over real estate, excluding real estate of a silvicultural, agricultural or mining nature;
   ii. shares with voting rights issued by real estate companies under the exclusive or joint control of the Company;
   iii. option rights on real estate;
   iv. shares in public or institutional regulated real estate companies, provided that, in the latter case, joint or exclusive control is exercised thereover by the Company;
   v. rights arising from contracts whereby one or more properties are financially leased to the Company, or other similar rights of use are granted;
   vi. shares in public SICAFI's;
   vii. shares in foreign collective property investment funds included on the list referred to in Article 260 of the Law of 19 April 2014 relating to alternative collective investment funds and their managers;
   viii. shares in collective property investment funds established in another Member State of the European Economic Area and not included on the list referred to in Article 260 of the Law of 19 April 2014 relating to alternative collective investment funds and their managers, to the extent that they are subject to the equivalent supervision that is applicable to SICAFI's;

ix. shares issued by companies (i) with legal personality; (ii) under the laws of another member State of the European Economic Area; (iii) the shares of which are admitted to trading on a regulated market and/or are subject to prudential supervision; (iv) the main activity of which consists in the acquisition or building of real estate with a view to make it available to users, or the direct or indirect holding of participation in companies with a similar corporate purpose; (v) that are exempt from income tax on profits in respect of the activity referred to in the provision under (iv) above, subject to compliance with certain legal requirements, and which are at least required to distribute part of their income to their shareholders (hereafter 'Real Estate Investment Trusts' (abbreviated to 'REITs');
x. real estate certificates as referred to in Article 5, §4 of the Law of 16 June 2006 on the public offering of investment vehicles and the admission of investment vehicles to trading on a regulated market.

Within the context of making real estate available, the Company can exercise all activities associated with the construction, rebuilding, renovation, development, acquisition, disposal, management and operation of real estate. The Company develops a strategy enabling it to position itself in all stages of the value chain of the property sector. To that end the Company acquires and disposes of real estate and rights in rem pertaining to real estate with the aim of making these available to its users. The Company can also manage the development (renovation, extension, construction, etc.) and ensure the day-to-day management of the real estate in its possession. It can be a trustee of a property held in co-ownership or property manager of a building complex where it is one of the owners. In this context it can also exercise all other activities that add value for its real estate or for its users (facility management, organisation of events, concierge services, conversion work adapted to the specific needs of the tenant, etc.). The Company can also offer tailored property solutions, whereby the properties are adapted to the specific needs of their users.

To that end:

a. the Company exercises its activities itself, without in any way delegating such exercise to a third party other than an affiliated Company, in accordance with Articles 19 and 34 of the RREC Law, as a result of which asset management cannot therefore be delegated;
b. it maintains direct relations with its customers and suppliers;
c. with a view to exercising its activities in the manner described in this article, it has operational teams at its disposal that constitute a significant part of its workforce.

4.2 The Company may invest additionally or temporarily in securities that are not real estate in the sense of the applicable legislation on regulated real estate companies. These investments shall be made in accordance with the risk management policy adopted by the Company and shall be diversified, thus ensuring a suitable diversification of risk. The Company may also hold unallocated liquid assets in all currencies in the form of deposits on current accounts and deposits on term accounts or in the form of any other easily negotiable monetary instrument. The Company may furthermore enter into hedging transactions, provided these seek only to cover the interest rate and exchange rate risk in connection with the financing and management of the Company's property and to the exclusion of any operation of a speculative nature.

4.3 The Company may lease or lease out one or more properties (as referred to in the IFRS standards). The activity of leasing out real estate with an option to purchase (as referred to in the IFRS standards) may only be exercised as an ancillary activity, unless this real estate is intended for an objective of general interest, including social housing and education (in this case the activity may be exercised as a principal activity).

4.4 The Company may also, in accordance with the applicable regulations on regulated real estate companies:

- provide mortgages or other collateral or guarantees in connection with the financing of the real estate activities of the Company or its group, within the limits defined by Article 43 of the RREC Law and the applicable regulations on regulated real estate companies;
- grant loans to a subsidiary (the amounts owed to the Company as a result of the disposal of real estate are not taken into account here, provided they are paid within the usual deadlines) in accordance with Article 42 of the RREC Law.

4.5 The Company may acquire, rent or let, transfer or exchange all movable or immovable property, materials and requisites, and in general, for itself or for third parties, and in accordance with the applicable regulations on regulated real estate companies, perform all commercial or financial transactions that are directly or indirectly related to its purpose, and may become involved with the operation of all intellectual property rights and commercial properties pertaining thereto. With due regard for the applicable regulations on regulated real estate companies, the Company may, by way of contributions in cash or in kind, by merger, split or other corporate restructuring, subscription, participation, financial support or otherwise, take a share in all companies, either existing or yet to be established, in Belgium or abroad, the corporate purpose of which is similar to its, or is likely to pursue or facilitate the achievement of its purpose.

The prior consent of the FSMA is required for any amendment to the Articles of Association of the Company.

Capital – Shares

Article 6 of the Articles of Association – Capital

The authorized capital amounts to two hundred ninety-two million seven hundred seventy-three thousand seven hundred and seventy-eight euro fifty-one cents (€ 292,773,778.51). It is represented by six million nine hundred thirty-nine thousand and seventeen (6,939,017) shares, with no nominal value, which each represent an equal portion of the capital.

Genk Shopping 1

Article 7 of the Articles of Association – Authorised capital

The Management Company is expressly authorised to increase the fully paid-up social capital on the dates and under the terms and conditions determined by it, on one or more occasions, up to a maximum amount of two hundred and ninety-two million, seven hundred and seventy-three thousand, seven hundred and seventy-eight euros fifty-one cents (€ 292,773,778.51). In accordance with the above mentioned Article 7 of the Statute, the Issuer's General Meeting can renew the aforementioned authorization regarding the authorized capital.

The authorization to increase the share capital of the Company in one or more times by a maximum amount of € 292,773,778.51 was renewed by the extraordinary general meeting on 8 April 2015, for a period of five years from the date of publication of the decision in the Appendices to the Belgian Official Gazette on the date of 24 April 2015. The authorization granted is valid until 24 April 2020. In date of current annual report, the Company has not yet made use of the aforementioned authorization.

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Such capital increase(s) may be achieved by subscriptions in cash or by contributions in kind or by the incorporation of reserves or issue premiums as well as all private assets under the separate IFRS annual accounts of the Company (drawn up pursuant to the applicable regulations on regulated real estate companies) that are convertable into capital, whether or not attached to another security, which may give rise to the creation of shares with or without voting right, in accordance with the rules prescribed by the Companies Code, the applicable regulations on regulated real estate companies and these Articles of Association. This authorisation is granted for a period of five years from the date of publication in the annexes to the Belgian Official Gazette of the minutes of the relevant authorising decision of the general meeting.

This authorisation is renewable.

For each capital increase the Management Company establishes the price, any issue premium and the terms and conditions of issue of the new shares, unless the general meeting takes such decisions itself. The Management Company may also issue new shares with the same or different rights (including in relation to voting rights, dividend rights – including possible transferability of any preference dividend – and/or rights relating to the liquidation balance and any preference in relation to the repayment of capital) as the existing shares and in that connection amend the Articles of Association to express any such different rights.

Article 8 of the Articles of Association – Type of Shares

The shares of the Company (the Shares) are registered or dematerialised. Each shareholder of the Company may request the Management Company, at his/her expense, the conversion of these Shares into dematerialised Shares.

Upon written request of a shareholder of the Company, the Management Company shall convert the dematerialised Shares into registered Shares.

The conversion of the dematerialised Shares to registered Shares shall take place through an entry into the register of registered Shares, dated and signed by the shareholder or his/her representative and by the Management Company of the Company or special proxy.

The dematerialised share is represented by an entry into the account, in the holder's name at a recognised account holder or the settlement institution.

The Share entered on account is transferred by transfer from account to account.

For each category of Share, the number of dematerialised Shares in circulation at any time is entered into the register of registered Shares in the name of the settlement institution.

Conversion to dematerialised Shares may be requested as soon as the Company has appointed a settlement institution.

Article 10 of the Articles of Association – Repurchase of own Shares
Under Article 10 of the Articles of Association, the Company may acquire and hold in pledge its own Shares that have been fully paid up in cash pursuant to the decision of the general meeting deliberating in accordance with the quorum for attendance and majority provided for in Article 559 of the Companies Code and in accordance with the rules set down in Article 620 et seq. and 630 of the Companies Code. The same general meeting may define the terms and conditions for the disposal of these shares.

Article 13 of the Articles of Association – Disclosure of major holdings
In accordance with the terms and conditions, time limits and modalities specified in Articles 6 to 13 of the Law of 2 May 2007 on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, and the Royal Decree of 14 February 2008 on the disclosure of major holdings, as amended from time to time (the Transparency Legislation), any natural or legal person must disclose to the Company and to the FSMA the number and percentage of existing voting rights held by him/her directly or indirectly, when the number of voting rights reaches, exceeds or falls short of 5%, 10%, 15%, 20%, etc., in consecutive installments of 5%, of the total of existing voting rights, under the terms and conditions specified by the Transparency Legislation.

Management and Representation

Article 14 of the Articles of Association – Appointment – Dismissal – Vacancy
The Company is managed by one or more management companies, which must have the capacity of limited (managing) partner.

Is appointed managing company for an indefinite period: the public limited company 'N.V. WERELDHAVE BELGIUM S.A.' (incorporated deed executed by Mr Eric Spuyt, notary, on 6 January 1998 and which acquired legal personality as a result of registration on 7 January 1998), with registered office currently located at Medialaan 30, box 6, 1800 Vilvoorde.

To perform its duties, the Management Company is represented by the persons who, pursuant to the Articles of Association and the law, may bind it for acts of management, in this case the Board of Directors. In accordance with the provisions of Article 13 of the RREC Law, the Board of Directors of the Management Company is composed such that the Company can be managed in accordance with Article 4 of the RREC Law. In addition, at least three independent directors as defined by Article 526ter of the Companies Code must be appointed in the Board of Directors of the Management Company.

The Management Company is organised in such a way that, depending on the chosen policy structure, the Management Company or the Company itself satisfies the provisions of Article 17 of the RREC Law. The members of the Management Company's Board of Directors, the Executive Managers, and those responsible for the independent audit functions, must be natural persons.

However, Article 39 of the Articles of Association provides that pursuant to Article 109 of the RREC Law, legal persons that perform a function as a member of the Board of Directors of the Management Company of a public regulated real estate company on the date the RREC Law enters into force are authorized to exercise their current mandate until its expiry. Until the aforementioned expiry, Article 14, §1, paragraph 2 of the RREC Law applies to the permanent representative.

The persons referred to in the previous sentence must at all times maintain the required professional integrity and adequate expertise and experience required to carry out their duties, as stipulated by Article 14, §1 of the RREC Law. They may not be subject to the prohibitions referred to in Article 20 of the Law of 25 April 2014 on the status and control of credit institutions.

The Executive Management of the Company must be entrusted to at least two natural persons.

Article 16.2 of the Articles of Association – Advisory Committees

In accordance with Articles 522, 526bis and 526quater of the Companies Code, the management companies, if there is more than one, or the Board of Directors of the Management Company, may establish one or more advisory committees in their (its) midst and under their (its) responsibility, such as, for example, a strategic committee, an Audit Committee, an appointments committee and a remuneration committee. In any event the Board of Directors of the Management Company must establish an Audit Committee and a remuneration committee in its midst and under its responsibility as soon as the Company no longer satisfies the criteria imposed in Article 526bis, §3 of the Companies Code or Article 526quater, §4 of the Companies Code. The Management Company determines the composition and duties of these committees, with due consideration for the applicable regulations.

Article 20 of the Articles of Association – Audit

The auditing of the Company is entrusted to one or more statutory auditors. The mandate of statutory auditor may only be entrusted to one or more qualified auditors or one or more audit companies accredited by the FSMA. The prior consent of the FSMA is required to appoint statutory auditors to the Company. This consent is also required for the renewal of a mandate.

General Meeting

Article 21 of the Articles of Association – Ordinary, special and extraordinary general meetings

The ordinary General Meeting of shareholders, known as the annual meeting, shall take place every year at 11 a.m. on the second Wednesday of April. If this day is a public holiday, the meeting is held at the same time on the next working day.

A special General Meeting may be convened at any time to deliberate and decide on any matter that falls within its competence.

An extraordinary General Meeting may also be convened at any time to deliberate and decide on any amendment to the Articles of Association, in the presence of a Notary.

General Meetings are held at the registered office of the Company or at another location in Belgium specified in the notice.

Article 24 of the Articles of Association – Admission – Depositing of securities

A Shareholder may only participate in the General Meeting and exercise a voting right if the requirements following are satisfied:

1) A Shareholder may only participate in the General Meeting and exercise a voting right by virtue of the recording in the accounts of the registered shares of the Shareholder, on the record date, either through entry in the register of registered Shares of the Company or through their entry in the accounts of an authorized account holder or a settlement institution, irrespective of the number of Shares held by the Shareholder at the General Meeting. The fourteenth day prior to the General Meeting, at midnight (Belgian time), counts as the record date.
2) Owners of dematerialised Shares who wish to participate in the General Meeting must produce a certificate issued by their settlement institution or authorized account holder and showing how many dematerialised Shares are entered in their accounts in the name of the Shareholder on the record date, and for which the Shareholder has indicated a desire to participate in the General Meeting. This submission must be made no later than on the sixth day prior to the date of the General Meeting at the registered office or with the institutions specified in the notice. Owners of registered Shares who wish to participate in the General Meeting must inform the Company of their intention to participate in the General Meeting by ordinary letter, fax or email no later than on the sixth day prior to the date of the General Meeting.
3) The Management Company shall keep a register for each shareholder having notified his/her desire to participate in the General Meeting, in which his/her name and address or registered office are recorded, the number of Shares held on the record date, and with which he/she has indicated a desire to participate in the General Meeting, together with a description of the documents that show that he/she was in possession of the Shares on that record date.

Article 28 of the Articles of Association – Voting rights

Each Share entitles its holder to one vote.

If one or more Shares are jointly owned by several people or by a legal person with a joint body of representation, the attached rights may only be exercised vis-à-vis the Company by a single person appointed in writing to do so. Until such an appointment has been made, all rights attached to the Shares remain suspended.

If a Share is encumbered by a usufruct, the voting right attached to that Share is exercised by the usufructuary, subject to a prior objection in writing by the bare owner.

Company records – distribution

Article 31 of the Articles of Association – distribution
By way of remuneration of the capital, the Company allocates profits in accordance with and pursuant to Article 45 of the RREC Law.

PERSON RESPONSIBLE FOR THE CONTENT OF THE REGISTRATION

The Company, represented by its Management Company which, itself, is represented by its Board of Directors, is responsible for the content of the registration document. Having taken all reasonable care to ensure that such is the case, the Management Company hereby declares that the information contained in this registration document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

STATUTORY AUDITOR

On 13 April 2016, KPMG Bedrijfsrevisoren, Burgerlijke vennootschap o.v.v. BCVBA, with IBR membership B00001, represented by Filip De Bock with IBR membership A01913, with offices at Prins Boudewijnlaan 24d, B-2550 Kontich, with company number 0419.122.548 was appointed as statutory auditor of the company for a period of three years that will end immediately after the annual general meeting to be held in 2019 that will approve the financial statements at 31 December 2018. (1) (2)

The fees relating to audit activities amounted in 2016 € 91,250 excl. VAT, those relating to audit-related activities € 8,000 excl. VAT and on non-audit activities € 10,515 excl. VAT for the period running from 1 January 2016 until 31 December 2016. No other fees were paid.

REAL ESTATE EXPERTS

As of 31 December 2016, the real estate experts of the Company are:

- Cushman & Wakefield, with registered office at Kunstlaan 56, 1000 Brussels, represented by Jérôme Lits/Ardalan Azari. (1) (2)
  Mandate: 1 January 2015 – 31 December 2017
  Segment shopping centres.
  Annual fee: € 81,131 (excl. VAT)
- Troostwijk Roux Expertises, with registered office at Generaal Lemanstraat 58, box 2, 2600 Antwerp, represented by Karl Speybrouck MRE. (1) (2)

Mandate: 1 January 2014 – 31 December 2016
Segment offices.
Annual fee: € 35,100 (excl. VAT)

In accordance with the RREC legislation, the independent external real estate experts value the investment properties portfolio on a quarterly basis. The fees are fixed on a lump-sum basis and are calculated based on a fixed amount per building.

1) The statutory Management Company of the Company also declares that the statutory auditor and real estate experts have agreed to the contents of both their report and their conclusions being included in the Annual Report and that they have agreed to the content and form of and the context within which the section concerned is included in the Annual Report.
2) The Company declares that the information provided by the experts and the statutory auditor was accurately carried over. Insofar as the Company knows and has been able to establish from the information published by the experts and the statutory auditor, no fact was omitted that might render the reproduction of the information provided by the experts and the statutory auditor incorrect or misleading.

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PROPERTY MANAGERS

Wereldhave Belgium Services NV, with registered offices at Medialaan 30, box 6, 1800 Vilvoorde, with company registration number 0422.120.838, acts as real estate manager for the investment properties portfolio.

99.52% of the shares of Wereldhave Belgium Services are held by the Company. The fees in favour of Wereldhave Belgium Services are charged directly to the tenants in accordance with the contractual terms and conditions described in the rental agreements.

Wereldhave Belgium Services has an administrative, accounting, financial and technical organisation that is appropriate for managing the real estate portfolio of the Company.

The directors of Wereldhave Belgium Services possess the required professional integrity, accreditation (BIV) and appropriate expertise as described and in accordance with Article 19 of the RREC Law.

INTERNAL AUDITOR

In 2014 JP Advisory Services BVBA, with registered office at Prinsenstraat 41, 1850 Grimbergen, represented by John Puttemans, was appointed for internal audit matters. The service agreement covers:

- Preparing the audit charter
- Preparing an audit plan
- Implementing the audit plan

The annual fee is set a fixed sum of € 10,000 (excl. VAT).

FINANCIAL SERVICE PROVIDER: BNP PARIBAS FORTIS

BNP Paribas Fortis is charged with providing the Company with financial services.

This includes, among other things, the financial service of the Company, the financial services relating to the payment of dividends, and the settlement of securities issued by the Company.

The annual fee is set a fixed sum of € 3,000 (excl. VAT).

EXTERNAL LEGAL ADVISERS

Interalia, the Company utilises external legal advisers for:

- Complex dossiers (purchase, sale, merger)
- Due diligence matters
- New implementation of legislation

The fee is set on the basis of market rates.

INFORMATION RELATED TO THE ANNUAL FINANCIAL REPORT 2014 AND 2015

- Consolidated accounts 2014: p. 93 to p. 141 of the annual financial report 2014
- Management report over 2014 : p. 20 to p. 70 of the annual financial report 2014
- Auditor's report over 2014: p. 142 to p. 145 of the annual financial report 2014
- Consolidated accounts 2015: p. 114 to p. 167 of the annual financial report 2015
- Management report over 2015 : p. 66 to p. 79 of the annual financial report 2015
- Auditor's report over 2015: p. 168 to p. 169 of the annual financial report 2015

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GLOSSARY AND ALTERNATIVE PERFORMANCE STANDARDS

GLOSSARY

Alternative performance standards are criteria employed by 'Wereldhave Belgium' to measure and monitor its operational performance. These criteria are used in this 2016 Annual Report to Shareholders but are not defined in a law or in generally accepted accounting principles (GAAP). The European Securities and Markets Authority (ESMA) has issued guidelines (effective as from 3 July 2016) for the use and explanation of alternative performance standards. The basic concepts of what Wereldhave Belgium regards as an 'alternative performance standard' are incorporated in this section of the 2016 Annual report to Shareholders, entitled 'Glosssary and alternative performance standards". The alternative performance standards are marked with an asterisk (*) and provided with a definition, objective and reconciliation, as required by the ESMA guideline.

Annual Financial Report
The consolidated annual report of the Board of Directors.

Audit Committee
The Audit Committee of the Company as appointed by the Board of Directors in accordance with Article 526bis of the Companies Code.

Average interest rate on loans *
The average interest rate on the financing of the Company is calculated by dividing net interest expense (annualized) by the weighted average debt for the period (based on the daily recordings of all interest-bearing liabilities.

Objective: The average interest rate on the financing measures the average financing cost of debt and allows it to follow the evolution over time, depending on the evolution of the company and the financial markets. (Reconciliation See note 25)

Bo-Bi Framework (Business Objects – Business Intelligence Framework)
This application gives the Company the opportunity to construct reports with a fixed layout from data from various sources, together with a qualitative test of these data.

Board of Directors
The Board of Directors of the Management Company.

BREEAM (Building Research Establishment Environmental Assessment Method)
Method of assessing the environmental performance of buildings (www.breeam.org).

CG Statement
The 'corporate governance' chapter of the Annual Financial Report.

Chairman
The Chairman of the Board of Directors.

Closed Period
Means one of the following periods:

i. the period 2 months prior to the publication of the annual results of the Company, or a Listed Shareholding, or, if the annual results are published within a period of less than 2 months after the end of the financial year, the period from the end of the financial year up to and including the date of publication;
ii. the period one month prior to the announcement of the six-monthly or quarterly results of the Company, or a Listed Shareholding, or, if the results are announced within a period of less than one month after the end of the relevant period, the period from the end of the period up to and including the date of announcement.

Company
The partnership limited by shares Wereldhave Belgium, with company registration number 0412.597.022.

Compliance Officer
Refers to the Person appointed by the Company in order to focus as an independent function within the organisation on the investigation into, and the promotion of, compliance by the company with laws, regulations and codes of conduct applicable to the Company and in particular the rules relating to the integrity of the activities of the Company (including the management of the policy relating to avoiding transactions with prior knowledge and the application of the provisions of this policy as well as checking the associated procedure).

The Company has appointed Mr Laurent Trenson (employee of the Company and active as a senior accountant) as Compliance Officer.

Contractual rent
The rental prices as contractually specified in the rental agreements on the date of conclusion, prior to deduction of rental discounts or other benefits granted to the tenants.

Corporate Governance Code
Is the Belgian Corporate Governance Code of 12 March 2009, available at www.corporategovernancecommittee.be, which contains a series of rules and practices relating to corporate governance to be complied with by companies under Belgian law, the shares of which are traded on a regulated market, which determine how companies are managed and audited in order to promote a corporate strategy that is based on a contribution to long-term value.

Debt ratio
The debt ratio is calculated as the ratio of all obligations (excluding provisions, adjustment accounts, deferred taxes and negative variations in the fair value of hedging instruments) in relation to the total assets.

Derived products – Derivatives
Derived products – derivatives give the Company the opportunity to cover itself against any short-term increase in interest rates.

This interest rate risk can be covered to a limited extent by using derived products (the purchase of CAP, possibly with the sale of FLOOR; IRS contracts).

Developer
The persons who exclusively or jointly control an RREC in the sense of Article 2, 13° of the RREC Law, the promotor Wereldhave NV.

Director
Each director of the Management Company.

Due Diligence
Procedure aimed at a complete and certified inventory of a company, a building or a real estate portfolio (accounting, economic, legal, tax aspects, etc.) prior to a financing or acquisition.

Employee
Each Director or member of staff of the Company appointed by the supervisor who is deemed capable of bearing price-sensitive information.

Executive Managers
Persons charged with the executive management of the Company who together form the executive management and who are also the executive managers in the sense of the RREC Law as well as Executive Managers. Under the RREC Law, the executive management of the Company must be entrusted to at least two natural persons.

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EPRA and EPRA terminology

EPRA (European Public Real Estate Association) is an organization that promotes European listed property sector, helps develop and represents in order to boost confidence in the sector and to increase investment in listed real estate in Europe. In December 2014 EPRA's Reporting and Accounting Committee updated the EPRA Best Practices Recommendations ("BPR") 1. This BPR contain recommendations concerning the determination of key performance indicators for the performance of the portfolio. A number of these indicators are considered to be alternative performance measures in accordance with the ESMA-directive. The numerical reconciliation of these alternative performance measures can be found in a completely separate section of this report (Chapter 6)

EPRA Europe index

European stock market index (excluding the UK) of the FTSE EPRA/NAREIT Global Real Estate. The index consists of property values that are representative of the listed real estate sector in Europe. It was created by EPRA.

EPRA Occupancy

The EPRA occupancy is calculated as the ratio between the contractual rental income (contractual rental income as of report date and signed contracts that start within the year after the report date) and this same rental income increased by the estimated rental value of the unoccupied rental locations.

ERV

Abbreviation of Estimated Rental Value.

Fair Value

Retail value of property investments according to the IAS/IFRS 13 accounting standards, i.e. after deducting transaction costs, as determined by the real estate experts.

Roderveldlaan 96

FBI (Fiscaal beleggingsinstelling – Tax investment institution)
Tax system in the Netherlands, comparable with the RREC system.

Financial Instrument
Means any value or any right belonging to one of the following categories:
i. capital-representing shares and other values equivalent to shares;
ii. bonds and other debt instruments tradable on the capital market;
iii. all other normally traded values with which the values referred to in (i) or (ii) can be acquired or which are settled in cash, excluding means of payment;
iv. rights of participation in collective investment funds;
v. instruments that are normally traded on the financial market;
vi. financial futures, including equivalent instruments settled in cash;
vii. forward rate agreements;
viii. interest rate and currency swaps and swaps relating to cash flows linked to shares or to share indexes (equity swaps);
ix. currency and interest rate options and other options to acquire or dispose of any financial instrument referred to in (i) to (viii), including equivalent instruments settled in cash.

Free Float
Percentage of the shares owned by the public. On Euronext the free float is calculated as the total amount of share capital less the shares held by companies that are part of the same group, state-owned enterprises, and founders.

FSMA
The Financial Services and Markets Authority – the former Banking, Finance and Insurance Commission (BFIC).

The autonomous regulatory authority for financial markets and services in Belgium.

General Meeting of Shareholders
Is the general meeting of shareholders as provided for by the Articles of Association of the Company.

GLA
Gross lettable area.

IAS 39
IAS 39 is an IAS/IFRS standard on the way a company must arrange and value its financial instruments in its balance sheet. This standard requires all derived instruments to be processed in the balance sheet at their fair value.

IAS/IFRS (IAS, International Accounting Standards/IFRS, International Financial Reporting Standards)
The international accounting standards for preparing the annual accounts, produced by the International Accounting Standards Board (IASB).

IFRS standards
International Financial Reporting Standards. Set of accounting principles and valuation rules produced by the International Accounting Standards Board. The aim is to make international comparison easier between European listed companies.

Independent internal audit function
An independent assessment function aimed at examining and assessing the proper functioning, effectiveness and efficiency of the processes, procedures and activities of the Company.

The Company has entrusted the internal audit function to an external legal person through the appointment of an independent consultant, namely JP Advisory Services BVBA, represented by its permanent representative, John Puttemans.

Insider
Person who has access to price-sensitive information.

Insider Knowledge
Each undisclosed piece of information that is accurate and relates directly or indirectly to the Company and/or one or more of its Listed Participation (specifically a company affiliated with the Company or a Listed Participation) or to one or more Financial Instruments of the Company, and which, if disclosed, could significantly affect the price of these Financial Instruments or that of related financial instruments, as is further explained in Annex 6 to the Corporate Governance Charter.

KPI
Key Performance Indicators are variables for evaluating performances.

Leasehold
Temporary right that grants full enjoyment of a building that belongs to someone else, and for which an annual fee must be paid (canon) to the owner in recognition of his/her right of ownership. In Belgium, the right of leasehold must be entered into for at least 27 and not more than 99 years.

Like for like (Epra) net rental growth *
Like for like (Epra) net rental growth at constant composition of the portfolio compares the growth in net rental income from real estate investments throughout the period were available for lease, and not in development, and this for the two full years preceding the closing date of the financial year. The changes in gross rental income on a like-for-like basis, providing insight into the changes in gross rental income that do not result from changes in the property portfolio (investments, disvestments, major renovation, ...).

Objective: To measure the cost of the financing sources, and the potential impact on the results. The APM also allows for historical analysis.

(Reconciliation See note 25)

Listed Shareholding
Is a Subsidiary or a listed shareholding.

Management Company
The statutory management company of the Company, currently Wereldhave Belgium NV (managing partner of the Company), with registered office at Medialaan 30, box 6, 1800 Vilvoorde, with company registration number 0462.347.431.

Managing Directors
The Managers charged with the daily management of the Company who together form the executive management and who are also the Executive Managers in the sense of the RREC Law charged with the executive management of the Company.

Market rent
The expected rent that can be contracted when letting.

Net dividend
The net dividend is equal to the gross dividend less the withholding tax. Decreed dividends made payable after 1 January 2017 are (subject to certain exemptions) liable to a withholding tax of 30% instead of 27% (Program law of 25 December 2016 published in the Belgian Official Gazette State Journal of 29 December 2016).

Net result from core activities *
The net result from core activities is the operating result before the portfolio result minus the financial result and taxation, and excluding variations in the fair value of financial derivatives (that are not treated as hedge accounting in accordance with IAS 39) and other non-distributable items on the basis of the company financial statements of Wereldhave Belgium.

Objective: The net result from core activities measures the result of the strategic operational activities, excluding (i) the variations in the fair value of financial assets and liabilities (non-effective hedges), and (ii) the portfolio result (the profit (or loss)) that it turned in (or not) on property investments). This amounts, essentially, to the profit (or loss) that is directly affected by the property- and financial management of the company, excluding the impact ascribed to volatility effects in property- and financial markets. (Reconciliation, see Explanatory Note No. 4).

Net result from core activities per share *

The net result from core activities per share is the result (the profit (or loss)) divided by the weighted average number of ordinary shares in issue at year-end.

Objective: The net result from core activities per share measures the result per ordinary share ranking for dividend and enables a comparison with the gross dividend per ordinary share.

(Reconciliation, see Explanatory Note No. 4)

Net result from non-core activities (portfolio result) *

The result from non-core activities (portfolio result) comprises (i) the result on sale of property investments, (ii) the variations in the fair value of property investments, and (iii) the other portfolio result.

The result from non-core activities (portfolio result) measures the realised (and unrealised) gains and losses on the property investments, compared to the valuation of the independent property valuers as at the end of the previous financial year

(Reconciliation, see Explanatory Note No. 4)

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Net result per share
The net result per share is calculated by dividing the net result (as shown by the income statement) by the weighted average of the number of shares (i.e. the total number of issued shares minus the entity's own shares) during the financial year.

(Reconciliation, see heading 'Consolidated profit and loss account', p. 150)

Net value (fair value) per share
Total net equity attributable to shareholders of the parent company (i.e. after deducting the minority shareholdings) divided by the number of shares at year-end (and after deducting the entity's own shares, if applicable). It corresponds to the net value as defined in section 2, 23° of the (regulated real estate companies) Act.

The net value (fair value) per share measures the value of the share based on the fair value of the property investments and makes a comparison with the share price possible.

Occupancy
The occupancy is calculated by dividing the (indexed) contractual rental prices of the current rental contracts by the sum of the contractual rental prices and the estimated rental values (market rents) of the vacancies. The latter is established based on the level of current rental prices on the market.

Real Estate certificate
Real Estate certificates are tangible values representing debt claims that give entitlement to a proportional part of the income from a specific property. The payable coupons include an income part and a capital amortisation part.

REIT (Real Estate Investment Trust)
Listed real estate investment fund in the United States.

Risk Officer
The person charged with the risk management function who is responsible for, among other things, drawing up, developing and monitoring, updating and implementing the risk management policy and the risk management procedure. The Company has appointed Mr Laurent Trenson (employee of the Company and active as a senior accountant) as Risk Officer.

RREC Law
The Law of 12 May 2014 relating to regulated real estate companies.

RREC Royal Decree
The Royal Decree of 13 July 2014 relating to regulated real estate companies.

Shareholders
All the shareholders of the Company.

Statutory Auditor
Is/(Are) the statutory auditor(s) of the Company, as provided for by Article 130 et seq. of the Companies Code, to which the external auditing of the Company is entrusted.

Interest Rate Swap
Inter-bank rate.

Take-up
Use of the areas intended for letting.

Wereldhave Group
The company under Dutch law Wereldhave N.V., with registered office at WTC Schiphol Tower A, 3rd floor, Schiphol Boulevard 233, 1118 BH Schiphol, Netherlands (and companies affiliated to it).

Withholding Tax
Tax withheld by a bank or financial intermediary on payment of a dividend.

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