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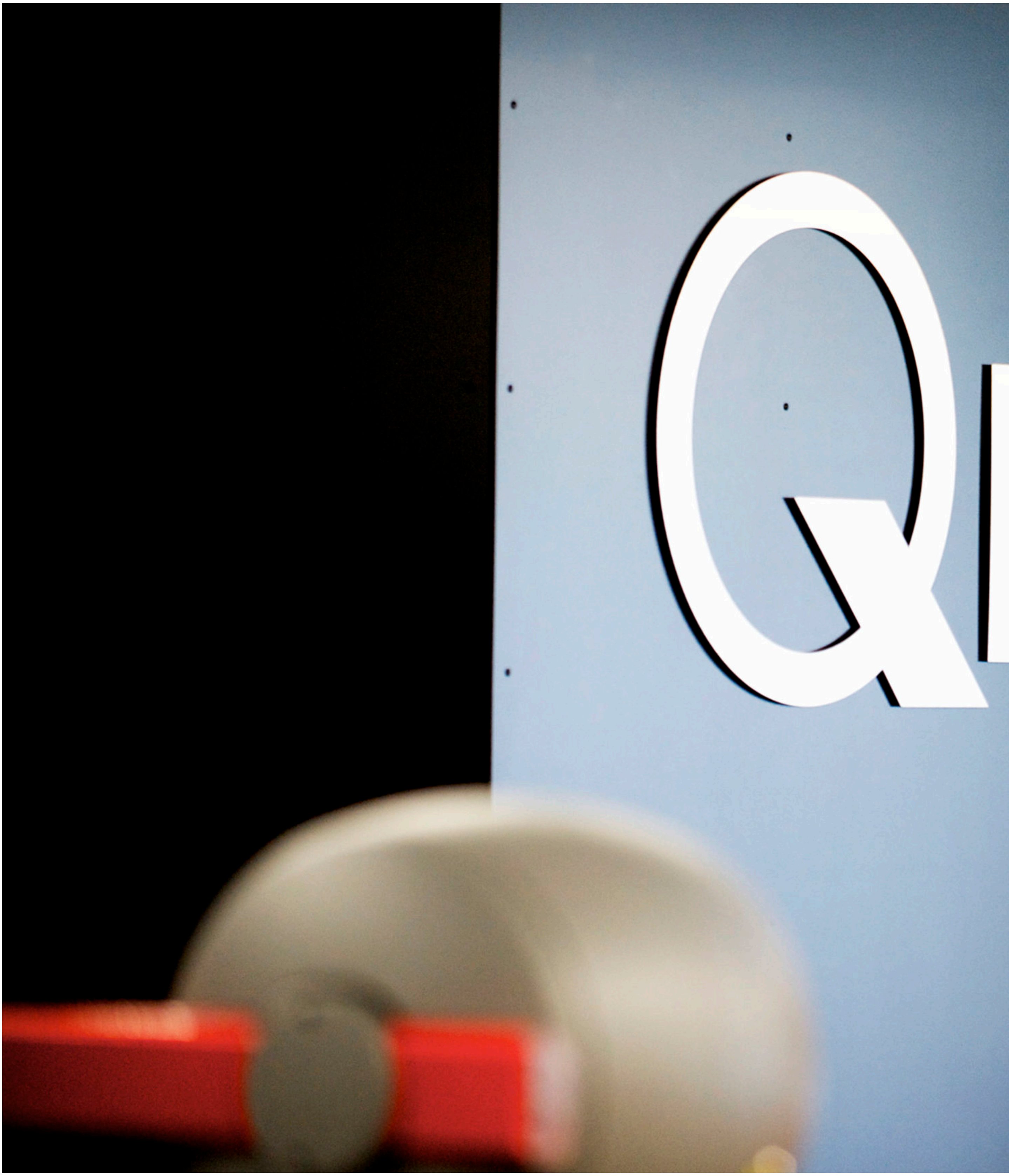


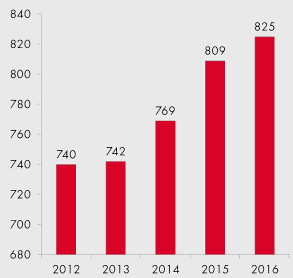

PARK

PERFORMANCE HIGHLIGHTS

Financial

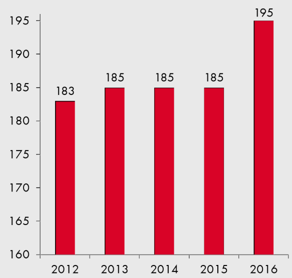
EUR 825.0 million

Net revenue (x EUR million)



EUR 194.9 million

EBITDA (x EUR million)

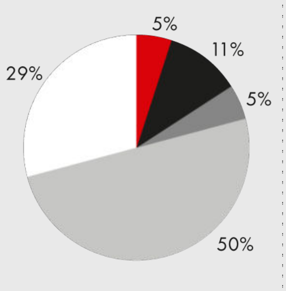


Operational

871,449

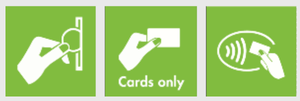
Parking spaces

- Legally owned
- Ground leases and concessions
- Protected leases
- Other leases
- Managed



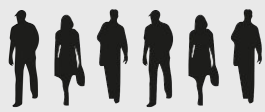
EUR 202.8 million

Cash flows from operating activities



2,152

Full-time employees



Other

4.3

Interest coverage ratio

In 2015: 3.3 (the minimum is set at 2.0)

5.6

Net bank debt / EBITDA ratio

In 2015: 6.1 (the upper limit is set at 7.0). The decrease to under 6.0 results in a lower spread on

3.7%

Interest rate percentage on loans

In 2015: 4.4%. The decrease results in a significant drop of the cost of financing.

EUR 5,671.2 million

Investment property

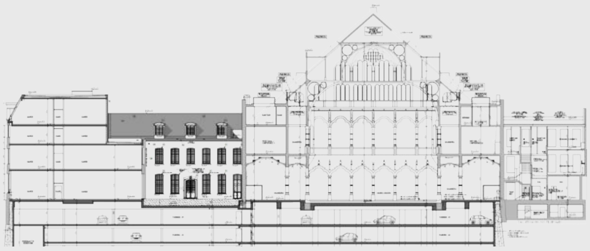
The Q-Park investment property portfolio includes long-term positions that generate predictable cash

Car parks under construction

Handelsbeurs - tender won

Antwerp - Belgium

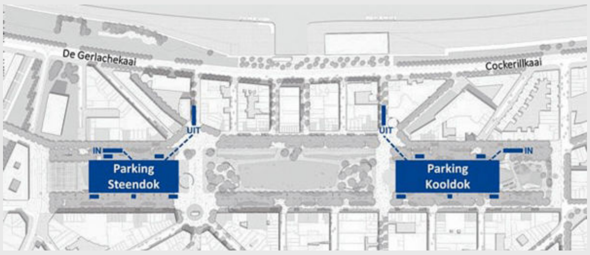
On Monday 23 May 2016, renovation work commenced on the Handelsbeurs in Antwerp.



Zuiderdokken - tender won

Antwerp - Belgium

From 2019, the Gedempte Zuiderdokken area will provide underground parking spaces.



City leadership

City of Toulon - city tender won

Toulon - France

Q-Park will be responsible for upgrading and operating 10 of the city centre's 12 car parks.

Hasselt - acquired 4 car parks

Hasselt - Belgium

Operating the Dusartplein, Molenpoort, Parking TT (TweeTorenwijk) and Luikerpoort.

Knowledge & Operational leadership

Inaugural symposium

The future of paid parking

Discussing impact of the Internet of Things, Autonomous Vehicles and the sharing economy.

Back-office functionality

Multichannel Parking Platform

Expanding functionality of our proprietary system, progressing towards a Multichannel Parking Platform.

KEY FIGURES

	2016	2015
Net result (x EUR million)		
Net revenue	825.0	809.1
EBITDA	194.9	185.0
Net result	128.9	90.9
Balance sheet (x EUR million)		
Investment property	5,671.2	5,642.6
Shareholders' equity	1,351.5	1,285.6
Lease obligations	2,803.2	2,868.9
Net debt	1,095.8	1,152.5
Cash flows (x EUR million)		
Operating activities	202.8	193.9
Investment activities	-74.5	-59.1
Financing activities	-155.4	-210.9
Movement in cash and cash equivalents	-27.1	-76.1
Business volume		
FTEs	2,152	2,180
Parking facilities	6,343	6,195
Parking spaces	871,449	864,450
Ratio:		
- legally owned	5%	5%
- ground leases and concessions	11%	11%
- protected leases	5%	5%
- other leases	50%	49%
- managed	29%	30%
Shareholders' result		
Net result	128.9	90.9
Direct equity movements	-37.0	39.6
Ratios		
Interest coverage ratio	4.3	3.3
Net bank debt / EBITDA	5.6	6.1

PROFILE

We are one of Europe's leading parking services providers, with 871,449 parking spaces in 6,343 secure, clean, and well-managed parking facilities across ten Northwest European countries.

The high level of quality that we provide is maintained by our 2,152 full-time employees and costs are controlled through the use of increasingly smarter solutions and systems.

We demonstrate that effective regulated- and paid parking make an economic contribution to cities and society, and that a positive parking experience contributes to how people enjoy their visit, journey, shopping, or commute.

Our activities focus on providing services related to parking at specific locations: in or near multifunctional inner-city areas, at public transport interchanges, and at hospitals.

We create value by providing high-quality functionality for built parking facilities and off-street parking at strategic locations. We do business with a long-term perspective and from a solid financial basis. Our corporate social responsibility (CSR) report gives insight into how we create value including its impact.

By applying innovative technology and by working together with public and private parties, we offer sustainable, efficient, profitable, and customer-friendly parking solutions.

More about who we are can be found on www.q-park.com.

Q-Park Vision

Q-Park aims to be the most preferred and recommended parking partner at strategic locations in Northwest Europe, based on functional quality, operational excellence, customer satisfaction, and sustainable financial performance.

Q-Park Vision - Four basic principles

Q-Park's market position across ten Northwest European countries.
In four of these we are the indisputable market leader.

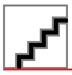
MESSAGE FROM THE BOARD

Very good results

Q-Park closed 2016 with very good results. We have continued the upward trend in revenue growth, EBITDA, and net result that commenced in 2015. The revenue increased by 2.0% compared to 2015 and amounts to EUR 825.0 million.

Revenue development

(x EUR million)



The EBITDA is EUR 194.9 million (2015: EUR 185 million) which represents a growth of 5.4%. The net result grew from EUR 90.9 million in 2015 to EUR 128.9 million in 2016, which is an excellent performance.

We are right on schedule with the four-year plan that our shareholders approved in 2015. In the past year we have reinforced the foundations in all areas of our business, which will enable us to grow and flourish in the coming years.

Strategy

It is our strategic ambition is to be the strongest European car parking operator that best understands and seizes car parking market opportunities. We want to have the highest customer performance index of all parking companies in the ten European countries in which we operate. Our strategic focus is to create value for all our stakeholders.

How we create value

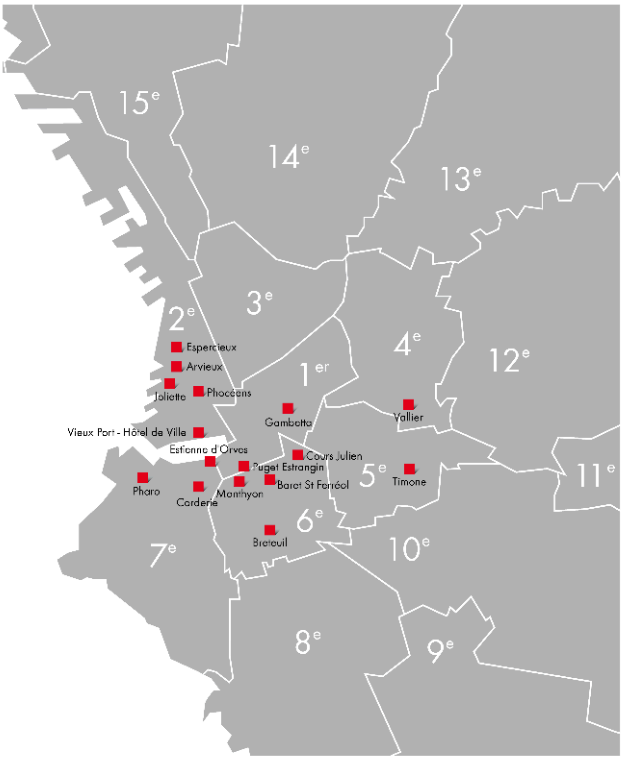
We create value through our portfolio of parking facilities at key locations, we offer landlords and municipalities a range of contract types and value propositions, which are supported by our unique digital and pricing optimisation capabilities.

We strive for operational excellence in all our activities and with the regional structure we introduced in 2015, we learn from each other and share our best practices. Our continually developing ICT platform enables us to provide these services effectively and efficiently.

Strong portfolio

We have a strong portfolio in key cities throughout Europe. In 2016 we expanded our presence in many cities, and gained a strong foothold in others. We achieved particular successes in France and Belgium. A contribution to city mobility has been a common thread in these achievements.

We acquired the French company Massilia Park. This acquisition increased the number of parking facilities we operate in Marseille from 11 to 16, making Q-Park the market leader in this Mediterranean city. This new venture also gave us the opportunity to demonstrate our city mobility concept in the region.



Marseille, France - 16 Q-Park parking facilities

We won a significant contract in Toulon based on our total package, including the bespoke branding for 10 of the city's 12 parking facilities. This is a showcase example of how we make our *"Quality in parking"* concept work in collaboration with municipalities and other parties to improve mobility and the quality of the living environment.

In 2016 we also had several successes in Belgium. The acquisition of a local Belgian parking company in Hasselt means we now operate four parking facilities in Hasselt and three in Genk. Once again demonstrating that growth through the acquisition of family-owned businesses forms an attractive arena for future transactions. The municipality has subsequently partnered with us to improve mobility in the urban region.

In Antwerp we were awarded the development contract for the Zuiderdokken site. This will create 2,000 parking spaces in two phases, facilitating access to the city from the south. We have also included space for 300 bicycles in the design.

Another prestigious project in Antwerp is the Handelsbeurs development where work commenced in May 2016. This facility for more than 290 cars in the city centre is being constructed under the 16th century Handelsbeurs building. We are once again meeting the city's requirements for bicycle parking, by combining this development with another nearby Q-Park facility. Both means of transport will then be neatly parked off the streets making the city centre even more attractive. Yet another example of our collaboration with municipalities to realise innovative solutions for motorists, cyclists, and pedestrians and to create a quality environment.

Economic developments

The development of Q-Park's operating result is closely related to the development of GDP. In 2016, the European Commission expects GDP growth in the Eurozone to be 1.7% and throughout the European Union 1.8%. The economy in Europe is recovering and most countries are now above their pre-crisis/2008 levels of output. In 2016 interest rates remained historically low, meaning that the cost of borrowing remained low and stable – an advantage for Q-Park.

While consumers are regaining confidence and spending again, consumer behaviour is changing. To reduce our dependency on any one type of parking purpose, we increasingly focus on providing our parking services at multifunctional inner-city locations that serve a range of purposes, such as offices, shops and leisure amenities, at public transport interchanges, and at hospitals.

Political developments

The political arena in 2016 was turbulent. The Brexit vote in June 2016 has brought Europe into a phase of uncertainty which will continue for the foreseeable future. Following the election of Donald Trump as US president in November, there has been much commotion about the future of international trade. The outcome of elections to be held in France, Germany, and the Netherlands in 2017 will partly determine stability in the European countries where Q-Park has a presence.

Developments in the car parking market

Trends

We monitor trends and developments in the mobility sector and car parking market closely. Our symposium in June was an excellent opportunity to share knowledge from experts with key stakeholders about smart cities, autonomous vehicles, car sharing, as well as other trends.

Competition

There are seven large private international operators who together typically represent a market share of between 10% and 20% depending on the country. These seven players operate on three different models: Owner/Operator (Q-Park, Indigo), Concessionary (Interparking, Saba, Empark), and Operator only (Apcoa and NCP).

At urban level, municipalities are usually the largest party who provide regulated and/or paid parking, including on-street parking. On-street parking is increasingly competing with off-street and built facilities as motorists make more use of convenient parking apps such as Yellowbrick and Parkmobile that facilitate complying with on-street parking regulations. We see an opportunity here for Q-Park to provide advanced and integrated on-street and off-street regulated and paid parking services.

Developments at Q-Park

ICT

In 2016 we invested considerably in the development of our innovative Contact-to-Contract (C2C) proprietary platform. This platform interconnects all our core business processes, integrating our back- with our front-office systems. Further development is ongoing and we are continually improving and expanding the functionality. This is a true enabler for our future development and implementation of new and innovative services for commercial partners and customers.

We are already reaping the benefits of our ICT developments. Our new proprietary system and landlord portal enable us to facilitate the customer's journey, in both the virtual and physical sense, from the comfort of the home to the final destination.

<u>CCV payment solution</u>

We have developed and implemented a solution which enables motorists to access and exit our car parks using their own debit or credit card. Our customers can simply Dip or Tap their payment card at our access and exit terminals, making their bankcard act like a parking ticket.

Our back-office operations run on a profound digital infrastructure which seamlessly integrates with our front-office – our websites and car parks – where commercial partners and customers can interact, for example to find parking solutions online, order a season ticket, or pre-book a parking space.

Attractive investment proposition

In September our shareholders initiated a market orientation in order to sell their shares.

The Q-Park investment property portfolio includes long-term positions that generate predictable cash flows, and it forms an attractive proposition for new shareholders seeking a long-term stable business with good cash flow visibility. Q-Park is a strong brand with an excellent reputation whereby we continue to guarantee the Q for 'Quality' for all our stakeholders.

We are well-positioned and our financial situation is stable and strong. We consider this shareholder market orientation to be an exciting and unique opportunity for growth. We expect to be in a position to communicate more details about this market orientation process in the second quarter of 2017.

Employees

On 1 January 2017 Th. (Theo) Thuis stepped down from the Executive Board to fulfil a new role within Q-Park as head of our new innovation team. We would like to express our sincere thanks to him for his contribution to the Board as COO for the past 16 years. We wish him the very best in his new role.

We would also like to take this opportunity to thank all our employees in the country organisations and at head office. Without their commitment and dedication, we would not be able to deliver a quality parking experience to our customers.

Executive Board

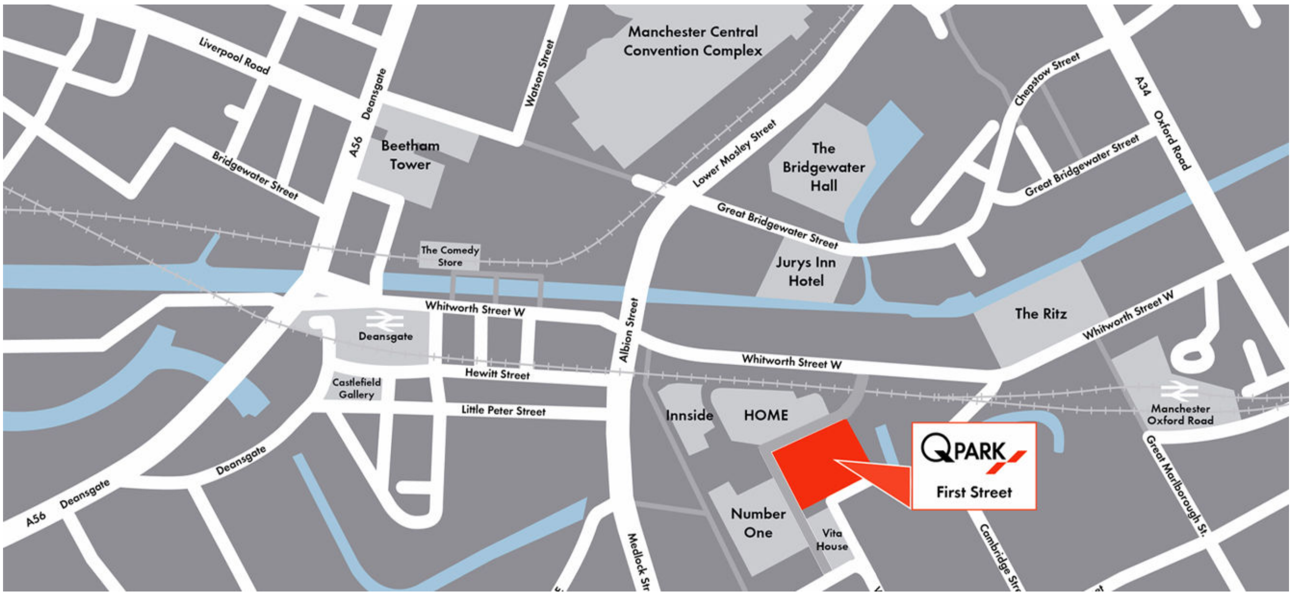
Frank De Moor - CEO & Marcello Iacono - CFO

F.K. (Frank) De Moor

M. (Marcello) Iacono

Maastricht, 8 March 2017

EXTERNAL ANALYSIS



We take a structured approach to external analysis, analysing key trends relating to the economy, social and cultural changes, political and legal developments, environmental factors and, last but certainly not least for Q-Park, advances in technology and digitisation.

Economic and political factors

In December 2016, the core consumer price index (CPI) came in at 0.8% for the fourth consecutive month, well below the target rate of 2%. Continued low CPI has an impact on revenues as many operational contracts specify parking price increases in line with CPI.

Euro area annual inflation is expected to be 1.1% in December 2016, up from 0.6% in November 2016, according to a flash estimate from Eurostat, the statistical office of the European Union.

In contrast to this relatively steady economic picture, 2016 was a year of unprecedented political change in Europe and beyond. The decision of the majority of British voters to leave the EU has generated uncertainty about the terms of the Brexit and the prospects for international businesses operating in the UK.

Since a significant part of Q-Park's business is located in the UK, we are monitoring the situation closely, particularly with respect to currency risk. This despite the fact that, as agreed with our shareholders, Q-Park does not hedge currency risk.

Local authorities around Europe are constantly searching for ways to make their communities more liveable. Major cities are expanding their pedestrian areas and nudging car traffic away from city centres (see side bar 'Turning motorists into pedestrians'). However, many local authorities recognise the value of cars to the local economy for work and leisure.

Q-Park works closely with many municipalities to analyse changing patterns of mobility and come up with innovative responses. For instance parking capacity management systems in which organisations that have city parking for their employees during the day make those spaces available to residents at night.

Market trends

Urbanisation
By 2050 it is expected that 70% of the world's population will live in urban areas and cities, compared to 50% today[1]. This will increase the population and the demand for parking in large cities and reduce demand in smaller cities and the countryside.

Q-Park expects the number of cars in cities to increase in the coming 10 to 20 years, putting pressure on existing facilities and infrastructure. Q-Park sees opportunities here for parking capacity management and for developing innovative, multifunctional parking and mobility solutions in collaboration with commercial and governmental stakeholders.

Changing customer behaviour
With the rise in online shopping, the traditional shopping experience in town and city centres is evolving. Consumers make fewer physical visits to shop in town and city centres and when they do decide to 'go shopping' they turn it into a full-day 'experience' often followed by an evening out.

This is shifting the pattern of physical shopping from smaller town locations to larger urban centres. We expect this to create more demand for increased parking capacity management to improve access to the larger cities, with a corresponding fall in demand for locations in areas that are contracting.

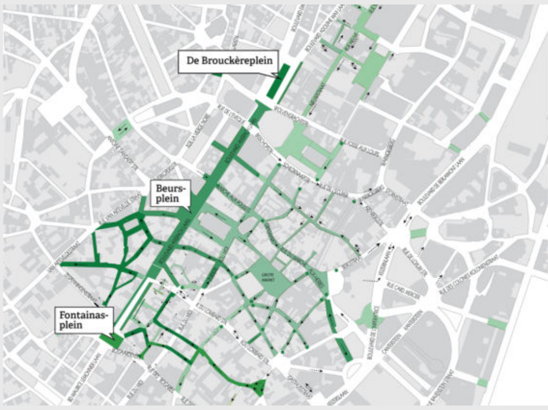
Sharing economy
In our stakeholder dialogues we hear many questions on the trend towards the sharing economy, and more specifically, car sharing. As a strong supporter of initiatives to support sustainable mobility, Q-Park already provides parking spaces to car sharing service providers and their customers. At this time, we view car sharing as a positive development and do not anticipate it having a major impact on our business. Naturally, we are following developments with interest.

1 Source: PBL Towards a world of cities in 2050

Turning motorists into pedestrians

The city of Brussels has set ambitious targets to reduce motorised traffic by 20% in 2018 (base year 2001) and for 40% of all mobility in the city to be on foot in 2040.

The underlying philosophy is that to improve the quality of life, mobility and the environment, the city must adapt to reflect the human scale and find alternatives for the need to move around by car.



The starting point of the Brussels plan is the assumption that everyone is a pedestrian and that responding to pedestrian needs should become the reflex for all actors in mobility and city planning.

On-street parking replaced by car parks
To create more pedestrian space, on-street parking is to be replaced by underground parking facilities and by relocating and building up to 20,000 parking spaces at the edges of the pedestrian zone.

<u>Great opportunity for Q-Park</u>
With 8 parking facilities in and around Brussels city centre to date, Q-Park is in an excellent position to work with the city of Brussel on mobility and city planning. Facilitating its residents, commuters and visitors with purpose built parking facilities at convenient locations.

Digitisation

Technology is developing rapidly and affecting the way business is conducted. The advances are far reaching, from personal information to big data.

When we talk about digitisation we must consider what ICT means to our customers and the services we provide, as well as the implications for our own business. Good ICT systems enable us to operate more efficiently, and make our processes trustworthy and controllable.

What the digitised society has come to expect

People are becoming increasingly 'digitised': our customers expect to see the nearest available parking spaces through their in-car GPS. They expect to pre-book a parking space online, receive an e-invoice, and be able to pay online.

They are happy to identify themselves through number plate recognition if that makes entering and leaving a parking facility quicker and safer. And they are happy to pay for parking via an app or a bankcard instead of cash. As well as using the Q-Park app, customers are also using parking provider apps.

Local authorities are also turning increasingly to digital solutions (e.g. number plate recognition) to reduce the costs of enforcing parking policies.

At the forefront in ICT

Q-Park is a front runner in the parking industry when it comes to technology. Our scale allows us to make the substantial investments required to adapt to and benefit from digitisation in the industry.

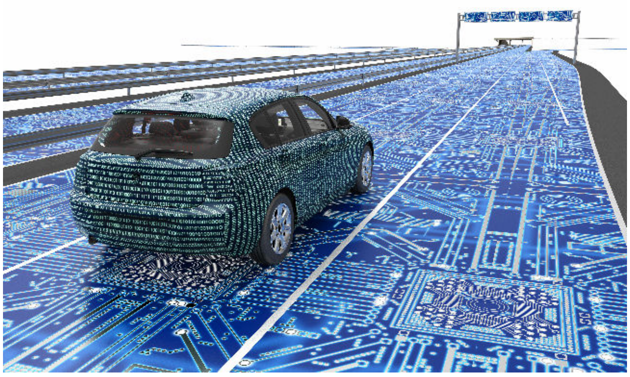
In response to digital and payment trends, changes in customer needs and behaviour, and the evolution of smart cities, we are constantly developing our parking management systems and our operational processes.

Autonomous vehicles

The development of full autonomous vehicles (AVs) for private and shared use requires a huge technological leap and investment from car manufacturers and poses major infrastructure challenges to spatial planners. This development has far-reaching implications which are currently being debated by manufacturers, consumer groups, insurers, lawyers, and politicians.

AVs have the potential to be a true disrupter in the automotive industry and in the public transport and infrastructure domains.

While our expectation is that the advent of full AVs will not make an impact on our business before 2035, like many actors in the mobility services industry, Q-Park is tracking developments with great interest.



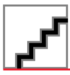
Competitive analysis

Competitive environment

The European car parking market is a large and growing market of 48 million regulated parking places. One third of these are off-street in the countries in which Q-Park operates. The large urban conurbations and cities which are Q-Park's key focus represent over 50% of the total market value at this time.

European car parking market

(x million)



Fragmentation

The large European car parking market is still highly fragmented and undifferentiated. Municipalities hold around 40% of the market while numerous small local private operators hold another 40% between them, with little consistency in quality or brand differentiation.

The seven large private international operators typically represent a market share of between 10% and 20% depending on the country. In turn these seven players operate on three different models: Owner/Operator (Q-Park, Indigo) Concessionary (Interparking, Saba, Empark) and Operator only (Apcoa and NCP).

Q-Park

Q-Park is one of Europe's leading players in the field of paid and regulated parking, with 871,449 parking spaces in 6,343 secure, clean, and well-managed parking facilities across ten stable Northwest European countries. In four of these we are the indisputable market leader.

OUR STRATEGY

The car parking market is a fragmented growth market which offers opportunities for the large parking companies such as Q-Park. We can benefit from economies of scale and can spread the considerable investments which are necessary for providing digital services, making installations more sustainable, and for facilitating local and central support across multiple parking facilities.

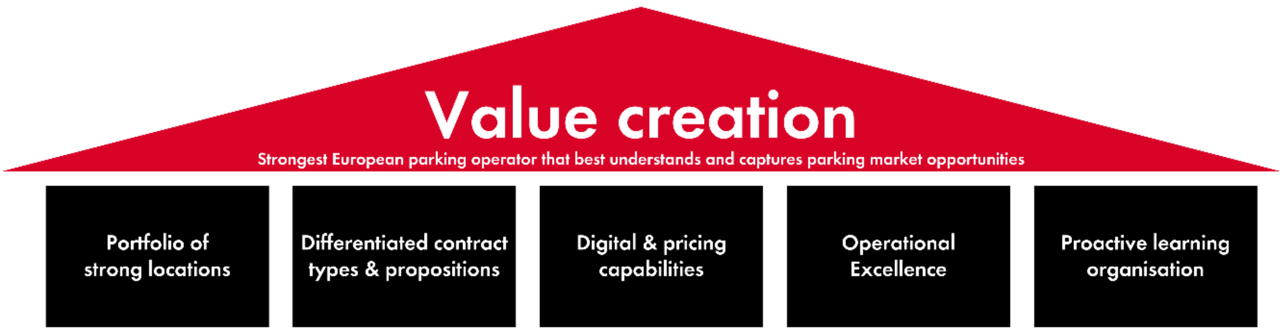
Ambition

Q-Park's strategic ambition is to be the strongest European car parking operator that best understands and seizes car parking market opportunities. Our strategic focus is to create value for all stakeholders: shareholders, landlords, municipalities, motorists, and employees.

To provide a dynamic response to external events and market trends our strategy is built on five pillars: strong locations, differentiated propositions, digital and pricing capabilities, operational excellence, and becoming a proactive learning organisation.

Our continuous focus on innovation underpins these five pillars.

Portfolio of strong locations
Q-Park has achieved leading market positions across North-Western Europe. Responding to and anticipating urbanisation and mobility trends, we focus on countries with attractive market dynamics where we can build a portfolio of strong locations.



By building scale in these locations we achieve operational, cost, and revenue synergies and, furthermore, we offer multiple solutions for different customer requirements. Additionally our scale, local experience, and market intelligence make us a valuable partner for municipalities as they develop long-term mobility policies.

Our acquisition of a parking company in Hasselt (Belgium) which included four car parks and the awarded contract by the city of Toulon (France) for 10 car parks are good examples of building scale at attractive locations.

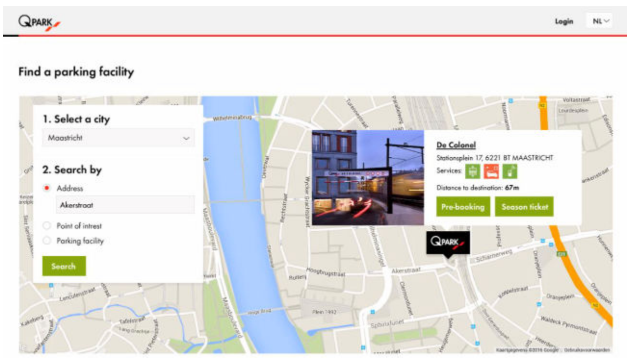
Differentiated contract types and propositions

One of our key strengths is the ability to adapt our proposition based on contract type and risk/return profile. Q-Park currently operates all main contract types: legal ownership, ground lease, concession, protected lease, lease, and management contracts.

While Q-Park quality is guaranteed for all contract types, the level of investment varies according to the expected risk/return profile.

Digital and pricing capabilities

Q-Park's digital strategy is evolving rapidly in response to digital and payment trends, changes in customer behaviour, and the evolution of smart cities. We are currently developing new platforms to ensure a seamless customer journey for all our stakeholders.



Online portal for pre-booking

Our online portal for pre-booking parking spaces and buying season tickets as well as our CCV payment solution which enables motorists to access and exit our car parks, are good examples of our digitised developments.

Digitisation and market intelligence are the foundation for optimised parking tariff structures.

One of the most effective optimised parking tariff scheme is operational in Maastricht (the Netherlands).

Smart Parking Maastricht - optimised parking tariff scheme.

Operational excellence

It is our ambition to provide exceptional quality in parking which meets customer needs for online or offline convenience, reliability, and hospitality.

<u>Functional design</u>

Q-Park parking facilities are characterised by a high level of safety and security (glass elevators, no hidden corners), routing and design for ease of access and minimal parking manoeuvres (angled spaces, no kerbs) as well as high standards of cleanliness.

Our dedicated in-house real estate and functional design teams are unique in the industry. Their work ensures a quality parking experience and a recognisable house style which adds value for landlords and customers on-site and is attractive for municipalities and purpose partners.

<u>Functional programmes</u>

- Q-Park Control Room (QCR) - Q-Park is the only player in the European parking industry which offers an international help desk available to customers 24/7. QCR gives customers instant access to multilingual Parking Hosts in a Q-Park operated central control room.
- On-site Parking Hosts provide help and support with queries relating to the payment system or to accessing or exiting the parking facility.
- Operations 2.0 - The QCR was central to the success of our original Operational Excellence programme. Operations 2.0 restructures the facility operations into specialised groups: technical and constructional maintenance, cleaning maintenance, and hospitality services.

Following the rollout to the entire organisation, Operations 2.0 has reduced the number of customer complaints and working hours for Parking Hosts, has lowered costs and incidents related to Parking Management Systems, and has achieved savings on maintenance and cleaning costs. Not only did Operations 2.0 generate proven cost savings, it also helped to improve quality, customer satisfaction, and employee engagement.

Proactive learning organisation

The regional structure introduced in 2015 facilitates cross-pollination across borders, particularly in ICT and acquisition projects. We have set up several platforms for exchanging information and best practice, helping us to quickly identify what works best to create value for our stakeholders.

REVIEW OF BUSINESS

Financial

Excellent results
Q-Park closed the 2016 financial year with excellent results. We successfully maintained the upward trend in revenue growth, EBITDA and free cash flow that commenced in 2015. Revenue increased 2% compared to 2015, to an amount of EUR 825.0 million. EBITDA amounts EUR 194.9 million, which is an increase of EUR 9.9 million compared to prior year (2015: EUR 185.0 million). The net result showed a significant increase from EUR 90.9 million in 2015 to EUR 128.9 million for 2016. This increase is driven by the solid EBITDA, lower interest expenses and a positive revaluation result on investment property partly offset by higher tax expenses.

The total comprehensive income amounts to EUR 91.9 million (2015: EUR 130.5 million) and is significantly impacted by negative foreign exchange results (EUR -50.5 million), mainly as a result of the outcome of the Brexit referendum.

Financing
In 2016, the total monetary loans decreased on balance by EUR 82.3 million. The average effective interest rate percentage on the loans outstanding in 2016, including the financial instruments linked to these monetary loans, amounts to 3.7% (2015: 4.4%). This decrease of monetary loans balance, as well as the decrease in average effective interest rate percentage, resulted in a significant drop of the cost of financing which amounted to EUR -44.3 million (2015: EUR -63.3 million)

The primary financing ratios, as stated in the standing credit facility agreed in 2016, are the ‘interest coverage ratio' (ICR) and the 'Net bank debt / EBITDA' ratio. The minimum required ICR is set at 2.0 and at the end of 2016 was 4.3 (2015: 3.3). The 'Net bank debt / EBITDA' ratio was 5.6 at the close of 2016 (2015: 6.1) compared to the upper limit set at 7.0.

Investment property

The market value of the investment property is EUR 2,872.6 million which includes EUR 1,300.5 million of legally owned property. The incoming and outgoing cash flows recognised in the valuation of the investment property are based on the revenue, costs incurred relating to operational and financial leasing and other operating expenses.

The (weighted average) discount rate for the operational component and the initial yield of the investment property component are stable compared to the previous financial year.

As a result of the excellent performance and improved operational cash flow development in 2016 the revaluation result increased significantly to EUR 61.9 million in 2016 (2015: EUR 4.2 million).

Taxation

General

As Q-Park is present in ten Northwest European countries, the company is confronted with different tax regimes. Q-Park organises its tax affairs in a conservative manner, taking into account what is fiscally permitted based on local and international legislation and legal precedents.

Tax on profits

The effective tax burden on current year result (excluding incidental items) amounts to some 30.0% which is more or less in line with the group's (weighted) average tax rate. However, as a result of significant incidental items, primarily due to the closing of an ongoing discussion with the tax authorities and expiration of fiscal losses, total taxes on direct result amount to EUR -53.9 million, (2015: EUR -20.7 million), resulting in an effective tax burden of 38.7%.

Taxes on indirect result amount to EUR -21.3 million (2015: EUR 0.3 million) and include incidental items for an amount of EUR 5.0 million as a result of changes in deferred tax liabilities due to tax rate changes and a tax provision analysis performed in 2016.

Treasury

Q-Park Financial Services NV (QFS), Q-Park's internal bank, coordinates the financing strategy and international cash flows. QFS is also responsible for managing all our interest-bearing assets and liabilities, and the execution of foreign currency transactions.

Regional

Region Mid

Throughout the year, Region Mid performed well. For the first year since the crisis, season ticket sales have picked up in the Netherlands and Germany and the overall downward trend has been halted, thanks to marketing efforts and the new online platform.

Pre-booking is now available at many of our facilities and has yielded much new business among tourists boarding cruise ships in Kiel. Mobility is increasing again and this has a positive effect on our utilisation percentages and revenues.

The acquisition of new locations has generated new business, with a focus on multifunctional parking facilities serving hotels, offices, shopping centres as well as leisure attractions. An additional impulse to business has come from new amenities being opened in the immediate vicinity of our car parks.

The reopening of the zoo in Emmen and the opening of a new Primark at Westerhaven Groningen are good examples of the importance of developments in the vicinity of our parking facilities.

The operation of the Boston & Seattle project in the Kop van Zuid commenced, which further enhanced our position in Rotterdam.

Region West

After a slow start to 2016, Region West closed the financial year with good results, mainly due to the Irish economy running at full speed again after a prolonged recession. Region West was the first region to make use of the new Contact-to-Contract system and has therefore had longer to benefit from the intensified use of shared services, mainly regarding finance, marketing, and Control Room activities. This also boosted sales of season tickets.

In the UK, the uncertainties arising from the Brexit vote have caused fluctuations in exchange rates which have affected the group as a whole.

Ireland demonstrated good results throughout the year including securing a new location in Dublin (Dawson Street) and strengthening its position at hospital locations.

Region South

Region South finished 2016 with solid revenue growth despite getting off to a difficult start following terrorist attacks in Paris and Brussels that kept tourists and business visitors away.

French municipalities are studying various options to improve inner-city attractiveness, including combinations of on-street and off-street parking and integration with public transport. Q-Park France has spared no effort to prepare detailed and competitive responses to these all-embracing demands, and with success.

Q-Park France acquired the French company Massilia Park. This acquisition increased the number of parking facilities operated in Marseille from 11 to 16, making Q-Park the market leader in this Mediterranean city.

In December, the City of Toulon awarded its public service concession tender to Q-Park. This will involve upgrading and operating 10 of the city centre's 12 car parks, consisting of 6,654 parking spaces. The concession contract starts as of 1 January 2017 and lasts for 12 years.

Q-Park Belgium has also won many competitive bids in major cities including the prestigious Handelsbeurs in the centre of Antwerp, and a competition for design and operation of parking facilities (2,000 parking spaces) in the southern part of Antwerp. This development, known as the Zuiderdokken, will be built in two phases and will improve access to Antwerp from the south.

Acquisitions during the year also included the procurement of all car parks in Hasselt, once again demonstrating that growth through the acquisition of family-owned businesses forms an attractive arena for future transactions.

Region North

In 2016, Sweden's capital city congestion taxes were increased by as much as 75% at the two highest rush hour periods, and the congestion tax area was extended to include the Essingeleden motorway. This resulted in a lower than expected drop in cars entering the inner city (6%) and greater urban area (7%) of Stockholm. A notable change is the composition of customers – more business visitors took advantage of parking facilities in Stockholm city centre, while commuters who do not need the car during the day now opt for parking on the outskirts and completing their journey by public transport.

In line with most Q-Park countries, Denmark also scored well on new season ticket sales. In the first quarter Denmark introduced an innovative camera parking project in Kolding where customers automatically receive a control fee if they haven't complied with the parking regulations in one way or another. The project is an innovative step forward in parking compliance services.

In Norway, new services such as Q-Park Easy and Q-Park Access, which use ANPR, offer new opportunities to landlords to provide faster and more convenient services to their customers. These services are also supported by the new landlord portal which went live at the end of the year. This important step forward will improve our customer service processes considerably as the many legacy systems have all been migrated to the new platform. The portal will help us retain and gain new business.

Finland scored particularly well in 2016, with notable contributions from hotel locations and more than 15% growth in control fee business in the last quarter. Collaboration intensified with Stockmann, Finland's leading department store, and new services such as short parking to collect online orders, alternatives to barrier systems, and more information about where it is easier to park were introduced.

ICT developments

Back-office functionality

A major ongoing project for our organisation is the central development of our integrated back- and front-office system 'Contact-to-Contract (C2C)'. This proprietary platform interconnects all processes which support our core business: finance, CRM, parking management systems (PMS) and our sales-oriented and informative websites. Our C2C, an end-to-end season ticket and pre-booking functionality, is now live in most countries.

And development is ongoing. We are continually improving and expanding the functionality. As of Q3 2016, the development focus progressed towards the creation of a Multichannel Parking Platform. When it is complete:

- all parking transactions will be controlled in the C2C platform,
- there will be a self-service portal for customers and landlords to manage their accounts including online payment for pre-bookings and season tickets, and
- Interfaces (APIs) will enable commercial purpose partners to bundle our parking services with their own products and services.

Front-office functionality

<u>Online portal</u>

The convenient online portal for pre-booking parking spaces and buying season tickets brings benefits to customers and at the same time helps us gather information about who our parking customers really are.

This enhanced knowledge will create opportunities to work with loyalty schemes and targeted marketing campaigns.

<u>From access to exit</u>

Advanced on-site technology enables our customers to access our parking facilities using various access devices, such as a QR code (printed or on a smartphone), a number plate or payment card (with chip).

Digitising access devices enables us to reduce the lead-time for confirming pre-bookings and issuing season

tickets. It also reduces the costs of producing and distributing tangible devices.

CCV payment solution

This solution enables motorists to access and exit our car parks using their own debit or credit card. This solution was needed as the payment card industry (PCI) rules and regulations were changing and we wanted to keep the credit card payment option for our customers.

In addition, we increased the number of cashless transactions by introducing access and payment options for debit cards as well as credit cards. We now are future proof when it comes to card payments and transaction processing services.

The customer benefits most because they will no longer need to go to the Pay-on-Foot (POF) terminal, avoiding queues at even the busiest of times. Our customers can simply Dip or Tap their payment card at our access and exit terminals, making their bankcard act like a parking ticket which can also be used to re-enter the car park at the pedestrian entrances.

Through the process of tokenisation, payment terminals translate the required payment card information into a 'card token'. This helps reduce the scope of PCI requirements as all sensitive card information is only presented inside the secure reader. The CCV terminal presents the unique card token to the PMS application as an identifier.

Agile scrum approach

By adopting the Agile Scrum approach to developing ICT solutions in result-oriented sprints, we ensure that ICT development is rapid, within scope, and that costs are properly managed.

All this will enable us to launch new value propositions to landlords and commercial partners and will make Q-Park a fully digital parking services provider.

Key events

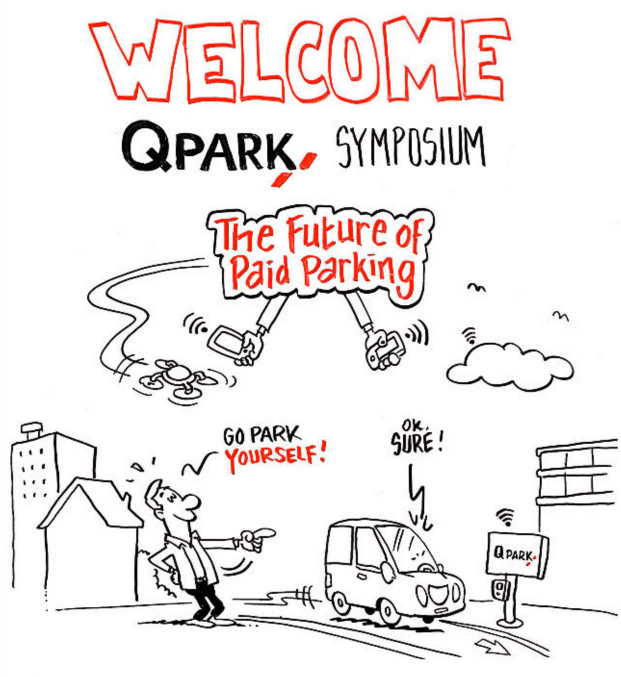
Inaugural symposium

In June 2016, we invited our shareholders, banks, management, and strategic partners to our inaugural symposium entitled 'The Future of Paid Parking' held at the Eindhoven University of Technology Automotive Campus in Helmond, the Netherlands.

The aim was to generate discussion and ideas on the future of paid parking based on presentations given by thought leaders from various parts of the automotive and mobility sectors.

There were four informative and inspiring presentations to stimulate creative thinking on four themes:

- Carlo van de Weijer (TU Eindhoven & TomTom) on behaviour of the informed traveller,
- George Gelauff (Knowledge Institute on Mobility) on what we can expect from intelligent cars (AVs),
- Joachim Hauser (BMW Park Now) on driving with your smartphone and how the Internet of Things (IoT) and car of the future will interact,
- Giuliano Mingardo (Erasmus University Rotterdam) on the role of municipalities and the retail sector in the future of parking.



It became clear that the future of paid parking is not only about technology, it's also about society. Meaning that in order to prepare ourselves for the future, we need to consider a number of scenarios as the impacts of technological developments and societal behaviour are diverse and influence eac hother.

But one thing is certain, progress is more sustainable if we interact with each other, it is all about partnerships.

Handelsbeurs

A monumental plan

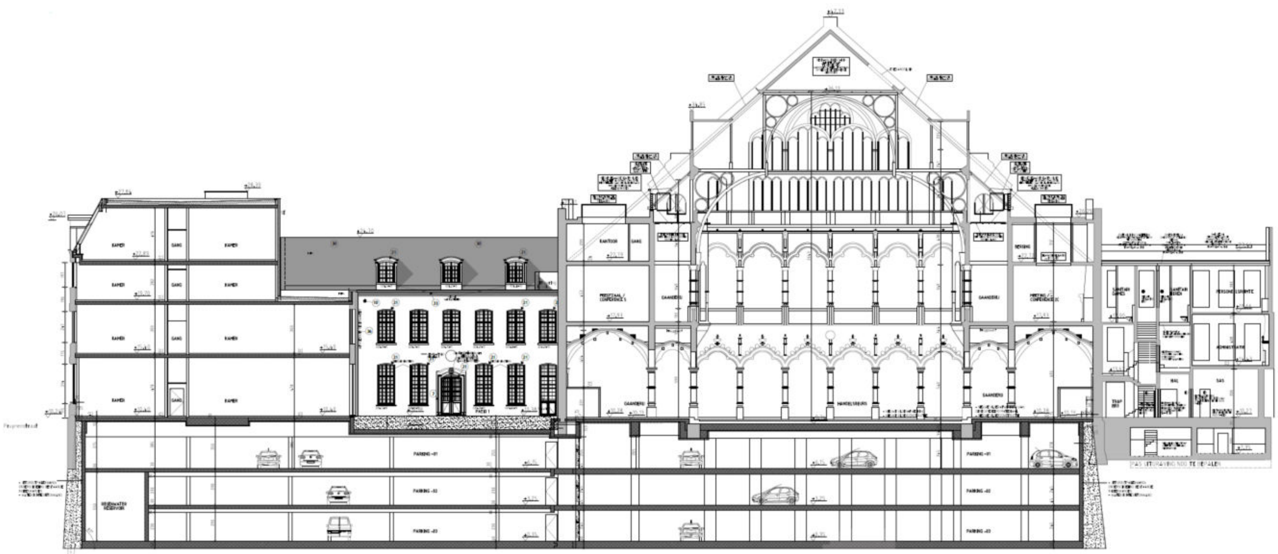
The Handelsbeurs in Antwerp is the oldest stock-exchange building in the world, 'the mother of all stock-exchanges'. Early 2016, Q-Park Belgium won the Handelsbeurs tender and on Monday 23 May renovation work commenced in Antwerp.

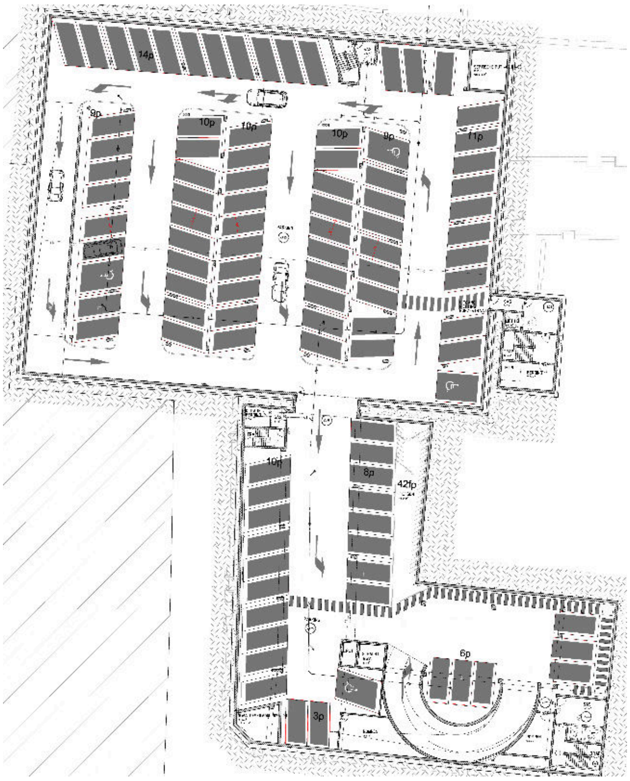
If everything goes according to plan, the project will be completed by the end of 2018. From that time onwards, the brand new car park and the Handelsbeurs will be open to the general public.

Following the renovation, the Handelsbeurs will again fulfil a public role, just as in the past. The ground floor will become a pedestrian route and meeting area where events can be held in a unique setting. The new three-layer underground parking facility will offer space to approximately 293 cars and 125 bicycles.

This enchanting location is flexible and versatile and will surprise visitors repeatedly with its numerous unique elements, from the pillars and the arched vaults to the refurbished 19th century dealing rooms. All this in the heart of Antwerp without any worries about parking because the location will offer ample parking space and is easily accessible.

Showcase Handelsbeurs Antwerp

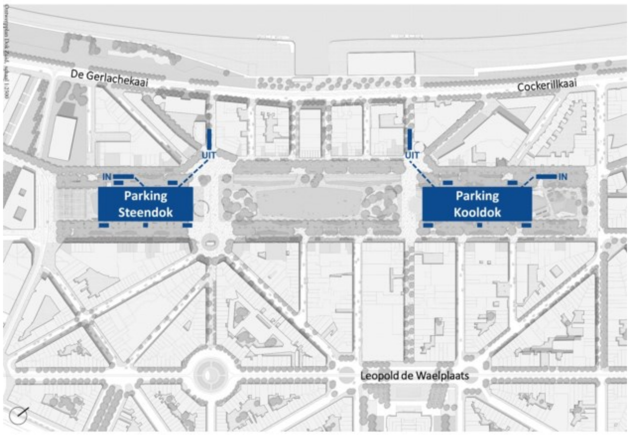




Handelsbeurs - safe, smart and convenient floorplan

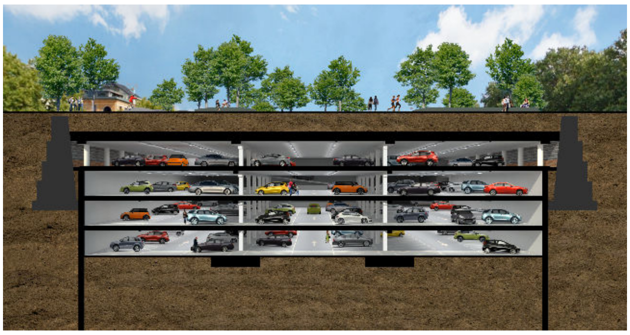
Zuiderdokken

From 2019, Q-Park Belgium will operate underground parking spaces for 2,000 cars and 300 bicycles in two car parks. Antwerp's Zuiderdokken, the southern docks, have been filled in as part of a programme to revitalise this part of the city.



The Gedempte Zuiderdokken area

Q-Park's plan was chosen because of the respect shown for the historical nature of the docks, the integration with the above-ground developments, and its strong reputation as parking company.



Impression underground car park Gedempte Zuiderdokken with the old quay walls exposed at level -1

The two car parks will be part of the eleven Park + Walk locations that the city of Antwerp is planning on the loop formed by the streets with names ending in ‘kaai’ and ‘lei’. These will provide easily accessible places to park at the edge of the inner city for residents, commuters and visitors to the city of Antwerp. From there they will be encouraged to visit the pedestrian-friendly city centre.

‘kaai’ and ‘lei’ loop with 11 Park + Walk locations

Q-Park Zuiderdokken 'In the news'

Hasselt

On 1 December 2016 Q-Park acquired a family-owned parking company in Hasselt, Belgium.

We will operate the Dusartplein, Molenpoort, Parking TT (TweeTorenwijk) and Luikerpoort car parks in Hasselt. And in Genk we will add the Shopping 1 car park to the Q-Park Stadsplein and St-Martinus parking facilities.

Q-Park car parks in Hasselt – Dusartplein, Molenpoort, Parking TT (TweeTorenwijk) and Luikerpoort

This concerns a total of 3,215 parking spaces: 1,965 in Hasselt and 1,250 in Genk. In the coming years, we will invest in the car parks and introduce the Q-Park house style.

Q-Park Hasselt 'In the news'

Toulon

Following a public service concession tender, Q-Park was awarded a contract by the City of Toulon.

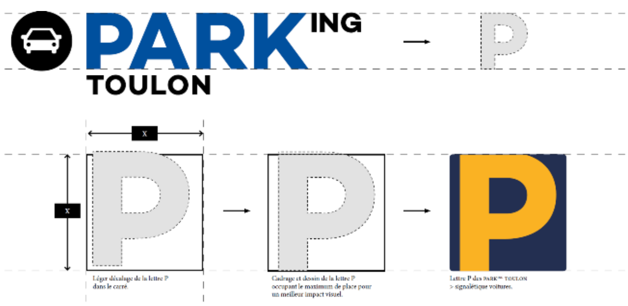
The City of Toulon needed to improve its car parks and upgrade its facilities to improve the flow of traffic in the city centre and to its car parks, to provide a high level of safety, and to comply with new regulations.

Q-Park will be responsible for upgrading and operating 10 of the city centre's 12 car parks, consisting of 6,654 parking spaces in the city centre. The concession contract starts as of 1 January 2017 and is for 12 years. It covers the following car parks:

- Liberté, 721 spaces
- Place d'Armes, 663 spaces
- La Rode Colibri, 441 spaces
- Porte d'Italie, 605 spaces
- Pont du Las-Delaune, 477 spaces
- Gare Albert 1er, 347 spaces
- Peiresc, 590 spaces
- Mayol, 1408 spaces
- Facultés, 970 spaces
- Lafayette, 432 spaces

<u>The 'PARKING TOULON' brand</u>

The creation of a specific brand identity for the car parks was an initiative of the City of Toulon. Q-Park called upon urban planner Georges Verney-Carron and the artist Mengzhi Zheng to create a visual identity inspired by the city's coat of arms and heritage.



Q-Park Toulon 'In the news'

CORPORATE SOCIAL RESPONSIBILITY

Q-Park stands for 'Quality in parking'. This fundamental choice for quality forms the core of our vision on our corporate social responsibility. With our parking facilities and associated services for our parking customers, Q-Park wants to be an integral part of the mobility chain.

Regulated and paid parking, preferably in clean and safe car parks, offer an answer to the current and future challenges posed by the urban environment. It is on these topics that we engage in dialogue with our stakeholders.

Economy

The population is still growing and urbanisation continues. More than two-thirds of all Europeans live in urban areas. This is also where approximately 85 per cent of GDP is generated. This increasing economic activity also has consequences for the quality of life. Cities have to contend with congestion, traffic cruising for a place to park, reduced accessibility, air pollution, and unattractive and unsafe streets and squares, full of parked cars.

To prevent economic activity coming to a standstill, it is essential to develop and pursue an integral mobility policy which includes:

- Urban mobility
- Smart parking tariff structures
- Attractive parking facilities
- Good use of limited space
- Accessibility to urban amenities.

Society

Parking facilities are more expensive to build and maintain but are more sustainable than on-street and off-street parking. In return for the higher cost of construction, operation, and maintenance, multistorey and underground car parks contribute to pedestrian-friendly and high-quality public spaces.

Viable public space
A well-organised urban area offers ample public space and encourages people to move around on foot, by bicycle, or by public transport, which has a positive influence on their health and well-being.

Q-Park is not in favour of unnecessary car usage, but promotes good parking facilities that function as nodes. Squares and streets change from traffic areas to places where people can move informally, safely, and enjoy social contact.

In addition, a clean and safe parking facility seems to encourage responsible behaviour, not only in the facility but also in the surrounding area.

Jobs for practical people
As parking company, Q-Park offers interesting attractive work for people who like to take a practical approach. Our Parking Hosts and call centre employees are the local face and the familiar voice of Q-Park. They have direct contact with the customer and make the difference for Q-Park.

We ensure that our employees are well-trained and have customer focus. We also work on improving their resilience as they occasionally have to deal with aggression or violence.

Environment

Air quality
Paid parking helps reduce car usage in cities, thus also reducing CO_2 emissions and fossil fuel consumption. Informative systems help traffic flow and optimised parking tariffs - based on supply and demand - channel car usage. Q-Park works with local authorities on mobility concepts supported by our expertise with optimised parking tariff structures.

Electric cars and shared vehicles
In an increasing number of Q-Park parking facilities, customers can recharge their electric car. We also reserve special parking spaces for partners who offer car sharing programmes.

Own operating activities
Q-Park endeavours to improve the environmental performance of its own parking facilities, its fleet, and its offices. In addition, we seek to influence the environmental performance of our major business partners in the value chain.

CSR Policy

For Q-Park, corporate social responsibility (CSR) means being prepared to include ethical, social and environmental aspects in our strategy. But we go further, we actually embed these aspects in the decisions we make.

Q-Park offers openness about the consequences of what we do for people, society, and the environment.

Policy choices
The CSR policy forms part of the long-term business plan. Policy choices are based on our own quality promise and CSR vision. These are in line with developments in the European economy and the car parking market, and with the European Union Sustainable Development Strategy (EU SDS).

Ambitions
Q-Park selects ambitions that fit in with our own strategy and that are applicable throughout the organisation. By defining specific goals, critical success factors (CSFs), and performance indicators (PIs) we ensure that our performance can be compared from one year to the

next. Only in this way can we take specific action and adjust direction where necessary.

Reporting

We answer questions and accept our accountability through our annual CSR report. In this we follow the guidelines given in the Global Reporting Initiative (GRI) G4, at Core application level, and the transparency benchmark (TB) of the Dutch Ministry of Economic Affairs.

Q-Park CSR Report 2016

FUTURE OUTLOOK

The European Commission predicts growth for the European economy in 2017, albeit at a moderate pace. GDP is now higher than before the crisis and unemployment is gradually decreasing. However, uncertainty and vulnerabilities are large and widespread. At a global scale, geopolitical uncertainties are pervasive, and in Europe, the eventual fallout from the UK's referendum on leaving the EU is still unknown.

Forecasts

European Commission forecasts

Economic growth in Europe is expected to continue at a moderate pace. The European Commission expects GDP growth in the euro area to be 1.7% in 2016, 1.5% in 2017 and 1.7% in 2018. GDP growth in the EU as a whole should follow a similar pattern and is forecast at 1.8% this year, 1.6% in 2017 and 1.8% in 2018. The primary engine of growth is private consumption, and it is expected that employment will also continue to grow.

Modest growth forecast

We have based our future outlook on our own underlying economic value. We are cautiously optimistic and we are therefore working with a modest growth forecast. The primary task for 2017 is to continue to systematically implement the plans we drew up in 2015.

Short-term plans

We do not expect any major fluctuations in staffing levels, mainly because the regional structure is already in place. The new organisation is functioning successfully and is maturing rapidly. The collaboration model between countries within a region is efficient and effective.

In 2017 we will be conducting a broad-based, internationally comparative, customer satisfaction survey intended to help us discover where we can further improve our services and increase customer satisfaction.

Our results underline our conviction that the strategic direction Q-Park is following is indeed correct. Municipalities and business partners who wish to enter into long-term relationships with a parking service provider are looking for a reliable, financially sound party such as Q-Park.

We are a sustainable partner in all respects for shareholders as well as other stakeholders. With our relentless drive to improve our operations and the return on our investments, we can only strengthen this position.

Medium-term plans

In the coming years, we will complete the rollout of the Q-Park Multichannel Parking Platform which will enable us to launch new value propositions to landlords and commercial partners, and will make Q-Park a fully digital parking services provider.

CORPORATE GOVERNANCE

RISK MANAGEMENT

A business must take some risks to create value. Having a risk management policy allows Q-Park to take risks in a managed and controlled manner. Q-Park makes strategic, operational, financial, and reputational risks controllable by carefully weighing risks and returns against each other. Effective risk management is integrated into Q-Park’s daily operations.

Q-Park deploys a top-down risk management policy in which strategic risk management is executed at corporate level and operational risk management in the regions. Responsibility for operational risk management lies primarily with regional and functional management. The Executive Board however bears the ultimate responsibility for managing the risks the company faces.

Risk management and internal control

Ongoing identification and assessment of risks is part of Q-Park's governance and periodic business review. Q-Park's Enterprise Risk Management (ERM) policy is designed to provide senior management with an understanding of the key business risks the company faces. It also provides methods and processes to manage the risks that might hamper the business achieving key objectives and to initiate actions required to mitigate these risks.

The Executive Board and the Audit Committee periodically review these risks and the related mitigation controls and procedures. These bodies provide complementary insights into existing and emerging risks that are subsequently included in the policy. Q-Park's ERM policy influences the formation of controls and procedures, and the focus of business planning and performance process.

Risk appetite

Factors which determine Q-Park’s risk appetite include the international spread of its business, the robustness of its balance sheet, strength of cash flows, and a commitment to conservative financial management. Q-Park's risk appetite varies per objective and risk category:

- **Strategic**: Taking strategic risks is an inherent part of how Q-Park does business. In pursuing growth as a strategic ambition, Q-Park is prepared to take risks in a responsible way taking account of our stakeholders' interests.
- **Operational**: Depending on the type of operational risk, Q-Park takes a cautious to averse approach. We give the highest priority to ensuring the safety of our employees and customers, delivering the highest level of service and protecting the company's reputation.
- **Financial**: Q-Park pursues a conservative financial strategy, including a balanced combination of self-insurance and commercial insurance coverage.
- **Compliance**: Q-Park is averse to the risk of non-compliance with relevant laws or regulations, or non-compliance with our own codes, contractual agreements, and covenants.
- **Fraudulent and unethical behaviour**: Q-Park and all our associates are committed to acting with honesty, integrity, and respect. Q-Park is fully averse to risks relating to fraudulent behaviour and applies a zero-tolerance policy.

Main risks

The following risk overview highlights the main risks which might prevent Q-Park achieving its strategic, operational, and financial objectives. The risks described are not an exhaustive list of the risks Q-Park faces. There may be additional risks which do not constitute a direct threat in the short-term, or risks which management deems immaterial or otherwise common to most companies, but which could at some time have a material adverse effect on Q-Park's financial position, results, operations, or liquidity.

Strategic

Risk description	*Risk management measures*
Regulatory changes to inner-city parking National or local governments could implement measures which are potentially unfavourable to the parking sector, for instance as a result of pressure from public opinion, pressure groups, or election results. For example, the debate on banning traffic within city boundaries could adversely affect inner-city parking, resulting in lower revenue, and diminished profitability.	- Cooperate with governments, NGOs, and businesses. - Ensure geographic diversification of Q-Park's portfolio over ten countries and a further spread across multiple indirect markets. - Invest extensively in online platforms and value-added services to become a proactive business partner for local authorities.
Economic environment Factors that potentially influence parking prices include pressure from the general public and retailers, political changes, or a long-term fall in GDP. Lower parking prices would significantly impact Q-Park's profitability and cash flows.	- Cooperate with governments, NGOs, and businesses. - Highlight the relevance of regulated and paid parking to society. - Use calculation models to set different parking tariff steps, start tariff, and whole-day tariffs. Simulate the effects of changing these parameters to align prices with the local circumstances and market situation. - Strengthen the commercial, customer, and market intelligence organisation.
Competitive environment and economic conditions The parking market is characterised by intense competition between existing players. Competition from new technologies is also disrupting the current parking market, resulting in an increased focus on ICT developments.	- Invest extensively in online platforms and PMSs to prepare the organisation for modern access and payment solutions. - Closely monitor developments in payment services and initiatives taken by new parking service providers. - Enter into joint ventures where collaboration offers opportunities for both parties. - Ensure geographic diversification of Q-Park's portfolio and a further spread across multiple indirect markets.
Dependency on non-parking business and functional development location A car parking service is an indirect service which depends on other external factors (e.g. offices, shopping centres, leisure amenities). New consumer behaviour (e.g. online shopping, working from home) or changes in the	- Ensure geographic diversification of Q-Park's portfolio and a further spread across multiple indirect markets.

popularity of certain stores or locations pose a risk of a significant decrease in demand for parking services and, consequently, a decrease in Q-Park's business and revenue.	Manage portfolio with focus on large multifunctional inner-city locations.

Operational

Risk description	*Risk management measures*
Safety and liability	
The safety of our customers and employees is our top priority. If an employee or a customer sustains injury while at work or while visiting one of Q-Park's parking facilities, this could impact Q-Park's reputation.	- Adhere to health and safety procedures relating to employees and customers. - Invest in maintenance to ensure clean and closed parking facilities with proper instructions for visitors. - Training and development to focus on personal safety and safety measures in and around our parking facilities.
Dependency risks, interruptions, and business continuity	
Continuity of the company and its business is crucial. Continuity depends on a number of factors, including suppliers. Q-Park is particularly vulnerable regarding PMSs, ICT, and infrastructure.	- Use different systems from independent suppliers where operational efficiency remains the primary objective. - Conduct preventive maintenance and make targeted investments. - Connect QCR to all parking facilities to assist in the event of business interruptions. - Operate 24-hour service desk.
ICT and information security	
Given the increasing use of mobile communication and the professionalism of cybercriminals, the company must focus constantly on continuity of ICT systems and on ensuring the security of crucial information and sensitive customer data (e.g. payment card details, passwords). The theft of crucial or sensitive data could result in reputation damage, information leakage to competitors, as well as claims against the company.	- Comply with PCI DSS. - Invest in ICT platform and related security policy. - Centralise ICT systems allowing central enforcement of security measures. - Take multiple measures to secure confidentiality and integrity of data, including continuity measures in conjunction with outsourcing partners.
Staffing and retention	
Good, experienced, and knowledgeable people are the foundation of Q-Park and its success. The company must ensure that it is able to employ and retain the right people.	- Implement a system for performance measurement and annual reviews. - Ensure effective employer branding and communication to the labour market. - Develop training and opportunities for all employees.
Ethics and integrity	
Ethics and integrity are important conditions for confidence in Q-Park. Behaviour deemed to be unethical could lead to loss of revenue and reputation.	- Implement code of ethics and whistle-blower policy. - Ensure Executive Board and senior management demonstrate 'tone at the top'.

- Implement a zero-tolerance strategy.
- Encourage non-cash payments and hire external parties for cash collection.

Financial

Risk description	*Risk management measures*
Valuation of investment property and goodwill	
Q-Park owns a considerable amount of investment property and goodwill. If the economic climate deteriorates and potential fair value adjustments and impairments are not identified, determined, or communicated in a timely fashion, Q-Park could incur reputational damage.	- Conduct investment property valuation annually. - Ensure extensive valuation process with multiple controls over input and output. - Employ an independent valuer to conduct the valuations.
Financing	
Given that Q-Park is a capital-intensive company, access to external financing is crucial for continuity. A liquidity risk could arise if external financing is not available to Q-Park when refinancing is required.	- Adopt a financing policy. - Agree long-term loans. - Enable early refinancing and a spread with different expiration dates for external loans. - Consult regularly with external debt providers to discuss the ongoing business, results, and strategy.
Interest rate risks	
Q-Park has a significant external debt subject to variable interest rates, thereby exposing the company to fluctuations in interest rates. A significant increase in variable interest rates would have a negative impact on results.	- Seek a mix of fixed and variable interest rates for financing operations, combined with the use of interest rate instruments. - Adopt an interest rate policy in which at least half of the bank debt is covered by interest rate derivatives with a maximum volatility per annum.
Currency risk	
Q-Park's functional currency is the euro. Given that Q-Park also operates in countries with a different functional currency, Q-Park is exposed to fluctuations in those currencies, which may result in unfavourable results.	- Monitor and report periodically on currency risk exposure. - Optimise currency risk through natural hedges (external debt in foreign currency equal to the exposure).

Compliance and reporting

Risk description	*Risk management measures*
Financial statement does not give a true and fair view If misstatements are made such that the financial statements do not give a true and fair view of the company's financial position, financial performance, and cash flows, users of the financial statements would be incorrectly informed.	- Maintaining common accounting policies, reporting processes, and standard chart of accounts. - Maintaining a risk and control matrix. - Monitor critical access and segregation of duties. - Actively involve all stakeholders and request for responsibility.
Non-compliance with European and national laws Changes in the legal and regulatory environment tend to increase the risk of non-compliance with local, national, and international laws and regulations, as well as tax legislation. Failure to comply with applicable regulations could lead to fines, claims, and reputational damage.	- Implement risk and control systems and processes aimed at compliance with all applicable laws and regulations. - Establish corporate functions to monitor local risks and challenges from a group perspective (e.g. tax, finance, and legal). - Involve local external specialists where necessary (e.g. tax).

CODES & STANDARDS

Governance Code

Q-Park stands for good corporate governance with proper supervision and transparent reporting. The duties and responsibilities of Executive Board members, Supervisory Board members and shareholders are carefully defined. The Q-Park Governance Code, based on the Dutch Corporate Governance Code (DCGC), and the rules applied by the legislator applicable to two-tier board companies are anchored in the articles of association.

The Code offers terms of reference and guidelines for corporate ethics, sound corporate governance and proper supervision thereon. The Code also provides insight into the tasks and responsibilities of the various administrative bodies, the remuneration policy, the provision of information and the organisational structure.

A temporary provision in the Management and Supervision (Public and Private Companies) Act requires that large companies balance the appointment of men and women or explain why there is no equilibrium and what measures the organisation intends to take to improve the balance. At Q-Park, all members of the Executive Board and four of the five members of the Supervisory Board are men. This unbalanced distribution of appointments is not a conscious choice of Q-Park, but the result of appointing the most suitable person to a vacant position. When an executive position becomes vacant and Q-Park has the choice of appointing a man or woman of equal quality and suitability, the preference will go to a woman.

For the most up-to-date personal profiles of the Executive Board members we refer you to the Executive Board section on www.q-park.com.

For the most up-to-date personal profiles of the Supervisory Board members we refer you to the Supervisory Board section on www.q-park.com.

For the most up-to-date organisation chart we refer you to the Organisation chart section on www.q-park.com.

Code of Ethics

Q-Park has developed its own Code of Ethics which describes how its employees should deal with internal, national and international rules, legislation and guidelines. The code provides procedures for reporting malpractices and a whistle-blower scheme. This code has been signed by the members of the Executive Board and Supervisory Board, the directors and other accountable employees. The Executive Board is responsible for ensuring compliance to the code.

More on this topic can be found in the Code of Ethics section on www.q-park.com.

Standards

Financial Standards

Q-Park has developed an internal Accounting and Reporting Manual based on IFRS accounting standards, with the aim of creating transparent and comparable financial reports.

More on this topic can be found in the Financial Standards section on www.q-park.com.

Brand Identity Standards

Q-Park is seen as a quality brand by the European parking industry. The brand consists of numerous tangible and visible aspects, from business cards to the attractiveness and appearance of our parking facilities. Consistency reinforces and emphasises the Q-Park brand and the confidence in our services.

More on this topic can be found in the Brand Identity Standards section on www.q-park.com.

SUPERVISORY BOARD REPORT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In accordance with legislation and the articles of association of the company, it is the task of the Supervisory Board (SB) to supervise the policy of the Executive Board (EB), the governance structure and the activities of the company, as well as to offer advice.

In performing its tasks, the SB weighs the interests of all stakeholders, within and outside the organisation, against each other, including the aspects of corporate social responsibility and long-term value creation relevant to the organisation.

In this report, the SB reports on its work in 2016. The SB recommends the General Meeting of Shareholders (GMS) to adopt the 2016 Annual Accounts.

Supervisory Board members

All members of the SB are independent in accordance with the guidelines of the Dutch Corporate Governance Code. During the year under review, the composition has not changed.

Executive Board members

During the year under review, the composition of the Executive Board (EB) has not changed.

Meetings

In 2016, the SB held seven regular meetings with the EB, according to the meeting calendar. During these meetings, the SB members were fully informed of the financial, operational and strategic developments, and objectives.

As usual, discussions were held on many topics including the previous year's annual accounts, dividend policy and the dividend, the budget for 2017, corporate governance, the EB remuneration structure, the CSR policy, investment decisions and the market orientation initiated by our shareholders.

In 2016, special consideration was given to:

- the company financing;
- business plan 2017-2021;
- shareholder market orientation;
- ICT.

In addition to these meetings the chair had regular interactions with the EB on general developments within the company.

The SB determined that Q-Park's external auditor Deloitte is independent.

The SB also met without the EB being present. During this meeting the SB discussed the method of working and the assignment as the SB was newly composed in December 2015. In addition, the general policy of the EB was discussed.

Furhtermore, in January 2017, the SB has performed a self-assessment to reflect on its performance and composition as well as that of its committees, and assessed the performance of the EB. The overall conclusion of these assessments was that the SB and EB are performing well.

Shareholders' committee

In order to facilitate the initiated shareholders' market orientation, a shareholders' committee was formed. This committee has held several meetings with the EB and met with a delegation of the SB to discuss their approach and the basic principles for a potential sale of shares.

Committees

Audit Committee

The Audit Committee met four times in 2016. During these meetings the following topics were discussed:

- enterprise risk management process;
- annual accounts and auditor's report for 2015;
- quarterly figures for 2016;
- financial aspects of the operational company and the financial organisation of the holding;
- financial reporting and auditing;
- valuations and revaluation of investment property and the valuation method used;
- business plan 2017-2021 and budget for 2017;
- the year-end closing and audit of 2016;

- the goodwill;
- the company financing;
- the hedging policy;
- the Brexit exposure.

In 2016, the committee met in the presence of the external auditor and the CFO. The Audit Committee and the EB also consulted between meetings.

Remuneration Committee

During the year under review, the Remuneration Committee met twice and in addition consulted regularly among themselves and with the EB regarding ongoing affairs. The following matters were discussed:

- the performance and composition of the EB;
- evaluation of the EB's objectives for 2015, discussion of the objectives for 2016;
- the short-term and long-term variable remuneration of the EB members;
- remuneration structure of the country and region directors;
- compliance and integrity;
- EB and staff pension scheme.

The remuneration is determined with care and reported to the General Meeting of Shareholders. The fixed remuneration is determined in consultation with the Hay Group. The remuneration committee ensures that the remuneration is within the remuneration policy approved by the shareholders.

Nomination and Governance Committee

During the year under review, the Nomination and Governance Committee met twice and in addition consulted regularly among themselves and with the EB. The following matters were discussed during these meetings and informal contacts:

- reinforcement of the group governance plan;
- the resignation of the COO as of 1 January 2017;
- the corporate governance;
- the CSR policy and the CSR report 2015;
- the sponsor policy.

General Meeting of Shareholders

In 2016, two general meetings of shareholders (GMS) were held; in April and November. During these meetings, the 2015 Annual Accounts were adopted, and approval was given to the business plan 2017-2021, the budget for 2017, and dividend for 2015. Furthermore, the remuneration structure for the EB and SB was approved.

Proposal to the shareholders

We are pleased to present the company's Annual Accounts for 2016. Deloitte has issued an unqualified auditor's opinion for the annual accounts. The annual accounts have been drawn up in accordance with the reporting requirements and have been discussed in the presence of the external auditor.

Based on this, the SB proposes to the GMS to approve the 2016 Annual Accounts, to grant discharge to the EB members for liability for their management in 2016, and to grant discharge to the SB for liability for their supervision in 2016.

Acknowledgements

The Board would like to thank the Executive Board, the management and all Q-Park employees for their dedication, creativity, and constructive collaboration in Q-Park's challenging circumstances in 2016.

We would also like to thank Theo Thuis for his many years of commitment and involvement as member of the EB.

Supervisory Board

H.H. Raué - chair (Henk), N.H. van Halder (Bart), J. van der Ende (Johan), D. Meijer (Dertje) & M. Schaeffer (Michel)

Maastricht, 8 March 2017


H.H. Raué (chair)


N.H. van Halder


J. van der Ende


D. Meijer


M. Schaeffer

ANNUAL ACCOUNTS


Carnot-
straat
Antwerpen
Centraal
METRO
Diamant

CONTENTS

CONSOLIDATED BALANCE SHEET AS PER 31 DECEMBER

(x EUR million, before result appropriation)	Notes	2016	2015
NON-CURRENT ASSETS			
Goodwill	5	88.5	85.8
Other intangible fixed assets	5	12.3	10.2
Investment property	6	5,671.2	5,642.6
Tangible fixed assets	7	35.3	35.8
Participating interests and prepaid expenses	8	2.6	2.6
Deferred tax assets	22	84.1	112.7
Financial instruments	25	4.2	-
		5,898.2	**5,889.7**
CURRENT ASSETS			
Fixed assets held for sale	9	16.0	-
Receivables	10	131.7	140.6
Cash and cash equivalents	11	24.6	48.8
		172.3	**189.4**
TOTAL ASSETS		**6,070.5**	**6,079.1**

(x EUR million, before result appropriation)	Notes	2016	2015
Shareholders' equity	12	**1,351.5**	**1,285.6**
Non-controlling interests		**1.7**	**-**
TOTAL EQUITY		**1,353.2**	**1,285.6**
NON-CURRENT LIABILITIES			
Deferred tax liabilities freehold property	22	375.2	339.8
Other deferred tax liabilities	22	116.6	106.0
Lease obligations	14	2,603.6	2,664.5
Loans	14	1,108.8	1,190.5
Other long-term liabilities	14	60.0	72.0
		4,264.2	**4,372.8**
CURRENT LIABILITIES			
Provisions	13	0.9	1.0
Trade payables		48.7	51.9
Debt credit institutions	14	11.6	10.8
Lease obligations	14	199.6	204.4
Taxes and social insurance contributions		33.0	29.3
Other liabilities, accruals and deferred income	15	159.3	123.3
		453.1	**420.7**
TOTAL EQUITY AND LIABILITIES		**6,070.5**	**6,079.1**

CONSOLIDATED INCOME STATEMENT

(x EUR million)	Notes	2016	2015
Net revenue	18	**825.0**	**809.1**
Variable rent component		-156.3	-148.9
Interest expenses related to rent obligations	14	-169.5	-153.6
Movement rent obligo component in leased properties	6	-45.4	-63.3
Expenses investment property operational and financial lease		**-371.2**	**-365.8**
Other operating expenses investment property		-113.7	-115.9
Wages and salaries		-100.4	-98.5
Social security premiums		-19.2	-19.4
General expenses		-25.6	-24.5
Operational result before depreciation		**194.9**	**185.0**
Depreciation and amortisation		-11.1	-10.1
Operational result		**183.8**	**174.9**
Financial result	19	-44.3	-63.3
Result from participating interests		-0.2	-0.1
Direct result before taxes		**139.3**	**111.5**
Taxes	22	-53.9	-20.7
Direct result after taxes		**85.4**	**90.8**
Revaluation result investment property	6	61.9	4.2
Impairment other intangible fixed assets		-	-0.6
Movement in fair value of interest derivatives		10.3	22.7
Amortisation hedging reserve interest derivatives		-10.1	-31.0
Other valuation results	21	2.7	4.5
Indirect result before taxes		**64.8**	**-0.2**
Taxes	22	-21.3	0.3
Indirect result after taxes		**43.5**	**0.1**
NET RESULT		**128.9**	**90.9**
Attributable to:			
Equity holders of the Company		**128.9**	**90.9**
Non-controlling interests		**-**	**-**
NET RESULT		**128.9**	**90.9**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(x EUR million)	Notes	2016	2015
NET RESULT		**128.9**	**90.9**
Foreign exchange differences on translation of foreign operations and net movement of currency derivatives		-50.5	20.4
Amortisation hedging reserve interest derivatives		10.1	31.0
Other direct movements		-	0.2
Items that are or will be transferred to the profit and loss statement - before taxes		**-40.4**	**51.6**
Taxes on foreign exchange differences on translation of foreign operations and net movement of currency derivatives		6.7	-4.0
Taxes related to interest derivatives		-3.3	-8.0
Items that are or will be transferred to the profit and loss statement - after taxes		**-37.0**	**39.6**
TOTAL COMPREHENSIVE INCOME AFTER TAXES		**91.9**	**130.5**
Attributable to:			
Equity holders of the Company		**91.9**	**130.5**
Non-controlling interests		-	-
TOTAL COMPREHENSIVE INCOME AFTER TAXES		**91.9**	**130.5**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(x EUR million)	Share capital	Share premium	Hedging and translation reserve	Other reserves	Net result	**Shareholders' equity**	Non-controlling interests	**Total equity**
1 January 2015	**499.3**	**626.7**	**-82.5**	**339.3**	**-227.7**	**1,155.1**	**-**	**1,155.1**
Direct result after taxes	-	-	-	-	90.8	**90.8**	-	**90.8**
Indirect result after taxes	-	-	-	-	0.1	**0.1**	-	**0.1**
Movements in hedging reserve	-	-	23.0	-	-	**23.0**	-	**23.0**
Movements in translation reserve	-	-	16.4	-	-	**16.4**	-	**16.4**
Allocation result previous year	-	-	-	-227.7	227.7	**-**	-	**-**
Other movements	-	-	-	0.2	-	**0.2**	-	**0.2**
Comprehensive income	**-**	**-**	**39.4**	**-227.5**	**318.6**	**130.5**	**-**	**130.5**
31 December 2015	**499.3**	**626.7**	**-43.1**	**111.8**	**90.9**	**1,285.6**	**-**	**1,285.6**
Direct result after taxes	-	-	-	-	85.4	**85.4**	-	**85.4**
Indirect result after taxes	-	-	-	-	43.5	**43.5**	-	**43.5**
Movements in hedging reserve	-	-	6.8	-	-	**6.8**	-	**6.8**
Movements in translation reserve	-	-	-43.8	-	-	**-43.8**	-	**-43.8**
Allocation result previous year	-	-	-	90.9	-90.9	**-**	-	**-**
Acquisitions	-	-	-	-	-	**-**	1.7	**1.7**
Comprehensive income	**-**	**-**	**-37.0**	**90.9**	**38.0**	**91.9**	**1.7**	**93.6**
Stock dividend	2.2	-2.2	-	-	-	**-**	-	**-**
Cash dividend	-	-26.0	-	-	-	**-26.0**	-	**-26.0**
31 December 2016	**501.5**	**598.5**	**-80.1**	**202.7**	**128.9**	**1,351.5**	**1.7**	**1,353.2**

CONSOLIDATED STATEMENT OF CASH FLOWS

(x EUR million)	Notes	2016	2015
Cash flow from operating activities			
Operational result		183.8	174.9
Adjustment for:			
Capitalised costs		-1.4	-1.5
Depreciation and amortisation		11.1	10.1
Other indirect result		4.1	-0.9
Taxes paid		-5.3	-2.0
Movements in working capital		10.5	13.3
		202.8	**193.9**
Cash flow from investment activities			
Investments in existing facilities		-37.7	-42.4
Expansion investments		-38.0	-24.9
Divestments		1.2	8.2
		-74.5	**-59.1**
Cash flow from financing activities			
New loans		-	860.0
Repayments		-77.9	-987.8
Purchased/settled derivatives		-4.8	-19.2
Capitalised transaction costs refinancing		-	-6.2
Interest paid		-46.7	-57.7
Dividends paid		-26.0	-
		-155.4	**-210.9**
Movement in cash and cash equivalents		**-27.1**	**-76.1**
Cash balance at 1 January		48.8	124.9
Acquisitions		2.9	-
Movement in cash and cash equivalents financial year		-27.1	-76.1
Cash balance at 31 December	11	**24.6**	**48.8**

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

1 General information

Q-Park NV (the company) is a public limited company whose registered office and principal place of business is in the Netherlands. Neither the company's shares nor liabilities are listed on any stock exchange.

The consolidated annual accounts drawn up by the Executive Board for the year 2016 and approved for publication on 8 March 2017 will be submitted for adoption to the General Meeting of the Shareholders to be held on 5 April 2017.

All amounts are in EUR millions unless otherwise stated. Q-Park NV's consolidated annual accounts have been prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted by the European Union up to and including 31 December 2016. In addition, the Q-Park NV annual accounts comply with the articles set out in Title 9, Book 2, Dutch Civil Code. By virtue of Title 9, Book 2, Article 402, Dutch Civil Code the company annual accounts contain an abridged profit and loss account.

2 New and amended standards per 1 January 2016

The accounting policies for financial reporting applied are consistent with those applied in the previous financial year, with the exception of the new and changed IFRS standards and IFRIC interpretations. The following new and changed IFRS standards and IFRIC interpretations are applicable to the 2016 financial year:

- IFRS 11 - Joint Arrangements - adjustment to clarify that the acquisition of an interest in a joint business activity must be processed in accordance with IFRS 3 - Business combinations, if this business activity meets the definition of a company such as defined in IFRS 3. Q-Park's acquisitions do not qualify as joint arrangement whereby this change does not impact the consolidated annual accounts.
- IAS 16 and IAS 38 - Tangible Fixed Assets and Intangible Assets - gives additional guidelines for depreciation of tangible fixed assets and intangible assets. These amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Q-Park does not apply this method, as such these amendments do not impact the consolidated annual accounts.
- IAS 1 - Presentation of Financial Statements - gives additional guidelines that further clarify the materiality concept that is used in the explanatory notes.
- Annual improvements to IFRS cycle 2012-2014:
  - IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations – when an asset (or disposal group) is reclassified from ‘held for sale’ to ‘held for distribution’ or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.
  - IFRS 7 – Financial Instruments: Disclosures – specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute ‘continuing involvement’ and, therefore, whether the asset qualifies for derecognition.
  - IFRS 7 – Financial Instruments: Disclosures – that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34.

- IAS 19 – Employee Benefits – that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

The adoptions of these annual improvements to IFRS did not have any impact on the current period or any past period and is not likely to affect future periods.

Standards published but not yet in force

The following standards, relevant to Q-Park, were not yet in force on the publication date of the Q-Park annual accounts. Here, the standards and interpretations are only summarised if there is a reasonable expectation that in future application these may have an impact on the disclosures, financial position or the results of Q-Park. These standards and interpretations will be applied as soon as they come into force:

- IFRS 9 – Financial Instruments – introduction of a new framework for classification and valuation of financial fixed assets, in force as per 1 January 2018.
- IFRS 15 – Revenue from Contracts with Customers – introduction of a new model for the recognition of revenue, which applies to all contracts with customers except for those which fall under other IFRS standards such as leasing, insurance contracts and financial instruments, in force as per 1 January 2018.
- IFRS 16 – Leases – introduction of a new model for recognition of lease agreements, in force as per 1 January 2019.
- IAS 12 – Income Taxes – amendments made to clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base, in force as per 1 January 2017.
- IAS 7 – Statement of Cash Flows – going forward, entities will be required to explain changes in their liabilities arising from financing activities, in force as per 1 January 2017.
- IFRS 10 – Consolidated Financial Statements and IAS 28 –Investments in Associates (2003) – the amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. The effective date is not yet determined.

The company does not expect that these amendments will materially affect the annual accounts.

3 Significant accounting policies

General

The consolidated annual accounts and company annual accounts are presented in euros. The euro is the presentation currency as well as the functional currency of Q-Park NV. Each entity within the group recognises transactions and balance sheet items in its own functional currency.

Consolidation

Financial information relating to group companies and other legal entities controlled by Q-Park NV or where central management is conducted has been consolidated in the financial statements of Q-Park NV. A statement of the group companies and the company’s other participating interests is set out in the note on group companies and participating interests.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. The results of newly acquired group companies and the other legal entities and companies included in the consolidation are consolidated as from the acquisition date.

Foreign currencies

Other receivables, liabilities and cash and cash equivalents in foreign currency are converted at the prevailing exchange rates as per balance sheet date. Foreign exchange rate differences arising are incorporated in the consolidated statement of comprehensive income.

The income statements from the group companies registered abroad are converted at the average exchange rate for the period for the consolidated statement of comprehensive income. The net result from these group companies is converted at the exchange rate prevailing at balance sheet date. The difference between these two conversions is accounted for in the shareholders' equity (statutory exchange rate differences reserve).

Assets and liabilities of a group company incorporated abroad are converted at the foreign exchange rates prevailing at the balance sheet date for the purposes of consolidation. Foreign exchange rate differences that arise are directly deducted from or added, after deduction of deferred tax assets, to group equity and recognised in the translation differences reserve. Likewise this also applies to the translation differences on loans that form part of the net investment in the business operations abroad.

Overview of the exchange rates used for drawing up the annual accounts:

	2016		2015	
	Average	End	Average	End
British pound (GBP)	1.2321	1.1680	1.3772	1.3625
Danish crown (DKK)	0.1343	0.1345	0.1341	0.1340
Swedish crown (SEK)	0.1058	0.1047	0.1069	0.1088
Norwegian crown (NOK)	0.1077	0.1101	0.1119	0.1041

Estimates in the annual accounts
In application of the group's accounting policies, it is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most important of these estimates are explained as follows.

At least once a year Q-Park determines whether goodwill is impaired. This requires an estimate of the recoverable amount of the cash-generating units to which the goodwill is allocated. Additionally, for its other intangible fixed assets as well as tangible fixed assets, Q-Park determines to what extent there are impairments in value at balance sheet date. This requires an estimation of the recoverable amount of these fixed assets.

The fair value of the investment property is based on the basic principles set down by Q-Park as well as on the estimates and calculations provided by external valuation experts. The estimates and calculations made by external valuation experts mainly concern the discount rate and net initial yield to be used, the determination of the 'exit yield' and the development of the expected revenue and expenses based on the specific circumstances of each location.

The fair value of the interest rate derivatives recognised in the balance sheet is based on internal assumptions and calculations on the one hand, and on the providers of the derivatives on the other. The calculations and statements include estimates of interest rate developments, as well as estimates concerning modifications for 'debit valuation adjustments' and 'credit valuation adjustments'.

There is some uncertainty regarding the explanation of complex tax regulations. Considering the wide range of international business relationships and the long-running and complex nature of existing contractual agreements, differences may arise between the assumptions made and the actual results, or future changes in such assumptions may influence the actual results.

Deferred tax assets related to unused tax losses are recognised in so far as it is probable that profit for tax purposes will be available to which this can be offset. In order to determine the value of the deferred tax assets arising from tax losses not offset, a management assessment is required regarding the probable timing and level of the future taxable profits, combined with future fiscal planning strategies.

Business combination
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business ;
- equity interests issued by the group ;

- fair value of any asset or liability resulting from a contingent consideration arrangement;
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, adjusted for any non-controlling interest in the acquired entity, and the fair value of the net identifiable assets acquired and the liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Goodwill

Goodwill is measured as described in the note 'Business combination'. After this initial valuation, goodwill is stated at cost price less any accumulated impairments. When testing for impairments, goodwill arising from a business combination is allocated to the cash-generating unit that is expected to derive benefit from the synergy in the business combination. Q-Park has defined its cash-generating units at region level, the goodwill is also determined at this level.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The goodwill arising from the acquisition of business combinations concerning the adjustment of the deferred tax liabilities from face value to fair value is not part of the goodwill included in the impairment test. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata, based on the carrying amount of each asset in the unit. Goodwill impairments are recognised directly in the profit and loss account and may not be reversed in future periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included when determining the profit or loss on disposal.

Other intangible fixed assets

The other intangible fixed assets consist of costs associated with investments in software and with the development of new ICT systems. Depreciation is based on the expected useful economic life. A depreciation period of 3 – 5 years is applied for the other intangible fixed assets.

Investment property

Investment property is property held to generate rental income and/or for capital appreciation. Investment property is considered to be all legally owned property, concessions and ground lease constructions, financial lease contracts and operational lease contracts in which parking activities are conducted. Classification is determined as follows:

- Legally owned property is all investment property which is fully owned by Q-Park (including the land).
- Ground lease constructions are all investment property involving a (finite) ground lease or a similar construction (e.g. right of superficies/building rights).
- Concessions are all French objects involving a (finite) concession for the use of the ground.
- Lease contracts include all investment property which is leased for a predetermined period. Lease contracts can be subdivided into contracts with and without protective constructions.

Investment properties are measured initially at their cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the group's property interest held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. This fair value of investment property is determined annually by independent external valuers, with the exception of the lease contracts with an initial term to maturity of less than 15 years and contracts added to the portfolio during the financial year. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal, contract termination or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Due to the nature of the investment property and the lack of sufficient comparable market information, the fair value is not determined based on observable market transactions. Instead, the independent external valuers use a model in accordance with international valuation guidelines. A rental value capitalisation calculation is performed for all legally owned property and ground lease constructions to determine the 'property' element in the fair value. Additionally, for each property investment, the operational element included in the fair value is determined based on the future revenues, expenses (excluding ground rents) and capital expenditure directly attributable to the property investment, which are discounted based on an object-specific discount rate. With respect to the lease contracts, the minimum lease obligations are added to the valuation to determine the fair value recognised. In this model, the contract duration is maximised at 15 years, supplemented with a residual value. Where the actual remaining contract period is less than 15 years, this actual remaining contract period is processed in the model. Lease contracts with an initial duration of less than 15 years are valued internally based on a similar discounted value model.

Investment property under construction is also stated at fair value. If an estimate of future cash flow for investment property under construction cannot be estimated reliably, the fair value is determined to be equal to the cumulative acquisition costs incurred as per balance sheet date.

Interest on building finance charges incurred during the construction phase is capitalised. Investment property is not depreciated.

Tangible fixed assets
Tangible fixed assets are stated at the cost price less linear depreciation based on the expected useful economic life and taking the expected residual value into account. A depreciation period of 5 – 15 years is applied for the tangible fixed assets.

Participating interests and prepaid expenses
Participating interests in which significant influence can be exercised are valued based on the equity method by applying the Q-Park valuation and accounting policies. It is presumed that significant influence can be exercised when Q-Park has 20% or more of the voting rights in the general meeting of shareholders.

If the valuation according to the equity method of a participating interest comes out negative, this is valued at zero. A provision is formed if and in so far as Q-Park NV in this situation is fully or partially liable for the debts of the participating interest or has the firm intention to guarantee its participating interest's liabilities. The first valuation of acquired participating interests is based on the fair value of the identifiable assets and liabilities at the moment of acquisition.

Participating interests on which no significant influence can be exercised are classified as financial instrument and stated at fair value.

The prepaid expenses are valued at amortised cost.

Deferred tax assets
Receivables with respect to tax-deductible losses are recognised and are valued at the tax rates expected to apply to the results in the future. Receivables with respect to tax-deductible losses are only recognised if and to the extent that sufficient fiscal benefit is expected as compensation of the deferred tax assets or if sufficient deferred tax liabilities arising from temporary taxable differences are available.

Deferred tax assets and liabilities will be offset against each other if these fall within a tax group for corporate tax and as far as the periods in which settlement is expected coincide.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxable entity and the same tax authority.

Fixed assets held for sale
In so far as fixed assets are formally indicated as 'held for sale', these are shown separately in the balance sheet as part of the current assets. Investment property held for sale is valued based on fair value less transaction costs.

Other fixed assets held for sale are valued at the lower value of the book value and the fair value after deduction of transaction costs.

Receivables

On initial recognition, receivables are valued at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents include cash balances and freely callable deposits. Cash equivalents are highly liquid short-term instruments that can be converted immediately into certain cash amounts for which there is no risk.

Shareholders' equity

General

Shares are deemed shareholders' equity. External costs that can be directly allocated to the issuance of new shares are deducted from the other reserves.

Hedging reserve

Changes in the fair value of the interest rate derivatives up to and including 2013 which were identified as cash flow hedges and that met the hedge accounting criteria, were recognised directly in the shareholders' equity (hedging reserve) in so far as the hedge was effective. In line with the company's decision (from 2014) to no longer apply hedge accounting on interest rate derivatives, the cumulative hedging reserve as per 31 December 2013 will be amortised at the expense of the indirect result from the 2014 financial year based on the remaining duration of the related interest rate derivatives.

Exchange rate differences reserve

The foreign exchange rate differences arising from the conversion of the annual accounts of foreign subsidiaries are accounted for in the translation reserve. In addition, the results not yet realised on old currency derivatives are recognised in the translation reserve.

Non-current liabilities

Provisions

Provisions are made if Q-Park has a present obligation (contractual or actual) resulting from a past event. A provision is only recognised in so far as a reliable estimate of the liability can be made and it is probable that such a liability will have to be paid. However, the exact size and timing of the outgoing cash flow is uncertain. The expenses associated with a provision are recognised in the comprehensive income statement. If the effect of the time value of money is significant, the provisions will be discounted at a discount rate (pre-tax). The increase in a discounted provision due to the passage of time is recognised as financial result.

Deferred tax liabilities

The deferred tax liabilities with respect to temporary differences between the tax base and commercial valuation of assets and liabilities are stated at the tax rates against which these differences are expected to be settled in the future.

Lease obligations

Long-term liabilities arising from ground leases and/or lease obligations for investment property are stated in the balance sheet at the discounted value, only in so far as they are fixed, irreversible liabilities. This discounted value is determined based on the effective interest rate for these liabilities. The interest expenses related to these liabilities are recognised in the direct result as part of investment property costs arising from operational and financial lease.

The minimum lease obligations recognised in the balance sheet are based on the most up-to-date estimates of these future lease obligations, taking annual changes due to inflation into account.

The variable (revenue-related) component of the lease obligations is not accounted for in the balance sheet according to the aforementioned method, but is accounted for directly in the statement of comprehensive income in the year that this obligation is due.

Loans
Loans are stated at their amortised cost price. The costs of concluding loans, prepaid interest charges and financing charges are deducted from the loan and are charged to the result according to the effective interest method over the duration of the loans. The effective interest method is a method of calculating the amortised costs of a debt instrument and allocating the interest income over the relevant period. Repayments within a year after balance sheet date are presented as a separate item as part of the current liabilities.

Financial instruments
Q-Park uses derivative financial instruments (derivatives) such as interest rate swaps (IRS) and interest rate caps (IRC) to hedge against the risk of changing interest rates.

Financial derivatives are initially recognised on the balance sheet at fair value and are valued at their fair value at every subsequent balance sheet date. Hedges relate to the risk of possible variability of cash flows attributable to a recognised asset, or obligation, or an expected transaction, or the currency risk of an off-balance obligation for which a contract has been undertaken.

Current liabilities
Current liabilities are recognised at amortised cost. This is usually in line with the nominal amount.

Direct and indirect result
In the consolidated statement of comprehensive income Q-Park makes a distinction between direct and indirect result.

The direct result before taxes concerns the result calculated as the net revenue minus operating expenses (including investment property costs arising from operational and financial lease) and financial income and expenses.

The indirect result before taxes mainly comprises revaluation results of investment property, results from divestments, results related to the termination of property investments (concessions, lease contracts), goodwill impairments, changes in the fair value of interest rate derivatives, and the effect of amortisation of the cumulative accrued hedging reserve.

Determining the result

Costs are determined by reference to the accounting policies set out before and are allocated to the appropriate reporting year. Profits are reported in the year in which the services are provided. Losses are recognised in the year in which they are known.

Revenue recognition

Net revenue represents amounts invoiced for services provided during the financial year, net of discounts and value added taxes. The revenue recognised consists of:

- Parking revenues: parking revenues (short-stay parking and season tickets) from parking facilities operated by Q-Park.
- Control fees: income in favour of Q-Park arising from enforcement of paid parking (parking fines) on or in parking facilities owned by Q-Park and/or third parties.
- Management and consultancy fees: concerns the fixed and variable allowance for the operational management of parking facilities for third parties.
- Rental income: rental income from parking facilities owned by Q-Park but operated by third parties, as well as income from renting specific areas in car parks.
- Other income: concerns all other income not included in the aforementioned categories.

Depreciation

Depreciation is performed proportionately based on the expected useful economic life of the assets concerned.

Financial result

The financial result consists of both the financial expenses as well as the financial income. Interest costs on loans and interest rate derivatives, as well as amortised refinancing costs are accounted for under financial expenses.

Interest income on outstanding cash and cash equivalents is accounted for under financial income.

Taxes

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period including changes regarding taxes to be paid in respect of previous years.

Cash flow statement

The cash flow statement has been prepared using the indirect method, whereby the basis after deriving movements in cash and cash equivalents is based on the operational result. Asset/liability transactions are stated as acquisitions and divestments in the year of payment. As a consequence, the cash flows stated do not correspond to the movements as stated in the consolidated balance sheet.

Compared to the presentation in the previous annual accounts, the cash flow statement starts with 'operational result' instead of 'net result'. Accordingly, the cash flows for 'tax paid' and 'interest paid' are presented separately in the cash flow statement. The comparative figures have been adjusted accordingly.

4 Acquisitions

Massilia Park

In 2016, Q-Park acquired 100% of the shares in Massilia Park, a parking company in France, via its French subsidiary on 17 June 2016. Under IFRS 3 Business combinations, this acquisition is classified as a 'business combination'. 'Control' is obtained through the acquisition of the entire share capital as of 17 June 2016. As a result of this acquisition, Q-Park has expanded its market share in France and expects to realise economies of scale and efficiency benefits. The legal entities included in Massilia Park are presented in the following table, including the percentage of shares acquired by Q-Park. Q-Park already owned part of the shares of the subsidiaries of Massilia Park.

Legal entity	% owned by Q-Park	% acquired by Q-Park	% owned after acquisition
Massilia Park	0%	100%	100%
Société de Gestion des Parkings	0%	100%	100%
Société du Parking Puget	0%	100%	100%
Société Marseillaise de Stationnement	51%	49%	100%

The fair value of the identifiable assets and liabilities on the acquisition date was as follows:

(x EUR million)

FIXED ASSETS		**SHAREHOLDERS' EQUITY**	**3.9**
Investment property	5.1	**NON-CURRENT LIABILITIES**	
Financial fixed assets	0.5	Deferred tax liabilities	1.0
	5.6		**1.0**
CURRENT ASSETS		**SHORT-TERM LIABILITIES**	
Receivables	0.8	Trade payables and other short-term liabilities	1.5
Cash and cash equivalents	-		**1.5**
	0.8		
TOTAL ASSETS	**6.4**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**6.4**

The book value of assets and liabilities acquired before adjustments for fair value amounted to EUR 1.4 million. The acquisition price for Massilia Park amounted to EUR 3.9 million (in cash only). In 2016, Massilia Park made a contribution of EUR 2.9 million revenue and EUR 1.1 million operational result to the result of Q-Park N.V. If Massilia Park had been acquired as of the beginning of the annual reporting period the combined revenue would have been EUR 3.8 million with an operational result of EUR1.9 million.

Hasselt

On 1 December 2016 Q-Park acquired the majority of the shares in a family-owned Belgian parking company in Hasselt. As a result of this acquisition, Q-Park has expanded its market share in Belgium and expects to realise economies of scale and efficiency benefits. The legal entities included are presented in the following table, including the percentage of shares acquired by Q-Park in these legal entities.

Legal entity	% acquired by Q-Park
Park-INN NV	100.00%
DusartPark NV	100.00%
Genkpark NV	100.00%
HassPark NV	93.55%
Parkilim NV	80.25%
Eural Parking Hasselt NV	65.51%

Under IFRS 3 Business combinations, this acquisition is classified as a 'business combination' as 'control' over these entities is obtained.

The fair value of the identifiable assets and liabilities of the consolidated group (100%) as per acquisition date was as follows:

(x EUR million)

FIXED ASSETS		**SHAREHOLDERS' EQUITY**	**27.4**
Investment property	39.5	**NON-CURRENT LIABILITIES**	
	39.5	Long-term loans and other liabilties	1.9
CURRENT ASSETS		Deferred tax liabilities	12.8
Receivables	1.3		**14.7**
Cash and cash equivalents	2.9	**SHORT-TERM LIABILITIES**	
	4.2	Trade payables and other short-term liabilities	1.5
			1.5
TOTAL ASSETS	**43.7**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**43.7**

The book value of assets and liabilities acquired before adjustments for fair value amounted to EUR 2.5 million. The acquisition price for the majority of the shares amounted to EUR 30.7 million to be paid in January 2017 (in cash only). The acquisition results in a non-controlling interest of EUR 1.7 million and the recognition of EUR 4.9 million goodwill. The provisional purchase price allocation will be finalised within 1 year. In 2016, the acquisition made a contribution of EUR 0.9 million revenue and EUR 0.4 million net result to the result of Q-Park N.V. If the business had been acquired as of the beginning of the annual reporting period the combined revenue would have been EUR 7.0 million with a net result of EUR 2.3 million.

5 Goodwill and other intangible fixed assets

Movements in the goodwill and other intangible fixed assets are shown in the table.

(x EUR million)	Goodwill	Other intangible fixed assets	Total intangible fixed assets
Cost price	488.3	42.5	530.8
Depreciation	-	-29.1	-29.1
Impairments	-403.7	-5.2	-408.9
Book value as per 1 January 2015	**84.6**	**8.2**	**92.8**
Changes in book value:			
- Investments	-	4.5	4.5
- Acquisitions	-	-	-
- Depreciation	-	-2.0	-2.0
- Impairment	-	-0.6	-0.6
- Foreign exchange rate differences	1.2	0.1	1.3
Cost price	489.5	47.1	536.6
Depreciation	-	-31.1	-31.1
Impairments	-403.7	-5.8	-409.5
Book value as per 31 December 2015	**85.8**	**10.2**	**96.0**
Changes in book value:			
- Investments	-	6.0	6.0
- Acquisitions	4.9	-	4.9
- Depreciation	-	-3.8	-3.8
- Foreign exchange rate differences	-2.2	-0.1	-2.3
Cost price	492.2	53.0	545.2
Depreciation	-	-34.9	-34.9
Impairments	-403.7	-5.8	-409.5
Book value as per 31 December 2016	**88.5**	**12.3**	**100.8**

Goodwill

Cash-generating unit

In its structure, Q-Park has divided the various countries in which it is active into regions. The regions are managed by the responsible regional management team consisting of a general regional director and a financial regional director. The country directors are managed by, report to, and are appraised by the regional management teams. These teams report over the regions and the Executive Board bases its decisions on this regional reporting. Consequently, Q-Park identifies its cash-generating units at regional level.

The regional structure is defined as follows:

- Region 'Mid' – Netherlands and Germany;
- Region 'West' – United Kingdom and Ireland;
- Region 'South' – France and Belgium;
- Region 'North' – Denmark, Sweden, Norway, and Finland.

Impairment calculations

Goodwill impairment calculations are conducted annually in accordance with IAS 36. Per cash-generating unit (region), the net book value (carrying amount) is compared with the recoverable amount. This recoverable amount is defined as the greater of the net recoverable amount according to the 'value in use' (VIU) methodology and net recoverable amount according to the 'fair value less costs of disposal' (FVLCD) methodology. For the goodwill impairment test calculations of Q-Park's CGUs, the FVLCD methodology is applied. The detailed FVLCD calculation is performed by an external expert. Additionally, the FVLCD outcome is benchmarked in the market.

In accordance with IFRS 13, the FVLCD calculation used classifies as a 'level 3' valuation method.

In the impairment calculations, the future operational cash flows and investment cash flows used in the business plan calculations are discounted. The calculations can be divided into the following components:

- the cash flows in the first 5 years are based on the most recent business plans;
- for the years after the explicit forecast period, inflationary revenue growth and stable margins have been assumed;
- the level of capital expenditures and depreciation has been brought towards a steady state based on the asset intensity of the cash-generating unit;
- the terminal value is calculated by dividing the cash flow in the final years by the weighted average cost of capital (WACC) minus the growth included in the calculation (WACC –/– g). The growth in the residual value is calculated on the basis of the Gordon growth formula.

The present value of these components is determined on the basis of a CGU-specific WACC.

Book value and goodwill impairment results

The goodwill impairment test conducted in 2016 confirms the book value of the cash-generating units and did not result in impairment of the goodwill at the close of 2016 (2015 impairment: EUR 0 million). The book value of the goodwill at the end of the financial year and the change in the course of the financial year are shown in the table.

(x EUR million)	Region 'Mid'	Region 'West'	Region 'South'	Region 'North'	Total
Goodwill per 1 January	-	-	27.8	58.0	85.8
Additions	-	-	4.9	-	4.9
Impairment result	-	-	-	-	-
Foreign exchange rate differences	-	-	-	-2.2	-2.2
Goodwill per 31 December	**-**	**-**	**32.7**	**55.8**	**88.5**

The goodwill arising from the acquisition of business combinations concerning inclusion of the deferred tax liabilities from fair value correction of the identifiable assets is not part of the goodwill included in the impairment test. At the end of the financial year this goodwill amounted to EUR 25.5 million (2015: EUR 24.7 million). The amount of EUR 25.5 million is fully attributable to 'South'.

Assumptions and sensitivity analysis

The primary assumptions as applied in the goodwill impairment calculation are shown in the table.

Cash-generating unit	Pre-tax WACC		Growth residual value	
	2016	2015	**2016**	2015
Region ´South´	8.9%	8.9%	2.0%	2.0%
Region ´North´	8.5%	8.8%	1.9%	2.0%

The break-even point for impairment lies in an adjustment of the WACC and growth of the residual value as shown in the following table:

(x EUR million)	Region 'South'	Region 'North'
Adjustment WACC	0.50%	0.60%
Adjustment residual value growth	-0.40%	-0.70%

When determining the impact as shown in the table, we have not incorporated the possible effect that the adjustments might have on the value of the investment properties. As a result of the level of goodwill in 'South' that is excluded in the impairment test (see previous paragraph) an adjustment below the break-even point would only have a limited impact on the goodwill of the region South.

Other intangible fixed assets

The investments in other intangible fixed assets are mainly related to the investments in software associated with the development and implementation of a new digital platform.

6 Investment property

Movements in the value of investment property are explained in the following table.

(x EUR million)	Investment property market value	Investment properties held for sale	Investment property under construction	Minimal lease obligations	Total investment property
Book value as per 1 January 2015	**2,689.0**	**-**	**6.1**	**2,598.8**	**5,293.9**
Changes in book value:					
- Maintenance investments in investment property	32.7	-	5.5	-	38.2
- New business investments in investment property	4.1	-	-	-	4.1
- Acquisitions through business combinations	14.9	-	-	-	14.9
- Divestments in investment property	-2.4	-	-1.2	-	-3.6
- Movement in capitalised lease obligations due to time effect	-	-	-	-63.3	-63.3
- Lease obligations new contracts	-	-	-	76.1	76.1
- Revaluation financial year	4.2	-	-	-	4.2
- Relocation from/to fixed assets	1.3	-	-2.0	-	-0.7
- Foreign exchange rate differences	21.5	-	-	46.4	67.9
- Other	-	-	-	210.9	210.9
Book value as per 31 December 2015	**2,765.3**	**-**	**8.4**	**2,868.9**	**5,642.6**

(x EUR million)	Investment property market value	Investment properties held for sale	Investment property under construction	Minimal lease obligations	Total investment property
Book value as per 31 December 2015	**2,765.3**	**-**	**8.4**	**2,868.9**	**5,642.6**
Changes in book value:					
- Maintenance investments in investment property	28.7	-	-	-	28.7
- New business investments in investment property	23.9	-	9.1	-	33.0
- Acquisitions through business combinations	44.3	-	-	-	44.3
- Divestments in investment property	-2.7	-	-	-	-2.7
- Movement in capitalised lease obligations due to time effect	-	-	-	-45.4	-45.4
- Lease obligations new contracts	-	-	-	73.6	73.6
- Revaluation financial year	61.9	-	-	-	61.9
- Relocation from/to fixed assets	5.9	-16.0	-5.1	-	-15.2
- Foreign exchange rate differences	-54.7	-	-0.1	-133.3	-188.1
- Other	-	-	-0.9	39.4	38.5
Book value as per 31 December 2016	**2,872.6**	**-16.0**	**11.4**	**2,803.2**	**5,671.2**

Market value

The table shows the market value of objects valued internally and externally as well as per object type. The market value of externally valued investment property stated in the table corresponds to the total market value as determined in the valuations made by the external valuer.

(x EUR million)	2016	2015
Market value of investment property valued externally	2,745.1	2,690.4
Market value of investment property valued internally	127.5	74.9
Total market value	**2,872.6**	**2,765.3**
Of which legally owned property	1,300.5	1,253.0
Of which concessions	422.7	440.6
Of which ground lease constructions	382.6	331.0
Of which lease contracts with protective constructions	208.8	201.0
Of which other lease contracts	558.0	539.7
Total market value	**2,872.6**	**2,765.3**

Valuation method

In accordance with IFRS 13, the market value calculation used classifies as a 'level 3' revaluation method for the whole portfolio.

The investment property part of all legally owned and ground lease facilities is calculated based on the rental value capitalisation method. The main drivers for these objects are the net initial yield (which is a derivative of the price that will be paid in the market) and the estimated rental income.

The operational part of all legally owned and ground lease facilities, as well as all long-term lease and concession contracts, are calculated based on the discounted cash flow model.

The incoming and outgoing cash flows included in the valuation of the investment property are based on the revenue, costs related to operational and financial lease, other operating expenses and maintenance investments.

The discount rate consists of the risk free interest rate per country, plus – if applicable – an object-specific surcharge that depends on several aspects:

- type of the contract (Freehold/Leasehold);
- nature of the object (parking lot, garage above ground, garage underground);
- location;
- maintenance status;
- uncertainties in the future cash flows.

The table shows the weighted average discount rate and the net initial yield per region.

	Discount rate		Net initial yield	
	2016	2015	**2016**	2015
Region 'Mid'	9.5%	9.3%	6.3%	6.4%
Region 'West'	11.6%	10.1%	6.4%	6.4%
Region 'South'	7.3%	7.7%	5.7%	5.7%
Region 'North'	10.1%	9.3%	5.7%	5.7%
Total	**9.2%**	**8.8%**	**6.2%**	**6.2%**

The weighted average discount rate showed a slight increase of 0.4%, whereas the weighted average net initial yield remained stable compared to the previous financial year.

Revaluation result

The revaluation result for 2016 is EUR 61.9 million (2015: EUR 4.2 million). The 2016 revaluation result is the consequence of a stable growth in cash flow and the aforementioned discount rate and initial yield. The table gives insight into the revaluation result per region.

(x EUR million)	Revaluation	
	2016	2015
Region 'Mid'	88.0	17.1
Region 'West'	-28.8	-16.0
Region 'South'	-25.4	-8.7
Region 'North'	28.1	11.8
Total	**61.9**	**4.2**

Sensitivities

A sensitivity analysis which gives insight into the impact of changes to the discount rate and initial yield on the fair value of the investment property is shown in the table.

(x EUR million)	Discount rate		Net initial yield	
	-0.5%	+0,5%	-0.5%	+0,5%
Region 'Mid'	22.8	-21.5	71.2	-60.4
Region 'West'	9.0	-8.5	10.5	-9.0
Region 'South'	20.3	-19.2	25.5	-21.3
Region 'North'	10.7	-10.1	5.4	-4.6
Total	**62.8**	**-59.3**	**112.6**	**-95.3**

Other notes

Regarding the movements in the minimum lease obligations, please refer to the notes on the lease obligations explained as part of the 'non-current liabilities'.

The total market value of the investment property sold in the financial year amounted to EUR1.2 million. At the close of 2015, these property investments were part of the regular property investments and were not marked as fixed assets held for sale.

The total market value of the investment property includes contracts with a negative market value recognised for an amount of EUR 79.3 million (2015: EUR 85.9 million).

7 Tangible fixed assets

Movements in tangible fixed assets are shown in the table.

(x EUR million)	2016	2015
Book value as per 1 January		
Cost price	119.5	113.6
Depreciation	-83.7	-76.9
Changes in book value:		
- Investments	6.7	5.5
- Acquisitions	0.6	-
- Divestments	-0.4	-0.5
- Relocation tangible fixed assets	-1.0	0.7
- Depreciation	-6.1	-6.8
- Foreign exchange rate differences	-0.3	0.2
Book value as per 31 December		
Cost price	125.1	119.5
Depreciation	-89.8	-83.7
Book value as per 31 December	**35.3**	**35.8**

8 Participating interests and prepaid expenses

Movements in participating interests and prepaid expenses are shown in the table.

(x EUR million)	Participating interests	Prepaid expenses	Total
Book value as per 1 January 2015	**0.4**	**2.7**	**3.1**
Result from participating interests	-	-	-
Amounts paid	-	-	-
Amortisation	-	-0.2	-0.2
Other Movements	-0.3	-	-0.3
Book value as per 31 December 2015	**0.1**	**2.5**	**2.6**
Result from participating interests	-	-	-
Amounts paid	-	0.3	0.3
Amortisation	-	-0.3	-0.3
Other movements	-	-	-
Book value as per 31 December 2016	**0.1**	**2.5**	**2.6**

For a specification of the minority interests in the previous table please refer to the note on group companies and participating interests. Insofar as participating interests represent a negative balance at balance sheet date, these are recognised if and insofar as Q-Park is liable for its share in the liabilities of the participating interests concerned.

9 Fixed assets held for sale

The fixed assets held for sale recognised per balance sheet date relate to investment property in the Netherlands and the United Kingdom. The sales transactions are expected to be settled within one year.

10 Receivables

The specification of receivables is shown in the table.

(x EUR million)	2016	2015
Trade debtors	61.3	69.5
Taxes and social insurance contributions	6.7	5.9
Other receivables and prepayments	63.7	65.2
Book value as per 31 December	**131.7**	**140.6**

Details of trade debtors are shown in the following table.

(x EUR million)	2016	2015
Trade debtors	64.5	72.6
Provision for doubtful debts	-3.2	-3.1
Book value as per 31 December	**61.3**	**69.5**

The following table shows an analysis of the age of the trade debtors item after provisions taken for doubtful debts have been deducted.

(x EUR million)	2016	2015
< 30 days	54.9	61.3
between 30 and 60 days	2.4	2.3
between 61 and 90 days	0.5	0.9
between 91 and 180 days	2.0	1.6
> 180 days	1.5	3.4
Total	**61.3**	**69.5**

The net receivables balance consists of receivables amounting to EUR 54.9 million (89.6%) for which there are no payment arrears (2015: EUR 61.3 million, 88.2%).

The receivables balance of EUR 9.6 million concerns trade debtors with payment arrears (2015: EUR 11.3 million), for which a provision of EUR 3.2 million (2015: EUR 3.1 million) is recognised.

Movements in the provision for bad debts are shown in the following table.

(x EUR million)	2016	2015
Balance at 1 January	**3.1**	**2.9**
Additions	0.7	1.3
Usage and/ or releases	-0.6	-1.1
Balance at 31 December	**3.2**	**3.1**

The other receivables, prepayments and accrued income are shown in the following table.

(x EUR million)	2016	2015
Prepaid lease expenses	38.7	41.0
Amounts to be invoiced	9.9	9.3
Other receivables, prepayments and accrued income	15.1	14.9
Book value as per 31 December	**63.7**	**65.2**

11 Cash and cash equivalents

The specification of cash and cash equivalents is shown in the table.

(x EUR million)	2016	2015
Bank	20.3	46.0
Payment machines	4.3	2.8
Book value as per 31 December	**24.6**	**48.8**

Of the cash and cash equivalents mentioned, EUR 1.0 million (2015: EUR 1.0 million) is not freely disposable.

12 Shareholders' equity

The shareholders' equity amounts to EUR 1,351.5 million (2015: EUR 1,285.6 million). For an explanation of the individual items in the shareholders' equity, please refer to the note on the shareholders' equity in the company annual accounts.

The company's authorised share capital amounts to EUR 1,589.0 million and is divided into 3.5 million shares, each with a nominal value of EUR 454.0, of which 1,104,462 (2015: 1,099,682) shares are issued.

The number of shares issued increased by 4,780 shares in 2016 as a result of the 2015 dividend distributed in 2016, for which shareholders could opt for cash or stock dividend. The dividend distributed amounted to EUR 29.10 per share, where those opting for stock dividend received a bonus of 3%. The total cash dividend distributed over 2015 amounted to EUR 26.0 million.

13 Provisions

Details of provisions are shown in the following table.

(x EUR million)	2016	2015
Provisions	0.9	1.0
Book value as per 31 December	**0.9**	**1.0**

The current provisions will be settled within 12 months and the time value of money is assumed to have no influence on the balance sheet position.

The provision of EUR 0.9 million (2015: EUR 1.0 million) concerns provisions for financial claims regarding (legal) disputes.

Movements in the provisions are shown in the following table.

(x EUR million)	2016	2015
Balance at 1 January	**1.0**	**0.7**
Additions charged to the result	0.3	1.0
Withdrawals	-0.3	-0.7
Balance at 31 December	**0.9**	**1.0**

14 Non-current liabilities

Lease obligations

The group has agreed financial and operational lease contracts which qualify as property investments in the context of IAS 40. At the end of 2016, the discounted value of the minimum lease obligations included in these lease contracts was EUR 2,803.2 million (2015: EUR 2,868.9 million).

The composition of the lease obligations is shown in the following table.

(x EUR million)	2016	2015
Lease obligations under current liabilities in the balance sheet	199.6	204.4
Lease obligations under non-current liabilities in the balance sheet	2,603.6	2,664.5
Balance at 31 December	**2,803.2**	**2,868.9**

Movements in the lease obligations are shown in the following table.

(x EUR million)	2016	2015
Balance at 1 January	**2,868.9**	**2,598.8**
Lease obligation new contracts	73.6	76.1
Interest addition on lease obligation	169.5	153.6
Paid lease obligation	-214.9	-216.9
Foreign exchange rate differences	-133.3	46.4
Other movements	39.4	210.9
Balance at 31 December	**2,803.2**	**2,868.9**

The minimum lease obligations are based on the most recent estimates of the lease obligations. The minimum lease obligations as recognised on the balance sheet are further specified in the following table.

(x EUR million)	2016 Lease obligation		2015 Lease obligation	
	Discounted value	Nominal value	Discounted value	Nominal value
Period < 1 year	199.6	205.7	204.4	210.7
1 year < period < 5 years	684.8	817.1	697.2	832.8
Period => 5 years	1,918.8	5,751.3	1,967.3	5,928.8
Total	**2,803.2**	**6,774.1**	**2,868.9**	**6,972.3**

Loans

At the end of 2016, the total amount of the interest-bearing monetary loans recognised under the current and long-term liabilities was EUR 1,126.5 million (2015: EUR 1,208.8 million), from which the capitalised transaction costs of EUR 6.1 million (2015: EUR 7.5 million) have been deducted.

The composition of the group's monetary loans is shown in the following table.

(x EUR million)	2016	2015
Monetary loans under non-current liabilities in the balance sheet	1,108.8	1,190.5
Monetary loans under current liabilities in the balance sheet	11.6	10.8
Monetary loans recognised in the balance sheet	**1,120.4**	**1,201.3**
Capitalised transaction costs	6.1	7.5
Total monetary loans excluding capitalised transaction costs[1]	**1,126.5**	**1,208.8**
Bullet loans	849.0	905.2
Amortising loans	277.5	303.6
Total monetary loans	**1,126.5**	**1,208.8**

1 Basis for further notes and tables in this note. Further referred to as 'total monetary loans'.

In 2016, the total monetary loans decreased by EUR -82.3 million. The changes are shown in the following table.

(x EUR million)	2016	2015
Balance at 1 January	**1,208.8**	**1,334.0**
Acquired loans	1.9	-
Withdrawals	-	860.0
Redeemed loans	-77.9	-987.8
Foreign exchange rate differences	-6.3	2.6
Balance at 31 December	**1,126.5**	**1,208.8**

The main part of the loan balance consists of the Revolving Credit Facility which has a limit of EUR 925.0 million and matures in 2021. Q-Park may borrow and repay amounts at will within the limit. The financing ratios as agreed for this loan are the ‘interest coverage ratio’ (ICR) and the ‘Net bank debt / EBITDA’ ratio. At the end of 2016, the unutilised portion of the total financing amounted to EUR 126.0 million (2015: EUR 90.0 million). Of this unutilised portion, EUR 20.0 million is blocked for bank guarantees and ancillary facilities.

Movements in 2015 mainly concern the early refinancing of the syndicated loan and the further reduction of loans drawn under this facility (standing credit facility).

In the coming years, the monetary loans will be repaid according to the schedule shown in the following table.

(x EUR million)	2016	2015
Period < 1 year	11.6	10.8
1 year < period < 5 years	1,075.6	1,149.3
Period => 5 years	39.3	48.7
Total	**1,126.5**	**1,208.8**

Taking the planned repayments and maturing interest rate swaps (IRS) into account, the interest costs to be paid in the coming five years are expected to average EUR 32.0 million per year.

The average effective interest rate percentage on the loans outstanding in 2016, including the financial instruments linked to these monetary loans, amounted to 3.7% (2015: 4.4%). Investment property with a balance sheet value of EUR 2,777.2 million (2015: EUR 2,599.7 million) has been pledged, either via mortgage or share pledge. Variable interest loans are partially hedged by means of interest rate swaps (IRS) in order to limit interest fluctuations to remain within the policy framework set by Q-Park. For a further explanation of the existing hedging and the Q-Park policy for managing its interest exposure and other financial risks, please refer to the note on risk management with regard to financial instruments.

Other long-term liabilities

The composition of the other long-term liabilities is shown in the following table.

(x EUR million)	2016	2015
Financial derivatives	56.6	67.7
Other long-term liabilities	3.4	4.3
Book value as per 31 December	**60.0**	**72.0**

For further notes on the financial derivatives, please refer to the note on risk management with regard to financial instruments.

The other long-term liabilities have a remaining contract period between one and five years.

15 Other liabilities, accruals and deferred income

The specification of the other liabilities, accruals and deferred income is shown in the following table.

(x EUR million)	2016	2015
Staff costs	15.1	11.8
Lease costs	19.7	16.8
Interest and bank costs	5.8	7.6
Accruals	3.6	1.8
Revenue invoiced in advance	49.3	50.3
Other liabilities	65.8	35.0
Book value as per 31 December	**159.3**	**123.3**

16 Contingencies and liabilities not included in the balance sheet

The annual costs arising from existing lease obligations at the end of 2016 (other than liabilities with respect to lease contracts valued in the balance sheet regarding investment property) amounted to EUR 17.9 million (2015: EUR 8.8 million). In addition, the company and its subsidiaries have extended securities to third parties by means of bank and other guarantees to the sum of EUR 13.3 million (2015: EUR 36.2 million).

At the end of 2016, Q-Park NV, including its group companies, was involved in various legal proceedings and disputes. Based on an assessment of financial risk for the claims received, provisions have been taken or the financial consequences have been accounted for in the annual accounts, as far as is deemed necessary.

17 Events after balance sheet date

As of the date of preparation of the annual accounts no significant events have occurred after the balance date which require additional disclosures in the consolidated annual accounts.

18 Net revenue

The specification of net revenue is shown in the following table.

(x EUR million)	2016	2015
Parking revenues	731.9	717.4
Control fees	38.8	38.4
Management and consultancy fees	21.7	22.3
Rental income	13.4	13.5
Other income	19.2	17.5
Net revenue	**825.0**	**809.1**

19 Financial result

Movements in the financial result are shown in the following table.

(x EUR million)	2016	2015
Interest costs bank debt	-44.2	-56.4
Other bank and interest costs	-0.1	-6.9
Financial result	**-44.3**	**-63.3**

20 Investment property revaluation result

Each year the investment property is valued by independent external valuers. These valuations result in the fair value of the investment property at the end of the financial year. Increases and decreases in value compared to the fair value at the end of the previous year are recognised as 'investment property revaluation result' in the indirect result.

For further details of the investment property revaluation result, please refer to the notes given for investment property.

21 Other valuation results

The other valuation results concern incidental results related to investment property following the sale of investment properties and the premature termination of contracts.

22 Taxes

The tax component of the total comprehensive income after taxes amounts to EUR -71.8 million (2015: EUR -32.4 million), the details are shown in the following table.

(x EUR million)	2016	2015
Taxes on direct result based on domestic tax rates	-34.9	-27.90
Adjustments for actual group companies rate	-5.5	-3.70
Adjustments:		
- Notional interest deduction facility	0.2	2.60
- Adjustments local rates	-0.8	0.40
- Other permanent differences	-3.2	-2.20
- Other adjustments	-9.7	10.10
Tax expense on direct result	**-53.9**	**-20.7**
Deferred taxes on the indirect result based on the domestic tax rates	-16.2	0.1
Adjustment for actual group companies rate	-0.1	0.5
Other adjustments	-5.0	-0.3
Tax income on indirect result	**-21.3**	**0.3**
Foreign exchange rate differences on foreign activities	6.7	-4.0
Movements in the value of interest rate swaps	-3.3	-8.0
Tax expense direct on shareholders' equity	**3.4**	**-12.0**
Total tax income (expense) recognised in the comprehensive income	**-71.8**	**-32.4**

The permanent differences in the direct result concerns mainly adjustments regarding non-deductible interest expenses, non-deductible tax expenses and the corrections regarding the notional interest deduction facility in Belgium. The other adjustments in the direct result mainly concern the estimate of the future loss compensation as a result of a settlement with the tax authorities and the intended change in group structure. This negative one-off effect will be partly compensated in the coming years by a lower expected effective tax rate as result of this change in the group structure. The adjustment for permanent differences in the indirect result is the outcome of an in-depth analysis of the DTL calculation as well as changes in (future) tax rates. The local (future) tax rates changed during the financial year in the United Kingdom and France.

The reconciliation between the applicable tax rate and the effective tax rate (calculated over the direct result before taxes and the indirect result before taxes) is explained in the following table.

(x EUR million)	2016	2015
Domestic tax rate	25.0%	25.0%
Adjustment tax rates for group companies	4.0%	3.3%
Notional interest deduction	-0.1%	-2.3%
Adjustments local rates	0.6%	-0.3%
Other permanent differences	2.3%	1.9%
Other effects	6.9%	-9.0%
Effective tax rate direct result	**38.7%**	**18.6%**
Domestic tax rate	25.0%	25.0%
Adjustment tax rates for group companies	0.2%	263.1%
Other effects	7.7%	-151.5%
Effective tax rate indirect result	**32.9%**	**136.6%**

The deferred tax balances recognised in the balance sheet are detailed in the following table.

(x EUR million)	2016	2015
Deferred tax balances on value of derivatives and other temporary taxable differences	24.4	28.4
Available tax losses carried forward	59.7	84.3
Total deferred tax assets	**84.1**	**112.7**
Temporary taxable differences legal property, concessions, ground leases and leases with protection	375.2	339.8
Temporary taxable differences other leases	108.2	92.7
Other temporary taxable differences	8.4	13.3
Total deferred tax liabilities	**491.8**	**445.8**

Movements in the deferred tax assets and liabilities are shown in the following table.

(x EUR million)	2016		2015	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Book value as per 1 January	**112.7**	**445.8**	**112.5**	**416.2**
Exchange rate result	-0.5	-4.4	-	1.6
Movements via statement of comprehensive income	-31.5	36.6	12.2	28.0
Acquisitions and divestments	-	13.8	-	-
Movements via shareholders' equity	3.4	-	-12.0	-
Book value as per 31 December	**84.1**	**491.8**	**112.7**	**445.8**

The total deferred tax assets mainly concern tax-deductible losses, the notional interest deduction facility in Belgium, and (temporary) taxation valuation differences of interest rate derivatives.

The recoverability of the tax-deductible losses and the notional interest deduction facility included in the deferred tax assets has been assessed in the light of the recent business plan and prevailing tax regulations. Based on this review, tax-deductible losses and tax credits amounting to EUR 49.9 million are no longer considered realisable and as such the related deferred tax assets amounting to EUR 16.0 million are not valued in the balance sheet.

23 Employee information

Employees and retirement benefit plans

At the end of 2016 there were 2,475 employees corresponding to 2,152 full-time equivalents (FTEs) (2015: 2,512 employees and 2,180 FTEs). The number of employees and the number of FTEs is further specified as follows:

Head count	2016	2015
Head office	54	52
Region 'Mid'	616	649
Region 'West'	450	483
Region 'South'	490	487
Region 'North'	865	841
Total	**2,475**	**2,512**

Average number of FTE	2016	2015
Head office	52	49
Region 'Mid'	545	571
Region 'West'	421	447
Region 'South'	458	463
Region 'North'	676	650
Total	**2,152**	**2,180**

Of the total employees, 2,016 work outside the Netherlands (1,747 FTEs), (2015: 2,033 employees and 1,761 FTEs).

Within the group there are a variety of pension schemes in accordance with the conditions and practices prevailing in the countries in which Q-Park operates. The schemes qualify as defined contribution plans. These schemes are financed by means of premiums paid to insurance companies. Premium liabilities are charged to the result at the moment the liability arises. Under wages and salaries, an amount of EUR 7.0 million has been recognised related to pension charges (2015: EUR 4.7 million).

Remuneration of the Q-Park NV Executive and Supervisory Boards and former members of these boards
Executive and Supervisory Board members own neither shares nor share options in Q-Park NV.

The company has not extended any loans, advance payments or guarantees to members of the Executive Board or Supervisory Board. The total remuneration of the Executive Board and former members of this board amounted to EUR 2.0 million (2015: EUR 1.7 million), and is specified as follows:

(x EUR million)	2016	2015
Regular remuneration	1.1	1.1
Pension costs	0.2	0.2
Reservation short-term bonuses	0.4	0.2
Reservation long-term bonuses	0.3	0.2
Total remuneration (former) directors	**2.0**	**1.7**

The five Supervisory Board members received remuneration totalling EUR 0.19 million (2015: EUR 0.15 million).

24 Related parties

For information about the remuneration of the Executive and Supervisory Board members, please refer to the note on employee information. There were no transactions with other related parties in the financial year under review nor in the previous financial year.

25 Risk management with regard to financial instruments

Policy concerning financial risk management

The policy regarding managing financial risks is determined by the Executive Board. The key financial risks to which Q-Park is exposed are market risk, liquidity risk and credit risk. Market risk can be further split into interest exposure and currency risk; these risks are closely monitored internally. Instruments for managing these risks include financial derivatives. The company does not take speculative positions with financial instruments.

Interest exposure

Interest rate fluctuations influence Q-Park's direct result and return on investment property. The group interest policy is designed to limit risks and can be explained as follows:

- interest-bearing debts have a fixed-interest-rate part and a variable-interest-rate part, where the interest from the variable-interest part is partly fixed by means of interest rate swaps (IRS);
- overall, at least 50% of the interest-bearing liabilities should be protected from interest rate fluctuations.

At the end of 2016, loan positions were hedged, by means of IRS, for an amount of EUR 389.3 million (2015: EUR 658.8 million). The following table shows the hedging of the loan positions further specified by time to maturity of the interest rate derivatives.

	2016		2015	
Time to maturity	Number of contracts	Hedged value (x EUR million)	Number of contracts	Hedged value (x EUR million)
Period < 5 years	11	282.3	13	524.9
5 years < period < 10 years	-	-	1	24.9
10 years < period < 15 years	-	-	-	-
Period > 15 year	1	107.0	1	109.0
Total	**12**	**389.3**	**15**	**658.8**

Of the total interest-bearing liabilities amounting to EUR 1,126.5 million (2015: EUR 1,208.8 million), EUR 587.2 million (2015: EUR 909.9 million) is insensitive to interest rate fluctuations because there is either fixed-interest financing (EUR 197.9 million; 2015: EUR 251.1 million), or because the interest exposure is hedged by means of IRS (EUR 389.3 million; 2015: EUR 658.8 million). This means that 52% (2015: 75%) of the total interest-bearing debts is protected from interest rate fluctuations.

Q-Park therefore runs an interest rate risk for loans amounting to EUR 539.3 million (2015: EUR 298.9 million). Please note that in early 2017 additional derivative contracts start, mitigating the interest rate risk in 2017 up to 2021. Including these contracts the percentage of the bank debt insensitive to interest rate fluctuations increases significantly (to approximately 80%) in the first quarter of 2017.

In addition, as a result of the current negative state of the Euribor, Q-Park runs an additional risk on the variable interest rate in the existing interest rate derivatives. In the sensitivity analysis for interest rate fluctuations, only a 1% rise or fall in interest rates is taken into account, all other factors are disregarded. Furthermore, a minimum interest rate of 0% (no negative interest) is assumed on the outstanding financing and a possible negative variable interest on the interest rate derivatives as a result of the current negative Euribor.

A summary of the exposure to interest rate fluctuations is given in the following table.

(x EUR million)	2016 Sensitivity to interest rate fluctuations		2015 Sensitivity to interest rate fluctuations	
	+1%	-1%	+1%	-1%
Effect on direct result	-2.4	-3.9	-2.2	-6.3
Net effect on shareholders' equity	-1.7	-2.7	-1.5	-4.4

In previous sensitivity analyses, only the effect of interest rate fluctuations was simulated. Other variables were assumed to be constant.

Currency risk

Q-Park is exposed to exchange rate fluctuations with respect to its activities in the United Kingdom, Sweden, Norway and Denmark. This risk is not hedged, as it is agreed with shareholders that they will hedge on their part. In the sensitivity analysis (+1% and -1%) only the net effect of exchange rate fluctuations is taken into account, other factors are disregarded. The following table shows an analysis per currency of the sensitivity of the shareholders' equity to fluctuations in exchange rates.

(x EUR million)	2016 Sensitivity to exchange rate fluctuations		2015 Sensitivity to exchange rate fluctuations	
	+1%	-1%	+1%	-1%
British pound (GBP)	2.3	-2.3	3.1	-3.1
Danish crown (DKK)	0.9	-0.9	0.6	-0.6
Swedish crown (SEK)	2.7	-2.7	2.5	-2.5
Norwegian crown (NOK)	0.3	-0.3	0.3	-0.3

Liquidity risk

Q-Park endeavours to limit the liquidity risk by ensuring the availability of sufficient credit facilities to support the operating activities and meet financial obligations. Given the solid cash flows and balance sheet positions, Q-Park has sufficient access to these facilities. In addition, Q-Park aims to minimise the refinancing risk through staggered repayment schedules.

The following tables indicate the time to maturity of the contractual liabilities at the close of 2016 and 2015.

2016 (x EUR million)	< 1 year	1 to 5 years	> 5 years	Total
Liabilities arising from loans	11.6	1,075.6	39.3	1,126.5
Lease obligations	205.7	817.1	5,751.3	6,774.1
Financial derivatives	0.1	18.8	37.7	56.6
Other long-term liabilities	-	3.4	-	3.4
Provisions	0.9	-	-	0.9
Trade payables	48.7	-	-	48.7
Other liabilities, accruals and deferred income	192.3	-	-	192.3
Total	**459.3**	**1,914.9**	**5,828.3**	**8,202.5**

2015 (x EUR million)	< 1 year	1 to 5 years	> 5 years	Total
Liabilities arising from loans	10.8	1,149.3	48.7	1,208.8
Lease obligations	210.7	832.8	5,928.8	6,972.3
Financial derivatives	2.9	22.4	42.4	67.7
Other long-term liabilities	-	4.3	-	4.3
Provisions	1.0	-	-	1.0
Trade payables	51.9	-	-	51.9
Other liabilities, accruals and deferred income	156.6	-	-	156.6
Total	**433.9**	**2,008.8**	**6,019.9**	**8,462.6**

With the exception of the financial instruments, which are recognised at fair value, all items stated in the previous tables are stated at face value, taking into account the moment of settlement.

Liabilities arising from loans – with the exception of the local bilateral loans – will be refinanced.

All other liabilities stated in the table are financed from working capital and operational cash flows. At balance sheet date, the lease obligations related to investment property have an average time to maturity of more than ten years.

Credit risk

Credit risk is the risk that a counterparty fails to meet its obligations arising from a financial instrument or contract with a client, causing financial damage. Q-Park is exposed to credit risk in connection with its operating activities (trade receivables in particular) and in connection with its financing activities, including deposits at banks and financial institutions, currency transactions and other financial instruments.

At the reporting date, the maximum exposure to credit risk is the book value of the receivables and cash and cash equivalents as explained in the respective notes. Q-Park considers the credit risk to be limited. The concentration of risks concerning trade receivables is low, as the customers are widely dispersed. Assets held at the bank concern only assets at reputable banks.

Fair value of financial instruments

Q-Park's financial instruments mainly consist of financial instruments (receivables, cash and cash equivalents, monetary loans from third parties, other long-term liabilities and current liabilities) and of derived financial instruments (interest derivatives).

Considering the short maturity of the current liabilities and the receivables and cash and cash equivalents stated under current assets, the book value is approximately equal to the fair value. The fair value of the other long-term liabilities is assumed to be equal to the book value. The fair value of the derivatives and monetary loans is based on (discounted value) calculations or third party quotations.

Given the aforementioned, in combination with the lack of an additional credit risk and the market conformity of interest charged, with the exception of the fixed-interest part of the monetary loans from third parties (EUR 197.9 million; 2015: EUR 251.1 million), the fair value at the end of the financial year can be considered equal to the book value. The fair value of the fixed-interest part of the monetary loans from third parties amounted to EUR 186.0 million (2015: EUR 232.7 million) and is determined by discounting the future cash flows using current market rates appropriate to market players similar to Q-Park. The determination of the fair value of the fixed-interest part of the monetary loans belongs to level 2 in the fair value hierarchy.

Hierarchy in fair values

As per 31 December 2016, Q-Park held the financial instruments at fair value as explained in the following table, whereby the following hierarchy is applied when stating and determining the financial instruments, distinguished by valuation method:

- Level 1: Listed (not revised) rates on active markets for identical assets or liabilities;
- Level 2: Other methods whereby all variables have a significant effect on the fair value recognised and are directly or indirectly observable;
- Level 3: Methods whereby variables are applied that have a significant effect on the fair value recognised, yet are not based on observable market information.

(x EUR million)	Level 1	Level 2	Level 3	Total
Assets, equity and liabilities recognised at fair value				
Interest rate derivatives	-	-52.4	-	-52.4
Total	**-**	**-52.4**	**-**	**-52.4**

The interest rate derivatives are placed in level 2 (not listed in an active market, but the key variables are observable, either directly or indirectly). In 2016, there were no transfers between valuations at fair value in level 1 and 2, nor were there transfers in or out of valuations at fair value in level 3.

The following table shows an overview of the book value of the financial derivatives, subdivided per type.

(x EUR million)	2016		2015	
	Other financial fixed assets	Other long-term liabilities	Other financial fixed assets	Other long-term liabilities
Interest derivatives (IRSs)	4.2	56.6	-	67.7
Book value as per 31 December	**4.2**	**56.6**	**-**	**67.7**

The fair value of the financial instruments is calculated by discounting the future cash flows. Relevant variables applicable to the valuation of these interest rate derivatives are the present value of interest payments and the expected interest rate curves.

The total market value of the interest derivatives amounts to EUR 52.4 million consisting of interest rate caps with a positive market value of EUR 4.2 million and interest rate swaps with a negative market value of EUR 56.6 million.

- In 2016 Q-Park acquired two portions of interest rate caps to ensure a solid hedging ratio and insensitivity to interest rate volatility in future years (2017 until 2021). The acquisition price (and first valuation) of these caps amounted EUR 4.8 million which decreased to a market value of EUR 4.2 million at 31 December 2016 as a result of a further decrease in Euribor interest rate expectation. The decrease in fair value of EUR -0.6 million is charged to the result.
- The movement in the negative market value of the interest rate swaps in 2016 amounted to EUR -11.1 million (2015: EUR -41.8 million). This movement is recognised in favour of the result as a consequence of changes in fair value.

Capital management

The primary objective of group capital management is to maintain good creditworthiness and to ensure that the operating activities are optimally supported, so that these operating activities can be conducted effectively, efficiently and profitably and so that shareholder value is created. Q-Park manages its capital structure and adjusts this to changes in economic circumstances. In order to maintain or modify the capital structure, Q-Park may adjust dividend payments to shareholders, repay capital or issue new shares.

The primary financing risks, as stated in the standing credit facility agreed in 2015, are the 'interest coverage ratio' (ICR) and the 'net bank debt / EBITDA' ratio. These ratios are monitored closely to support Q-Park's activities and to maximise shareholder value.

The minimum ICR is set at 2.0 and was 4.3 at the end of 2016 (2015: 3.3). The 'Net bank debt / EBITDA', was 5.6 at the close of 2016 (2015: 6.1) compared to the upper limit set of 7.0. The decrease in this ratio to under 6.0 will result in a lower spread on the interest. If, and in so far as, Q-Park is unable to comply with the ratios set, repayment of the facility is to be made up to an amount which brings the ratios back into the ranges set in the period concerned.

The ICR over the years 2016 and 2015 is as shown in the following table.

(x EUR million)	Notes	2016	2015
Operational result		183.8	174.9
Depreciation		11.1	10.1
Incidental costs		0.3	3.0
Incidental gains		-	-
EBITDA[1]		**195.2**	**188.0**
Financial result	19	44.3	63.3
Depreciation capitalised transaction costs		-2.1	-6.7
Foreign exchange rate differences		2.7	0.6
Net finance costs		**44.9**	**57.2**
ICR (EBITDA / Net finance costs)		**4.3**	**3.3**

1 Refers to the regular EBITDA corrected for incidental costs and gains.

The ‘Net bank debt / EBITDA’ over 2016 and 2015 is shown in the following table.

(x EUR million)	Notes	2016	2015
Long-term liabilities concerning loans		1,108.8	1,190.5
Current portion of long-term liabilities		11.6	10.8
Cash and cash equivalents		-24.6	-48.8
Net bank debt		**1,095.8**	**1,152.5**
EBITDA[1]		**195.2**	**188.0**
Net bank debt / EBITDA		**5.6**	**6.1**

1 Refers to the regular EBITDA corrected for incidental costs and gains.

In addition to the aforementioned ratios associated with the standing credit facility, Q-Park has also agreed covenants in connection with two institutional loans for investment property in the Netherlands and United Kingdom. The primary ratios for both these loans are the 'Debt Service Coverage Ratio' (DSCR) and the 'Loan-to-Value' ratio (LTV).

The ratios for the institutional loan for investment property in the Netherlands are explained in the following table.

(x EUR million)	Notes	2016	2015
EBITDA		**26.1**	**27.1**
Financial result		7.1	7.4
Redemptions		3.6	3.6
		-	0.4
Debt Service		**10.7**	**11.4**
DSCR (EBITDA / Debt Service)		**2.4**	**2.4**

(x EUR million)	Notes	2016	2015
Institutional loan		228.3	231.9
Market value related investment property		419.5	412.8
LTV (institutional loan / market value)		**0.5**	**0.6**

The ratios for the institutional loan for investment property in the United Kingdom are explained in the following table.

(x GBP million)	Notes	2016	2015
EBITDA		**3.8**	**3.5**
Financial result		0.7	0.7
Redemptions		0.3	0.3
Debt Service		**1.0**	**1.0**
DSCR (EBITDA / Debt Service)		**3.8**	**3.5**

(x GBP million)	Notes	2016	2015
Institutional loan		32.7	33.2
Market value related investment property		90.5	92.5
LTV (institutional loan / market value)		**0.4**	**0.4**

The covenants agreed for both the institutional loans are identical. According to the covenants, the DSCR must be at least 1.5. The upper limit for the LTV ratio is 0.8 for both loans. The ratios for the institutional loan covenants for investment property in the Netherlands is calculated based on the previous 12 months. For the loan concerning investment property in the United Kingdom, this is the previous 6 months.

COMPANY BALANCE SHEET AS PER 31 DECEMBER

(x EUR million, before result appropriation)	Notes	2016	2015
Tangible fixed assets			
Other tangible fixed assets	28	0.8	0.7
Financial fixed assets			
Participating interests	29	490.6	411.3
Intercompany receivables	30	1,117.1	1,140.8
		1,607.7	**1,552.1**
Current assets			
Intercompany receivables	30	99.4	58.5
Other receivables, prepayments and accrued income		1.3	1.1
		100.7	**59.6**
Cash and cash equivalents		-	0.3
TOTAL ASSETS		**1,709.2**	**1,612.7**

(x EUR million, before result appropriation)	Notes	2016	2015
Shareholders' equity	31		
Paid-up and called-up capital		501.5	499.3
Share premium reserve		598.5	626.7
Statutory revaluation reserve		813.4	775.8
Statutory hedging reserve		-19.2	-26.0
Statutory exchange rate differences reserve		-61.0	-17.2
Other reserves		-610.6	-663.9
Result financial year		128.9	90.9
		1,351.5	**1,285.6**
NON-CURRENT LIABILITIES			
Deferred tax liabilities		60.1	57.0
Loans		289.5	264.4
		349.6	**321.4**
Current liabilities			
Trade payables		2.2	1.7
Taxes and social insurance contributions		0.7	0.7
Other liabilities, accruals and deferred income		5.2	3.3
		8.1	**5.7**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,709.2**	**1,612.7**

COMPANY PROFIT AND LOSS ACCOUNT

(x EUR million)	Notes	2016	2015
Company result		12.6	10.8
Share in result of participating interests	30	116.3	80.1
Result after taxes		**128.9**	**90.9**

26 General information

Q-Park NV (chamber of commerce number: 27159273) has issued notices of liability in respect of a number of legal entities pursuant to Book 2, Article 403 of the Dutch Civil Code, a statement of which is given in the note about group companies and participating interests.

27 Accounting policies observed when preparing the company annual accounts

General

The company annual accounts have been prepared in compliance with the legal stipulations set out in Title 9, Book 2, Dutch Civil Code. Use has been made of the option extended under Book 2, Article 362, Section 8, Dutch Civil Code to apply the accounting policies used in the consolidated annual accounts to the company annual accounts (including the policies for presenting financial instruments as shareholders' equity or as loan capital). Reference is made to the notes appended to the consolidated annual accounts. In accordance with Title 9, Book 2, Article 402 of the Dutch Civil Code, the company annual accounts only contain an abridged profit and loss account.

Accounting policies

The accounting policies used for the company annual accounts are identical to those for the consolidated annual accounts. Provided no reference to additional accounting policies is made in the notes to the company annual accounts, reference is made to the accounting policies attached to the consolidated annual accounts.

Participating interests

Participating interests in group companies and other entities where the company may exercise control or where it has the central management are stated initially and at balance sheet date at net asset value. The value of these participating interests is corrected for the company's share in the results of the participating interest, based on the accounting policies as these are applied in the consolidated annual accounts and for the share in the other movements in the shareholders' equity of the participating interest attributable to the company after the acquisition date. The net asset value is determined by stating assets, provisions, liabilities and result using the accounting policies applied in the consolidated annual accounts.

Revaluation reserve

The revaluation reserve is held for positive unrealised movements in the fair value of the investment property. Movements in this reserve are made from the other reserves. When investment property is sold, the revaluations included in the revaluation reserve for the object concerned are released to the other reserves.

Pursuant to Title 9, Book 2 of the Dutch Civil Code the revaluations of investment property are booked to the revaluation reserve, in so far as the cumulative revaluations for each individual asset are positive. The revaluation per individual asset is determined by offsetting the market value against the historical cost price, where applicable, corrected for adjustments in the context of 'purchasing price accounting'. In the context of determining the revaluation reserve, depreciation on the historical cost price is abstracted.

Negative unrealised changes in the fair value of investment property are not processed through the revaluation reserve, but are taken from other reserves.

28 Tangible fixed assets

Movements in tangible fixed assets are shown in the following table.

(x EUR million)	2016	2015
Book value as per 1 January	**0.7**	**0.8**
Investments	0.2	-
Depreciations	-0.1	-0.1
Book value as per 31 December	**0.8**	**0.7**
Accumulated depreciation as per 31 December	0.9	0.8

29 Participating interests

Movements in the participating interests are shown in the following table.

(x EUR million)	2016	2015
Book value as per 1 January	**411.3**	**291.6**
Share in the result	116.3	80.1
Equity movements participating interests	-37.0	39.6
Book value as per 31 December	**490.6**	**411.3**

30 Intercompany receivables

The intercompany receivables recognised under financial fixed assets concern interest-bearing loans and borrowings issued to group companies as part of the group financing. The variable interest charged is based on Euribor including a margin of 230 basis points. The term to maturity of the loans is equal to the term to maturity of the standing credit facility agreed in 2015 and matures in 2021.

The intercompany receivables recognised under current assets mainly concern current account positions with group companies for which no further agreements have been made about the term to maturity or repayment.

31 Shareholders' equity

Movements in the shareholders' equity are shown in the following table.

(x EUR million)	Share capital	Share premium	Revaluation reserve	Hedging reserve	Translation reserve	Other reserve	Net result	Total
Book value as per 1 January 2015	**499.3**	**626.7**	**687.5**	**-49.0**	**-33.6**	**-348.1**	**-227.7**	**1,155.1**
Result for the financial year	-	-	-	-	-	-	90.9	90.9
Allocation result previous year	-	-	-	-	-	-227.7	227.7	-
Movement revaluation reserve	-	-	88.3	-	-	-88.3	-	-
Movement hedging reserve	-	-	-	23.0	-	-	-	23.0
Exchange rate difference	-	-	-	-	16.4	-	-	16.4
Other movements	-	-	-	-	-	0.2	-	0.2
								-
Book value as per 31 December 2015	**499.3**	**626.7**	**775.8**	**-26.0**	**-17.2**	**-663.9**	**90.9**	**1,285.6**
Result for the financial year	-	-	-	-	-	-	128.9	128.9
Allocation result previous year	-	-	-	-	-	90.9	-90.9	-
Movement revaluation reserve	-	-	37.6	-	-	-37.6	-	-
Movement hedging reserve	-	-	-	6.8	-	-	-	6.8
Movement exchange rate difference	-	-	-	-	-43.8	-	-	-43.8
Dividend	2.2	-28.2	-	-	-	-	-	-26.0
Other movements	-	-	-	-	-	-	-	-
Book value as per 31 December 2016	**501.5**	**598.5**	**813.4**	**-19.2**	**-61.0**	**-610.6**	**128.9**	**1,351.5**

In the totals, the company does not recognise any difference between the shareholders' equity according to the consolidated annual accounts and the shareholders' equity according to the company annual accounts. The statutory reserves (revaluation reserve, hedging reserve and exchange rate differences reserve) are legal reserves and therefore not freely distributable.

Share capital
The company's authorised share capital amounts to EUR 1,589.0 million and is divided into 3.5 million shares, each with a nominal value of EUR 454.0. The number of outstanding and fully paid shares at the end of the financial year amounted to 1,104,462 shares (2015: 1,099,682).

The number of shares issued increased by 4,780 shares in 2016 as a result of the 2015 dividend distributed in 2016, for which shareholders could opt for cash or stock dividend. The dividend distributed amounted to EUR 29.10 per share, where those opting for stock dividend received a bonus of 3%. The total cash dividend distributed over 2015 amounted to EUR 26.0 million.

For a further explanation of the share capital please refer to the explanation on consolidated shareholders' equity, in the shareholders' equity section of the consolidated annual accounts.

Statutory revaluation reserve
The revaluation reserve is formed after deduction of taxes, taking the prevailing tax rates in the various jurisdictions into account.

Statutory hedging reserve
In line with the company's decision, from the 2014 financial year, to no longer apply hedge accounting to the changes in the fair value of interest rate derivatives, the cumulative reserve accumulated up to and including 31 December 2013 will be amortised at the expense of the indirect result from the 2014 financial year based on the term to maturity of the interest rate derivatives.

Statutory translation reserve
The statutory exchange rate differences reserve comprises the foreign exchange rate differences arising from the translation of foreign operations, as well as the cumulative effective portion of movements in value arising from currency derivatives held in the past. The movement in the financial year relates entirely to foreign exchange rate differences arising from the translation of foreign activities.

32 Contingencies and liabilities not included in the balance sheet

The company and its participating interests have reciprocally accepted joint and several liability for everything they, or any one of them, are, or shall be, liable for in respect of debts owing to those financing it.

In respect of loans extended to subsidiaries by external parties, the company has accepted joint and several liability in the value of EUR 83.9 million (2015: EUR 65.4 million).

With respect to corporate tax, all Dutch consolidated participating interests, with the exception of Q-Park Netherlands Holding BV and Q-Park Operations Netherlands IV BV, are included in a tax group. As the head of the tax entity, the company is jointly and severally liable for all tax liabilities of the companies placed within this tax entity. Furthermore, the company has acted as guarantor for its subsidiaries in respect of third parties for purchase and lease contracts for an amount totalling EUR 141.7 million (2015: EUR 169.6 million).

33 Employee information

In 2016 there were an average of 45 people employed (2015: 43). In 2016, the corresponding number of full-time equivalents averaged 43 (2015: 41).

With regard to the remuneration of the directors and former directors, reference is made to the explanation given in the employee information note in the consolidated annual accounts.

34 Risk management with regard to financial instruments

With respect to risk management pertaining to financial instruments reference is made to the explanation given in the consolidated annual accounts.

35 Auditor fees paid to the company auditors

The audit fees charged by Deloitte Accountants in the financial year under review are shown in the following table.

(x EUR million)	2016	2015
Deloitte Accountants BV:		
Audit activities annual accounts	0.5	0.5
Other audit services	0.1	0.1
Deloitte Network:		
Audit activities annual accounts	0.6	0.6
Other audit services	-	-
Total fees	**1.2**	**1.2**

36 Events after balance sheet date

As of the date of preparation of the annual accounts no significant events have occurred after the balance date which require additional disclosures in the annual accounts.

37 Profit appropriation

Provisions from the articles of association concerning profit appropriation
Article 26

1. The General Meeting is at liberty to dispose of the distributable profit for the distribution of dividend, for a provision or for such other ends consistent the Company's objectives as that meeting shall decide. When calculating the amount of profit to be distributed for each share only the amount of the obligatory payments for the nominal amount of the shares qualifies.
2. The Company may make distributions from the profit available for distribution to shareholders and others that may be so entitled only in so far as the shareholders' equity exceeds the paid-up and called-up part of the share capital to which shall have been added the reserves that must be retained according to the law or the articles of association. When calculating the profit appropriation the shares held by the Company in its share capital shall not be included.
3. Profit may only be distributed after adoption and approval of the annual accounts showing that this is permissible.
4. The General Meeting is, in compliance with the provisions of the second section, authorised to distribute a single dividend or several interim dividends provided that the provisions of Book 2, Article 105, Section 4, Dutch Civil Code in respect of preparing an interim statement of assets and liabilities evidencing compliance with the provisions set out in section 2 are adhered to.
5. Unless the General Meeting determines another time, dividends are immediately eligible for payment after having been adopted.
6. Claims for the payment of dividend expire five years after adoption.

Profit appropriation

Appropriation of profits for the financial year 2015

The profit over 2015 has been added to the other reserves, with due regard to the necessary movements in the statutory reserves.

Proposed appropriation of profits for the financial year 2016

The results for 2016 will be added to the other reserves, with due regard to the necessary movements in the statutory reserves.

38 Group companies and participating interests

The consolidated annual accounts include the financial data of Q-Park NV and of the group companies listed in the following table (unless otherwise stated, participating interests are 100%).

NETHERLANDS

- Q-Park Operations Holding BV, Amsterdam
- Q-Park Real Estate Holding BV, Amsterdam
- Q-Park Real Estate France BV, Maastricht
- Q-Park België BV, Amsterdam
- Q-Park Duitsland BV, Amsterdam
- Q-Park Operations BV, Amsterdam
- Q-Park Real Estate Netherlands I BV, Maastricht
- Q-Park Real Estate Netherlands II BV, Maastricht
- Q-Park Operations Netherlands I BV, Maastricht
- Q-Park Parkeergarage Operations BV, Amsterdam
- Q-Park Beheer BV, Maastricht
- Q-Park Operations Netherlands II BV, Amsterdam
- Q-Park Operations Netherlands III BV, Maastricht
- Q-Park 't Loon BV, Maastricht
- Q-Park Operations Netherlands IV BV, Heerlen

GERMANY

- Q-Park Operations Germany GmbH & Co KG, Düsseldorf
- Q-Park Saarbrücken GmbH, Saarbrücken
- Q-Park Verwaltungs GmbH, Düsseldorf
- Q-Park Real Estate Germany GmbH, Düsseldorf

BELGIUM

- City Parking SA, Brussels
- Parketing NV, Brussels
- Q-Park Sint Martinuskerk NV, Brussels
- Q-Park Deurne NV, Brussels
- Q-Park Belgium NV, Brussels
- Q-Park Belgium Holding NV, Brussels
- Q-Park Meir NV, Brussels
- Q-Park Julianus Tongeren NV, Tongeren
- Q-Park Real Estate Belgium NV, Brussels
- Q-Park Financial Services NV, Maasmechelen
- Park-INN NV, Hasselt
- Parkilim NV, Hasselt (80.25%)
- Eural Parking NV, Hasselt (65.51%)
- Genk Park NV, Hasselt
- DusartPark NV, Hasselt

- HassPark NV, Hasselt (93.55%)

UNITED KINGDOM

- Q-Park (UK) Holding Limited, Leeds
- Universal Parking Limited, Leeds
- Q-Park Developments Limited, Leeds
- Q-Park (Liverpool) Limited, Leeds
- Q-Park (Glasgow) Limited, Leeds
- Airparks (Glasgow) Limited, Leeds
- Q-Park Limited, Leeds
- QT Partnership Limited, Leeds
- Q-Park Heathrow Limited, Leeds
- Q-Park Employment Services Limited, Leeds
- Q-Park (NI) Limited, Leeds
- Q-Park & Fly Limited, Leeds
- Ringway Air Park Limited, Leeds
- Q-Park Finance Limited, Leeds
- Q-Park Taunton Limited, Leeds
- Q-Park Securities Limited, Leeds
- Surrey Street Car Park Limited, Leeds
- Q-Park Kingston (No.1) Limited, Leeds
- Q-Park Real Estate Holding UK Limited, Leeds
- Q-Park Real Estate UK I Limited, Leeds
- Q-Park Crawley Limited, Leeds
- Q-Park Real Estate UK II Limited, Leeds
- Q-Park Real Estate UK III Limited, Leeds
- Q-Park Promenade Car Parks Limited, Leeds

FRANCE

- Q-Park France Holding SAS, Boulogne-Billancourt
- Q-Park Financement SAS, Boulogne-Billancourt
- Q-Park France Services SAS, Boulogne-Billancourt
- Société Marseillaise de Stationnement, Marseille
- Société Rouenaise de Stationnement SAS, Rouen
- Q-Park Marseille HDV SAS, Boulogne-Billancourt
- Q-Park Île de France, Boulogne-Billancourt
- Société Valentinoise de Stationnnement SAS, Valence
- Nîmes Stationnement SAS, Boulogne-Billancourt
- Société Chalon Stationnement SAS, Chalon sur Saone
- Société Grenobloise de Stationnement SAS, Boulogne-Billancourt
- Société les Parkings de Savoie SAS, Boulogne-Billancourt
- Chartres Stationnement SAS, Boulogne-Billancourt
- Sint Germain Stationnement SAS, Boulogne-Billancourt
- Q-Park Boulogne SAS, Boulogne-Billancourt

- Q-Park Participations SAS, Boulogne-Billancourt
- Société du parc Coislin SNC, Boulogne-Billancourt
- Q-Park France SAS, Boulogne-Billancourt
- Q-Park CORSE SAS, Ajaccio
- SEPA – Saint Etienne Parc Auto SAS, Saint Etienne
- Patrimoniale Omniparc SNC, Paris
- SPEP SA, Paris
- Parking Puget, Boulogne-Billancourt
- SCI Q-Park Real Estate France I
- SCI Q-Park Real Estate France II
- SCI Q-Park Real Estate France III
- SCI Q-Park Real Estate France IV
- SCI Q-Park Real Estate France V
- SCI Q-Park Real Estate France VI
- SCI Q-Park Real Estate France VII
- SCI Q-Park Real Estate France VIII
- SCI Q-Park Real Estate France IX
- SCI Q-Park Real Estate France X
- SCI Q-Park Real Estate France XI

IRELAND

- Q-Park Ireland Ltd, Dublin
- Q-Park Management Ltd, Dublin
- Strongale Ltd, Dublin
- Northridge Ltd, Dublin
- Q-Park Properties Ltd, Dublin
- Q-Park Real Estate Ltd, Dublin
- Rushvard Ltd, Dublin
- Fenpark Ltd, Dublin
- Shudehill Ltd, Dublin
- Cornmarket Properties Ltd, Dublin
- Q-Park Real Estate Ireland Ltd, Dublin
- Accaway Ltd, Dublin
- Blarebrook Ltd, Dublin

DENMARK

- Q-Park Operations Denmark A/S, Søborg
- I/S Nørregardsvej, Kopenhagen
- Q-Park Real Estate Denmark ApS, Kopenhagen

SWEDEN

- Mobil Park AB, Uppsala
- Q-Park AB, Stockholm
- Q-Park Bevakning AB, Stockholm

NORWAY

- Q-Park AS, Oslo

FINLAND

- Q-Park Operations Finland Oy, Helsinki
- Q-Park Finland Oy, Helsinki

LUXEMBOURG

- Q-Park Real Estate Luxembourg S.à.r.l., Luxemburg

MINORITY INTERESTS

- Mipark SPA (49 %), Milan
- NV Parkeergarage Deventer (1%), Deventer
- SOPAC NIORT (2.6%), Niort
- SEM de Vence (0.003%), Vence
- Transurbain (2%), Evreux
- Société du Parking Vallier (49%), Marseille

LIST OF WHERE GUARANTEES HAVE BEEN EXTENDED

The company has issued notices of liability in respect of the legal entities listed in the following table pursuant to Book 2, Article 403 of the Dutch Civil Code:

- Q-Park Operations Holding BV, Amsterdam
- Q-Park Real Estate Holding BV, Amsterdam
- Q-Park Real Estate France BV, Maastricht
- Q-Park België BV, Amsterdam
- Q-Park Duitsland BV, Amsterdam
- Q-Park Operations BV, Amsterdam
- Q-Park Netherlands Holding BV, Maastricht
- Q-Park Real Estate Netherlands I BV, Maastricht
- Q-Park Real Estate Netherlands II BV, Maastricht
- Q-Park Operations Netherlands I BV, Maastricht
- Q-Park Parkeergarage Operations BV, Amsterdam
- Q-Park Beheer BV, Maastricht
- Q-Park Operations Netherlands II BV, Amsterdam
- Q-Park Operations Netherlands III BV, Maastricht
- Q-Park 't Loon BV, Maastricht
- Q-Park Operations Netherlands IV BV, Heerlen

Signed

Maastricht, 8 March 2017

The Supervisory Board:
- H.H. Raué, chair
- N.H. van Halder
- J. van der Ende
- D. Meijer
- M. Schaeffer

The Executive Board:
- F.K. De Moor, chair
- M. Iacono

OTHER INFORMATION

Independent auditor's report

To the shareholders and supervisory board of Q-Park N.V.

Report on the audit of the financial statements 2016

Our Opinion

We have audited the financial statements 2016 of Q-Park N.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The consolidated financial statements included in this annual report give a true and fair view of the financial position of Q-Park N.V. as at 31 December 2016, and of its result and its cash flows for 2016 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The company financial statements included in this annual report give a true and fair view of the financial position of Q-Park N.V. as at 31 December 2016, and of its result for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated balance sheet as at 31 December 2016.The following statements for 2016:
2. the consolidated income statement, the consolidated statements of comprehensive income, changes in shareholders's equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 December 2016.
2. The company profit and loss account for 2016.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Q-Park N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual accounts

In addition to the financial statements and our auditor's report, the annual report contain other information that consists of:

- Executive Board Report
- Other Information as required by Part 9 Book 2 of the Dutch Civil Code
- Any other information

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of other information, including the Executive Board Report and Other Information as required by, and in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.
- Obtaining an understanding of internal control 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 company internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's 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 company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Amsterdam, 8 March 2017
Deloitte Accountants B.V.
As originally signed J. Dalhuisen

GLOSSARY


P
STORE

ANPR
Automatic Number Plate Recognition

APIs
Application Programming Interfaces

CCIRSs
Cross Currency Interest Rate Swaps

CCTV
Closed Circuit Television

CEO
Chief Executive Officer

Control fees
Parking fines as penalty for non-compliance with parking regulations in private car parks.

CPI
Consumer Price Index

CRM
Customer Relationship Management

CSR
Corporate Social Responsibility

EBITDA
Earnings Before Interest, Tax, Depreciation and Amortisation (Operational cash flow)

ECB
European Central Bank

EMV
Eurocard Mastercard Visa

EPA
European Parking Association

ERM
Enterprise Risk Management

EU
European Union

FVLCD
Fair Value Less Costs of Disposal

GDP
Gross Domestic Product

Goodwill
In the financial world, goodwill is the term used to express that portion of the market value of a company that is not directly attributable to the assets and liabilities. Goodwill (or badwill) usually arises at the time of acquisition and is considered as the added value of a company over and above the net worth. In this sense, goodwill represents future revenue from the company that is not yet valued on the balance sheet, but that already exists in the form of knowledge, customers, brands, employees and so on.

IAS
International Accounting Standards

ICR
Interest Coverage Ratio

ICT
Information & Communication Technology

IFRIC
International Financial Reporting Interpretations Committee

IFRS
International Financial Reporting Standards

IoT
Internet of Things

NGOs
Non Governmental Organisations

PCI DSS
Payment Card Industry Data Security Standard

PMS
Parking Management System

QCR
Q-Park Control Room

QIS
Q-Park ICT Services

ROCE
Return On Capital Employed

ROI
Return on Investment

Shareholder return
Sum of percentage increase in share value in the reporting period, dividend distributed in the period; expressed in terms of the share value.

SMS
Short Message Service

VAT
Value Added Tax

VIU
Value In Use

WACC
Weighted Average Cost of Capital. The term for the weighted average cost of the capital of a company. The WACC is often used internally by managers on the lookout for opportunities for expansion or potential acquisitions. Investments only add value to a company if the expected return on investment is greater than the WACC.