WERELDHAVE
BELGIUM

2017

Annual financial report

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 Statutory 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 this annual financial report, 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 the permanent evolution of 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 potential 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 realization 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 p130-131). (1-2-3-4-5) Sector-based diversification of the tenant portfolio (see branch mix p134). (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 2.6 years, and up to the end of the rental agreement 5.5 years. (1-2-3-4-5)
Rental market shopping centres Reorientation institutional investors	1) Higher bankruptcy risk of the tenant. 2) Potential 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.

(*) The chapter 'Risk Factors' forms an integral part of the Management Report in accordance with article 96, §2 of the Companies Code.

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Decline in tenant solvency	1) Potential 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) Potential 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) Increasing discrepancy between the collected rental income and the market rent.	Standard provision of indexation clauses in the leases. (1)
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) 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 (34 %) respectively variabel rate (66%) (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 and anticipation of their extension to have them secured over the long term (see note p 194). (1-2-3)
Terrorism threat	1) Decline in visitors. 2) Decline in tenant turnover. 3) (Partial) destruction of building and consequently potential 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 potential 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% (because of the derogation granted by the FSMA), and consequently the impact of any fluctuations is limited. (1-2-3) Sound balance sheet structure. (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) Impact on the net asset value and on the gearing ratio.	Proactive asset management of own assets in order to limit the vacancy. (1-2) Active investment management of the properties in portfolio in order to maintain their values. (1-2) An investment strategy aimed at quality, retail real estate of standing in places where sustainability and attractiveness can be found. (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 Statutory Management Company. (1-2-3-4) External valuation by an independent valuation expert prior to purchase. (1-2-3-4) Formal approval procedure relating to investments by Executive Management and the Statutory Management Company, and also an experienced management team. (1-2-3-4) Legal, fiscal and environmental-technical due diligence when purchasing real estate with negotiation of price reductions or representations and warrantees from the seller in order to hedge the identified risks. (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) Starting of the development projects not before having reached a minimum preletting percentage of the area to be developed. (1-3) Appropriate selection of the enterprises with whom the company will contract in the context of a development project. (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 of the properties in portfolio. (1-2-3) Portfolio rotation in order to keep the portfolio up to date (technical, location, etc.). (1-2-3) Strict internal coordination by management and monitoring with the property 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) Geographical diversification of the real estate portfolio and occupation by tenants of different sizes and sectors of activity in order to limit the risk of significant vacancy. The occupancy rate by 31 December 2017 was 94.3%.(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 € 529.0 million as per December 2016, i.e. 67.3 % of the fair value. The insurance premium is € 139,392. (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) Advance notices foreseen in the rental agreements in order to be able to anticipate the reletting of the area and to limit the vacancy period. (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 of the Company represents about 5% 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 total cost for doubtful debtors as at 31 December 2017 amounts € 110k (1-2-4) Spread of the tenant portfolio – see branch mix p134. (1-2-3-4-5) Limit the concentration of important tenants. The top 10 of the most important tenants represents about 26% of the total rental income. (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 Statutory Management Company. (1)
External service providers do not correctly observe the service contract	1) Potential 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) Use of standard (general conditions) (1) Option of terminating the service contract in the event of serious misconduct or fraud. (1)
Risk related to IT	1) Potential negative effect on the functioning of the organisation. 2) Potential destruction of operational and strategic data.	Daily backups so that loss of data is limited in time .(1-2) The IT servers, where all the operational strategical data (and their back-up) are recorded, are externalized in external data management centres where appropriate security measures are applied. (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 with strong ratings and product limited to the Eurozone. (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 Statutory 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)

RISK DESCRIPTION	POSSIBLE IMPACT	LIMITING MEASURES
Interest rate development	1) Increase in the weighted average cost of capital.	20-30% unutilised margin of committed lines of credit. (1)
	2) Impact on the profitability of the company.	Strict monitoring with Executive Management and Statutory 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 28 – art 617 Company Code p201). (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.	Cooperation with well-known international institutions. (1)
	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.	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 Statutory 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) Potential impact on the reporting, capital requirements, use of financial products, credit agreements and general operational organization 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) Potential 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 Statutory 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 Statutory 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 organization, the investment strategy approved by the Statutory 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 organization 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 Organization/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 organization 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

	2013	2014	2015	2016	2017
Share price 31/12	83.22	102.01	110.00	107.7	95.25
Share price/Net result from core activities 31/12	16.30	19.30	19.50	18.63	16.77
Market capitalisation 31/12 (mln)	525.00	643.50	763.30	747.30	660.90
Net asset value per share (conform IFRS)	77.83	78.99	81.76	86.41	89.25
Gross dividend	4.40	4.60	4.90	5.10	5.10
Dividend yield 31/12 (gross) 1)	5.29%	4.51%	4.45%	4.74%	5.35%
Consolidated debt ratio 2)	20.60%	34.80%	27.50%	27.60%	29.04%
Occupationcy rate 3)	97.00%	94.10%	94.10%	95.80%	94.30%
Pay-out ratio	86.44%	86.95%	87.00%	88.24%	90.47%
Free float	30.60%	30.59%	30.42%	30.42%	30.42%

1) Gross dividend divided by the share price on 31/12/2017.

2) See calculation table in note 29 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	2013	2014	2015	2016	2017
Net rental income	35,831	38,932	47,409	49,733	50,103
Net result	34,752	38,855	49,391	66,241	54,682
Net result from core activities 1)	32,089	33,371	39,093	40,078	39,404
Net result from non-core activities 2)	2,663	5,484	10,298	26,163	15,278

(X € 1,000)

BALANCE SHEET	2013	2014	2015	2016	2017
Investment properties 3)	505,322	722,607	731,919	783,357	786,000
Lease incentives	1,652	1,689	1,563	1,152	747
Investment properties excl. development projects	506,974	724,296	733,482	784,509	786,747
Development projects	90,159	25,802	40,547	35,318	66,817
Shareholders' equity	490,979	498,284	567,310	599,586	619,284

NUMBER OF SHARES	2013	2014	2015	2016	2017
	6,308,198	6,308,198	6,939,017	6,939,017	6,939,017

(X € 1,000)

FAIR VALUE INVESTMENT PROPERTIES BY SEGMENTATION 3), DEVELOPMENT PROJECTS EXCLUDED	2013	2014	2015	2016	2017
Retail	380,882	597,048	607,026	659,905	682,765
Lease incentives	386	312	604	575	236
Fair value investment properties - retail	***381,268***	***597,360***	***607,630***	***660,480***	***683,001***
Offices	124,440	125,559	124,894	123,452	103,235
Lease incentives	1,266	1,377	958	577	511
Fair value investment properties - offices	***125,706***	***126,936***	***125,852***	***124,029***	***103,746***
	506,974	**724,296**	**733,482**	**784,509**	**786,747**

(X € 1)

SHARE DATA	2013	2014	2015	2016	2017
Net result from core activities	5.09	5.29	5.63	5.78	5.68
Net result from non-core activities	0.42	0.87	1.49	3.77	2.20
Profit per share	5.51	6.16	7.12	9.55	7.88
Gross dividend	4.40	4.60	4.90	5.10	5.10
Net dividend	3.30	3.45	3.58	3.57	3.57
Net asset value before profit distribution	77.83	78.99	81.76	86.41	89.25

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.

3) Fair value has been computed after deduction of the transaction costs (2.5%) (until 2015: 10%-12.5%) incurred at the sales process. The independent valuation expert has carried out the valuation in conformity with 'International Valuation Standards' and 'European Valuation Standards'.

Tournai

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MESSAGE TO THE SHAREHOLDERS

Dirk Anbeek
Chief Executive Officer

Kasper Deforche
Chief Executive Officer

FLOURISHING INVESTMENT MARKET VERSUS CHALLENGING USER MARKET

The past year was again characterised by a very active investment market, in which the company looked into various investment opportunities, but did not succeed in submitting the highest bid for a number of dossiers based on a risk/return analysis.

We are of the opinion that our experience and the existing portfolio make it possible to properly assess rent levels and market potential, which will also enable us to make the right investment choices in the future. In this context, the fact remains that the sales of certain retailers remain under pressure and that negotiations for leases tend to take longer and are more intense.

For the existing portfolio, progress was made in the Kortrijk and Genk dossiers, but we must continue to pay attention in the future to further reducing the vacancy rate. In Kortrijk, important leases were signed with, among others, Electo Dépôt, River Woods, Fox & Cie and Medimarket. For Genk, this includes Celio, Leonidas, Flormar and Brasserie Kaffee Genk.

In the other shopping centres we noted sustained, almost full occupancy rates, but with a healthy rotation of new brands at attractive rent levels, which allows us to guarantee long-term appeal to shoppers.

Both visitor numbers and turnover figures remained the same on average throughout the entire portfolio, with a positive outlier for the 'Shopping 1' shopping centre in Genk, which is mainly explained by the free parking that has been available to customers since April 2017.

The main challenge and focus in the development portfolio in 2017 was to bring the expansion project of our shopping centre 'Les Bastions' in Tournai to a favourable conclusion. We are therefore proud to announce that – with an imminent opening (planned for 12 April 2018) – decisive steps have been taken for the construction works as well as the commercialisation. It is expected that we will open this shopping centre almost fully leased (with Zara, Berchka, JD Sports, Superdry, JBC,…) and will be able to festively open the expansion of this shopping centre on schedule.

For the 'Belle-Ile' project, all permits were obtained by the end of 2016 and work will start if 70% of the surface area is pre-let. We believe that the work will be able to start already in 2018.

The 'Madou' office building in Brussels contributed to the result for the year 2017, but definitively left the portfolio at the end of January 2018. The office portfolio currently represents 103.7 mln and will be further reduced in function of market conditions and alternative investment opportunities.

The company will also proactively explore investment opportunities in the retail market and will also look into opportunities to broaden its activities within the retail market.

As far as the financial results are concerned, we once again succeeded in presenting good figures, mainly based on a strong increase in valuation at the end of the year.

The net result for 2017, comprising the net result of core activities and non-core activities, amounted to € 54.7 mln (2016: € 66.2 mln). In comparison to 2016, this decrease on balance is attributable to a lower net result from core activities (€ -0.7 mln) and a lower net result from non-core activities (€ -10.8 mln).

A dividend of € 5.10 gross - € 3.57 net per share is being proposed to the General Meeting of Shareholders (2016: € 5.10 gross - € 3.57 net). The dividend will be made payable from 8 May 2018.

Furthermore, we expressly wish to thank all employees, customers, shareholders, and by extension all stakeholders, for their continued contribution to the success of our company.

Vilvoorde, 8 March 2018

4 CONSOLIDATED ANNUAL REPORT

PROFILE

The Company is a public regulated real estate company (RREC) with a focus on commercial real estate in Belgium. The Company targets new investments in retail properties. The value of the investment properties portfolio, including project developments, is € 853.6 mln. The existing operational shopping centre portfolio of € 683.0 mln (approximately 86.9% 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 € 66.8 mln comprises the land positions and investments made relating to the extension of 'Les Bastions' shopping centre in Tournai and the restructuring and/or expansion of shopping centres in Waterloo and Liège.

The Company seeks to generate value through the active management of shopping centres and the (re)development of shopping centres for its own portfolio. The Company's employees maintain direct contact with the tenants. As a result, the Company 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

The Company 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.

The Company 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 the Company 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

The Company 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 valuation experts on a quarterly basis.

FINANCIAL POSITION

With a consolidated debt ratio of 29.0% and a solvency of 71.0%, the Company 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 the Company, 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 Corporate Governance Charter and its Appendices stipulate the rules, procedures and methods on the basis of which the Company is managed and monitored.

The Corporate Governance 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 Corporate Governance 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 Corporate Governance 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 Corporate Governance Statement.

The Corporate Governance Charter can be consulted on the Company website (www.wereldhavebelgium.com) and shall be updated as often as necessary. The Corporate Governance 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.

Ring Shopping Kortrijk Noord

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 of the three criteria stipulated by article 526*quater* of the Companies Code (average number of employees < 250 people and annual net turnover < 50 mln), 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.

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 natural 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 Corporate Governance 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.

For publicly listed companies whose free float is less than 50% (free float of the Company as per 31 December 2017: 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 2018 of the Management Company, the Board of Directors will nominate a second female director (in accordance with article 518bis of the Company Code).

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.

Belle-Île

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 the Board of Directors the Company prefers complementarity of skills, experience and knowledge and, insofar possible, 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 a compact management organisation.

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

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.

Tournai Retail Park

DIRECTORS	POSITION	START DATE MANDATE	MOST RECENT RENEWAL	END OF MANDATE
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
Philippe Naert	Independent Director Member of the Audit Committee	01/04/2015		31/03/2017
Ann Claes	Independent Director Member of the Audit Committee	01/04/2017		14/05/2021
Kasper Deforche	Managing Director Executive Manager	01/07/2016		10/05/2019
Dirk Anbeek	Managing Director Executive Manager	31/07/2012	13/05/2016	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

On 31/12/2017, the Board of Directors consists of the following five members:

Dirk Anbeek, (54), 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 Managing Director of Wereldhave N.V., reference shareholder of the Company.

Nationality: Dutchman

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 2017: 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

Kasper Deforche (36), Medialaan 30/6, 1800 Vilvoorde, Director since 1 April 2015 for a period of four years (. 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. He is also accredited to RICS, holder of a BIV number and member of Guberna.

Nationality: Belgian

(attendance rate during his mandate in 2017: 100%)

Current mandates:
- Director Wereldhave Belgium Services NV
- Chief Executive Officer of Wereldhave Belgium NV
- Director Wereldhave Belgium Property Management NV
- Director Immo Guwy NV
- Director Waterloo Shopping bvba
- Director Multilist NV
- Director Pandecadadia NV Director Repsak BVBA
- Director of the Belgium-Luxembourg Council of Shopping Centres (BLSC)
- Director Professional Association of the Real Estate Sector (BVS / UPSI)

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
- Director Halle Vastgoed NV

Dirk Goeminne (62), Oudeheerweghe ide 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.

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 2017: 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 (74) 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 until 31 March 2017: 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 (until 30 September 2017)
- Chairman of the Board of Directors and independent director of Hout van Steenberge NV
- Independent director of Concordia Textiles NV (until 30 April 2017)
- Chairman of the Board of Directors and independent director of Hobbyrama NV
- Independent director of 3D NV (until 31 May 2017)
- 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 (until 31 May 2017)
- 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 (68), 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 2017: 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

Ann Claes, Bruinstraat 50, 3520 Zonhoven, has extensive experience in retail, as shareholder and CEO of Claes Retail Group and, because of this, can have an important contribution to strategic decision-making.

She qualifies as independent Director from 1 April 2017 and is member of the Audit Committee for a period of four years ending on 31 March 2021.

Nationality: Belgian

Ann Claes obtained her Bachelor in Economics in Diepenbeek and completed the Advanced Management Program at Vlerick Business School in Ghent

Since 1984, she held various positions within JBC and Claes Retail Group. The group grew to a group with more than 180 stores. The successful acquisition of Mayerline and the expansion of JBC in Germany are the latest achievements of Claes Retail Group, led by Ann Claes and her brother Bart Claes.

(attendance rate during her mandate from 1 April 2017: 100%)

Current mandates:
- Managing Director of CRG NV
- Managing Director of JBC nv

- Managing Director of Mayerline nv
- Managing Director of j GF Company nv
- Managing Director of Immo Iris nv
- Managing Director of Girl Immo nv
- Managing Director of I Am Holding nv
- Managing Director of Investa Wetstraat nv
- Director of ACE Fashion sa
- Director VOKA Limburg

Mandates ending in the last five years:
- Member of the Board of Director of Modemuseum Hasselt

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 Corporate Governance 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.

Genk Stadsplein

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 Corporate Governance Charter and the internal rules of the Board of Directors.

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 Corporate Governance 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. Five meetings were held in 2017.

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 (independent) Director.

The Board of Directors has appointed a Company Secretary. All Directors may avail themselves of the Secretary's (The CFO of the Company) 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

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 the Managing Company. The Company keeps also 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 limited to 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 Directors.

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 Corporate Governance 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 (until 31 March 2017)
Philippe Naert has international experience in general management and marketing.
Attendance quorum: 100% (1/1)

Ann Claes (from 1 april 2017)
Ann Claes has an international experience in general management and marketing.

Attendance quorum: 100% (3/3)

Chairmanship
The Board of Directors appoints the Chairman of the Committee.
He/she may not be the 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) of the Company.

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

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

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

Responsibilities
The Audit 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 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;

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- 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) of the Company 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) of the Company 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) of the Company and the Auditor.

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(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 Audit Committee discusses the main items with the Chief Financial Officer (CFO)of the Company, 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.

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) of the Company. 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 Audit Committee made, if applicable. They shall be presented as a draft to all members of the Audit Committee and are then formally approved and signed during a subsequent meeting of the Audit 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 Corporate Governance 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
- K. Deforche, Chief Executive Officer of the Board of Directors

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;

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- 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
- 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;
- 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 Corporate Governance 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 10 May 2019 (K. Deforche) and 8 April 2020 (D. Anbeek)

The regularly report to the Board of Directors on the execution of their 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) has been reappointed as head of the independent compliance function in accordance with article 14, §4 of the RREC Law. Mr Laurent Trenson's new mandate of the independent compliance function started on 23 September 2017 for an undetermined duration. 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) has been reappointed as head of the independent risk management function in accordance with article 14, §4 of the RREC Law. Mr Laurent Trenson's new mandate of the independent risk management function started on 23 September 2017 for an undetermined duration. 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 BDO Advisory BV, represented by Mr.J.H.Hijmans, partner, 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 BDO Advisory BV and is thus considered to be the person ultimately responsible for the internal audit of the Company. The mandate of BDO Advisory BV as external consultant started on 23 September 2017 for an undetermined duration (this function has been occupied as from 22 September 2014 to 22 September 2017 by the external consultant JP Advisory Services BVBA).

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 Statutory Management Company for 2017 was € 120,000 (ex. VAT) and is paid by the Company.

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 2017

(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	5,000
Ann Claes	15,000

EXECUTIVE MANAGEMENT - EFFECTIVE LEADERS:	
D. Anbeek	unpaid mandate
K. Deforche	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 Statutory 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.

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 Corporate 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 Company.

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 2017 the evaluation criteria for determining variable remuneration were as follows: the net result from core activities 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 2017, and set short term variable remuneration at € 90,000 for Kasper Deforche (*).

Long-term variable remuneration:
The Board of Directors of the Statutory Management Company evaluated the realisation of these objectives for 2017, and set the variable remuneration at € 90,000 for Kasper Deforche (*).

Allocation criteria/objectives:
- The Company achieved its targets for 2017:
  - 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 Statutory 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 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.

2017	FIXED COMPENSATION	VARIABLE COMPENSATION SHORT TERM	VARIABLE COMPENSATION LONG TERM	RETIREMENT PLAN	FRINGE BENEFITS	TOTAL
K. Deforche *	€ 300,000	€ 90,000	€ 90,000	€ 0	€ 0	€ 480,000
D. Anbeek	unsalaried mandate					

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
K. Deforche *	€ 275,000	€ 70,000	€ 80,000	€ 0	€ 0	€ 425,000
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 Company. There is an annual fixed fee of € 150,000 for financial year 2017 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 € 150,000 for financial year 2017 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.

Ring Shopping Kortrijk

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 Corporate Governance 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 Corporate Governance 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.

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 companies of the perimeter 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 company of the perimeter 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 company of the perimeter 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 companies of the perimeter 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 companies of the perimeter 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 companies of the perimeter;
    - of the business manager-legal person of the public Regulated Real Estate Company or one of its companies of the perimeter 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 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 companies of the perimeter 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 companies of the perimeter, 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 the Company 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;

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- 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 Insiders.
The Directors, Executive Managers and key employees, but also other persons who would have knowledge of sensitive information and who are recorded in the insiders list, may purchase and sell Company securities during the period from 1st January to the first publication of the yearly results, during the period of 30 days before the publication of the quarterly results or the announcement of a dividend or interim-dividend and during a period of 1 month just before the first publication of a prospectus for a stock offering, unless the issuer demonstrates that the decision-taking period is shorter, in such case an accordingly shorter period can be applied. Outside these periods, these persons are authorized to sell or purchase securities of the Company after having informed the Compliance Officer according to the procedure described hereabove.

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:

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.

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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.

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.

CORPORATE SOCIAL RESPONSABILITY

GENERAL

Situation & summary

Since 2013, the Company makes an active monitoring and communicating with regard to the sustainability of the portfolio, raising awareness within the company, and involvement with its stakeholders. This is done jointly with initiatives at the level of the Wereldhave Group.

In these five years, expertise was built up and shared between the different countries. Today the Wereldhave Group is recognised as one of the leaders in the real estate sector: included in the DJSI Europe and Enlarged World indices with a score of 77/100 (2016: 73/100), GRESB Green Star with a score of 82/100 (2016: 82/100). Wereldhave also received the EPRA Gold Award for its Financial & Sustainability Report 2016.

The CSR report has been integrated into the annual report since last year. For the second year in a row, Wereldhave Belgium was honoured with an EPRA Gold award.

A distinction needs to be made between the Wereldhave Group and Wereldhave Belgium. Wereldhave Belgium follows the objectives and operates within the framework of the group, complementing these with its own portfolio.

Since the parent company Wereldhave GRI is compliant, reference is made to that annual report and supplemented with its own data according to EPRA, in order to comply with the law of 3/9/2017 on the reporting of non-financial information.

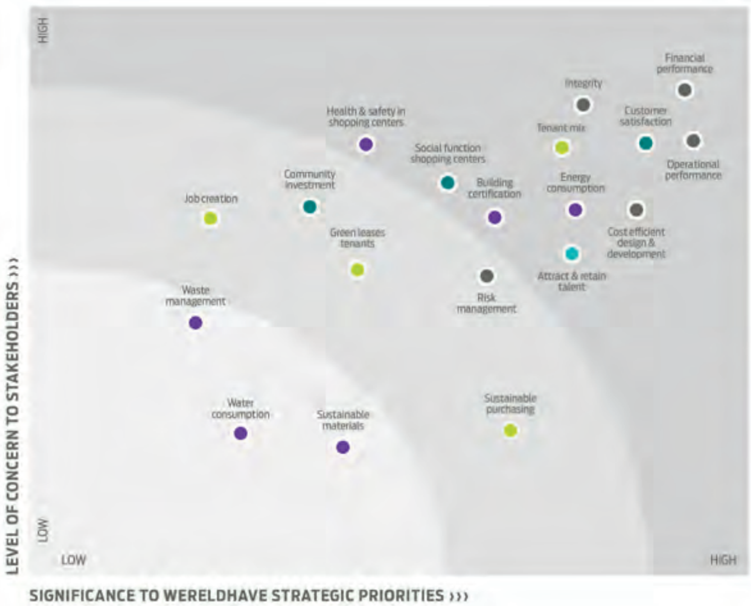
Stakeholders & materiality

We must get everyone involved if we want to realize the (inter) national ambitions (including the (Belgian) Climate Agreement and SDGs). Sustainability in the Wereldhave Group is about stakeholder involvement. Before delineating the four focus areas, various stakeholders were consulted. To create long-term value, the following stakeholders were identified:

Figure: List of stakeholders

A materiality matrix was also established for the Group 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 2017



FOCUS AREA	MATERIAL TOPIC	MOST RELEVANT TO
OPERATIONAL EXCELLENCE	Financial performance	investors, employees
	Operational performance	tenants
	Integrity	investors, employees
	Cost efficient design & development	tenants
	Risk management	investors
BRICKS	Energy consumption	tenants
	Building certification	investors
	Health & safety in shopping centers	customers, tenants
	Sustainable materials	tenants
	Waste management	tenants
	Water consumption	tenants
PEOPLE	Attract & retain talent	employees
PARTNERS	Tenant mix	customers
	Sustainable purchasing	tenants
	Green leases tenants	tenants
	Job creation	communities
SOCIETY	Customer satisfaction	tenants
	Social function shopping centers	communities, customers
	Community investment	communities

Figure: Materiality matrix 2017 Wereldhave Group

STAKEHOLDERS' DIALOGUE

	Stakeholder group	Communication	Concerns	Follow-up	Material aspects
1	Customers (visitors) - All visitors - Potential visitors	Helpdesk Surveys SC websites Social media Events Frequency: daily	Complaints and tips Facilities and services Attractive shopping centre Experience	Customer journey improvements Optimize branchmix and shop offer Investments in facilities Operational excellence	Customer satisfaction Health & safety in shopping centers Tenant mix Social function of shopping centers
2	Retailers (and tenants) - All tenants - Potential tenants - Tenant associations	On-site management (key) accountmanagement Retailer seminars Tenant satisfaction surveys Sustainability committees Regular meetings Frequency: daily	Footfall & customer spending Attractive shopping centre Value for money services Complaints and tips	Knowledge sharing Customer journey improvements Investments in facilities Marketing Operational excellence	Operational performance Cost efficient design & development Energy consumption Tenant mix Health & safety of shopping centers Green leases tenants Waste management Water consumption
3	Employees & board - All employees - Supervisory Board - Works Council	News letters Result presentations Onboarding Career development Works council meetings Internal communications Frequency: daily	Commitment and engagement Personal development Recognition	Market conform remuneration Fun & teambuilding Talent development program	Financial performance Operational performance Attract & retain talents Integrity
4	Investors, banks and analysts - Equity & debt providers - Advisors - Assurance firms	AGM Annual report Interim statements and trading updates One-to-one meetings EPRA Real estate seminars Frequency: weekly	Strategy Share price Earnings per share Risk exposure Image and communication	Follow up required outcome of meetings	Financial performance Operational performance Cost efficient design & development Integrity Risk management Building certification
5	Communities - Inhabitantants, local organizations and associations in the catchment areas of our shopping centres	Network meetings Online and offline communication Presentations of redevelopments Contact frequency: weekly	Attractive sustainable environment Long term relationship Collaboration in local initiatives	Follow up required outcome of meetings	Community investment Social function of shopping centers Job creation

6	Governments - National governments - Regional governments - Local governments	Meetings Presentations Dialogues Contact frequency: weekly	Information provision regarding local impact, redevelopment projects Collaboration in local initiatives	Follow up required outcome of meetings	Job creation Community investment Social function of shopping centers Health & safety in shopping centers
7	Suppliers and contractors - All suppliers - All contractors	Supplier dialogue Partnership meetings Regular supplier and contractors meetings Contact frequency: daily	Reliability Transparency Quality-cost control	Follow up required outcome of meetings	Sustainable purchasing Sustainable materials
8	NGO's	Network meetings, dialogue Contact frequency weekly	Information provision	Follow up required outcome of meetings	Community investment Sustainable purchasing Sustainable materials Water consumption Waste management Energy consumption

Table: Stakeholders dialoog

THE 4 PILLARS OF SUSTAINABILITY

Our Sustainability Strategy consists of four pillars. Each pillar contains a strategic approach that affects the Wereldhave portfolio, the organisation, the collaboration with partners and the contribution to the environment.

" We strive for sustainable growth for our stakeholders, while increasing our social impact and reducing our ecological footprint."

We believe that sustainability is a continuous effort to create inspiring places that improve social and sustainable engagement. We strive for sustainable growth for our stakeholders, while increasing social impact and reducing our ecological footprint. To integrate sustainability into our business strategy, we have created a pillar structure with four focus areas.

BRICKS - our impact on the environment - aimed at reducing the environmental impact of our real estate assets, by optimising energy efficiency, using sustainable materials and promoting public transport.

PEOPLE - our human impact - attracting and retaining people, developing human capital with attention for the talent of employees. Wereldhave wants to be a good employer for people who invest in themselves, their work and the company.

PARTNERS - impact through collaboration in the supply chain - strengthening sustainable partnerships with our key stakeholders to achieve our sustainability goals.

SOCIETY - our social impact - our social responsibility towards society in the vicinity of our shopping centres. We want to promote social inclusion and play a meaningful role in the local community.

Figure: The 4 pillars of sustainability

PILLAR 1, BRICKS

TARGET	PERFORMANCE BE	STATUS BE	STATUS WH
Improve energy efficiency by 30% (baseline 2013) by 2020	-1% (2017 like for like Retail + Offices)	**	***
Generate 2,000 MWh renewable energy on site by 2020	695 MWh renewable energy generated on site	***	***
Water efficiency program for all SCs by 2017	general plan for all BE centres	***	**
Waste management plan for all SCs by 2017	general plan for all BE centres	***	**
Health, safety and risk assessments for shopping centres by 2017	85% health & safety assessments in place	**	**
BREEAM 'Very Good' for shopping centres by 2020	58% of NAV BREEAM certified	***	***

*** achieved or ongoing **partially met *not met /targets are based on group level

See also tabels Environmental Performance

The first pillar of Wereldhave'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.Promoting renewable energy. Water and waste plan for the centres.

A new goal since 2017. In addition to reducing our energy consumption, green electricity is also helping to reduce CO_2 emissions. Water and waste plans concretise objectives and provide guidance to optimise and reduce.

3.Health risk and safety assessments for shopping centres in 2018.

An objective that was redefined to create a Health & Safety dashboard: inspections, tests, procedures, ... are clearly listed and monitored.

4.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 Q4 2016 through Q3 2017, consumption in the shopping centres (like for like) decreased only for electricity (about -1%). We see an increase for gas, water and waste(>10%). Since work was being done in Tournai, this shopping centre was not included in the results (Like for Like). For gas, the increase is mainly due to a leak in Nivelles. We are looking into how we can anticipate incidents more quickly.In addition, this year a reminder was sent to all centres to completely switch off the gas in May. Increased water use is due to a leak at Belle-Ile.

Improvement of the building management system is included in the action plan for 2018 to ensure that leaks are detected more quickly.

The offices, on the other hand, have acceptable fluctuations and have realised significant savings: we see a strong decrease for electricity and gas (approx. -10%), slight increases (approx. +1%) for water and waste. At the end of 2016, a minor comfort audit was carried out in the offices, by an update of the sensors and better adjustment of the installations made the buildings more manageable.

The installation of smart meters was completed, but the implementation and simplification of data management is not yet optimal. Thus we continue to control the data manually. For 2018, a simplified method will allow data to be received quickly via the further implementation of the Environmental Management System and manual follow-up will be more limited. This allows the team to respond even faster and anticipate temperature fluctuations and possible leaks. Alarms have already been installed, these will be fine-tuned and communicated to personnel on site.

Condition measurements and energy audits were initiated by Socotec at Nivelles and Kortrijk in mid-2017. Interim results reveal many areas for improvement: the final report is expected during Q1 2018, and actions will be evaluated according to priority and payback time.

Management plans were drawn up for water and waste at the shopping centres. A "quick win walk" was carried out everywhere and the facility managers included this in their action list.

Regarding waste, in total (retail + offices) 1% was organically processed, 48% recycled and 51% incinerated, with a large amount of the heat released in incineration being reused as energy. Compared to 2016, we see a positive shift towards more recycling (from 36% to 48%) by the collectors/treatment firms. FostPlus also visited each centre with recommendations for better communication with regard to encouraging waste sorting and recycling, both for tenants and visitors.

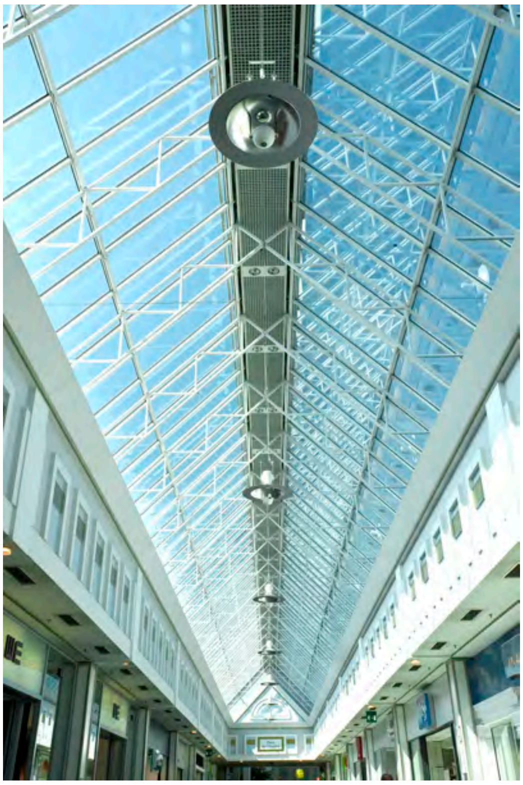
Shopping Nivelles and Belle-Ile have already taken steps in the past to reduce the impact on the environment through the introduction of solar panels (about 2728 panels, 750kWp installed power, 695mWh annual production in 2017).

At the end of 2017 the global energy contract was renegotiated, so that from 2018 all electricity will also be sustainable. This ensures that the CO2 emissions will decrease further in the coming period

Solar films at Belle-Ile

In Shopping Center Belle-Ile in Liège 2400 sqm of window solar films were installed in 2017. These films generate energy savings for electricity, gas and water consumption by working in conjunction with the cooling towers and heating installations.

State-of-the-art Technology: we use an innovative technology in which thin metal layers are inserted into a clear polyester film. A film that consists of 5 metal layers. They are fitted on the inside of the windows, which also guarantees a long lifespan of more than 10 years. This technology improves the thermal isolation of our windows in the winter and deters overheating by the sun in the summer. An improvement that will reduce our energy consumption (heating and cooling bills) by approximately 25%.



Picture: solar film and start up roof renovation

In 2017, the impetus was given to better report on health and safety matters. The Health & Safety assesment was introduced that gives a picture of all inspections, checks and training at a glance. Currently 4 centres have been fully reviewed and 1 has been partially (85%) completed. All technical installations will be inspected and checked by an external third party.
In addition, two first aid initiations were organised. For each site, someone was also asked to follow the full business first aid class, which will also be completed in Q1 2018. AED devices including maintenance and first aid kits were ordered, in most cases this was already in order.

A terror audit was started in Tournai. Evacuation drills and technical tests were carried out. In Nivelles an evacuation took place in response to an incident in one of the stores: this went calmly and smoothly, thanks to a procedure that had been amply trained for.

Picture: First aid initiations

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. No BIU assessments were carried out in 2017 due to either a planned development or the validity of the existing certificate. However, the annual administrative update was done for Nivelles and Kortrijk.
Les Bastions Retail Park received its Breeam Construction Very Good certificate this year. Ghent Overpoort and Genk Shopping 1 achieved the same result 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. Les Bastions shopping centre in Tournai will be completed in mid-2018: the certificate will also follow thereafter.

On 31/12/2017, 71% of our Belgian retail portfolio (5/7) had been certified. We kept Waterloo as a redevelopment project and Genk Stadplein as an existing gallery (virtually no common parts) out of scope. This means 58% of the Net Asset Value.


BREEAM®

Code for a Sustainable Built Environment
www.breeam.org

Final Certificate
This is to certify that:

Retail Park – Les Bastions
Rue des Bastions
B-7500 Tournai
Belgium

has been assessed to:
BREEAM 2009 Europe Commercial: Retail
(Shell only)

by a licensed assessor for:
Wereldhave Belgium
and has achieved a score of 55.2%
Very Good

Certificate Number: BREEAM-0044-5049 Issue: 01

22 September 2017
Date of Issue

Gavin Dunn

Wereldhave Belgium

Franki

Avantgarden

B4F

Jean-Louis Hubermont

JH37

L'Atelier Architects

TPF Engineering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Code for a Sustainable Built Environment
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Final Certificate Number: BREEAM-0044-5049 Issue: 01

Retail Park – Les Bastions
Rue des Bastions
B-7500 Tournai
Belgium

Assessed for: Wereldhave Belgium

by: B4F

Jean-Louis Hubermont JH37

BREEAM 2009 Europe Commercial: Retail
(Shell only)

Overall Score: 55.2%
Rating: Very Good

Category Scores	
Management	73
Health and Wellbeing	50
Energy	41
Transport	58
Water	44
Materials	46
Waste	57
Land Use and Ecology	50
Pollution	58
Innovation	30

22 September 2017

Figure: BREEAM New Construction certificate Les Bastions Retail Park

LOCATION	SCS NAME	BREEAM IN USE - ASSET	BREEAM IN USE - BUILDING MANAGEMENT	BREEAM - NEW CONSTRUCTION
Nivelles	Shopping Nivelles	Very Good	Excellent	
Nivelles	Extension			Very Good
Tournai	Les Bastions Shopping			
Tournai	Les Bastions Retail Park*			Very Good
Liège	Belle-Ile			
Genk	Shopping 1			Very Good
Kortrijk	Ring Shopping Kortrijk Noord	Very Good	Excellent	
Gent	Overpoort			Very Good

Figure: Status of certification

Biodiversity around and at the shopping centres.

Since the first Breeam In-Use assessment, valorisation of the green areas has been a focus. Where in 2016 we saw the first insect hotels appear and green maintenance adapted, in 2017 we saw the results of new plantings in Nivelles, Kortrijk and Tournai. In Nivelles an owl house was even hung in a beautiful, sheltered and quiet place: I wonder if it will be occupied in the following years.
Kortrijk organised a fun workshop for children in the spring on birdhouse painting. At the same time, with Green & Clean (WAAK), unpainted bird houses were hung outside and garden work was further carried out (dead hedge, flower bulbs,…). These wooden houses were supplied by Collstrop, which they had made for the Kom Op Tegen Kanker campaign. For a contribution of their choosing, colleagues could also take home a birdhouse. In this way, the positive impact on biodiversity was further extended thanks to the efforts of our colleagues.

Picture: Insect hotel in Tournai with recent planting

PILLAR 2, PEOPLE

TARGET	PERFORMANCE BE	STATUS BE	STATUS WH
Achieve employee satisfaction scores of 7.5 or higher by 2017	Employee satisfaction score 7,8	***	***
Invest 2% of total salary budget in training & development by 2017 (1% BE)	1,4% of salary budget invested	***	***
Improve efficiency of performance management process by 2017	100% of employees had 2 appraisals	***	**
Succession planning for all key positions by 2017	100% of key positions succession planning	***	***
Increase percentage of female senior managers to 33% by 2017	0,17% female senior managers	*	***
Increase diversity by providing job experience positions for people with disabilities by 2017	3 initiatives (supplier contract based)	***	***
100% of Wereldhave staff involved in social inclusion activity by 2017	100% of staff involved in CSR activity	***	**

*** achieved or ongoing **partially met *not met /targets are based on group level

See also tabels Social Indicators

The second pillar aims to allow personnel to develop further. Wereldhave wants to be a good employer for people who wish to invest in themselves, their work and their company.

1) Personnel satisfaction surveys of 7.5 or higher in 2017.
2) Invest at least 1% of the total salary budget in training and development.
3) Improve personal efficiency through a structured management process.
4) Succession planning.
5) Involvement of personnel in social activities.
6) Increase the percentage of female senior managers to 33%.
7) Employment or adaptation of work for people with a disability.

An employee satisfaction survey is organized every two years. The second survey was conducted in the summer of 2016. Response was high in Belgium, 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. An onboarding programme has been in place since 2017 in which new employees get to know the various departments. It was also decided to hold a team event once a year in a shopping centre, so that all functions remain in contact with the various sites: the site in Tournai was visited and the Christmas event was combined with a social activity in Kortrijk.

The Wereldhave Group has a clear objective to invest in its employees: In order to ensure that staff can further gain proficiency and develop, approximately 20,000 euros was allocated for training in 2017.

Previously, there was 1 consultation covering functioning and evaluation objectives. Now it is clearly stated that there must be at least two clearly-defined consultation moments. In mid-2017, each employee had an interim consultation. The second part is planned for January 2018.

A successor was provided for each main position. The aim is to retain and guide talent.

This year, Wereldhave held an international team event in Bordeaux. On the roof of Mériadeck, the start was given to a green ecological project. In addition, space is also given to local initiatives such as *Genk Loopt*, *Télévie* in Liege, *Immorun*, participating in events that take place in the shopping centres (collecting children's clothing, writing Christmas cards,…). Each employee thus contributed to one or more events in his or her own way, and staff involvement was 100%.

Currently the management team counts in Belgium 1 woman and we are not meeting the objective of 33%. Yet we can say that we have the right people in the right place, regardless of their gender. In total, there are even slightly more women than men working for Wereldhave Belgium and Wereldhave Belgium Services.

Where possible, an effort is made to integrate people with limited access to the job market. Mostly we work with local external partners. In Kortrijk, we are working together with WAAK. Once a week someone comes on site to help the team with small tasks and there is also a special green maintenance team. There is a similar green programme with Manus for the offices in Berchem. In addition to these permanent contracts, smaller separate tasks are also ordered per site.

Wereldhave Belgium cycles against cancer

Télévie is a charity organisation that raises money for scientific research into cancer and leukemia for adults and children. Within the TELEVIE action campaign, Belle-ile has gathered and implemented a special team to improve sponsoring and show a real selfcommitment in this national humanitarian movement.

To reach a sufficient sponsorship amount, a 24-hour cycling sequence was organized amongst members of the Belle-ile team, as well as volunteers from Wereldhave Vilvoorde.

During that 24-hour period at the University Hospital of Liège, all the participants cycled successively every hour to reach the target and finally raise an amount of 800 Euros. Friendly contact amongst all the team members, a challenging atmosphere full of motivation and a few cramps… But everyone was very pleased to be present and to give some hours and sweat to support further research.

We are lucky to host the 2018 event at Belle-Ile and hope to see you all on 22nd and 23rd March !

Picture: *Liege team participates in Télévie at University Hospital Liege (CHU Liège)*

POP-UP WAAK pamper café in Kortrijk

WAAK often works together with Ring Shopping. We are happy to offer them a place at the centre to demonstrate their social objectives and integration.

At the end of September, 'de Branding' (Waak care centre) organised for the second time a pop-up pamper café at Ring Shopping Kortrijk. In a free building on the central square they surprised the audience with a temporary pop-up café.

Not only their honest and fair products stood in the spotlight, but especially the talents of the users. Thanks to this pop-up, 'de Branding' was able to demonstrate that a day spent in the care centre was more than just occupational therapy.

- Some 200 orders were placed.

- Some 460 persons were probably served at table

- Turnover: nearly € 3,000 over 2 days (pamper café + the sale of products)

It was a great success, and highly appreciated by customers and users.

The tenants also enjoy these initiatives. These pop-ups create an extra dynamic in the shopping centre.

Picture: *Second edition of the pamper café pop-up*

PILLAR 3, PARTNERS

TARGET	PERFORMANCE BE	STATUS BE	STATUS WH
Create 1,000 permanent retail jobs by investing € 200m in shopping centres by 2017	+330 retail jobs since 2014 +30 retail jobs in 2017	***	***
Tenant engagement: set up sustainability committee in all SCs by 2017	Sustainability on the agenda of 100% of SCs	***	**
Tenant engagement: tenant satisfaction survey in all SCs by 2017	Tenants satisfaction surveys in 100% of SCs	***	***
Assess suppliers' compliance with suppliers charter in all SCs by 2017	3 suppliers surveys	***	***

*** achieved or ongoing **partially met *not met /targets are based on group level

This involves the relationships with stakeholders in support of achieving our sustainable objectives.

1) Creating new permanent retail jobs with new investments.
2) Tenant engagement: establishing a sustainability committee and organising tenant surveys.
3) Supplier engagement: application of sustainability charter.

The first objective originally stems from the fact that new investments and expansions created new jobs. In 2017 we saw the further filling in of Shopping 1 in Genk (some 30 jobs), there is still one property free in Les Bastions Retail Park (the rest was already fully leased in 2016). We expect to see the opening of Shopping Les Bastions in 2018. It is also useful to know how many people are employed in a centre, in discussions for example with the municipality or city, safety, mobility, etc. Compared to the 2015 census with 3,035 jobs (approx. 140k m² GLA), in 2017 there were 3,039 jobs counted (approx 150k m² GLA) but with slightly more leased units and an expansion of the retail park.

The green lease for all of Wereldhave was approved in 2014 and has since been properly implemented. Nearly 100% of new and renewed contracts were signed with this annex. In 2017, a sustainability committee was set up in addition to a standard agenda item at the General Meeting. This committee is part of the existing consultation committee, but includes the request to tenants to also examine the various agenda items from a sustainable standpoint. In most meetings, a round table discussion was held first on how the tenants themselves are already trying to be sustainable, deal with waste aspects, reduce consumption, examples of the parent company, a mutual interest provided for dialogue and possibilities to improve.

A sustainability charter has been implemented since 2015 which provides a manual for correct and sustainable behavior. 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.
15 contracts were considered in 2017, of which all 15 signed the charter.
At three of our suppliers (safety, green maintenance and the cleaning company) we also conducted a survey on how they are implementing the charter in their own working methods. They are very positive about the use of this charter: it opens up dialogue and offers room for improvement for both parties.

Securitas Workshop

In February 2017, Wereldhave Belgium organised a workshop together with Securitas. Attendees were the various shopping centre managers, the SPOCs from Securitas, facility managers and the in-house safety and health consultant. The agenda included an evaluation of the safety partner's overall mission, new technologies, an overview of common questions and their solutions, the role of a security guard, their internal technological solutions, etc. Such a workshop allows us to ensure that all are pulling in the same direction, to make decisions at group level and to continue to optimise the collaboration.
Securitas also supplemented the questionnaire on the sustainability charter with an eye for what went well and what could be improved. They are also asking for an even better description of the assignment in order to promote sustainable practices (lighting control, supervision of waste,…).

"We organised co-creation sessions with each centre manager in order to find a way of working that fits the values and specific needs of Wereldhave Belgium. This working method is part of the charter and facilitates working uniformly in all centres." (Securitas)

PILLAR 4, SOCIETY

TARGET	PERFORMANCE BE	STATUS BE	STATUS WH
Improve retail customer satisfaction to good	Retail customer satisfaction score 81,5	***	***
Invest 1% of NRI to strengthen our connection to local community	0,48 million euro invested (1,02% NRI)	***	***

*** achieved or ongoing **partially met *not met /targets are based on group level

See also tabels Environmental Indicators

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

1) Improve customer satisfaction to GOOD. The intention is to score 7.5 (out of 10) or higher. A positive customer experience improves the number of visitors and stay time, resulting in more purchases and increased sales.
2) Investing 1% of the NRI in social initiatives with a link to the local community.

In 2015, visitors were interviewed in our 5 shopping centres. On average, a score of 81.5% was achieved on satisfaction. The results were analysed and points for improvement for 2016 included in the specific business plans for each centre. So for example, the decision was made to make the toilets free in our shopping centres. As part of an overarching Customer Journey project, online surveys were started at the end of 2017 to get the positioning right.

The Customer Journey project will also result in better services for Belgium, easier access and wayfinding, new kids' areas, etc. This focus on the customer will also be continued in 2018. In Nivelles an extensive customer survey was already launched at the end of 2017. This will also take place in the other shopping centres in early 2018.

A new reception point was developed to meet visitor expectations. At 'The Point', the customer is introduced to various services that can make the visit to the shopping centre more pleasant. This innovative concept is also being rolled out to the other centres, of which Les Bastions will be the next.

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 conducting this research internally and testing the sensitivities of the tenant ourselves. At the end of 2017 a contract was signed with a partner to facilitate these surveys and to conduct them more frequently.

The point Shopping Nivelles

On the 31th of March, Shopping Nivelles opened a new concept of an Info Point. Wereldhave Belgium wanted to improve the hospitality of the shopping center by better welcoming their customers. What could we offer more than a classic information point? How could we improve the connection with the customers? To distinguish ourselves from the competitors, the team and an external partner came up with the idea to listen better to our customers and offer them more services. Many connections were made with partners to find extra services such as free smartphone chargers, photo print service via smartphone, personal shopper, tickets for public transport around the shopping centre, extra collect services, etc.

The new Info Point is called 'The Point', because this is understandable in all languages, by all customers and can be used for the other shopping centers as well.

All different services start with a point, for instance:

.Pleasure (cinema & concert tickets)
.Fashion (personal shopper)
.Pictures (photo print service)

Picture: The Point

A total of 85 social campaigns were held in the various shopping centres (including the Red Cross, Oxfam book collection, Viva for Life, CAP 48, other support for charities,…). During the year, an administrative valuation was made of the areas made available (an estimated rental value for a given period based on social relevance and engagement). Other initiatives were measured as costs (e.g. sponsoring, beehives, fee for participation in campaigns,…). Since this year, a sum of 2,000 euro has been made available to the shopping centres themselves to launch and support sustainable initiatives. This gives each centre the chance to fully develop an idea. The 2015-2016 Sustainability Award was an inspiring precursor. Fortunately by supporting the autonomy and creativity of each centre, we can have multiple winners: the shopping centres as well as the good causes!

A 1.03% NRI was obtained for 2017.

Shopping Nivelles: The Nostalgia Magic Tour (November-December 2017)

The Nostalgic Magic Tour started this year at Shopping Nivelles: the result of a long partnership for charities, including offering magical end-of-year parties to underprivileged children.
Thanks to the support of volunteers, partners such as Shopping Nivelles, Bebat, the association Arc-en-Ciel and of course our customers, 20,347 kg of toys and 16,067 kg of used batteries were collected! A great result with which 8,500 children can experience a terrific holiday season.
While shopping in Nivelles, we had the pleasure to welcome celebrities such as Walibi the mascot and Richard Ruben.

Christmas dinner at Ring Shopping

On Christmas Eve, Ring Shopping invited over 400 less fortunate people for dinner. More than 35 volunteers, including the Shopping manager and team members, came together to prepare dinner, set tables and create a cozy and festive atmosphere.
Shopping Centre Manager Bruno Devriese: "Each Christmas eve, I have the good fortune to be surrounded by family, enjoying a delicious dinner. And every year I realize that this tradition is not necessarily true for everybody. That's why this Christmas I wanted to make a bit of difference by hosting a dinner and helping others to feel happy. Ring Shopping is an excellent location for such an event." In Collaboration with the food bank and other partners, we wanted to help people forget their troubles and enjoy a delicious, warm Christmas evening. We provided a three-course meal and every child received a gift. Our guests went back home with a satisfied and memorable feeling. Wereldhave Belgium has donated €2,000 to support this event. Furthermore, the event corresponds nicely with the pillar of Social Inclusion, beforehand other colleagues wrote Christmas cards for the guests.

Red Cross paints in Tournai

As part of the work in the shopping centre Les Bastions, a white corridor was created to connect the Retail Park with the shopping centre and the underground parking garage. In order to encourage visitors to use this corridor more, the shopping centre together with the Red Cross decided to add more colour and life. The chosen theme was "the shops of the world", a mix between the core activities of the shopping centre and the mix that the Red Cross has with its young refugees.
The project was realised in several phases:
Saturday 20 May: workshop to make drawings with the Red Cross children.
Wednesday 31 May: the creation of the frescoes (3 m x 1.50 m) with the Red Cross children.
Wednesday 7 June: finish frescoes.
The frescos were divided over the length of the corridor. Words were placed between them. This corridor was a great success and visitors enjoyed this fantastic initiative.

Christmas cards at Shopping 1

Everyone Christmas with Shopping 1! Our visitors have the opportunity to write down a special wish for someone … they don't know! We hand out empty Christmas cards (branded by Shopping 1) to our visitors and ask them to write down a warm message for 'Ter Heide' (organization who takes care of disabled people), 'ZOL' (hospital in Genk) or the 'Overkop huis' (an institution for children/ teenagers with mental problems). The cards were displayed in our 'tunnel of light' until 24/12. At 25/12 811 cards were brought to the hospital to surprise the patients on Christmas morning, the other cards will be divided over Overkop and Ter Heide.

LINK WITH SDG'S

Figure: Sustainable Development goals

The KPIs and in-house procedures can be translated into sustainable development goals or SDGs:

SDG	SUSTAINABILITY FOCUS AREA	ALLIGNMENT
7.Renewable energy	Bricks	2,000 MWh solar energy
8.Good jobs and economic growth	Partners	20.000 jobs in our shopping centers.
		Target WH: Invest to create 1.000 extra jobs
11.Sustainable cities and communities	Bricks & Society	Health & Safety Assessments
		Reduction environmental impact
		Increase social impact
13.Climate action	Bricks	Renewable energy
		Sustainable sourcing
		Energy reduction
		Climate change policy & assessment (BREEAM)
17. Partnership for the goals	All pillars	Partnering with suppliers, tenants & society

7. Affordable and sustainable energy. Included in the further elaboration of the energy KPI. An extensive solar panel project was started and will be completed in 2018 so that there is local, autonomous production. When energy has to be purchased, it will be green. In addition, focusing on less consumption remains the best buy.

8. Honest work and economic growth. Wereldhave has its own compliance charter that each employee signs, thus confirming his or her integrity. In addition, we also impose conditions on our partners in a Green Lease (tenants) and a Suppliers Charter (suppliers), which include sensible house rules and, of course, deontological behaviour. Economic growth was defined in an earlier objective: new investments for extensions etc. provide for additional workplaces. From 2015, a biennial count of all jobs will be made. A finger will be kept on the pulse of tenants as far as possible so that they can function optimally and workplaces can be maintained (or increased). Unfortunately this is not always possible and depends on the prevailing economy.

11. Sustainable cities and communities. Our centres must be able to contribute to the local community and be a platform for sustainable initiatives. There must be a continuous, ongoing dialogue with cities, municipalities, local associations, clubs, schools, …. We try to reduce our environmental impact by better monitoring our buildings and adapting them where necessary. Health & Safety assessments contribute to the continuous evaluation and monitoring of the portfolio, in accordance with the applicable regulations.

13. Climate campaign. Since the start of our sustainable reporting (2013), we have followed the international climate goals and we try to do better each year and be just that little bit more ambitious. The sustainability strategy of Wereldhave is continuously being evaluated and is evolving. The entire Bricks pillar contributes to reducing energy consumption, interpreted in a very broad sense (energy, water, waste, ecology, transport,…).

17. Partnerships to achieve objectives. This is contained in the KPI of pillar 3. Partners pulling in the same direction are indispensable to the continuous improvement of each other's business. Awareness raising of all stakeholders is necessary and is a permanent working point. The charters referred to in point (8) also apply here: continuing to challenge and communicate with one another in order to improve.

APPENDIX

QUALIFYING NOTES WERELDHAVE BELGIUM ANNUAL REPORT 2017

The Company reports its 2017 performance in accordance with European Public Real Estate Association (EPRA) Best Practice Recommendations on Sustainability Reporting. Wereldhave Group reports its 2017 performance using he Global Reporting Initiative (SRS) guidelines (Core), includes relevant GRI Construction and Real Estate Sector Supplement (CRESS) performance indicators, and the EPRA Sustainability BPRs.

Scope environmental reporting

The Company has made considerable steps in monitoring and improving its environmental performance. The Company reports the environmental performance of assets that are under its operational management, where data on energy efficiency and resources use can be measured and directly managed. For 2017 the absolute data disclosed for all energy and greenhouse gas emissions performance indicators, water consumption and waste, for which the landlord has control, is for 13 out of 16 properties (Retail parks and open galleries Les Bastions Retail Park, Genk Stadsplein and Waterloo were left out as they have none or very few common parts). For the like-for-like figures, 12 out of 16 properties are included for the energy, greenhouse gas data, water and waste like-for-like figures.

The reported data contains the total landlord obtained energy and water consumed by the properties owned and managed by the Company. All assets which have been acquired divested or under significant (re)development (here Shopping 'Les Bastions') during the reporting period are excluded for like-for-like data. Like-for-like data show the change of an indicator over a two year period with a constant portfolio. It provides the most accurate picture of the environmental performance of our real estate portfolio for the last 24 months. Absolute data provides an overview of the environmental impact over 2017.

Landlord controlled means mostly insight in common use (shared services), as some information -meter based or contract based- cannot be filtered more in detail, following explanation must be given:

RETAIL: Given data for electricity, gas and water are only for common parts; waste data is composed of common parts and private parts.

OFFICES: Given data for electricity concerns only common parts; gas, water and waste is composed of common parts and private parts.

Methodology performance data
Intensity figures are calculated using 'shared services' as numerator and lettable floor area as denominator. These shared services refer to landlord-obtained consumption for common areas and services provided to tenants that do not have sub-meters. Where tenant consumption is sub-metered this is reported separately. Wereldhave acknowledges that the intensity indicator may be affected due to a mismatch between numerator and denominator, as recommended in the EPRA sustainability best practice recommendations. For the environmental performance indicators we use a different reporting period for our external reporting compared to our financial reporting.

Environmental performance indicators are consolidated on a 12 month rolling period rather than on the financial year, as it was the case in our earlier annual reports. Since 2015, the reporting period covers a 12 month period, including the fourth quarter of 2014 and the first three quarters for 2015. The same methodology is applicable for 2017. This enables us to report our environmental footprint in a timely manner. To measure the environmental performance of our real estate portfolio, we benchmark and report the same performance over a 12 month period, with a 12 month period the year before. Like-for-like data are therefore compared to two consistent periods. Like-for-like energy consumption for the shopping centres portfolio for the common areas, decreased with XX% over the reporting period. This results in a cumulated decrease of our energy (for the shopping centres portfolio) intensity of 21.2% per m2(like-for-like) between 2013-2017. Like-for-like energy consumption for the office portfolio for the common areas, decreased with XX% over the reporting period. This results in a cumulated decrease of our energy (for the office portfolio) intensity of 21.2% per m2(like-for-like) between 2013-2017.

Additional notes on environmental impact areas: Energy consumption includes both direct and indirect energy consumption. The direct energy refers to primary source energy which is purchased and consumed on site by Wereldhave Belgium (e.g. gas and fuel oil). Indirect energy refers to the energy produced by and purchased from a third party in the converted form of electricity or fluid (e.g. electricity, heating and cooling networks). Emission factors are based upon the information provided by final energy suppliers for electricity and national emission factors for gas. When 2017 conversion factors were not available yet, we have continued to use 2016 data. The carbon emissions relate to the energy consumptions (kWh) reported in the same table. Scope 3 GHG emissions refer to landlord-obtained consumption that is sub-metered to tenants and tenant-obtained energy.

Changes to reporting environmental indicators
Where data was incomplete and/or unknown, we have estimated figures based on the previous period. Tenant information was given as far as possible, but difficult to be complete as most meters are privately owned, where private areas where on same meters, submeters gave insight in this private data.

Social-economic performance indicators
As recommended in the third version of the EPRA Sustainability Best Practices Recommendations, Wereldhave is communicating additional social performance indicators. These are linked to the health & safety assessments in place, the health & safety incidents occurred and the community engagement programs that are in place during 2017 for our retail portfolio and cover 100% of our total retail portfolio (based on GAV). BREEAM certification has a scope of 7 assets, the 5 main shopping centres plus Gent Overpoort (mixed use) and Les Bastions Retail Park, again, open galleries were left out.

Health & safety assessments have been undertaken for the retail portfolio for all 5 main shopping centres, where 4 were completed and one (as works are still ongoing in Les Bastions Shopping) was partly (25%) assessed; it includes health and wellbeing, energy management, building and technical installations, certificates, advisory reports and actions plans. We had one real evacuation at Nivelles which was conducted calmly and smoothly, due to a proper preparation earlier (every year). Community engagement programs have been implemented for our retail portfolio and include social inclusion events, providing in kind space for social initiatives, employee involvement and investments in social inclusion facilities. More detailed information in the sustainability chapter in this annual report.

The social performance indicators (HR) are based on information from the Wereldhave Group, where possible Wereldhave Belgium was split up.

EPRA SUSTAINABILITY PERFORMANCE MEASURES

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DH&C-LfL	Like-for-like total district heating & cooling consumption	102&104
Fuels-Abs	Total fuel consumption	102&104
Fuels-LfL	Like-for-like total fuel consumption	102&104
Energy-Int	Building energy intensity	103&104
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	102&104
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ENVIRONMENTAL PERFORMANCE MEASURES

1 Environmental performance indicators - Retail

EPRA sustainability performance measures					
		Absolute		Like for Like	
					Belgium
Impact areas	Units	2016	2017	2016	2017
Landlord obtained electricity consumption for shared services	MWh	7,568	7361	7,156	7,056
Electricity exclusively sub-metered to tenants		26	23	26	23
Total landlord obtained electricity		7,594	7385	7,182	7,079
Total landlord-obtained district heating and cooling consumption for shared services		-	0	-	-
Landlord-obtained fuel consumption for shared services		3,812	5,029	3,289	4,483
Fuels exclusively sub-metered to tenants		303	263	303	263
Total energy consumption from all sources		11,709	12676	10,775	11,825
Total direct GHG emissions GHG Protocol Scope 1	tonnes CO2e	701	925	605	825
Total indirect GHG emissions GHG Protocol Scope 2		1,471	1067	1,383	1,016
Total indirect GHG emissions GHG Protocol Scope 3		61	52	61	52
Total direct and indirect GHG emissions		2,233	2,044	2,049	1,893
Total landlord-obtained water consumption (common/private areas)	m3	34,544	55,961	31,392	51,079
Water consumption exclusively sub-metered to tenants		38,820	53,298	30,336	53,298
Total weight of waste	Metric tonnes	1,578	1639	1,230	1,353
Disposal route	Proportion by weight (%)				
- Reused		0%	0.0%	0%	0%
- Recycled		36%	44.0%	36.0%	44.0%
- Landfill facility		0%	0.0%	0.0%	0.0%
- Incineration		64%	56.0%	64.0%	56.0%
- Composting/ anaerobic digestion facility		0%	0.0%	0.0%	0.0%
- Other disposal route		0%	0.0%	0.0%	0.0%
		100%	100%	100%	100%

2 Environmental intensity indicators - Retail

EPRA sustainability intensity measures

		Absolute		Like for Like	
					Belgium
Impact areas	Units	2016	2017	2016	2017
Building energy intensity	kWh/m2/year	71.5	79.8	78.2	88.9
	kWh/visitor/year	0.7	0.7	0.8	0.8
Greenhouse gas intensity from building energy	kgCO2e/m2/year	13.6	12.9	14.9	14.2
	kgCO2e/visitor/year	0.1	0.1	0.1	0.1
Building water intensity	m³/m2/year	0.4	0.7	0.4	0.8
	Liter/visitor/year	4.3	6.4	4.5	7.2

3 Other relevant environmental and social indicators 2017

			Belgium
BREEAM certifications in place	% of assets	71%	5/7 assets
BREEAM certifications in place	% of GLA	67%	
Health & Safety - assessments undertaken	% of assets	85%	4,25/5 assets
Health & Safety - incidents occured	Number	1	evacuation Shopping Nivelles
Local engagement program in place	% of assets	100	all SC
Local community investments - absolute	€	0,48mio	table social actions
Local community investments - relative to NRI	% of NRI	1.03%	

4 **Environmental performance indicators - Office**

EPRA sustainability performance measures

		Absolute		Like for Like	
					Belgium
Impact areas	Units	2016	2017	2016	2017
Landlord obtained electricity consumption for shared services	MWh	6,257	5,438	6,257	5,438
Electricity exclusively sub-metered to tenants		2,610	2,621	2,610	2,621
Total landlord obtained electricity		8,866	8,059	8,866	8,059
Total landlord-obtained district heating and cooling consumption for shared services		-	-		
Landlord-obtained fuel consumption for shared services		4,442	3,919	4,442	3,919
Fuels exclusively sub-metered to tenants		-	-		
Total energy consumption from all sources		13,309	11,978	13,309	11,978
Total direct GHG emissions GHG Protocol Scope 1	tonnes CO2e	29,227	26,576	817	721
Total indirect GHG emissions GHG Protocol Scope 2		1,333	1,158	1,333	1,158
Total indirect GHG emissions GHG Protocol Scope 3		1,613	1,365	1,613	1,365
Total direct and indirect GHG emissions		3,763	3,244	3,763	3,244
Total landlord-obtained water consumption (common/private areas)	m3	15,885	16,020	15,885	16,020
Water consumption exclusively sub-metered to tenants		-	-	-	-
Total weight of waste	Metric tonnes	192	195	192	195
Disposal route	Proportion by weight				
- Reused					
- Recycled		0.0%	0.0%	0.0%	0.0%
- Landfill facility		49.0%	79.0%	49.0%	79.0%
- Incineration		0.0%	0.0%	0.0%	0.0%
- Composting/ anaerobic digestion facility		50.0%	16.0%	50.0%	16.0%
- Other disposal route		1.0%	5.0%	1.0%	5.0%
		-	-	-	-

5 **Environmental intensity indicators - Office**

EPRA sustainability intensity measures

		Absolute		Like for Like	
					Belgium
Impact areas	Units	2016	2017	2016	2017
Building energy intensity	kWh/m2/year	175.7	158.2	175.7	158.2
Greenhouse gas intensity from building energy	kgCO2e/m2/year	49.7	42.8	49.7	42.8
Building water intensity	m³/m2/year	0.2	0.2	0.2	0.2

SOCIAL PERFORMANCE MEASURES

1 Workforce

Workforce - employment (GRI 102-7; 102-8)/ Total and BE

(in FTE)

		Total	Belgium
2017	Number of employees year end	184.0	43.3
2016	Number of employees year end	209.6	54.0
2017	Part-time employees	15.1%	29.2%
2016	Part-time employees	0.9%	0.0%
2017	Full time employees	84.9%	70.8%
2016	Full time employees	99.1%	100.0%
2017	Employees with fixed contract	11.5%	2.1%
2016	Employees with fixed contract	10.9%	3.7%
2017	Employees with permanent contract	88.5%	97.9%
2016	Employees with permanent contract	89.1%	96.3%

Workforce - employment (GRI 405-1, EPRA Diversity-Emp)/ Total

(number)	2017			2016		
	%	Male	Female	%	Male	Female
Age group < 30	12%	4	18	12%	5	21
Age group 30-40	39%	33	42	41%	30	59
Age group 40-50	30%	25	33	27%	33	24
Age group > 50	19%	18	19	12%	22	21
Total numbers of employees	192	80	112	215	90	125
Employees in senior management		65%	35%		70%	30%
Annual increase in base salary excluding individual STI	5.7%	6.4%	4.9%	3.9%	3.0%	4.5%

2 Employee turnover

Total number and rates of new employee hires and employee turnover by age group, gender and region (GRI 401-1, EPRA Emp-Turnover)/ Total

(number)	2017		2016	
	New hires	Departures	New hires	Departures
Male	19	31	22	26
Female	23	43	29	31
Age group < 30	11	13	11	5
Age group 30-40	18	30	16	11
Age group 40-50	11	20	21	24
Age group > 50	2	11	3	17
Total	**42**	**74**	**51**	**57**

(number)			
	2017	2016	2015
Resignations	19	15	5
Dismissals	5	9	0
Mutual agreements	31	16	16
Retirements	1	4	1
Departure during probation period	2	3	0
Expiry contacts	16	9	3
Outsourcing	0	0	0
Deaths	0	0	0
Totals	**74**	**57**	**25**
Employee turnover	40.2%	26.5%	10.5%

New employee hires (GRI 401-1)/ Total	
New employees hired in 2017 by gender	%
Male employees	45.2%
Female employees	54.8%

New employee hires (GRI 401-1)/ Total	
New employees hired in 2017 by age group	%
Age group < 30	26.2%
Age group 30-40	42.9%
Age group 40-50	26.2%
Age group > 50	4.8%

Sickness ratio (GRI 403-2)/ Total and BE			
	Units	Total	Belgium
2017 Sickness ratio (%)		2.9	2.2
2016 Sickness ratio (%)	%	2.0	3.3
2017 Work-related fatalities		0	0
2016 Work-related fatalities	Number	0	0

Training & Development (GRI 404-1, 404-2, EPRA Emp-training)/ Total and BE

	Units	Total	Belgium
2017 training hours total	Number	3.064	310
2017 training hours per employee		17	7
2017 training costs total	in Euro	235.782	21.203
2017 training costs per employee		1.281	490
2016 training hours total	Number	3357	166
2016 training hours per employee		16	3
2016 training costs total	in Euro	164.149	18.444
2016 training costs per employee		783	342

		2017		2016	
	Units	Male	Female	Male	Female
Educational training	%	40.6%	59.4%	44.9%	55.1%
Skills & development training		47.4%	52.6%	30.4%	69.6%
Wereldhave training		39.3%	60.7%	41.9%	58.1%
Training workscouncil		0.0%	100.0%	60.0%	40.0%
Training hours per employee	Number of hours	18.7	13.7	14.8	16.2

(Number of hours)

	2017	2016
Educational training	630	1.967
Skills & development training	2.052	1.162
Wereldhave training	235	148
Training workscouncil	147	80

Employees by category (GRI 102-8)/ Total

(Number)

	2017
Board	2
Management	18
Operations (Leasing, Development, Shopping Centre Management)	87
Staff	85
Total	**192**

Breakdown of senior management employees by gender (GRI 102-8) / Total

	2017	2016	2015
Male employees	65.0%	73.7%	73.9%
Female employees	35.0%	26.3%	26.1%

3 Remuneration

Ratio of Base Salary and remuneration of women to men by employee category (GRI 405-2, EPRA Diversity-pay)/ Total

	2017	
	Male	Female
Board	100%	0%
Management	58%	42%
Operations (Leasing, Development, Shopping Centre Management)	53%	47%
Staff	62%	38%

4 Employee satisfaction

Employee satisfaction by aspect measured (GRI 102-43)/ Total

(Number)

	2016	2014
Commitment	7.7	7.9
Engagement	7.5	7.7
Role clarity	6.9	6.8
Vitality	7.6	6.8
Work atmosphere	7.7	7.7
Loyalty	n/a	7.8
Response rate	89.5%	87.8%

Incidents of discrimination

Total numbers of incidents of discrimination and corrective actions (GRI 406-1)/ Total

(Number)

	2017	2016	2015
Number of incidents of discrimination reported	0	0	0

Employee performance appraisals (GRI 404-3, EPRA Emp-Dev)/ Total

	2017	2016
Percentage of employees with an appraisal	97%	71%

Employee health and safety (GRI 403-2, EPRA H&S-Emp)/ Total

	2017	2016
Injury rate	0%	0%
Absentee rate	2.9%	2.0%
Number of work related fatalities	1	0

5 Community engagement

Social performance indicators retail portfolio/ Total	2017	2016
Local engagement program in place (% of assets)	100%	100%
Local community investments - absolute (€)	1,813,211	2,116,707
Local community investments - relative to NRI (% of NRI)	1.1%	0.9%

5 MANAGEMENT REPORT

The chapter 'Risk factors' (p.4 to p.18) and the 'Corporate Governance Statement' (p.30 to p.75) form an integral part of this Management Report and together form the annual report on the consolidated annual accounts in accordance with articles 96 and 119 of the Companies Code.

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 net result from core activities 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.

In order to boost the 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. 86% of the property investment portfolios.

In the shopping centres, 94 commercial leases were concluded during 2017 (69 new contracts and 25 lease renewals).

On the 25th of January 2018, we learned from the press the intention of Carrefour to close its stores in the shopping centres ‘Shopping 1’ (Genk) and ‘Belle-Ile’ (Liège). To date, no formal initiative has been taken by Carrefour and existing commercial leases remain fully in force. The total rental income from Carrefour represents 3.7% of the total rental income of the Company. In Liège, the next break option can be exercised as of 23 September 2018 while for Genk the next break option is on 30 November 2019. Initiatives for developing alternatives have already been started implying concretely a commercialisation, whether or not linked to a redevelopment and / or reallocation of the respective areas.

OCCUPANCY

The shopping centres’ EPRA occupancy rate amounts to 94.9% (31 December 2016: 95.9%). The ‘Like for Like’ rental growth of the core portfolio investment properties (shopping centres), amounted to -1.1% (2016: 4.9%) (including average indexation of 1.8%). This decrease of the ‘Like-for-Like’ is mainly explained by the financial impact of the granting of free parking spaces for the visitors in Genk (which has created a positive impact on visitor numbers and turnover of retailers). Shopping centres in Nivelles and ‘Belle-Ile’ in Liège are almost fully let. The occupancy rates of the shopping centres 'Ring Shopping Kortrijk Noord' and 'Genk Shopping I' are respectively 92.6% and 79.7%.

DEVELOPMENT PROJECTS

On 31 December 2017, the fair value of the development projects portfolio amounts to € 66.8 mln (31 December 2016: € 35.3 mln). The net increase of € 31.5 mln can mainly be attributed to:

- The construction works related to the development of the extension (€ 30.3 mln) of shopping centre ‘Les Bastions’ in Tournai with 15,000 m²;
- The study costs (€ 1.0 mln) relating to a possible extension (8,000 m² GLA) of shopping centre 'Belle-Ile' in Liège (study and design costs). Urbanistic and environmental permits have been granted and are final. The commercialisation of this project has been started. The further progress of this project will be evaluated, taking into account the further evolution of the area currently let by Carrefour (10,000 m²).

DEVELOPMENT PROJECTS – TIMELINE

PROJECT	(RE)DEVELOPMENT					DESCRIPTION
	2016	2017	2018	2019	2020	
‘Les Bastions’ Tournai Extension						Investment € 73.7m. Expected return 5.00 – 5.50%

OFFICES

EPRA occupancy levels increased from 90.9% at 31 December 2016 to 91.7 % on 31 December 2017. The office park 'De Veldekens' in Berchem-Antwerpen is almost 100% let on balance sheet date. The occupancy rate of the 'Business & Media' office park in Vilvoorde as at 31 December 2017 amounted to 76.3% (2016: 78.1%). This decrease is mainly due to the relocation of two tenants.

The Management Company makes every effort to reduce the vacancy. Consolidation of the current occupancy and renegotiation of lease agreements at maturity is of prime importance.

FINANCIAL RESULTS

NET RESULT FROM CORE ACTIVITIES

For 2017 Wereldhave Belgium posted a net result from core activities of € 39.4 mln (2016: € 40.1 mln). This decrease can be attributed to the following elements:

The net rental income increased slightly, mainly due to several higher rental income from, a.o. temporary leases, pop-ups, and rent adjustments (€ 0.4 mln).

Property charges increased with € 0.5 mln; general costs and other operating income and charges are € 0.7 mln higher, mainly due to one-off breaking indemnities of several employment contracts.

Financial expenses (€ -0.1 mln) and taxes (€-0.1 mln) remained stable. Wereldhave Belgium received, in 2017, a one-off final dividend of € 0.3 mln related to the liquidation of the real estate certificate ‘Basilix’.

The net result from core activities per share amounts to € 5.68 (2016: € 5.78).

NET RESULT FROM NON-CORE ACTIVITIES

The net result from non-core activities amounts to € 15.3 mln (2016: € 26.2 mln) and mainly consists of changes in the fair value of the investment properties portfolio (€ 15.4 mln) and other result on portfolio (€ -0.1 mln).

EQUITY AND DEBT

On 31 December 2017 the shareholders’ equity amounts to € 619.3 mln (31 December 2016: € 599.6 mln). The net asset value per share, including the profit for the current year, amounts to € 89.25 (31 December 2016: € 86.41).

Wereldhave Belgium’s guideline for the longer term is a solvency ratio of about 70%. At 31 December 2017, the Company relies on external and ‘intracompany’ funding.

The long-term loans were concluded in the form of:

- ‘revolving credits’ respectively, maturing in 2019 (€ 214.5 mln) and in 2021 (€ 130 mln)
- ‘Term loans’ maturing in 2024 (€ 30 mln)

The short-term loans were concluded in the form of 'revolving credits' maturing in 2018 (€ 30 mln) and a committed credit line (€ 26 mln) with no maturity date. The amount of unused credit lines was € 196.5 mln at 31 December 2017.

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 2017 is 29.0% (2016: 27.6%).

The average interest rate on outstanding loans in 2017 amounted to 0.94% (average 2016: 0.99%).24.1% are loans with a fixed interest rate and 75.9% with a floating rate.

EVENTS HAVING OCCURRED AFTER THE END OF THE FINANCIAL YEAR

On the 25th of January 2018, we learned from the press the intention of Carrefour to close its stores in the shopping centres 'Shopping 1' (Genk) and 'Belle-Ile' (Liège). To date, no formal initiative has been taken by Carrefour and existing commercial leases remain fully in force. The total rental income from Carrefour represents 3.7% of the total rental income of the Company. In Liège, the next break option can be exercised as of 23 September 2018 while for Genk the next break option is on 30 November 2019. Initiatives for developing alternatives have already been started implying concretely a commercialisation, whether or not linked to a redevelopment and / or reallocation of the respective areas.

Carrefour's announcement will have a limited impact on the net result of core activities in 2018.

Belle-Île

Genk Stadsplein

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

The profit for 2017, consisting of the net result from core and non-core activities, amounted to € 54.7 mln (2016: € 66.2 mln). Compared to the same period in 2016, the decrease in profit is the result of a lower net result from core activities (€ -0.7 mln) and a lower net result from non-core activities (€ -10.8 mln).Based on a payout ratio of 90% of the operating income, Shareholders will be proposed with a gross dividend of € 5.10 per share for 2017. 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 2017, the distributable dividend is € 35.4 mln.

A payment of 90% 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 22) of € 5.10 gross – € 3.57 net (2016: € 5.10 gross – € 3.57 net) per share will be proposed. The dividend is payable as from 20 April 2017.

The Board of Directors has declared its intention to offer the possibility to the shareholders of the Company, by way of an optional dividend, to contribute their debt arising from the dividend receivable to the capital of the Company, against the issue of new shares (in addition to the options to either receive the dividend in cash or to opt for a combination of both previous options).

The final decision will be made by the Board of Directors on Wednesday 18 April 2018 whereby the Board of Directors, within the framework of the authorised capital, will proceed to the increase of the share capital by a contribution in kind of the net dividend debt (i.e. € 3.57 per share). For the shareholders opting to receive new shares in exchange for the (full or partial) contribution of their dividend receivable and benefiting from a reduced withholding tax or an exemption of such withholding tax, will the contribution of the receivable, just as for the shareholders who do not benefit from such reduction or exemption, amount to € 3.57 per share and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from 8 May 2018. The terms and conditions of this transaction will be established on 18 April 2018.

Financial services are provided by BNP Paribas Fortis.

PROSPECTS

As of 2018, the extension project in Tournai will contribute to the net result from core activities.

Carrefour's announcement regarding its intention to close the stores in 'Shopping I' in Genk and 'Belle-Ile' in Liège will have a limited impact on the net result of core activities in 2018. For 2018, Wereldhave Belgium expects a net result of core activities in a range of € 5.70 - € 5.80 per share. Barring any unexpected circumstances, this objective can be achieved.

Wereldhave Belgium continues to look for new opportunities to further strengthen the portfolio through acquisitions or new developments.

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

A. Claes

K. Deforche

D. Anbeek

Vilvoorde, 8 March 2017

Genk Shopping 1

6

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		2016	2017
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	40,128	39,403
			€/share	5.78	5.68
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	602,193	621,611
			€/share	86.78	89.58
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	599,586	619,284
			€/share	86.41	89.25
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%	5.4%

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.	4.2%	5.7%
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.	15.3%	18.0%
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.	13.7%	15.8%

TABLE 1: EPRA EARNINGS

(X € 1,000)

	2016	2017
Net result IFRS (group share)	**66,241**	**54,682**
Adjustments to calculate EPRA Earnings		
Exclude:		
I. Changes in value of investment properties	-26,364	-15,385
II. Profit or losses on disposal of investment properties	0	0
III. Other portfolio result	251	106
VI. Changes in fair value of financial instruments and associated close-out costs	0	0
EPRA Earnings (group share)	40,128	39,403
Weighted average number of shares	6,939,017	6,939,017
EPRA Earnings per share	**5.78**	**5.68**

TABLE 2 EN 3: EPRA NAV EN EPRA NNNAV

(X € 1,000)

	2016	2017
Net Asset Value (group share)	599,586	619,284
Net Asset Value per share (group share)	86.41	89.25
Exclude:		
I. Fair value of financial instruments	808	503
II. Deferred taxes	1,799	1,824
EPRA NAV (group share)	602,193	621,611
Number of shares at year end	6,939,017	6,939,017
EPRA NAV per share (group share)	**86.78**	**89.58**
Include:		
I. I. Fair value of financial instruments	-808	-503
II. Deferred taxes	-1,799	-1,824
EPRA NNNAV (group share)	599,586	619,284
Number of shares at year end	6,939,017	6,939,017
EPRA NNNAV per share (group share)	**86.41**	**89.25**

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

(X € 1,000)

	2016	2017
Investment properties	819,827	853,564
Exclude:		
Investment properties built or developped in portfolio available for lease	-35,318	-12,254
Investment properties held for sale	-18,699	0
Properties available for lease	***765,810***	***841,310***
Include:		
Estimated transaction costs resulting from hypothetical disposal of investment properties	19,159	21,572
Investment value of the real estate portfolio available for lease (B)	***784,969***	***862,882***
Annualised gross rental income	47,211	48,858
Exclude:		
Property charges	-2,189	-2,419
Annualised net rental income (A)	***45,022***	***46,439***
EPRA NET INITIAL YIELD (A/B)	**5.7%**	**5.4%**

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 2016	EPRA VACANCY RATE 2017
Offices	78,409	921	11,084	9.10%	8.31%
Retail	166,507	2,029	40,509	4.10%	5.01%
Investment properties available for lease	**244,916**	**2,949**	**51,593**	**4.20%**	**5.72%**

TABLE 6: EPRA COST RATIOS

(X € 1,000)

	2016	2017
Overhead expenses	4,626	5,064
Write-downs on trade receivables	0	
Fees for building rights and leaseholds	382	401
Property charges	2,618	3,681
Exclude:		
Fees for building rights and leaseholds	-382	-401
EPRA costs (including vacancy costs) (A)	***7,244***	***8,745***
Vacancy costs	-781	-1,088
EPRA costs (excluding vacancy costs) (B)	***6,463***	***7,657***
Rental income decreased with fees for building rights and leaseholds (C)	47,211	48,457
EPRA Cost Ratio (including vacancy costs) (A/C)	**15.3%**	**18.0%**
EPRA Cost Ratio (excluding vacancy costs) (B/C)	**13.7%**	**15.8%**

The EPRA Cost Ratio (including vacancy costs) and the EPRA Cost Ratio (excluding vacancy costs) as per 31 December 2017 have increased compared to 31 December 2016, mainly due to the increase of property charges (1,0 mln) and general costs (€ 0.4 mln) during 2017.

7 REAL ESTATE REPORT

THE BELGIAN REAL ESTATE MARKET

INVESTMENT IN RETAIL PROPERTY DECLINED

Investment volume decreased by about 10% in 2017 compared to 2016, mainly due to the absence of a Shopping Centre transaction. As a result, the sale of the Bermaso portfolio (high street) for 80 mln euro became the year's most important transaction.

Two transactions in shopping centres (Woluwe Shopping in Brussels and Rive Gauche in Charleroi) are expected to be completed in early 2018 at historically low yields.

Overall, last year we saw a further decline in yields in the investment market for commercial real estate, with a prime yield of 4.25% for shopping centres (the announced transaction for Woluwe Shopping is somewhat less than this).

For commercial real estate in less favourable locations or in the event of significant vacancies, this tendency must be strongly qualified.

RENTAL LEVELS IN SHOPPING CENTRES STABLE IN 2017

A tendency remains that major players in shopping centres try to capitalise on their strong negotiating position by obtaining rents that depend on future shop sales figures or other specific benefits or contributions. An owner or promoter is inclined to accept such in the interests of the commercial mix of the entire centre and its ability to attract the smaller units.

On average, market rents remained stable over the past year with, however, marked differences in function of the success of the shopping centre (including the case of vacancies of different units). In secondary centres, the turnover of retailers is under strong pressure, which translates into negative corrections to rent levels.

The lease of the extension to the Les Bastions shopping centre in Tournai was responsible for a significant part of new leases in the shopping centre market in 2017. It is also a good example of how, in a relatively short period of time, attractive rents can be realised as well as an interesting and complementary mix.

RECORD LEVELS FOR INVESTMENT IN OFFICES

The office market was again characterised by a very high level of investment volume, 6% higher than in 2016. The most important transactions were the Engie Towers and Meeus 8 in Brussels, and Zuiderpoort in Ghent.

The yields for the best assets with classic contracts ("prime yields for standard leases") fell further to a record low of 4.5%.

A RISE IN THE PRIME RENT FIR THE FIRST TIME IN 6 YEARS

The level of new take-up declined in Brussels, but the vacancy rate also declined both in the Brussels central business district and the periphery.

It is remarkable that, for the first time in 6 years, the prime rent in Brussels rose from 275 to 300 euro per square meter per year.

However, the dem and for offices remains low in the peripheral locations, with as a result significant vacancies and rents that remain under pressure.

Source: partly inspired by figures presented by JLL to the Investors Forum 2018

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)	683,001		103,746		786,747
Projects	66,817				66,817
Total real estate investments	**749,818**	**87.84%**	**103,746**	**12.16%**	**853,564**
Acquisition value	495,305	82.07%	108,230	17.93%	603,534
Insured value (*)	426,202	80.56%	102,848	19.44%	529,050
Contractual rent	38,059	78.22%	10,600	21.78%	48,659

(*) insured through a General Construction Risk policy


Proxy
Proxy

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 (5)	1994	22.27%	30,252
Shopping Centre Nivelles, Chausée de Mons 18A, 1400 Nivelles	2012	18.13%	28,600
Shopping Centre "Les Bastions", Boulevard W. de Marvis 22, 7500 Tournai	1996	7.56%	15,540
Retailpark 'les Bastions' in Tournai	2016	2.12%	10,350
Shopping Centre "Shopping I", Rootenstraat 8, 3600 Genk	2014	7.28%	27,100
Shopping Centre "Kortrijk Noord", Ringlaan, 8500 Kortrijk	1973	12.78%	32,000
"Forum Overpoort", Overpoortstraat, 9000 Gent	2014	1.83%	3,700
Genk - Stadsplein, Stadsplein 39, 3600 Genk	2008	4.95%	15,618
Commercial complex Waterloo, Chaussée de Bruxelles 193-195, 1410	1968	1.65%	3,347
		78.57%	**166,507**
Offices			
Businessclass office park, Jan Olieslagerslaan 41-45, 1800 Vilvoorde	1998	0.35%	3,048 / 29*
'Business- & Media' office park, Medialaan 30, 1800 Vilvoorde	1999	1.09%	5,449 / 201*
'Business- & Media' office park, Medialaan 32, 1800 Vilvoorde	1999	0.77%	3,907 / 120*
Business- & Media' office park, Medialaan 28, 1800 Vilvoorde	2001	2.50%	12,772 / 246*
De Veldekens I, Roderveldlaan 1-2, 2600 Berchem	2001	2.08%	11,192 / 368*
De Veldekens II, Roderveldlaan 3-4-5, 2600 Berchem	1999	3.00%	16,003 / 1.008*
De Veldekens III, Berchemstadionstraat 76-78, 2600 Berchem	2002	2.06%	11,192 / 208*
		11.85%	**63,563 / 2,180 ***
Development in commercial projects			
Extension shopping centre 'Les Bastions' in Tournai		6.28%	
Redevelopment shopping centre in Waterloo		0.20%	
Extension shopping centre 'Belle-Ile' in Liège		0.41%	
Nivelles land positions		0.80%	
		7.69%	
Assets held for sale			
Madou Centre, Bischoffsheimlaan 1-8, 1000 Brussel	2002	1.89%	12.162 / 504*
		1.89%	**12,162 / 504 ***
Totaal		**100%**	**242,232 / 2,684 ***

* 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) On 23 December 2016 the FSMA granted a renewed dispensation until 31 December 2018 from the ban on investing more than 20% of the assets in one real estate stock.

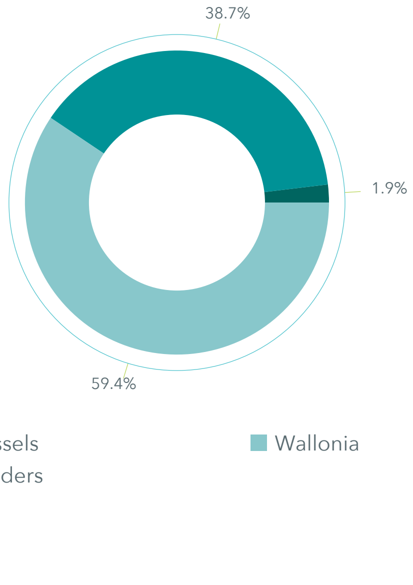
(6) This property is fully owned by NV Immo Guwy and Waterloo Shopping BVBA and are not included in the statutory accounts.

PARKINGS (NUMBER OF SPACES)	CONTRACT RENT AT 31 DECEMBER 2017 (€ X 1,000)	RENTAL VALUE VACANCY (€ X 1,000)	THEORETICAL RENTAL VALUE AT 31 DECEMBER 2017	ESTIMATED RENTAL VALUE (€ X 1,000)	OCCUPANCY RATE AT 31 DECEMBER 2017
		(1)	(2)	(3)	(4)
2,200	11,317	4	11,321	10,977	100.00%
1,452	8,223	282	8,506	7,884	96.40%
1,260	3,302	249	3,551	3,295	93.90%
360	1,097	28	1,125	1,127	97.50%
1,250	3,189	921	4,110	4,529	79.70%
2,000	6,554	459	7,013	6,975	92.60%
0	902	60	962	938	93.60%
44	2,664	228	2,892	2,986	99.20%
95	811	0	811	828	100.00%
	38,059	**2,230**	**40,289**	**39,539**	**94.90%**
82	225	130	354	324	60.10%
178	725	198	923	804	75.20%
123	478	157	635	573	72.50%
305	1,226	385	1,612	1,760	78.10%
238	1,606	5	1,611	1,508	99.70%
316	2,051	223	2,274	2,127	97.80%
217	1,589	0	1,589	1,431	100.00%
	7,900	**1,097**	**8,997**	**8,527**	**91.7%**
150	2,701	0	2,701	2,563	100.00%
	2,701	**0**	**2,701**	**2,563**	**100.00%**
	48,659	**3,327**	**51,987**	**50,630**	**94.30%**

KEY INFORMATION

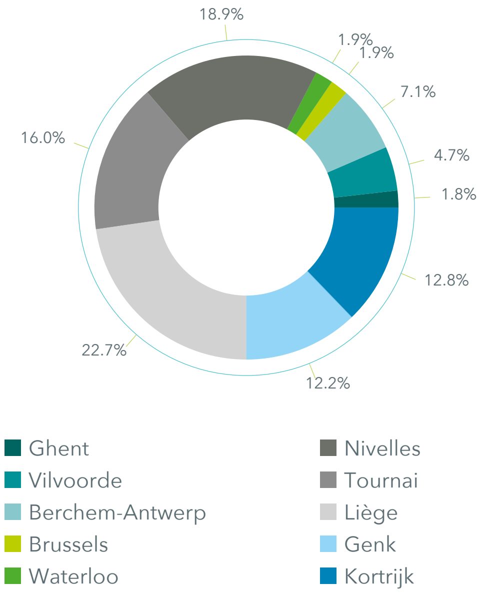
GEOGRAPHICAL BREAKDOWN

(as % of fair value)



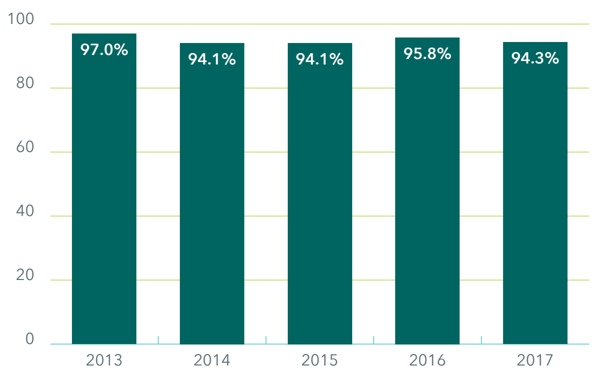
GEOGRAPHICAL BREAKDOWN

(as % of fair value)



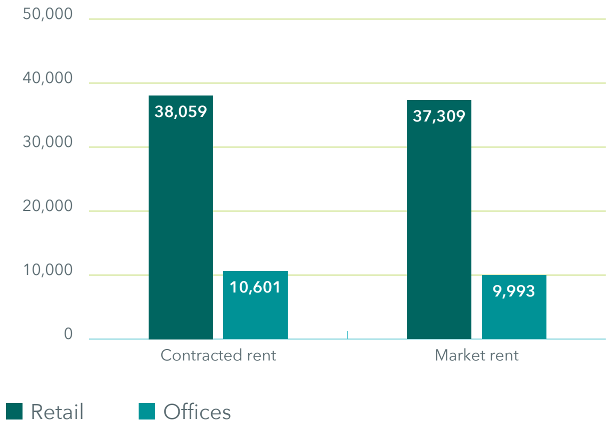
AVERAGE OCCUPANCY

(in % of rental income)



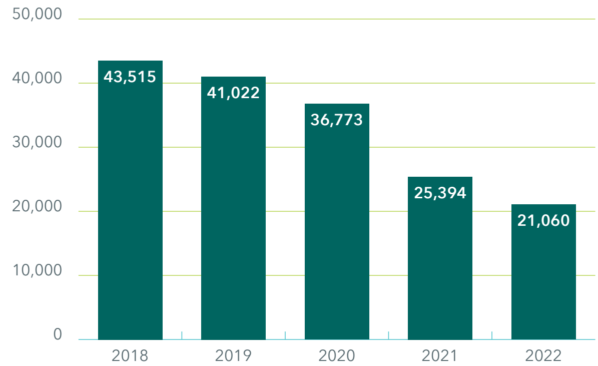
CONTRACTED RENT/MARKET RENT

(x € 1.000)



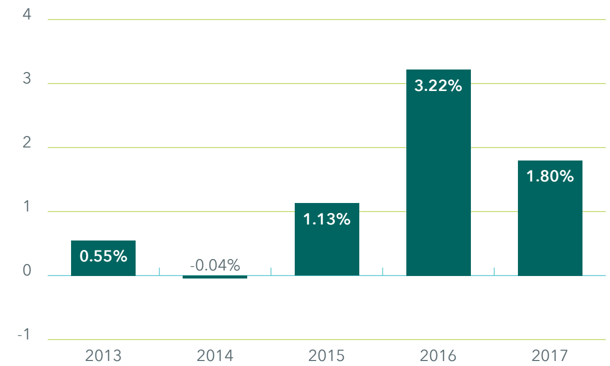
CONTRACT RENT OVER 5 YEARS (TILL FIRST NOTICE POSSIBILITY)

(x € 1,000)



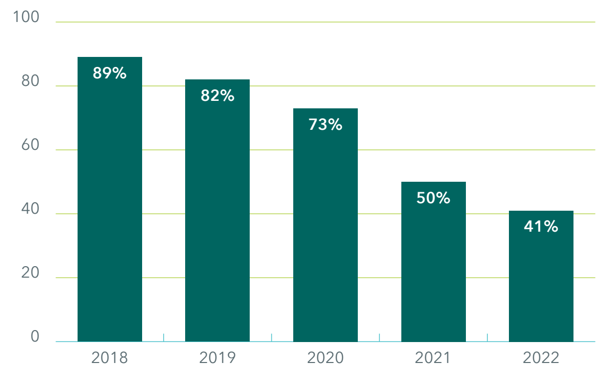
PORTFOLIO REVALUATION

(in %)



GUARANTEED RENTAL INCOME

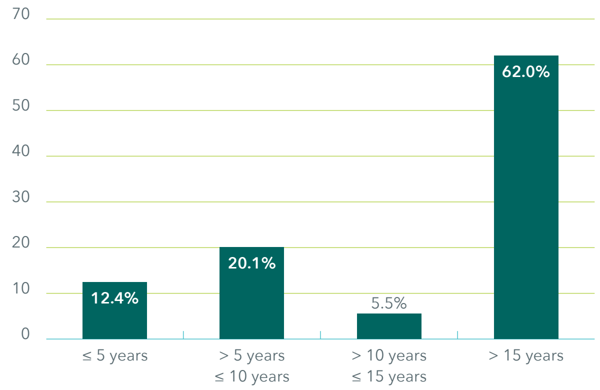
(in %)



BRANCH MIX

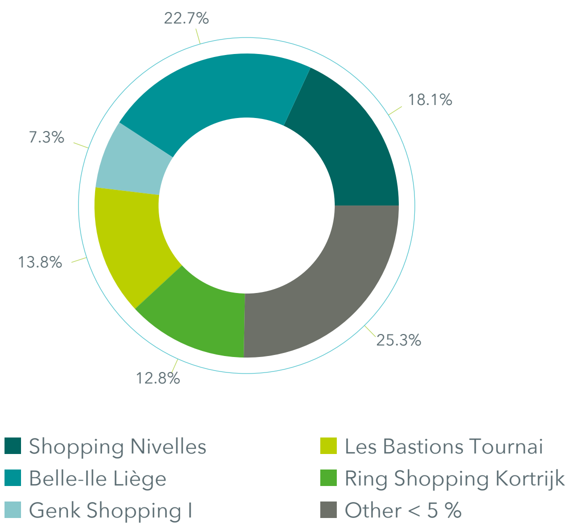
AGE ANALYSIS OF THE REAL ESTATE PORTFOLIO

(in % of valuation)



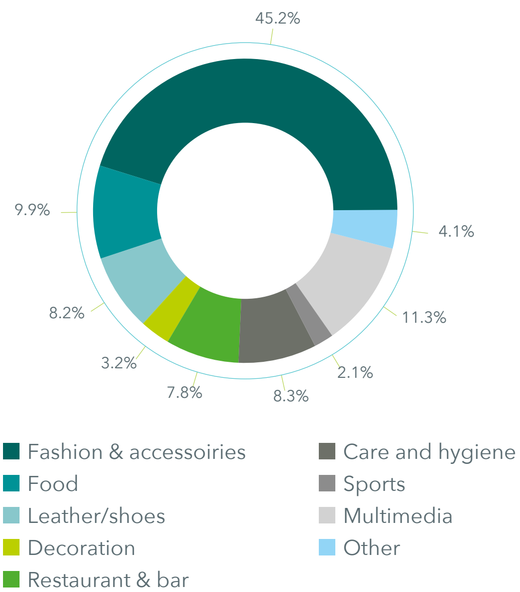
INVESTMENT PROPERTIES > 5%

(in % fair value)



BRANCHE MIX INVESTMENT PROPERTY RETAIL

(as % of rental income)



TOP 10 TENANTS*

Global Portfolio

	TENANT	SECTION	%
1	ERGO SERVICES KDV	Offices	5.5%
2	CARREFOUR	Retail	3.8%
3	C&A	Retail	3.2%
4	HENNES & MAURITZ	Retail	3.1%
5	DELHAIZE	Retail	2.0%
6	Argenta Spaarbank NV	Offices	1.9%
7	A.S. WATSON GROUP	Retail	1.9%
8	RICOH	Offices	1.6%
9	PROXIMUS	Offices	1.5%
10	EXCELLENT RETAIL BRANDS	Retail	1.4%
			26.0%

Retail

	TENANT	%
1	CARREFOUR	4.8%
2	C&A	4.0%
3	HENNES & MAURITZ	4.0%
4	DELHAIZE	2.6%
5	A.S. WATSON GROUP	2.5%
6	EXCELLENT RETAIL BRANDS	1.7%
7	SPORTSDIRECT.COM	1.7%
8	CASSIS/PAPRIKA	1.7%
9	REDISCO	1.7%
10	L&L RETAIL BELGIUM SA	1.5%
		26.2%

Offices

	TENANT	%
1	ERGO SERVICES KDV	25.4%
2	Argenta Spaarbank NV	8.9%
3	RICOH	7.3%
4	AMADEUS BENELUX S.A.	5.2%
5	PROXIMUS	4.6%
6	ABN AMRO BANK	4.1%
7	24+ nv	4.0%
8	ANTEA BELGIUM NV	3.1%
9	QUINTILES BELGIUM NV/SA	3.0%
10	TVM Belgium	2.2%
		67.8%

* 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 2.6 years, and the average duration until the end of the lease contracts is 5.5 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 valuation 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 € 529.0 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 62% of the fair value of the investment properties portfolio.

The insurance premium for 2017, including taxes, amounts to € 139,392.

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 SHOPPING CENTRE 'BELLE-ILE' IN LIÈGE IN ACCORDANCE WITH ARTICLE 30 §3 AND §4 OF THE RREC LAW

On 23 December 2016, the FSMA (financial services and markets authority) renewed the derogation to the shopping centre 'Belle-Ile' in Liège on the limitation of investing more than 20% of the assets in one single property.

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.

Taking into account the competitive investment market, the intrinsic quality and the good underlying performance of this shopping centre, the valuation expert held that the fair value of this asset has increased considerably by the end of 2017. The fair value of the shopping centre 'Belle-Ile'amounts to 22.7% of the investment properties portfolio as per 31 December 2017 and the consolidated debt ratio is 29.0%.

The Company continues its efforts to bring the fair value of the asset under 20% through active prospecting to new investment opportunities. In order to realize this ambition, Wereldhave Belgium decided in 2017 to extend its investment scope to retail parks and assets in the Grand Duchy of Luxembourg.

This decision to extend the investment scope does not change the focus on retail property, which implies the maintenance of a sectoral concentration.

EXTENSION AND STRUCTURAL RENOVATION OF SHOPPING CENTRE 'LES BASTIONS' IN TOURNAI

April 2018 will be a highlight after 3 years (re) building the site 'Les Bastions' in Tournai. At the start of 2016, the retail park (10,000 m²) successfully opened its doors, next to the existing shopping centre. The existing part of the shopping centre was structurally renovated simultaneously with the construction of the extension (15,000 m²). The architecture is contemporary and the environmental elements fully respond to consumer demand.

The commercialisation of the extension is progressing well. Contracts have already been signed for about 95% of the lettable area. National and international retailers (Zara, Bershka, Superdry, JD Sports, etc.) have already committed. These new brands are a fitting and complementary offer to the already-existing tenants of excellent quality (Delhaize, C & A, H&M). This future branch mix will consolidate the attractiveness of the shopping centre and the retail park towards the future. The shopping centre also welcomes several catering businesses and, importantly, continues to offer free parking spaces. The site 'Les Bastions' with 43,500 m² of lettable area will be one of the most important commercial real estate units in Wallonia.

INNER-CITY DEVELOPMENT PROJECT 'COEUR DE VILLE' IN WATERLOO

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 Statutory 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 € 1.8 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 Statutory Management Company will closely monitor the concrete evolutions and decisions of the local authority.

DESCRIPTION OF THE REAL ESTATE PORTFOLIO

SHOPPING CENTRES

Shopping centre 'Belle-Ile'
Quai des Vennes 1, 4020 Liège
Top 5 tenants

Carrefour Belgium	10,89%
WE	3,86%
Hennes & Mauritz	3,54%
C&A	3,28%
A.S. Watson	2,79%

Number of tenants: 91
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	6,26%
Hennes & Mauritz	4,86%
Esprit	3,14%
AS Adventure	2,67%
Delcambe Chaussures	2,42%

Number of tenants: 97
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	4,92%
Hennes & Mauritz	4,64%
Redisco	4,01%
A.S. Watson	3,69%
Ahold	3,49%

Number of tenants: 78
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	13,60%
Delhaize Group	12,92%
Chaussures Maniet	4,49%
A.S. WATSON GROUP	4,26%
Etam	3,44%

Number of tenants: 51
Construction: 1979 – Renovation: 1996
Location: The shopping centre is located alongside the ring of Tournai
Lettable area: 15,540 m²

Retail Park ‘Les Bastions’

Boulevard Walter de Marvis 22, 7500 Tournai

Top 5 tenants

Harrar	22,87%
Maisons du Monde	15,63%
Sportsdirect.com	13,36%
Brico	13,29%
AS Adventure	8,86%

Number of tenants: 9
Construction: 2016
Location: The Retail Park ‘Les Bastions’ is located alongside the ring of Tournai
Lettable area: 10.350 m²

Shopping centre Genk ‘Shopping 1’

Rootenstraat 8, 3600 Genk

Top 5 tenants

Carrefour Belgium	16,73%
Sportsdirect.com	11,55%
Lunch Garden	5,56%
Espace Kwesto	5,29%
Burger Brands	3,67%

Number of tenants: 51
Construction: 1967 – Renovation: 2014
Location: The shopping centre is located in the centre of Genk
Lettable area: 27,100 m²

Genk Stadsplein

Stadsplein 39, 3600 Genk

Top 5 tenants

Hennes & Mauritz	15,96%
C&A	10,70%
Inditex	10,50%
FSG	5,87%
Kruidvat	5,54%

Number of tenants: 27
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	22,19%
Standaard Boekhandel	19,54%
Planet Parfum	13,03%
Natural Food	10,63%
Boutique Taratata	8,14%

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	24,45%
Pam Team	24,45%
DO Invest	17,32%
Ahold	13,88%
A.S. Watson Group	9,30%

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 Centre, 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	26,87%
Wereldhave Belgium	18,29%
Amadeus Benelux	17,77%
Nutrition & Santé B-Lux	12,00%
Monster Belgium	7,88%

Number of tenants: 11
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 4 tenants

Ricoh	60,23%
WGEO Ltd Belgium	16,42%
Quinz Advocaten	14,02%
Secretary Plus	9,33%

Number of tenants: 5
Construction: 2001
Location: In Business park 'Business- & Mediapark', near the Brussels ring (exit 6) and near the national airport
Lettable area: 12,772 m²

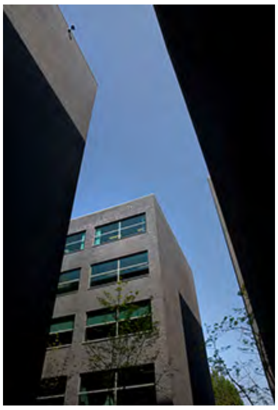
Office building in Vilvoorde

Jan Olieslagerslaan 41-45, 1800 Vilvoorde

Tenants

Sebia	57,12%
Crawford & Co	42,88%

Number of tenants: 2
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	21,47%
24+	20,78%
AON Belgium	8,12%
Odissey Logistics Europe	7,60%
Tennant Europe	7,49%

Number of tenants: 12
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	49,69%
Proximus	30,14%
Antea Belgium	20, 17%

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	20,94%
TVM Belgium	14,69%
USG Professionals	10,19%
CWS-Boco Belux	6,18%
Pearlchain	5,58%

Number of tenants: 18
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
5.00% – 5.50%

Status
Committed

- start construction Q1/2016
- estimated completion: Q1/2018
- investment: € 73.7 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
Non 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
2019/2020

Expected return
6.0% – 6.5%

Status
Non 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

VALUATION EXPERTS' REPORT

Resolutions of the valuation experts, prepared on 31 December 2017, 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: € 737.8 mln (development project Tournai extension included).

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 2017 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: € 103.5 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. The normative hypothetical costs amount to 2.5%.

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 2017, the total value of the property portfolio amounts to € 786.7 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 2017 amounts to € 66.8 mln.

8 STOCK EXCHANGE & WERELDHAVE BELGIUM

DIVIDEND AND NUMBER OF SHARES

In 2017, shareholders of the Company achieved a return (calculated on the basis ofshare price fluctuations and gross dividend) of -6.8% (2016: 2.4%).

The return of the EPRA Index Europe amounts to 17.7%. The price/Net result from core activities ratio at the end of 2017 was 16.8.

The closing share price of the Company at 31 December 2017 was € 95.25 compared to € 107.70 on 31 December 2016.

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 1,792, the traded volumes in 2017 were 33% higher than in 2016 (on average 1,347 a day).

The velocity ratio of the share in 2017 was 0.03%.

THE WERELDHAVE BELGIUM SHARE

NUMBER OF SHARES	31-12-2015	31-12-2016	31-12-2017
Number of shares at year end	6,939,017	6,939,017	6,939,017
Number of shares entitled to dividends	6,939,017	6,939,017	6,939,017
Registered shares	4,553,137	4,553,137	4,558,596
Dematerialized shares	2,385,880	2,385,880	2,380,421
Market capitalization at closing (€ mln)	763	747	661
Free float	30.4%	30.4%	30.4%
Share price (€)	31-12-2015	31-12-2016	31-12-2017
Highest closing price	112	121.3	111.45
Lowest closing price	85.27	98.96	90.12
Share price at closing	110	107.7	95.25
Premium (+) / Discount (-) relative to the actual net asset value (%)	34.54	24.64	6.65
Average share price	101.9	110.01	99.06
Data per share (€)	31-12-2015	31-12-2016	31-12-2017
Net value (fair value)	81.76	86.41	89.31
EPRA Net asset value	81.76	86.41	89.31
Gross dividend	4.9	5.1	5.1
Net dividend	3.58	3.57	3.57
Gross dividend yield (%)	4.45%	4.74%	5.35%
Net dividend yield (%)	3.25%	3.31%	3.75%
Pay out ratio	87.00%	88.24%	90.47%
Volume (number of shares)			
Average daily volume	1,824	1,347	1,792
Volume per year	466,905	346,302	457,040
Velocity ratio	0.03%	0.02%	0.03%

DIVIDEND

A gross dividend per share of €5.10 gross – € 3.57 net (2016: € 5.10 gross – € 3.57 net) is proposed to the General Meeting of Shareholders. The Board of Directors has declared its intention to offer the possibility to the shareholders of the Company, by way of an optional dividend, to contribute their debt arising from the dividend receivable to the capital of the Company, against the issue of new shares (in addition to the options to either receive the dividend in cash or to opt for a combination of both previous options). The final decision will be made by the Board of Directors on Wednesday 18 April 2018 whereby the Board of Directors, within the framework of the authorised capital, will proceed to the increase of the share capital by a contribution in kind of the net dividend debt (i.e. € 3.57 per share). For the shareholders opting to receive new shares in exchange for the (full or partial) contribution of their dividend receivable and benefiting from a reduced withholding tax or an exemption of such withholding tax, will the contribution of the receivable, just as for the shareholders who do not benefit from such reduction or exemption, amount to € 3.57 per share and the balance resulting from the said reduction or exemption from withholding tax will be paid in cash as from 8 May 2018. The terms and conditions of this transaction will be established on 18 April 2018.

The financial calendar included in the previous press releases is - in view of this intention - adjusted, whereby the 'Ex-dividend date', the 'Dividend record date' and the 'Dividend payment date' are set for 19 April, 20 April and 8 May 2018, respectively.

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%**

Listing of shares held by Effective Leaders and members of the Board of Directors	
Dirk Anbeek	0
Kasper Deforche	0
Dirk Goeminne	0
Jacques De Smet	0
Ann Claes	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 2017, 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 2018

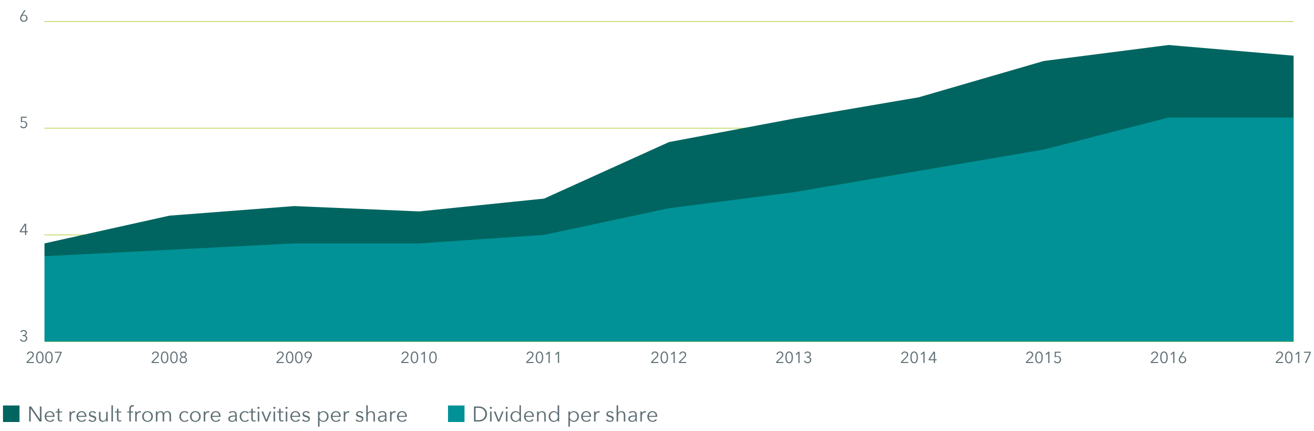
Press release results 2017 (8:00 AM)	Thursday 1 February 2018
General Meeting of Shareholders	Wednesday 11 April 2018
Press release Q1 2018 (8:00 AM)	Thursday 19 April 2018
Ex-dividend date	Thursday 19 April 2018
Dividend record date	Friday 20 April 2018
Dividend payable 2017	Tuesday 8 May 2018
Press release Q2 2018 (8:00 AM)	Wednesday 18 July 2018
Press release Q3 2018 (8:00 AM)	Thursday 18 October 2018

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

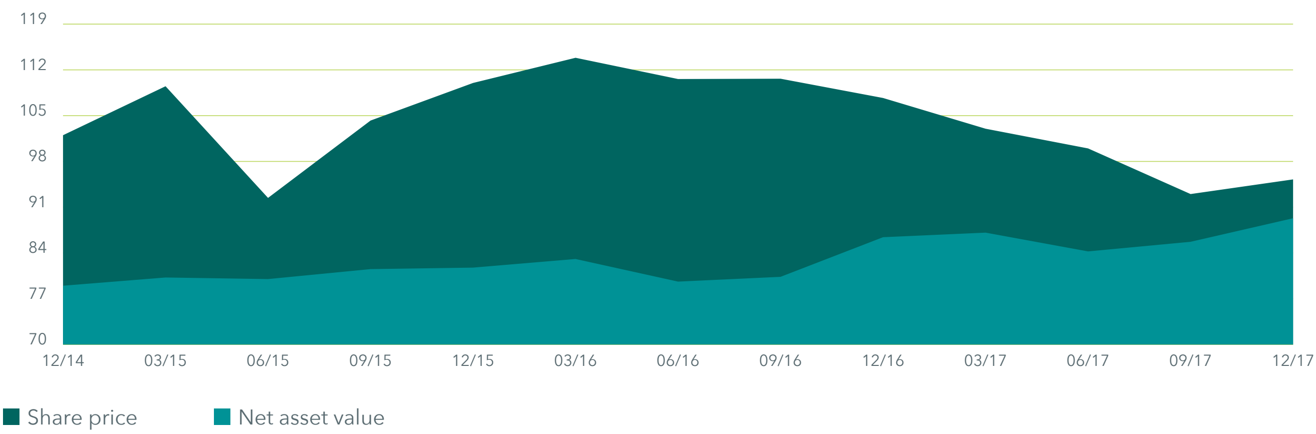
NET RESULT FROM CORE ACTIVITIES PER SHARE AND DIVIDEND PER SHARE

(x € 1)



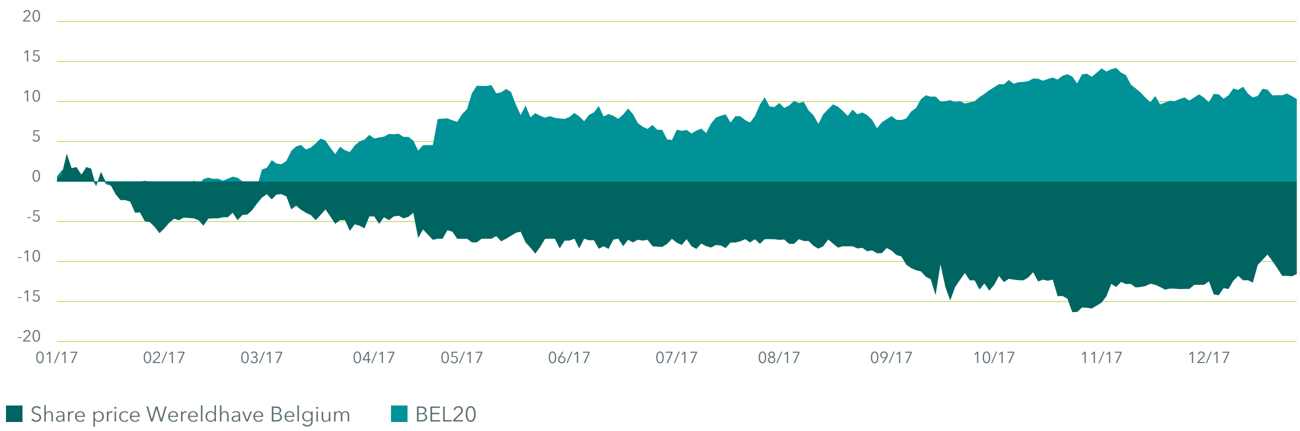
SHARE PRICE/NET ASSET VALUE

(before profit sharing x € 1)

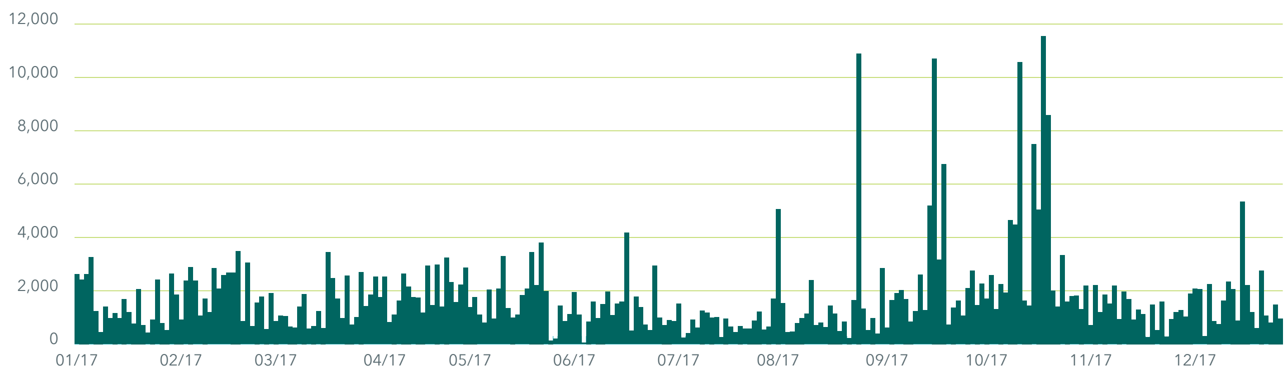


COMPARISON WERELDHAVE BELGIUM TO BEL20 CLOSE INDEX

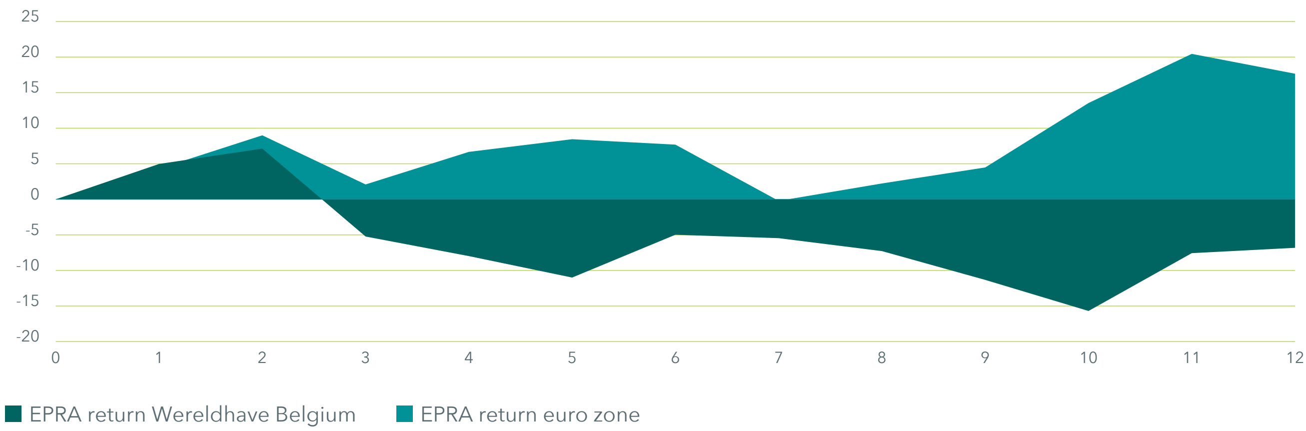
in %



TRADED VOLUMES WERELDHAVE BELGIUM



EPRA RETURN 2017*



(*) 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		NOTE	31 DECEMBER 2016	31 DECEMBER 2017
I.	Non-current assets			
C.	Investment properties	6	819,827	853,564
			819,827	*853,564*
D.	Other tangible assets	7	632	579
			632	*579*
II.	Current assets			
A.	Assets held for sale			
	Investment properties	6	0	16,447
D.	Trade receivables	8	9,451	10,303
E.	Tax receivables and other current assets	8	3,249	1,351
F.	Cash and cash equivalents	9	6,501	2,115
			19,201	*30,215*
	Total assets		**839,660**	**884,359**

(X € 1,000)

SHAREHOLDERS' EQUITY			31 DECEMBER 2016	31 DECEMBER 2017
I.	Shareholders' equity attributable to the parent company's shareholders			
A.	Capital	10	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		113,007	139,371
d.	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting		-808	-503
j.	Reserve for actuarial gains and losses of defined pension schemes		-880	-786
m.	Other reserves		986	956
n.	Accumulated result		77,667	82,190
D.	Net result of the year		66,241	54,682
	Minimum result to be distributed	**27**	**31,310**	**31,292**
			599,586	*619,284*
II.	Minority interests		**0**	**0**

(X € 1,000)

LIABILITIES			31 DECEMBER 2016	31 DECEMBER 2017
I.	Non-current liabilities			
A.	**Provisions**			
	Pensions	11	1,168	1,060
B.	**Non-current financial liabilities**			
a.	Credit institutions	12	140,000	186,000
c.	Other			
	Other loans	12	22,000	22,000
	Rent guarantees received	13	497	795
C.	**Other non-current financial liabilities**			
	Authorised hedging intruments	14	808	503
E.	**Other non-current liabilities**	15	16,447	0
F.	**Deferred taxes - liabilities**	16		
b.	Other		1,799	1,824
			182,719	***212,182***
II.	Current liabilities	**17**		
B.	**Current financial liabilities**			
a.	Credit institutions		45,200	25,961
c.	Other			
	Other		434	735
D.	**Trade payables and other current liabilities**			
b.	Other			
	Suppliers		5,821	3,402
	Taxes, remunerations and social security contributions		1,162	1,462
E.	**Other current liabilities**		0	16,449
F.	**Accrued charges and deferred income**			
	Real estate income received in advance		1,570	903
	Other		3,168	3,981
			57,355	***52,893***
	Total shareholders' equity and liabilities		**839,660**	**884,359**
	Net asset value per share (x € 1)		86.41	89.25

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(X € 1,000)

		NOTE	31 DECEMBER 2016	31 DECEMBER 2017
I.	**Rental income**	18		
	Rent		49,369	49,725
	Indemnification for early termination of lease		364	378
	Net rental income		***49,733***	***50,103***
V.	**Recovery of rental charges and taxes normally paid by the tenant on let properties**	19	10,908	11,382
VII.	**Rental charges and taxes normally paid by the tenant on let properties**	20	-11,466	-11,991
			-558	***-609***
	Property result		**49,175**	**49,494**
IX.	**Technical costs**			
	Repairs		-408	-419
	Insurance premiums		-48	-61
			-456	***-480***
X.	**Commercial costs**			
	Agency commissions		-315	-303
	Publicity		-300	-190
			-615	***-493***
XI.	**Charges and taxes on non-let properties**			
	Costs on non-let properties		-616	-906
	Real estate tax on non-let properties		-165	-182
			-781	***-1,088***
XII.	**Property management costs**			
	(Internal) property management costs		-766	-1,010
			-766	***-1,010***
	Property charges	***21***	***-2,618***	***-3,072***
	Property operating results		**46,557**	**46,422**
XIV.	**General company costs**			
	Staff costs		-2,085	-2,611
	Other		-2,541	-2,453
XV.	**Other operating income and charges**		751	457
		22	***-3,875***	***-4,607***
	Operating results before result on the portfolio		**42,682**	**41,815**

(X € 1,000)

			31 DECEMBER 2016	31 DECEMBER 2017
XVII.	**Result on disposals of other non-financial assets**			
	Net sales of other non-financial assets (sale price - transaction costs)		-1	-16
			-1	***-16***
XVIII.	**Variations in the fair value of investment properties**			
	Positive variations in the fair value of investment properties		50,660	31,537
	Negative variations in the fair value of investment properties		-24,296	-16,152
		23	***26,364***	***15,385***
XIX.	**Other result on portfolio**		-117	-65
			-117	***-65***
			26,246	***15,303***
	Operating result		**68,928**	**57,118**
XX.	**Financial income**			
	Interests and dividends received		0	330
XXI.	**Net interest charges**			
	Nominal interest charges on loans		-2,372	-2,433
XXII.	**Other financial charges**			
	Bank charges and other commissions		-97	-104
	Financial result	***24***	***-2,469***	***-2,207***
	Result before tax		**66,459**	**54,911**
XXV.	Corporate tax			
	Corporate tax		-134	-188
	Deferred tax on market fluctuations of investment properties		-84	-41
	Tax	***25***	***-218***	***-229***
	Net result		**66,241**	**54,682**
	Net result shareholders of the Group		**66,241**	**54,682**
	Result per share (x € 1)	**26**	**9.55**	**7.88**
	Diluted result per share (x € 1)		**9.55**	**7.88**

STATEMENT OF COMPREHENSIVE INCOME

(X € 1,000)

		31 DECEMBER 2016	31 DECEMBER 2017
I.	**Net result**	**66,241**	**54,682**
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	-75	306
	Items not taken in the result		
E.	Actuarial gains and losses of pledged pension schemes	113	95
		38	400
	Comprehensive income (I + II)	**66,279**	**55,082**
	Attributable to:		
	Minority interests	0	0
	Shareholders of the group	66,279	55,082

CONSOLIDATED CASH FLOW STATEMENT

(X € 1,000)

	NOTE	31 DECEMBER 2016	31 DECEMBER 2017
Cash flow from operating activities			
Net result before tax		66,459	54,911
Income from interest and dividends		0	-330
Result exclusive of dividend received		**66,459**	**54,582**
Depreciation tangible assets		265	194
Rental discounts and investments		765	630
Interest charges		2,561	2,537
Variations in the fair value of investment property	23	-26,364	-15,385
Movements in provisions		-1,679	-1,000
Movements in short term debts		-1,819	-1,721
Corporate tax paid		-213	-373
Corporate tax received		2,891	2,020
		-23,593	***-13,098***
Net cash flow from operating activities		**42,866**	**41,484**
Cash flow from investment activities			
Sale real estate certificates	15	16,447	0
Payment for investment property		-20,074	-35,067
Acquisition furniture and vehicles		-297	-356
Interest and dividend received		0	330
Net cash flow from investment activities		**-3,924**	**-35,093**
Cash flow from financial activities			
Appeal credit institutions/Other		79,200	56,761
Repayment credit institutions/Other		-81,000	-30,000
Dividends paid	27	-34,001	-35,389
Interest paid		-2,871	-2,149
Net cash flow from financing activities		**-38,672**	**-10,777**
Net cash flow		**271**	**-4,386**
Cash & bank balances			
At 1 January		6,231	6,501
Increase/decrease cash and bank balances		270	4,386
At 31 December	9	**6,501**	**2,115**

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

(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					
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	a				
Balans per 31 december 2016		**292,774**	**50,563**	**36**	**113,007**

(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
		113				113
				-2		-2
						0
					66,241	66,241
				-9,262		0
				-34,001		-34,001
-808	**0**	**-880**	**986**	**77,667**	**66,241**	**599,586**

(X € 1,000)

2017	NOTE	SHARE CAPITAL	ISSUE PREMIUMS	LEGAL RESERVE	RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF REAL ESTATE PROPERTIES
Balans per 1 januari 2017		**292,774**	**50,563**	**36**	**113,007**
Variations in the fair value of hedging instruments					
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	b				26,364
Dividend over 2016	c				
Balance at 31 December 2017		**292,774**	**50,563**	**36**	**139,371**

Explanation	
a	Dividend paid 2015 € 4.90 (net € 3.577) per share: € -34,001
b	Changes in fair value of the investment properties portfolio over 2016. Reclassification of the heading 'Accumulated result'.
c	Dividend paid 2016 € 5.10 (net € 3.57) per share: € -35,389

(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
-808	0	-880	986	143,908		599,586
306						306
			-31	31		0
		95				95
				5		5
					54,682	54,682
				-26,364		0
				-35,389		-35,389
-503	**0**	**-786**	**956**	**82,190**	**54,682**	**619,284**

NOTES

1. GENERAL INFORMATION

Wereldhave Belgium (the Company) has the status of a Regulated Real Estate Company (RREC). The Company invests preferably in shopping centres and/or extensions of shopping centres 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 2017 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 8 March 2018. The General Meeting of Shareholders will be held on 11 April 2018 at the registered offices of the company. The General Meeting of Shareholders is authorized 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 (as foreseen in the Royal Decree related to the regulated real estate companies of July 13 2014) and is therefore (provided that certain conditions are met) not submitted to corporate income tax, except on possible exceptional profits and on disallowed expenditures.

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

On 23 December 2016, the management committee of the FSMA (financial services and markets authority) renewed the derogation to the shopping centre 'Belle-Ile' in Liège on the limitation of investing more than 20% of the assets in one single property in order to maintain its RREC status.

This derogation has been allowed against the following cumulative conditions:

- The derogation has been granted 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.

Taking into account the competitive investment market, the intrinsic quality and the good underlying performance of this shopping centre, the real estate expert considered that the fair value of this asset increased considerably by the end of 2017. The fair value of the shopping centre 'Belle-Ile' amounts to 22.7% of the investment properties portfolio as per 31 December 2017 and the consolidated debt ratio is 29.0%.

The Company continues its efforts to bring the fair value of this asset under 20% through active prospecting to new investment opportunities. In order to realize this ambition, Wereldhave Belgium decided in 2017 to extend its investment scope to retail parks and assets in the Grand Duchy of Luxembourg.

This decision to extend the investment scope does not change the focus on retail property, which implies the maintenance of a sectoral concentration.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION ANNUAL ACCOUNTS 2017

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 2017 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 2017. It concerns the following standards and interpretations:

- Changes in the framework of the disclosure initiative (Amendments to IAS 7)Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)
- Improvements to IFRS 2014-2016 cycle is a collection of minor improvements to three existing standards

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 2017, 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. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. This standard, including amendments – Revenues from contracts with customers (issued on 12 April 2016), has 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 service contracts and lease agreements based on whether the contract conveys the right for the client to control the use of an identified asset and introduces a single, on-balance sheet accounting model of these lease agreements for lessees. A lessee recognizes 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 (less than 12 months duration) 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 based on their nature. 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 agreement, 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 standard has been endorsed by the EU.The impact as lessee for the Company mainly relates to the leasehold agreement on 'Ring Shopping Kortrijk Noord' and on the company cars. The total impact on the consolidated balance sheet would result in an increase in assets and liabilities that can be estimated at approximately € 10 mln.

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 new general hedge accounting requirements, which align hedge accounting more closely with risk management. It 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 Company is currently implementing the new standard. Based on the current assessment of the potential impact of the adoption of IFRS 9, the following comments can be made:

Classification and measurement
The Company has assessed that there would be no material impact on the processing of financial assets and trade receivables and other receivables.

Impairment
IFRS 9 requires the Company to record the expected credit losses on all its debt securities, loans and trade receivables. This must be done on the basis of 12 months or for life. Taking into account the evaluation of the credit risk, a full and detailed assessment of the impact of the new model on the impairment provisions has not yet been made. The Company estimates that this would have a limited impact on the result and on equity.

Hedge accounting
In line with the Company's current assessment, it is expected that the types of hedge accounting relationships currently being designated will meet the requirements of IFRS 9. The Company therefore does not expect any significant impact on the accounting treatment of its hedging relationships.

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 properties 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.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) issued on 12 October 2017, clarifies how companies should account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9. The amendments are effective for annual periods beginning on or after 1 January 2019, with early 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. This interpretation has not yet been endorsed by the EU.

IFRIC 23 Uncertainty over Income Tax Treatments issued on 7 June 2017, clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognize and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation. An entity is required to assume that a tax authority with the right to examine and challenge tax treatments will examine those treatments and have full knowledge of all related information. Detection risk is not considered in the recognition and measurement of uncertain tax treatments. The entity should measure the impact of the uncertainty using the method that best predicts the resolution of the uncertainty; either the most likely amount method or the expected value method. The interpretation is effective for annual periods beginning on or after 1 January 2019, with earlier adoption permitted. *Disclose the expected impact, if material or include: The amendments are not expected to have a material impact on the Group's consolidated financial statements.* This interpretation has 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: removes outdated exemptions for first-time adopters of IFRS (effective for annual periods beginning on or after 1 January 2018);*
- *IFRS 12 Disclosure of Interests in Other Entities: the amendments clarify that the disclosure requirements for interests in other entities also apply to interests that are classified as held for sale or distribution (effective for annual periods beginning on or after 1 January 2017).*
- *IAS 28 Investments in Associates and Joint Ventures: the amendments clarify that a venture capital organization, or other qualifying entity, may elect to measure its investments in an associate or joint venture at fair value through profit or loss. This election can be made on an investment-by-investment basis. A non-investment entity investor may elect to retain the fair value accounting applied by an investment entity associate or investment entity joint venture to its subsidiaries. This election can be made separately for each investment entity associate or joint venture. These 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.

Annual improvements to IFRSs 2015-2017 Cycle, *issued on 12 December 2017, covers the following minor amendments:*

- *IFRS 3 Business Combinations: the amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.*
- *IFRS 11 Joint Arrangements: the amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.*
- *IAS 12 Income Taxes: the amendments clarify that a company accounts for all income tax consequences of dividend payments consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity.*
- *IAS 23 Borrowing Costs: the amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.*

The amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application 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.

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.

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 FIXED ASSETS

Assets having an indefinite useful life, e.g. goodwill, are not subject to amortization and are tested on an annual basis for impairment. Assets subject to amortization 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 fixed 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 recognized 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 capitalization of market rents less operating costs like maintenance, insurances costs and fixed charges. The net capitalization 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 recognized 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 expert in conformity with 'International Valuation Standards' and 'European Valuation Standards'. Valuation differences are recognized in the income statement.

Rent-free periods and rent reductions

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

Capitalized rent-free periods or other rent reductions are amortized 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.

Once the criteria described hereabove are met, the fair value of project developments is determined as for real estate investment properties, providing that the capitalization factor is adjusted for any existing development risks. 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.

Changes in fair values and sustainable impairment losses are recognized in the income statement, in the caption of the changes in fair value of investment properties. Development projects are transferred to investment properties on the date of their technical completion.

3.7 OTHER TANGIBLE FIXED 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 fixed assets are yearly tested for impairment.

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

3.8 FINANCIAL INSTRUMENTS

Financial non-derivatives instruments

Wereldhave Belgium classifies its financial non-derivatives instruments within the following categories:

- Financial assets at fair value through profit and loss (see 3.8.1.);
- Loans and other receivables (see 3.8.2.);
- Assets available for sale (see 3.8.3.).

The financial non-derivatives instruments are first recognized at fair value potentially increased by direct acquisition costs. These instruments are then revalued at amortized cost based on the effective interest rate method.

Wereldhave Belgium also presents hereafter its financial derivatives instruments (see 3.8.4.).

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.

3.8.1. Financial assets at fair value through profit and loss

These assets are initially recorded at cost and subsequently valued at fair value, with the changes in value recorded in the income statement.

3.8.2. Loans and other receivables

Loans and other 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 amortized cost basis. Amortized cost is taken to the income statement under interest income and expense on the basis of the effective interest rate 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.

See also notes 3.10. and 3.11.

3.8.3. Assets available for sale

Assets available for sale are initially recognized 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 recognized in the income statement as other income and expense when the right to receive payments is established.

3.8.4. Financial derivative 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 derivative instruments are recorded in the profit and loss account, unless the derivative complies with hedge accounting.

The fair value of a financial derivative instrument is the amount that the Company expects to receive if it is disposed on the balance sheet date, considering the applicable interest rate and the credit risk of the other party. If a financial derivative 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 authorized hedging instruments subject to hedge accounting as defined in IFRS'. The ineffective part of the instrument is included in the income statement.

3.9 FIXED ASSETS AVAILABLE FOR SALE

Fixed 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.

Fixed 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. Fixed 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 recognized initially at fair value and subsequently at amortized 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 recognized 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 REVENUES

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 expenses related to the letting of surfaces. The agent fees are depreciated over the firm period 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.

Management costs

The amount comprises management 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.


TAX FREE DAYS
-21

4. CONSOLIDATED STATEMENT OF NET RESULT FROM CORE (1) AND NON-CORE (2) ACTIVITIES TO 31 DECEMBER

(X € 1,000)

		2016 (1)	2016 (2)	2017 (1)	2017 (2)
	Net rental income	*49,733*		*50,103*	
V.	Recovery of rental charges and taxes normally paid by the tenant on let properties	10,908		11,382	
VII.	Rental charges and taxes normally paid by the tenant on let properties	-11,466		-11,991	
		-558		*-609*	
	Property result	**49,175**		**49,494**	
IX.	Technical costs	-456		-480	
X.	Commercial costs	-615		-493	
XI.	Charges and taxes on non-let properties	-781		-1,088	
XII.	Property management costs	-766		-1,010	
	Property charges	*-2,618*		*-3,072*	
XIV.	General company costs	-4,626		-5,064	
XV.	Other operating income and charges	751		457	
	Operating results before result on the portfolio	**42,682**		**41,815**	
XVII.	Result on disposals of other non financial assets	-1		-16	
XVIII.	Change in fair value of the investment properties				
	- positive		50,660		31,537
	- negative		-24,296		-16,152
XIX.	Other result on portfolio		-117		-65
	Operating result	**42,681**	**26,247**	**41,799**	**15,319**
	Financial result	*-2469*	*0*	*-2207*	*0*
	Result before tax	**40212**	**26247**	**39592**	**15319**
	Corporate tax	*-134*	*-84*	*-188*	*-41*
	Net result	**40,078**	**26,163**	**39,404**	**15,278**
	Profit per share (x €1)	5.78	3.77	5.68	2.20

(1) 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.

(2) 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.

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, the financial result and the corporate taxes. 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)

2017		OFFICES	RETAIL	TOTAL
	Rent	9,806	39,919	49,725
	Indemnification for early termination of lease		378	378
	Net rental income	**9,806**	**40,297**	**50,103**
V	Recovery of rental charges and taxes normally paid by the tenant on let properties	2,256	9,126	11,382
VI	Rental charges and taxes normally paid by the tenant on let properties	-2,415	-9,576	-11,991
		-159	***-450***	***-609***
	Property result	**9,647**	**39,847**	**49,494**
IX	Technical costs			-480
	Repairs	-217	-202	
	Insurance premiums	-8	-53	
X	Commercial costs			-493
	Agency commissions	-131	-172	
	Publicity	-25	-165	
XI	Charges and taxes on non let properties			-1,088
	Costs on non let properties	-357	-549	
	Real estate tax on non let properties	-12	-170	
XII	(Internal) property management costs	-87	-923	-1,010
	Property operating results	**8,809**	**37,614**	**46,422**
XIV/XV	General company costs and other operating income and charges			-4,607
	Operating result before result on the portfolio			**41,815**
XVII	Result on disposals of other non financial assets			-16
XVIII	Variations in the fair value of investment properties			15,385
	Positive variations in the fair value of investment properties	110	31,427	
	Negative variations in the fair value of investment properties	-5,380	-10,772	
XIX	Other result on portfolio			-65
	Operating result			**57,118**
	Financial result			***-2,207***
	Result before taxes			**54,911**

(X € 1,000)

2017	OFFICES	RETAIL	TOTAL
Corporate tax			-188
Deferred taxes on market fluctuations of investment properties			-41
Tax			***-229***
Net result			**54,682**
Investment properties			
Investment properties excl. development projects			
Balance at 1 January	123,452	659,905	783,357
Investments	1,500	2,205	3,705
Assets held for sale (see p. 5)	-16,447		-16,447
Revaluation	-5,270	20,655	15,385
Balance at 31 December	***103,235***	***682,765***	***786,000***
Capitalised rent incentives	511	236	747
Value investment properties excl. development projects	**103,746**	**683,001**	**786,747**
Development projects			
Balance at 1 January		35,318	35,318
Investments		31,121	31,121
Capitalised interest		378	378
Balance at 31 December		**66,817**	**66,817**

(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**
V	Recovery of rental charges and taxes normally paid by the tenant on let properties	2,269	8,640	10,908
VI	Rental charges and taxes normally paid by the tenant on let properties	-2,387	-9,080	-11,466
		-118	***-440***	***-558***
	Property result	**9,746**	**39,428**	**49,175**
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**

The explanations on the balances and the main changes compared to last year can be found in the notes (for example note 6 regarding the investment properties).

6. INVESTMENT PROPERTIES

(X € 1,000)

	2016	2017
Investment properties excl. development projects		
Balance at 1 January	731,920	783,357
Transfer of development projects to investment properties	17,030	0
Transfer of investment properties to assets held for sale	0	-16,447
Investments	3,656	3,705
Revaluations	30,751	15,385
Total	***783,357***	***786,000***
Book value of capitalised rent incentives	1,152	747
Fair value investment properties	**784,509**	**786,747**
Development projects		
Balance at 1 January	40,547	35,318
Transfer of development projects to investment properties	-17,030	0
Capitalised interest	15,873	31,121
Investments	-4,388	0
Revaluations	316	378
Total	***35,318***	***66,817***
Total investment properties	**819,827**	**853,564**

6.1 INVESTMENT PROPERTIES EXCLUDING DEVELOPMENT PROJECTS

INVESTMENTS

Investments include the capital expenditures performed in the existing portfolio (2017: € 3.7 mln; 2016: € 3.7 mln).

CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

The valuation result (2017: € 15.4 mln; 2016: € 3.7 mln) is the result of the positive and negative revaluation of the investment properties portfolio excluding development projects. This variation is attributable to the combined effect of a positive revaluation of the shopping centre portfolio (€ 20.7 mln) and a negative revaluation of the office portfolio (€ -5.3 mln) mainly related to the decrease in value of the 'Madou' property (€ -3.3 mln) transferred in the assets available for sale..

TRANSFER IN ASSETS AVAILABLE FOR SALE

The 'Madou' office property has been reclassified from investment property to assets available for sale (€ -16.4 mln).

The legal transfer of the office building 'Madou' occurred at the end of 2016 when the sales price has been paid (€ 16.4 mln). Wereldhave Belgium kept the right to perceive the rental income up to the expiry of the current lease (i.e. January 31, 2018) and continued to bear the operational risks up to that date. The sales agreement provides that the buyer becomes full owner (legal and economic) at the end of the lease and therefore that he will bear all operational risks from this date.

6.2 DEVELOPMENT PROJECTS

INVESTMENTS

On 31 December 2017, the fair value of the development projects portfolio amounts to € 66.8 mln (31 December 2016: € 35.3 mln). The net increase of € 31.5 mln can mainly be attributed to:

- The construction works related to the development of the extension (€ 30.3 mln) of shopping centre 'Les Bastions' in Tournai with 15,000 m²;
- The study costs (€ 1.0 mln) related to a possible extension (8,000 m² GLA) of shopping centre 'Belle-Ile' in Liège (study and design costs). Urbanistic and environmental permits have been granted and are final. The commercialisation of this project has been started. The further progress of this project will be evaluated, taking into account the further evolution of the area currently let by Carrefour (10,000 m²).

CAPITALISED INTEREST

Interest (€ 0.4 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 2017 was 0.94% (2016: 0.99%).

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	786.7			786.7
Development projects *	66.8			66.8
Available for sale	16.4			16.4
Liabilities whose fair value is described				
Reserve authorised hedging instruments	0.5		0.5	
Interest-bearing liabilities	234		234	

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	5,15 - 6,4%	5.50%
	Offices	6,78 - 7,28%	6.80%
Market rent	Retail	€ 118 - € 362	€ 297
	Offices	€ 90 - € 125	€ 121
Hypothesis DCF		N/A	N/A

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 € 8.0 mln;
- The effect of an increase (decrease) of the average initial yield (total rental income at balance sheet date divided by the investment value of the investment properties portfolio) of 25 basis points leads to a decrease (increase) of the portfolio of about € 34.8 mln (€ -32.0 mln).

7. OTHER TANGIBLE ASSETS

(X € 1,000)

	OFFICE EQUIPMENT	CARS	TOTAL
Balance on 1 January 2017	216	416	632
Purchases (+/-)	356	0	356
Disposals (+/-)	0	-215	-215
Depreciation (+/-)	-82	-111	-194
Balance on 31 December 2017	**489**	**90**	**579**
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**

(X € 1,000)

		2016	2017
Total purchase cost		2,460	2,282
Total depreciation		-1,828	-1,703
Net book value		632	579

Other tangible assets include plant, machinery and equipment as well as vehicles.

8. CURRENT RECEIVABLES

(X € 1,000)

	2016	2017
Rent	4,848	5,222
Common charges to receive	1,279	1,285
Other	3,324	3,795
Tax receivables and other current assets	3,249	1,351
Totaal	**12,700**	**11,654**

(X € 1,000)

	2016	2017
Aging balance Rent		
Current	178	696
< 30 days	3,658	2,574
>= 30 days and < 90 days	91	441
>= 90 days	921	1,511
Total	**4,848**	**5,222**

The fair value of the trade receivables (€ 10.3 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 (€ 19.6 mln). The increase in the rent item is due to the fact that the property tax has been invoiced to lessees in the fourth quarter 2017.

There are no lessees that account for > 10% of the turnover.

The Company's shareholding in the listed real estate certificate 'Basilix' 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' (€ 199k). Consequently, these coupons no longer affect the Company's trading result.

(X € 1,000)

	2016	2017
Tax receivables and other current assets	3,249	1,351
Taxes		
Withholding tax to recover: Ring Shopping Kortrijk Noord	550	380
Withholding tax to recover: Basilix	2,193	293
Withholding tax to recover: Other	95	25
Property tax to recover	310	364
VAT to recover	101	289

9. CASH AND CASH EQUIVALENTS

(X € 1,000)

	2016	2017
Bank	6,501	2,115
Total	**6,501**	**2,115**

The heading 'Bank' gives an overview of the financial accounts at different financial institutions. The fair value of the elements of this item is in line with their book value.

10. SHARE CAPITAL

(X € 1,000)

	AMOUNTS	NUMBER OF SHARES
Issued capital		
On 31 December 2016	292,774	6,939,017
On 31 December 2017	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 2017		**6,939,017**
Issue premiums		
On 31 December 2016	50,563	
On 31 December 2017	**50,563**	

Shareholders

Of the 6,939,017 shares in circulation at 31 December 2017, 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 2017		**50563**			

11. PENSION OBLIGATIONS

(X € 1,000)

	2016	2017
Net liability on 1 January	1,232	1,168
Movements in liabilities	-64	-108
Net liability on 31 December	**1,168**	**1,060**

Within the framework of a 'Defined benefit plan' for the benefit of the staff (7.5 FTE), a provision has been recorded and amounts to € 1.060k as at December 31 2017 (2016: € 1.168k). 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 2017.

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 six committed credit lines (revolving credits and term loans) amounting to € 374.5 mln, of which € 208 mln were used at the end of 2017. The average interest rate for 2017 was 0.94% (2016: 0.99%).

The fair value does not significantly differ from the nominal value since it mainly 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 2017, all conditions relating to the covenants have been met. (see Title 1: Risk factors/Financial risks)

These credit lines are of two different types:
- Term loans where the whole amount has been drawn down at inception of the credit and will be fully reimbursed at maturity;
- Revolving credits where drawdowns are made on short term (from one to three months) and renewed up to the final maturity of the credit.

(IN € MLN)

	COMMITTED AMOUNT (***)	CALLED UP BY 31 DECEMBER 2016	CALLED UP BY 31 DECEMBER 2017	MATURITY
Borrower				
ING (*)	30	0	(*)	17/04/2018
ING	50	50	50	01/04/2019
Wereldhave NV (**)	150	22	22	31/07/2019
Wereldhave NV (**)	14.5	0	0	18/08/2019
BNP Paribas Fortis	70	60	70	30/04/2021
KBC	60	30	36	30/04/2021
BNP Paribas Fortis	30	0	30	11/04/2024
TOTAL	**374.5**	**162**	**208**	

(*) Credit line classified as current at 31 December 2017.

(**) Wereldhave NV holds on 31 December 2017, directly and indirectly 69,58% of the outstanding shares of the Company.

(***) These amounts are not cumulative.

Reconciliation of movements in financial liabilities to cash flows arising from financing activities (IAS 7)

	LONG TERM BORROWINGS	SHORT TERM BORROWINGS
Restated balance at 1 January 2017	**162,000**	**45,200**
Changes from financing cash flows		
Proceeds from loans and borrowings	46,000	10,761
Repayment of borrowings	0	-30,000
Total changes from financing cash flows	***46,000***	***-19,239***
Balance at 31 December 2017	**208,000**	**25,961**

Sensitivity analysis

A change (+/-) of the financial market interest rate by 1% has an effect of € 1.5 mln on the result and the equity capital (€ 0.22 per share).

13. RENT GUARANTEES RECEIVED

(X € 1,000)

	2016	2017
Guarantee tenants	497	795
Net book value	**497**	**795**

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	0.39%	€ -0.5 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 of 0.39% (on which the credit margin needs to be added) 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 in 2016 from the buyer of the office Madou which had been considered last year as a long-term debt has been reclassified this year in the short-term debts in the balance sheet at 31 December 2017, as being a prepayment. See also note 6.

16. DEFERRED TAXES

(X € 1,000)

	2016	2017
Deferred taxes	1799	1824

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)

	2016	2017
Credit institutions	45,200	25,961
Other current financial liabilities	434	735
Trade payables	5,821	3,402
Taxes, remunerations and social security contributions	1,162	1,462
Other current liabilities	0	16,449
Rental income received in advance	1,570	903
Other accrued charges and deferred income	3,168	3,981
Total	**57,355**	**52,893**

CREDIT INSTITUTIONS

Credit institutions: Wereldhave Belgium has a committed credit line (revolving credit) by ING of € 30 mln with a maturity in April 2018, which was not drawn at the end of 2017. The withdrawals take place according to a variable interest rate.

The Company also has a committed credit line amounting to € 26 mln without expiry date with BNP Paribas Fortis, € 26.0 mln of which was withdrawn by the end of 2017.

For 2017 as a whole, the weighted average interest rate was 0.94% (2016: 0.99%). 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.

These credit lines are revolving credits where drawdowns are made on short term (from one to three months) and renewed up to the final maturity of the credit.

(IN € MLN)

	COMMITTED AMOUNT (*)	CALLED UP BY 31 DECEMBER 2016	CALLED UP BY 31 DECEMBER 2017	MATURITY
Borrower				
BNP Paribas Fortis	30	30	-	11/04/2017
ING	30	(**)	0	17/04/2018
BNP Paribas Fortis	26	15.2	26	N/A
TOTAL	**56**	**45.2**	**26**	

(*) These amounts are not cumulative.

(**) Credit line classified as non-current at 31 December 2016.

Reconciliation of movements in financial liabilities to cash flows arising from financing activities (IAS 7) – See note 12

OTHER CURRENT FINANCIAL DEBTS (€ 0.74 mln)

This balance includes dividends of previous financial years that have not been collected yet (€ 32k), deferred charges (€ 0.70 mln) and inter-company interest payable (€ 11k).

SUPPLIERS

The trade payables (€ 3.4 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	227
Remaining investment commitment shopping centre Genk 'Shopping 1'	107
Remaining investment commitment shopping centre Nivelles	34
Remaining investment commitment shopping centre Genk Stadsplein	303
Remaining investment commitment shopping centre Kortrijk	269
Remaining investment commitment office building	17
Various suppliers	2,444
	3,402

The fair value of these elements is in line with their book value.

TAXES, REMUNERATIONS AND SOCIAL CHARGES (€ 1.5 mln)

This item includes taxes (€ 0.3 mln), remunerations and social charges (€ 1.19 mln).

OTHER SHORT TERM LIABILITIES (€ 16.4 mln)

The payment collected in 2016 from the buyer of the 'Madou' office property has been classified in the short term debts as of December 31 2017, as being a prepayment. See also note 6.

PROPERTY YIELDS RECEIVED IN ADVANCE (€ 0.9 mln)

This item records rental incomes received with regard to the following calendar year.

OTHER ACCRUALS (€ 4.0 mln)

This concerns the accruals related to general company expenses and real estate charges.

18. RENTAL INCOME

(X € 1,000)

	2016	2017
Rental income	50,805	51,019
Rent reductions	-1,436	-1,294
Rent	***49,369***	***49,725***
Indemnification for early termination of lease	364	378
Net rental income	**49,733**	**50,103**

The rental income is spread among about 675 (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 5.2%.

The ten main tenants represent 27.4% of the total rental income.

The future aggregate contractual rent from lease agreements on 31 December 2017 is as follows:

(X € 1,000)

	2016	2017
Year 1	46,442	43,515
Year 2 - year 4	118,940	103,189
Year 5	24,922	21,060
Net book value	**190,304**	**167,764**

19. RECOVERY OF RENTAL CHARGES AND TAXES NORMALLY PAID BY THE TENANT ON LET PROPERTIES

(X € 1,000)

	2016	2017
Recovery of rental charges paid by the owner	10,908	11,382
Net book value	**10,908**	**11,382**

This amount includes the recharging of the common charges (€ 9,6 mln) and of promotional costs (€ 1,8 mln) as contractually stipulated in the lease agreement.

20. RENTAL CHARGES AND TAXES NORMALLY PAID BY THE TENANT ON LET PROPERTIES

(X € 1,000)

	2016	2017
Rental charges paid by the owner	-11,466	-11,991
Net book value	**-11,466**	**-11,991**

This amount includes the common charges (€ 10.3 mln) and promotional costs (€ 1.6 mln).

21. PROPERTY CHARGES

(X € 1,000)

	2016	2017
Technical costs	456	480
Vacancy charges	616	906
Commercial costs	615	493
Property tax due to vacancy	165	182
Management costs	766	1,010
Net book value	**2,618**	**3,071**

Technical costs comprise the recurring maintenance (€ 419k) and the insurance premiums (€ 61k).

The costs on vacant spaces include common costs not recoverable because of the vacancy and therefore remaining a cost for the landlord.

Commercial costs comprise the agent fees (€ 303k) and investors relation and marketing costs (€ 190k).

The internal management costs include internal costs (payroll costs, …) that can be attributed directly to the conservation of the investment portfolio (€ 1,017k).

22. GENERAL COSTS

(X € 1,000)

	2016	2017
Staff costs		
Salaries	1,631	2,241
Social security	1,049	976
Allocation salary cost to development projects	-1,262	-1,192
Profit sharing	469	426
Pensien en insurance costs	439	469
Other staff costs	347	427
Subtotal staff costs	***2,673***	***3,347***
Allocated to management/property charges	-588	-736
Total staff costs	**2,085**	**2,611**
Other costs		
Audit fees	87	180
Advisory fees	1,153	984
Other costs	1,672	1,705
Subtotal other costs	***2,912***	***2,870***
Allocated to management/property charges	-371	-416
Total other costs	**2,541**	**2,453**
Other operating income and charges		
Other income	-1,836	-1,503
RREC costs	221	194
Investment fund tax	526	558
Subtotal other operating income and charges	***-1,089***	***-751***
Allocated to management/property charges	338	294
Total other operating income and charges	**-751**	**-457**
Total general costs	**3,875**	**4,607**

THE APPORTIONMENT KEY FOR ASSIGNING GENERAL EXPENSES TO PROPERTY CHARGES

For 2017, part of the general expenses and incomes (2017: € 0.9 mln, 2016: € 0.6 mln) has been assigned to management/ property charges. The apportionment key has been computed normatively and applied to the respective tasks of the employees and the other general expenses.

STAFF

During the accounting year 2017, there were 47.9 FTE employed by the company; as at end of December 2017 were 43.2 FTE on the payroll of the Company.

The profit-sharing distributed to the employees is based on the following key indicators: occupancy rate, real estate costs, management fees, sustainability and like-for-like rental growth. For each indicator, objectives have been set. The score realized compared to the objective determine the result.

Salaries increased in 2017 due to one-off costs related to interruption of several employment contracts.

PENSION COSTS

The pension costs contain the premium for the pension schemes of employees.

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)

	2016	2017
Positive revaluation	50,660	31,537
Negative revaluation	-24,296	-16,152
Net book value	**26,364**	**15,385**

See also note 6.1

24. FINANCIAL RESULT

(X € 1,000)

	2016	2017
Financial income		
Interests received (coupon real estate certificate Basilix)	0	330
	0	***330***
Interest costs	-2,372	-2,433
Other	-97	-104
Total	**-2,469**	**-2,207**
Average interest rate on loans	0.99%	0.94%
Net interest costs	-2,372	-2,433
Weighted average debt for the period	239,600	258,830

The interest charges (€ 2.4 mln) include the interest paid on the credit facilities concluded by the Company for its cash management.

25. 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)

	2016	2017
Corporate tax	-134	-188
Deferred tax on market fluctuations of investment property	-84	-41
Total	**-218**	**-229**

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.

26. 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 (2017: € 7.88; 2016: € 9.55). No financial instruments have been issued that are convertible into shares. The total number of shares issued remained unchanged in 2017 and amounts to 6,939,017 as per 31 December 2017.

27. 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 (2016: € 35.4 mln), i.e. a gross dividend of € 5.10; net € 3.57 (2016: € 5.10 – € 3.57) 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)

	2016	2017
Net result	***68,627***	***54,214***
Depreciation	158	163
Other non-monetary elements	116	65
Variation in the fair value of real estate properties	-29,763	-15,327
Corrected result for mandatory distribution	***39,138***	***39,115***
Minimum result to be distributed (80%)	31,310	31,292
Operating result allocated to dividend distribution	35,389	35,389
Operating result allocated to dividend distribution / per share	5.10	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.

28. 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)

	2016	2017
Non-distributable elements of shareholders' equity for profit distribution		
Capital	292,774	292,774
Issue premiums	50,563	50,563
Reserve for the balance of changes in fair value of real estate properties	116,456	146,219
Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-808	-503
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	29,763	15,327
Total non-distributable shareholders'equity	**488,748**	**504,380**
Shareholders' equity	603,407	622,626
Proposed dividend distribution	35,389	35,389
Number of shares	6,939,017	6,939,017
Remaining reserves after distribution	79,270	82,857

29. DETERMINING THE DEBT RATIO

(X € 1,000)

		STATUTORY BALANCE SHEET	CONSOLIDATED BALANCE SHEET
Total items "Liabilities" in the balance sheet		262,209	265,075
I.	Non current liabilities	210,216	212,182
	A. Provisions	-978	-1,060
	C. Other non-current financial liabilities - Authorised hedging instruments	-503	-503
	F. Deferred taxes - Liabilities	0	-1,824
II.	Current liabilities	51,993	52,894
	A. Provisions		
	C. Other current financial liabilities - Authorised hedging instruments		
	F. Accrued charges and deferred income	-4,574	-4,885
Total items "Liabilities" considered for the calculationof the debt ratio (numerator)		256,154	256,804
Total "Assets" in the balance sheet		884,834	884,359
Authorised hedging instruments recorded under assets			
Total "Assets" considered for the calculation of the debt ratio (denominator)		884,834	884,359
Debt ratio		**28.9%**	**29.0%**

30. 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 2017 € 448k (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 2017, € 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 2017, 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 2017.

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. 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.

31. 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 m^2 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 in 2016 that there were indications of an impairment and the fair value was set at € 1.8 mln (impairment of € -4.4 mln), being the value of the land position and the estimated value of the permits. This value did not decrease in 2017 and has been confirmed by the independent real estate expert as per December 31 2017.

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.

32. LEASEHOLD- AND INVESTMENT LIABILITIES NOT SHOWN ON THE BALANCE SHEET

The Company has contracted investment liabilities amounting to € 20.0 mln. These concern the expansion of the 'Les Bastions' shopping centre in Tournai. The leasehold liabilities amount to € 34.6 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)

	2016	2017
< 1 year	14,798	20,792
>1 year - < 5 year	4,544	1,584
> 5 year	31,508	32,212
Total	**50,850**	**54,588**

33. REMUNERATION OF THE AUDITOR

The remuneration only related to the auditing activities in 2017 and amounted to € 91,250 excl. VAT. No other mission has been performed.

34. BRANCHES

The company has no branches.

35. 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 its ruling of March 8th 2017, the Court of Justice concluded that the Parent/Subsidiary Directive does not apply in the present case. It did not, however, comment on correct application of the principle of free movement of capital due to unclear phrasing of the question.

Only after a final decision of the Belgian Court if Appeal 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 during the course of 2018.

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.

The Company decided as from 2017 to effectively retain 5% of withholding tax on the dividend distributed to the Dutch companies Wereldhave SA and Wereldhave International SA.

36. EVENTS HAVING OCCURRED AFTER THE END OF THE FINANCIAL YEAR

On the 25th of January 2018, we learned from the press the intention of Carrefour to close its stores in the shopping centres ‘Shopping 1’ (Genk) and ‘Belle-Ile’ (Liège). To date, no formal initiative has been taken by Carrefour and existing commercial leases remain fully in force. The total rental income from Carrefour represents 3.7% of the total rental income of the Company. In Liège, the next break option can be exercised as of 23 September 2018 while for Genk the next break option is on 30 November 2019.

Initiatives for developing alternatives have already been started implying concretely a commercialisation, whether or not linked to a redevelopment and / or reallocation of the respective areas.

Carrefour's announcement will have a limited impact on the net result of core activities in 2018.

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 2017

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the consolidated financial statements of Wereldhave Belgium Comm. VA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the audit of the consolidated financial statements for the year ended 31 December 2017, as well as our report on other legal and regulatory requirements. These reports are one and indivisible.

We were appointed as statutory auditor by the general meeting of 13 May 2016, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2018. We have performed the statutory audit of the consolidated financial statements of Wereldhave Belgium Comm. VA for two consecutive financial years..

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

UNQUALIFIED OPINION

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2017, 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 2017, the consolidated profit and loss account and statement of other comprehensive income, consolidated statement of movements in equity and consolidated cash flow statement 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'000 884.359 and the consolidated profit and loss account shows a profit for the year of EUR'000 54.682.

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 2017 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.

BASIS FOR OUR UNQUALIFIED OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials 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 opinion.

EMPHASIS OF MATTER – FISCAL STATUS

We draw attention to note '2. Fiscal Status' to the consolidated financial statements where the Board of Directors discloses the terms of the waiver received in accordance with article 30 §3 and §4 of the law of 12 May 2014 for Registered Real Estate Companies. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTER

A key audit matter is that matter that, in our professional judgement, is of most significance in our audit of the consolidated financial statements of the current period. This matter is addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

We refer to note '3.6 Investment Properties' and note '6. Investment Properties' of the consolidated financial statements.

Description

The Group's investment property portfolio comprises offices, retail as well as properties under development. As at 31 December 2017, the carrying value of the Group's total investment portfolio was EUR 853,6 million and represented 96,5% of total assets.

The valuation of investment properties is complex and requires significant judgement.

Investment properties are valued at fair value at reporting date using the direct capitalization method. The fair value is dependent on the valuation methodology adopted and on the inputs into the valuation model. Factors such as prevailing market conditions, the individual nature, condition and location of each property have a direct impact on the fair value.

The following assumptions are key in determining fair value:

- Market rent
- Future vacancy rates
- Yield factors
- Maintenance expenses
- Transaction expenses

Due to the relative size of the Group investment property portfolio in the consolidated statement of financial position and the estimation uncertainties around the determination of fair value, we consider this a key audit matter.

Our audit procedures

With the assistance of our own property valuation specialists, we have performed the following audit procedures:

- We have assessed the design of the key controls relating to the valuation process.
- We have reconciled the tenancy schedules and other property related data extracted from the accounting records with the data used as input for the valuations performed by external experts engaged by management.
- We have reconciled a sample of tenancy contracts to the tenancy schedules.
- We have performed a site visit to the Belle-Ile property and observed the tenants presence on the site and any vacancies. We have reconciled our observations to the respective tenancy schedules.
- We have assessed the competence, objectivity and capabilities of the external experts engaged by management.
- We have challenged the appropriateness of key assumptions and the valuation techniques used in the valuation such as market rent levels, future vacancy rates, yield factors, maintenance expenses and transaction expenses by comparing them with those used in the past by the Group, as well as with current market data.
- We have inspected the valuation reports for all investment properties, have agreed fair value to the Group's accounting records and have discussed our findings and observations with management and with the external experts engaged by management.
- We have assessed whether the disclosures relating to investment properties appropriately reflect the exposure to valuation risk, including the valuation methodologies applied and the key assumptions used.

BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The board of directors 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 board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

STATUTORY AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON THE OTHER LEGAL AND REGULATORY REQUIREMENTS

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements and the other information included in the annual report.

STATUTORY AUDITOR'S RESPONSIBILITIES

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, the board of directors' annual report on the consolidated financial statements and the other information included in the annual report, and to report on these matters.

ASPECTS CONCERNING THE BOARD OF DIRECTORS' ANNUAL REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In our opinion, based on specific work performed on the board of directors' annual report on the consolidated financial statements, this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 119 of the Companies' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report:

- Consolidated Key Information
- Real Estate Report: Summary and overview of the real estate portfolio

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you. We do not and will not express any form of assurance conclusion on the annual report.

INFORMATION ABOUT THE INDEPENDENCE

- No engagements which are legally incompatible with the statutory audit of the consolidated financial statements were performed and our audit firm remained independent of the Group during the term of our mandate.
- There were no additional engagements which are compatible with the statutory audit referred to in article 134 of the Companies' Code and for which fees were charged.

OTHER ASPECT

- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Antwerp, 8 March 2018

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises

Statutory Auditor

Represented by
Filip De Bock

Réviseur d'Entreprises / Bedrijfsrevisor

STATUTORY STATEMENT

STATUTORY STATEMENT OF FINANCIAL POSITION

(X € 1,000)

ASSETS		31 DECEMBER 2016	31 DECEMBER 2017
I.	Non-current assets		
C.	Investment properties	802,191	836,015
		802,191	*836,015*
D.	Other tangible assets	491	542
E.	Financial non-current assets		
	Investments in affiliated enterprises	10,298	10,298
	Amounts receivable from affiliated enterprises	9,834	10,073
		20,623	*20,912*
II.	Current assets		
A.	Assets held for sale		
	Investment properties	0	16,447
D.	Trade receivables	9,569	8,992
E.	Tax receivables and other current assets	3,147	1,061
F.	Cash and cash equivalents	5,400	1,407
		18,116	*27,907*
	Total assets	840,930	884,834

(X € 1,000)

SHAREHOLDER'S EQUITY		31 DECEMBER 2016	31 DECEMBER 2017
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	116,456	146,219
d.	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-808	-503
j.	Reserve for actuarial gains and losses of defined pension schemes	-809	-721
n.	Accumulated result	76,604	80,079
D.	Net result of the year	68,627	54,214
	Minimum result to be distributed	31,310	31,292
		603,407	*622,626*
II.	Minority interests	0	0

(X € 1,000)

	LIABILITIES	31 DECEMBER 2016	31 DECEMBER 2017
I.	Non-current liabilities		
A.	**Provisions**		
	Pensions	1,089	978
B.	**Non-current financial liabilities**		
a.	Credit institutions	140,000	186,000
c.	Other		
	Other loans	22,000	22,000
	Rent guarantees received	490	735
C.	**Other non-current financial liabilities**		
	Authorised hedging intruments	808	503
E.	**Other non-current liabilities**	16,447	0
		180,834	***210,216***
II.	Current liabilities		
B.	**Current financial liabilities**		
a.	Credit institutions	45,200	25,961
c.	Other		
	Other loans	0	
	Other	635	540
D.	**Trade payables and other current liabilities**		
b.	Other		
	Suppliers	5,554	3,101
	Taxes, remunerations and social security contributions	1,092	1,370
E.	**Other current liabilities**	0	16,447
F.	**Accrued charges and deferred income**		
	Real estate income received in advance	1,360	894
	Other	2,848	3,680
		56,689	***51,993***
	Total shareholder's equity and liabilities	**840,930**	**884,834**
	Net asset value per share (x € 1)	86.96	89.73

STATUTORY PROFIT AND LOSS ACCOUNT

(X € 1,000)

		31 DECEMBER 2016	31 DECEMBER 2017
I.	**Rental income**		
	Rent	48,493	48,862
	Indemnification for early termination of lease	364	378
	Net rental income	***48,857***	***49,240***
V.	**Recovery of rental charges and taxes normally paid by the tenant on let properties**	1,646	1,806
VII.	**Rental charges and taxes normally paid by the tenant on let properties**	-2,202	-2,414
		-556	***-607***
	Property result	**48,301**	**48,632**
IX.	**Technical costs**		
	Recurrent technical costs		
	Repairs	-393	-376
	Insurance premiums	-49	-61
		-442	***-437***
X.	**Commercial costs**		
	Agency commissions	-315	-301
	Publicity	-284	-180
		-599	***-481***
XI.	**Charges and taxes on non let properties**		
	Costs on non let properties	-615	-905
	Real estate tax on non let properties	-163	-180
		-778	***-1,085***
XII.	**Property management costs**		
	(Internal) property management costs	-813	-985
		-813	***-985***
	Property charges	***-2,632***	***-2,988***
	Property operating results	**45,669**	**45,644**
XIV.	**General company costs**		
	Staff costs	-1,427	-1,801
	Other	-2,027	-2,094
XV.	**Other operating income and charges**	-340	-629
		-3,794	***-4,524***
	Operating results before result on the portfolio	**41,875**	**41,120**

(X € 1,000)

		31 DECEMBER 2016	31 DECEMBER 2017
XVII.	**Result on disposals of other non financial assets**		
	Net sales of other non financial assets (sale price - transaction costs)	-5	-8
		-5	*-8*
XVIII.	**Variations in the fair value of investment properties**		
	Positive variations in the fair value of investment properties	49,671	31,479
	Negative variations in the fair value of investment properties	-19,908	-16,152
		29,763	***15,327***
XIX.	**Other result on portfolio**	-116	-65
		-116	***-65***
		29,642	15,254
	Operational result	**71,517**	**56,374**
XX.	**Financial income**		
	Interests and dividends received	0	327
XXI.	**Net interest charges**		
	Nominal interest charges on loans	-2,155	-2,201
XXII.	**Other financial charges**		
	Bank charges and other commissions	-88	-100
	Net losses on disposals of financial assets	-512	0
	Financial result	***-2,755***	***-1,974***
	Result before tax	**68,762**	**54,400**
XXIV.	**Corporate tax**		
	Corporate tax	-135	-187
	Tax	***-135***	***-187***
	Net result	**68,627**	**54,214**
	Result per share (x € 1)	9.89	7.81
	Diluted result per share (x € 1)	9.89	7.81

STATEMENT OF COMPREHENSIVE INCOME

(X € 1,000)

		31 DECEMBER 2016	31 DECEMBER 2017
I.	**Net result**	**68,627**	**54,214**
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	-75	305
	Items not taken in the result		
E.	Actuarial gains and losses of pledged pension schemes	76	88
		1	***393***
	Comprehensive income (I + II)	**68,628**	**54,607**

STATUTORY STATEMENT OF MOVEMENTS IN EQUITY FOR 2017

(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 2016		**292,774**	**50,563**	**0**	**107,943**
Variations in the fair value of hedging instruments					
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	a				
Balance at 31 December 2016		**292,774**	**50,563**	**0**	**116,456**
Balance at 1 January 2017		**292,774**	**50,563**	**0**	**116,456**
Variations in the fair value of hedging instruments					
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					29,763
Dividend over 2016	b				
Balance at 31 December 2017		**292,774**	**50,563**	**0**	**146,219**

(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	-885	0	119,120		568,782
-75						-75
						0
		76				76
				-2		-2
					68,627	68,627
				-8,513		
				-34,001		-34,001
-808	**0**	**-809**	**0**	**76,604**	**68,627**	**603,407**
-808	0	-809	0	145,231		603,407
306						306
						0
		88				88
						0
					54,214	54,214
				-29,763		
				-35,389		-35,389
-503	**0**	**-721**	**0**	**80,079**	**54,214**	**622,626**

Notes

a Dividend paid 2015
€ 4.90 (net € 3.577) per share: -34,001

b Dividend paid 201+
€ 5.10 (net € 3.57) per share: -35,389

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 2016	31 DECEMBER 2017
A.	**Net result**	68,627	54,214
B.	**Transfer to/from reserves**	-29,763	-15,327
	Transfer to/from reserve for the balance of changes in fair value of real estate properties		
	Financial year	-29,763	-15,327
C.	**Return on capital**	35,389	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

A. Claes

K. Deforche

D. Anbeek

Vilvoorde, 8 March 2018

10 GENERAL INFORMATION

IDENTIFICATION AND STATUTORY PROVISIONS

Name
The Company is a public Regulated Real Estate Company (RREC) according to Belgian law.

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 since then 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: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.

Jan Olieslagerslaan

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.

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Article 7 of the Articles of Association – Authorised capital

The Statutory 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.

Genk Shopping 1

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 Statutory 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 Statutory 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 Statutory Management Company, at his/her expense, the conversion of these Shares into dematerialised Shares.

Upon written request of a Shareholder of the Company, the Statutory 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 Statutory 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 Statutory 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 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 Statutory Management Company.

The Statutory Management Company is organised in such a way that, depending on the chosen policy structure, the Statutory Management Company or the Company itself satisfies the provisions of Article 17 of the RREC Law. The members of the 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 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, 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 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 Statutory 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 Statutory 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 ANNUAL FINANCIAL REPORT

The Company, represented by its Statutory Management Company which, itself, is represented by its Board of Directors, is responsible for the content of the annual financial report. Having taken all reasonable care to ensure that such is the case, the Statutory Management Company hereby declares that the information contained in this anual financial report 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 2017 € 91,250 excl. VATfor the period running from 1 January 2017 until 31 December 2017. No other fees were paid.

VALUATION EXPERTS

As of 31 December 2017, the valuation 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 2014 – 31 December 2017
  Segment shopping centres.
  Annual fee: € 865281 (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 2015 – 31 December 2017
Segment offices.
Annual fee: € 36,875 (excl. VAT)

In accordance with the RREC legislation, the independent external valuation 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 also declares that the Statutory Auditor and valuation 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 valuation 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 valuation experts and the Statutory Auditor, no fact was omitted that might render the reproduction of the information provided by the valuation experts and the Statutory Auditor incorrect or misleading.

Medialaan

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 NV are held by the Company. The fees in favour of Wereldhave Belgium Services NV are charged directly to the tenants in accordance with the contractual terms and conditions described in the rental agreements.

Wereldhave Belgium Services NV 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 NV 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 2017 BDO Advisory BV, with registered office at 5652 XR Eindhoven, Holtroplaan 23, represented by J.H. Hijmans, partner, 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 € 11,725 (excl. VAT).

FINANCIAL SERVICE PROVIDER: BNP PARIBAS FORTIS

BNP Paribas Fortis NV 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 2015 AND 2016

- 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
- Consolidated accounts 2016: p. 142 to p. 189 of the annual financial report 2016
- Management report over 2016 : p. 94 to p. 103 of the annual financial report 2016
- Auditor's report over 2016: p. 190 to p. 191 of the annual financial report 2016

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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 Statutory 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 developer is the limited liability company under Dutch law Wereldhave NV.

Director
Each director of the Statutory Management Company.

Due Diligence
Procedure aimed at a complete and certified audit 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.

Ring Shopping Kortrijk

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 valuation experts.

Belle-Île

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 companies, 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 BDO Advisory BV, represented by J.H. Hijmans, partner.

Initial yield
Total rental income on the balance sheet date divided by the investment value of the real estate portfolio.

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.

Interest Rate Swap
Inter-bank rate.

KPI
Key Performance Indicators are variables for evaluating performances.

Leasehold
Temporary right that grants full enjoyment of a real estate, and for which an annual fee must be paid (canon) to the (naked) 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, ...).

Listed Shareholding
Is a Subsidiary or a listed shareholding.

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 xecutive management of the Company.

Market rent
The expected rent that can be contracted when letting.

Net asset value per share
The net asset value per share is equal to the balance of the equity divided by the total number of shares issued on the balance sheet date.

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% (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 the Company.

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 valuation expert as at the end of the previous financial year

(Reconciliation, see Explanatory Note No. 4)

Gent Overpoort

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. 162-163)

Net value (fair value) per share
Total net equity attributable to Shareholders of 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.

Statutory 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.

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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