

Interim  
financial  
report

14



**WDP**

WAREHOUSES WITH BRAINS

## 2014 INTERIM FINANCIAL REPORT

- **The net current result for H1 2014 amounted to 32.9 million euros, which means an increase of 5.4% per share, specifically to 2.04 euros and in line with the initial expectations targeted for 2014.**
- **WDP increases the expected net current result for 2014 from 4.00 to 4.05 euros per share, around 67 million euros, an increase of 5% compared to 2013.**
- **Cumulative investment volume in the context of the 2013-16 growth plan of some 400 million euros, resulting from a combination of direct acquisitions, projects in development and new projects. With this package of investments, currently two thirds of the targeted growth of the portfolio has already been identified.<sup>1</sup>**

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### Summary<sup>2</sup>

- The net current result<sup>3</sup> for H1 2014 amounted to 32.9 million euros, an increase by 11.9% in comparison with the 29.4 million euros in H1 2013. The net current result per share<sup>4</sup> for H1 2014 increased by 5.4% to 2.04 euros, compared to 1.93 euros in H1 2013. This means WDP is on track to realise the targeted increase in dividend by 5% to 3.40 euros per share for 2014. The occupancy rate<sup>5</sup> amounted to 97.0% on 30 June 2014, quasi stable compared to 97.4% as at 31 December 2013. The average duration (until the first optional termination date) of the leases of the WDP portfolio was 7.4 years (including solar panels).
- On 30 June 2014, the gearing ratio amounted to 58.2% compared to 54.6% at the end of 2013. The fair value of the portfolio<sup>6</sup> amounted to 1,395.4 million euros in comparison with 1,273.1 million euros at the end of 2013.

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<sup>1</sup> See press release dated 12 February 2014 and the 2013 Interim financial report.

<sup>2</sup> As a result of the coming into effect of 'IFRS 11 Joint arrangements', the results and effect on the balance sheet of the joint venture WDP Development RO, in which WDP holds 51%, will be incorporated with effect from 1 January 2014 according to the equity accounting method. Comparable historic figures are also shown concerning preceding periods. For the statistics related to the reporting concerning the portfolio, the proportional share of WDP in the portfolio of WDP Development RO is always shown (51%).

<sup>3</sup> The net current result is the result exclusive of the result on the portfolio and the IAS 39 result.

<sup>4</sup> Based on the weighted average number of outstanding shares of 16,145,370 during H1 2014.

<sup>5</sup> The occupancy rate is calculated on the basis of the rental values of leased buildings and unleased areas and includes the revenues from the solar panels. Projects under construction and/or renovation are not taken into account.

<sup>6</sup> The portfolio value is composed of the investment properties, investment properties under development for own account with the purpose of being rented out, assets held for sale and the fair value of the solar panels. If the solar panels are not taken into account, the portfolio value amounts to 1,320.5 million euros compared to 1,196.2 million euros at the end of 2013.

- The NAV (EPRA)<sup>7</sup> amounted to 35.1 euros on 30 June 2014, compared to 35.9 euros on 31 December 2013.
- WDP announces a new acquisition in the Netherlands, specifically in Duiven, as well as some new pre-leased projects in Belgium. In Romania, the development of a fourth WDP site on the existing land in Ploiesti will also started. All this involves an investment of more than 30 million euros.<sup>8</sup>
- After the recently announced acquisitions and development projects, the total investment volume in the context of the 2013-16 growth plan amounts to some 400 million euros. With this package of investments, some two thirds of the targeted growth of the portfolio has already been identified after one and a half years.
- WDP increases its ambition for an expected net current result for 2014 of 4.00 to 4.05 euros per share, around 67 million euros. This means that WDP is confirming the expected dividend increase by 5% compared to 2013, to 3.40 euros per share, in line with the targeted profit growth.
- In the framework of the publication of the Law of 12 May 2014 on the Regulated Real Estate Companies (*Gereguleerde VastgoedVennootschappen/Sociétés Immobilières Réglementées – GVV/SIR Law*) and the Belgian Royal Decree of 13 July 2014 on the Regulated Real Estate Companies, the Board of Directors of WDP has decided to submit a license file to the FSMA in order to obtain the approval by the FSMA, for WDP, which currently has the status of *Vastgoedbevak/Sicafi*, listed on Euronext Brussels, to have its status changed to adopt that of public Regulated Real Estate Company (GVV/SIR, the new *B-REIT* status). This change of status will be submitted for approval to the shareholders. WDP will provide all necessary information and documentation to the shareholders in due time.<sup>9</sup>

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<sup>7</sup> Financial performance indicator calculated according to the Best Practices Recommendations of EPRA (European Public Real Estate Association). Please see [www.epra.com](http://www.epra.com).

<sup>8</sup> For more details regarding this investment package, see the 'NEW' sections under '2.4. Transactions and realisations'.

<sup>9</sup> See also main section '2.7. Transition from Vastgoedbevak/Sicafi to Regulated Real Estate Company'.

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## **1. Risk factors**

Since investing in property means investing in stability, WDP's strategy is aimed at ensuring this stability for investors, both in terms of dividend and in terms of long-term income. The management and Board of Directors of WDP are aware of the specific risks associated with managing a property portfolio, and attempt to manage these risks as effectively as possible and eliminate them as much as possible.

The management and Board of Directors of WDP confirm the applicability of the risks the company may be facing, the possible effect of these risks, and the strategy that is used to mitigate the possible effects, as they are stated in the *2013 Annual financial report*, which is available via [www.wdp.be](http://www.wdp.be).

## 2. Interim management report

### 2.1. Consolidated key figures

KEY FIGURES		
<b>OPERATIONAL</b>		
	30/06/2014	31/12/2013
Fair value of property portfolio (solar panels inclusive) (in million euros)	1 395,4	1 273,1
Gross initial yield (including vacancies) <sup>1</sup> (in %)	8,2	8,2
Net initial yield (EPRA) <sup>2</sup> (in %)	7,5	7,5
Average lease term until first break <sup>3</sup> (in y)	7,4	7,3
Occupancy rate <sup>4</sup> (in %)	97,0	97,4
Like-for-like rental growth <sup>5</sup> (in %)	0,1	1,5
Operating margin <sup>6</sup> (in %)	91,6	91,9
<b>FINANCIAL</b>		
	30/06/2014	31/12/2013
Gearing ratio <sup>7</sup> (in %)	58,2	54,6
Interest Coverage Ratio <sup>8</sup> (in x)	3,6	3,6
Average cost of debt (in %)	3,58	3,64
Average remaining duration of outstanding debt (in y)	3,8	3,0
Average remaining duration of long term credit facilities (in y)	4,1	3,4
Hedge ratio <sup>9</sup> (in %)	80	78
Average remaining term of hedges <sup>10</sup> (in y)	5,6	5,7
<b>RESULT (in million euros)</b>		
	30/06/2014	30/06/2013
Property result	49,3	43,4
Operating result (before result on the portfolio)	45,1	39,8
Financial result (excluding IAS 39 result)	-11,9	-10,0
Net current result (including participation in the result of joint ventures)	32,9	29,4
Result on the portfolio	1,9	4,3
IAS 39 result	-11,0	15,0
Net result	23,4	47,9
<b>DETAILS PER SHARE (in euros)</b>		
	30/06/2014	30/06/2013
Net current result (EPRA) <sup>2,11</sup>	2,04	1,93
Result on the portfolio	0,10	0,23
IAS 39 result	-0,68	0,98
Net result	1,45	3,15
NAV (IFRS) <sup>11</sup>	31,4	30,4
NAV (EPRA) <sup>2,11</sup>	35,1	33,9
NNNAV (EPRA) <sup>2</sup>	31,0	30,3

<sup>1</sup> Calculated by dividing the annualised contractual gross (cash) rents by the fair value. The fair value is the value of the property portfolio after deduction of transaction costs (mainly transfer tax).

<sup>2</sup> Financial performance indicators calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. See also [www.epra.com](http://www.epra.com).

<sup>3</sup> Including solar panels that are taken into account at the remaining weighted average duration of green energy certificates.

<sup>4</sup> Calculated based on the rental values of leased properties and the non-leased surfaces, including the income from solar panels. Projects under construction and/or renovation projects are not considered.

<sup>5</sup> Evolution of the net rental income on a constant portfolio basis. Calculated according to the EPRA Best Practices Recommendations. See also [www.epra.com](http://www.epra.com).

<sup>6</sup> The operating margin is calculated by dividing the operating result (before result on the portfolio) by property result. Based on the comparison between H1 2014 and H1 2013.

<sup>7</sup> For the method of calculating the gearing ratio, refer to the RD of 7 December 2010 on closed-end real estate companies.

<sup>8</sup> Defined as operating result (before result on the portfolio) divided by interest changes, minus interest and dividends collection, minus compensation for financial leasing and others.

<sup>9</sup> Percentage of debt at fixed interest cost or debts covered against fluctuations in interest rates by derivative financial products.

<sup>10</sup> Remaining term of interest rate hedges entered into to hedge the debt against interest rate fluctuations.

<sup>11</sup> NAV = Net Asset Value before profit distribution for the current financial year.

## 2.2. EPRA metrics

EPRA KEY PERFORMANCE MAESURES*	30/06/2014	31/12/2013
EPRA result (in euros per share)**	2,04	1,93
EPRA NAV (in euros per share)	35,1	35,9
EPRA NNNAV (in euros per share)	31,0	32,8
EPRA Net Initial Yield (in %)	7,5	7,5
EPRA Topped-up Net Initial Yield (in %)	7,5	7,5
EPRA vacancy rate (in %)	3,3	2,8
EPRA Cost Ratio (including direct vacancy costs) (in %)	9,5	9,2
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	9,3	8,9

\* Financial performance indicator calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. Please see [www.epra.com](http://www.epra.com).

\*\* Based on the comparison between H1 2014 and H1 2013.

## 2.3. Notes to the consolidated results for the first half-year of 2014

### Summary

The net current result of WDP for the first half-year of 2014 amounted to 32.9 million euros. This result represents an increase of 11.9% compared to the result of 29.4 million euros for the same period in 2013. The net current result per share amounts to 2.04 euros, an increase of 5.4% compared to 1.93 euros for the same period last year, taking into account the weighted average number of outstanding shares for this period<sup>10</sup>. This result means WDP is performing according to the initially expectations forecast for 2014.<sup>11</sup>

This increase in the net current result has been created by the continued growth of the WDP portfolio in 2014 resulting from, among other things, the acquisition volume realised, the completed pre-leased projects, and the consistently high occupancy rate. In addition, the operational and financial costs were also actively managed and kept under control.

<sup>10</sup> The weighted average number of outstanding shares for the first half-year of 2014 amounted to 16,145,370 taking into account the creation of 470,317 new shares as a result of the optional dividend.

<sup>11</sup> See press release dated 12 February 2014 and the 2013 annual financial report.

When taking into account the dilution due to the newly issued shares in the context of the capital increase as a result of the optional dividend, the net current result for the first half-year of 2014 comes to 1.99 euros per share<sup>12</sup> (an increase of 6.0% compared to 1.88 euros during the same period in 2013).

All this confirms WDP's ambition to allow the dividend for 2014 to increase again by 5%, compared to 2013, to 3.40 euros gross per share for the 2014 financial year (payable in 2015).

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<sup>12</sup> The total number of shares entitled to dividend for the first half-year of 2014 amounted to 16,539,564.



## Notes to the consolidated income statement for the first half-year of 2014 (analytical form)

<b>CONSOLIDATED BALANCE SHEET</b>		30/06/2014	30/06/2013
<i>(in euros x 1 000)</i>			
Rental income, net of rental-related expenses		45 134	40 271
Income from solar energy		3 826	3 196
Other operating income / costs		337	-101
<b>Property result</b>		<b>49 297</b>	<b>43 366</b>
Property charges		-1 398	-1 223
General company expenses		-2 767	-2 304
<b>Operating result (before result the on portfolio)</b>		<b>45 132</b>	<b>39 839</b>
Financial result (excluding IAS 39 result)		-11 921	-9 969
Taxes on net current result		-40	-25
Deferred tax on net current result		-250	-200
Participation in the result of associated companies and joint ventures		-44	-269
<b>NET CURRENT RESULT</b>		<b>32 876</b>	<b>29 376</b>
<b>RESULT ON THE PORTFOLIO*</b>			
Movement in the fair value of investment property (+/-)		1 887	3 691
Result from sale of investment property (+/-)		13	666
Participation in the result of associated companies and joint ventures		-288	-807
<b>Result on the portfolio</b>		<b>1 612</b>	<b>3 541</b>
<b>IAS 39 RESULT</b>			
Revaluation of financial instruments (IAS 39 impact)		-11 043	14 961
<b>IAS 39 result</b>		<b>-11 043</b>	<b>14 961</b>
<b>NET RESULT</b>		<b>23 445</b>	<b>47 878</b>
<i>* Result on the portfolio excludes the movement in the fair value of solar panels. These are valued in accordance with IAS 16, under which such movement is directly recognised in shareholders' equity.</i>			

<b>KEY RATIOS</b>		30/06/2014	30/06/2013
<i>(in euros)</i>			
Net current result / share*		2,04	1,93
Result for the portfolio / share*		0,10	0,23
IAS 39 result / share*		-0,68	0,98
Net result / share*		1,45	3,15
Net current result / share**		1,99	1,88
Weighted average number of shares		16 145 370	15 198 946
Number of outstanding shares at end of the period		16 539 564	15 655 288

\* Calculation based on the weighted average number of shares.

\*\* Calculation based on the number of shares entitled to dividend.

### **Property result**

The property result amounts to 49.3 million euros for the first half-year of 2014, an increase by 13.7% compared to the same period last year (43.4 million euros). On the one hand, this increase is a result of the continued growth of the portfolio in 2013-14, primarily in Belgium and in the Netherlands through acquisitions and the completion of pre-leased projects. Based on an unchanged portfolio, the level of rental income remained stable (+0.1%)<sup>13</sup>. This property result also includes 3.8 million euros of income from solar panels, compared to 3.2 million euros in the same period last year.

### **Operating result (before result on the portfolio)**

The *operating result (before result on the portfolio)* amounted to 45.1 million euros in the first half-year of 2014, an increase of 13.3% compared to the same period last year (40.0 million euros). The property and other general costs amounted to 4.2 million euros over the first half-year, an increase by 0.6 million euros compared to the costs for the same period in 2013. WDP succeeded in keeping the costs under control, meaning the operating margin<sup>14</sup> for the first half-year of 2014 amounted to 91.6% – in line with the same period in 2013 (91.9%).

### **Financial result (excluding IAS 39 result)**

The *financial result (excluding IAS 39 result)* amounted to -11.9 million euros for the first half-year of 2014, an increase compared to last year (-10.0 million euros) in which the income from the sold Czech assets were incorporated as financial income up until the closing at the end of June 2013. The total financial debts amounted to 803.3 million euros on 30 June 2014 compared to 688.4 million euros at the end of 2013. The average interest cost amounted to 3.6% in the first half-year of 2014 compared to 3.6% for the same period in 2013.

### **Result on the portfolio**

The *result on the portfolio* for the first half-year of 2014 amounted to +1.6 million euros<sup>15</sup> or +0.10 euros per share<sup>16</sup>. For the same period last year, this result amounted to +3.5 million euros or +0.23 euros per share. This yields the following results per country for the first half-year of 2014: Belgium: -3.0 million euros; the Netherlands: +4.3 million euros; France: +0.6 million euros; and Romania: -0.3 million euros.

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<sup>13</sup> Calculated according to EPRA Best Practices Recommendations. Please see [www.epra.com](http://www.epra.com).

<sup>14</sup> The operating margin is calculated by dividing the operating result (before result on the portfolio) by the property result.

<sup>15</sup> Including the participation in the result on the portfolio of joint ventures.

<sup>16</sup> Based on the weighted average number of outstanding shares of 16,145,370 during the first half-year of 2014.

### **IAS 39-result<sup>17</sup>**

The impact of the *IAS 39 result* amounted to -11.0 million euros or -0.68 euros per share during the first half-year of 2014 (compared to +15.0 million euros or +0.98 euros per share during 2013). This negative effect is the result of the change in fair value of the interest rate hedges contracted, mainly Interest Rate Swaps, as at 30 June 2014 as a result of a decrease in the long-term interest rates during the course of 2014.

The change in the fair value of these interest rate hedges is fully incorporated in the income statement and not via the equity. Because this effect concerns a non-cash and unrealised item, it is removed from the analytical presentation of the results from the financial result and recognised separately in the income statement.

### **Net result**

The net current result together with the result for the portfolio and the IAS 39 result, lead to the *net result* in the first half-year of 2014 of 23.4 million euros, compared to 47.9 million euros in the first half-year of 2013.

The difference between the net result of 23.4 million euro and the net current result of 32.9 million euros is attributable to the negative change in the fair value of the interest rate hedging instruments (IAS 39 result) and the positive fluctuations in the value of the portfolio.

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<sup>17</sup> The effect of IAS 39 (non-cash item) is calculated on the basis of the mark-to-market (M-t-M) value of the interest rate hedges contracted.

## Notes to the consolidated balance sheet as at 30 June 2014

<b>BALANCE SHEET</b>	30/06/2014	31/12/2013
<i>(in euros x 1 000)</i>		
<b>Fixed assets</b>	<b>1 388 677</b>	<b>1 267 792</b>
Intangible fixed assets	142	114
Investment property	1 292 825	1 167 733
Other tangible fixed assets (including solar panels)	65 349	66 814
Financial fixed assets	23 337	23 384
Trade receivables and other non-current assets	5 652	6 800
Participations in associates and joint ventures	1 373	2 946
<b>Current assets</b>	<b>21 676</b>	<b>15 298</b>
Assets held for sale	1 231	2 179
Trade receivables	8 022	3 578
Tax receivables and other current assets	5 162	5 465
Cash and cash equivalents	2 040	1 579
Deferred active charges	5 222	2 498
<b>TOTAL ASSETS</b>	<b>1 410 353</b>	<b>1 283 090</b>
<b>Shareholders' equity</b>	<b>518 560</b>	<b>527 080</b>
Capital	128 574	124 898
Premiums on issues	196 262	177 057
Reserves (including result)	170 279	145 451
Net result for the financial year	23 445	79 674
<b>Liabilities</b>	<b>891 793</b>	<b>756 010</b>
Non-current liabilities	639 699	565 026
Provisions	1 060	1 065
Non-current financial liabilities	578 170	514 899
Other non-current financial liabilities	60 469	49 062
Deferred tax liabilities	0	0
Current liabilities	252 094	190 984
Current financial liabilities	225 175	173 477
Trade payables and others current liabilities	17 617	12 690
Other current liabilities	721	633
Deferred active charges	8 581	4 184
<b>TOTAL LIABILITIES</b>	<b>1 410 353</b>	<b>1 283 090</b>

KEY RATIOS	30/06/2014	31/12/2013
<i>(in euros)</i>		
NAV (EPRA)*/**	35,1	35,9
NAV (IFRS)* / share	31,4	32,8
NNNAV (EPRA)**	31,0	32,80
Share price	54,7	52,7
Premium / Discount with regard to NAV (EPRA)	56,0%	46,7%
 <i>(in euros x 1.000)</i>		
Reële waarde van de portefeuille (inclusief zonnepanelen)***	1 395 359	1 273 065
Debt and liabilities included in the gearing ratio	821 480	701 052
Balance sheet total	1 410 353	1 283 090
Schuldgraad****	58,2%	54,6%

\* NAV = Net Asset Value before profit distribution for the current financial year.

\*\* Financial performance indicators calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. See also [www.epra.com](http://www.epra.com).

\*\*\* Including the proportional share of WDP in the portfolio of WDP development RO (51%).

\*\*\*\* For the method used in the calculation of the gearing ratio, refer to the RD of 7 December 2010 on closed-end real estate companies.

### Property portfolio<sup>18</sup>

According to independent property experts Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate, the fair value<sup>19</sup> of the WDP property portfolio was, in compliance with IAS 40, 1,320.5 million euros on 30 June 2014 compared to 1,196.2 million euro at the start of the financial year<sup>20</sup>. Together with the valuation at fair value<sup>20</sup> of the investments in solar panels<sup>21</sup>, the total portfolio value increased to 1.395.4 million euros compared to 1,273.1 million euros at the end of 2013.

This value of 1,395.4 million euro includes 1,192.2 million euros in completed properties (*standing portfolio*). The projects under development represent a value of 89.0 million euros with, on the one hand, the projects in Belgium at Londerzeel, Willebroek (Victor Dumonlaan 4) and Willebroek (Koningin Astridlaan 14-16) and, on the other, the projects in the Netherlands at Bleiswijk, Schiphol Logistics Park

<sup>18</sup> For the statistics related to the reporting concerning the portfolio, the proportional share of WDP in the portfolio of WDP Development RO is always shown (51%).

<sup>19</sup> For the precise valuation method used, we refer to the BEAMA press release dated 6 February 2006 ([www.beama.be](http://www.beama.be)).

<sup>20</sup> Including the item 'Assets held for sale', see also main section '2.4. Interim management report – Transactions and realisations'.

<sup>21</sup> The investments in solar panels are valued in compliance with IAS 16 by applying the revaluation model.

and Zwolle.<sup>22</sup> In addition, there are the land reserves including in Sint-Niklaas, Courcelles, Heppignies, Libercourt and the land bank in Romania for a fair value of 39.3 million euros.

The investments made in solar panels were valued as at 30 June 2014 at a fair value of 74.9 million euros. The solar panels are included in the balance sheet under the item *Other tangible assets*.

### **Shareholders' equity**

The *shareholders' equity* of the group (IFRS) amounted to 518.6 million euros as at 30 June 2014, compared to 527.1 million euros at the end of 2013. This decrease is mainly driven by the profit generated during the first half-year and taking into account the payment of the dividend for the 2013 financial year, for which around 60% of the shareholders opted for a contribution of the dividend rights in exchange for new shares. The shareholders' equity of the group (EPRA), without taking into account the (negative) mark-to-market (M-t-M)-value of the contracted interest rate hedges, in accordance with IAS 39, amounted to 580.1 million euros as at 30 June 2014.

### **NAV per share**

The *NAV (EPRA) per share* amounted to 35.1 euros as at 30 June 2014. This represents a decrease of 0.8 euros compared to a NAV (EPRA) on 31 December 2013 of 35.9 euros as a result of the dividend payment for the 2013 financial year. The *NAV (IFRS) per share* on 30 June 2014 amounted to 31.4 euros per share, compared to 32.8 euros on 31 December 2013.

### **Debts**

The total, non-current and current, financial liabilities during the first half-year of 2014 increased from 688.4 million euros on 31 December 2013 to 803.3 million euros as at the end of June 2014, as a result of the completed projects and the projects under development. The debts and liabilities, as included in the calculation of the gearing ratio in compliance with the Belgian Royal Decree of 7 December 2010, increased from 701.1 million euros to 821.5 million euros. At the same time, the balance sheet total increased from 1,283.1 million euros to 1,410.4 million euros. The gearing ratio evolved during the course of the first half-year of 2014 towards 58.2% as at 30 June 2014, compared to 54.6% on 31 December 2013.

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<sup>22</sup> The value of the projects in development of 89.0 million euros stated here includes the value of existing sites before the start of the renovation, with regard to the redevelopment projects. See also '4.1. Discussion of the consolidated property portfolio - Overview of investment properties under development for own account with the purpose of being rented out'.

## 2.4. Transactions and realisations

### Occupancy rate and leasing activity

WDP was able to maintain the high level of occupancy during the first half-year of 2014. The portfolio reached an occupancy rate of 97.0% on 30 June 2014, compared to 97.4% at the end of 2013. Regarding the expiry dates of the existing leases, of the 13% of leases that expire in 2014, more than 90% could already be extended, compared to 60% at the start of the year. This reaffirms the confidence of our customers.

Within the existing portfolio, the premises becoming vacant in Willebroek (Victor Dumonlaan 4) and Grimbergen (Epegemsesteenweg 31)<sup>23</sup> could almost immediately be re-let, partly thanks to the WDP's commercial strength as well as a result of the strategic added value offered by these premises within the portfolio. Both properties are currently being renovated with expected completion at the end of 2014.

### New acquisitions

During the first half of 2014, a series of acquisitions could be realised with a total investment volume of some 145 million euros<sup>24</sup>. WDP expects these to generate an overall initial gross rental yield of approximately 7.5% (7.8% after adding the estimated market rental value of the unleased parts).

#### *Belgium*

*Ternat, Industrielaan 23:* at the end of April 2014, WDP acquired 100% of the shares in the company Charles V Property NV, which owns a logistics building with an area of some 9,000 m<sup>2</sup> in Ternat. The building is fully leased to Axus (ALD Automotive) until the end of 2020, with first break option in 2017. Axus is already a partner of WDP by leasing another WDP site in Kobbegem (Asse).<sup>25</sup>

*Zaventem, Leuvensesteenweg 573:* at the end of April 2014, WDP also acquired 100% of the shares in the company Transeuropean Leuven NV. This company owns a multi-unit near the national airport, where there is always a demand for such type of property. This is a typical site that is split up into various units with adjoining offices totalling 19,000 m<sup>2</sup>. The site is leased for approximately 85% to various high-quality tenants, such as bpost and helicopter manufacturer Agusta.<sup>25</sup>

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<sup>23</sup> See '2.4. Transactions and realisations – Investment properties under development for own account with the purpose of being rented out'.

<sup>24</sup> Including the transactions in Echt (Susteren) - Phase 2, in Duiven and in Venray, which have not yet been recognised in the balance sheet as at 30 June 2014.

<sup>25</sup> See the press release of 2 May 2014.

### *The Netherlands*

*Zwolle, Mindestraat 7:* in Zwolle in the Netherlands, an agreement was signed during the autumn of 2013 for the acquisition of a building of 18,000 m<sup>2</sup> warehouses with possibilities for extension, which has been leased to the current tenant Altrex. The transaction was completed at the start of January 2014.

*Tilburg, Marga Klompéweg 11:* a site in Tilburg, the logistics hot spot of Southern Netherlands, with an area of approximately 20,000 m<sup>2</sup> was acquired at the end of April 2014 and consists of a warehouse area with cross-dock facilities. The property is leased to Bakker Logistiek on the basis of a long-term lease of 12 years. Bakker Logistiek is currently the tenth largest logistics service provider in the Netherlands. They recently became the owner of European Food Transport, formerly part of the Univeg group, already a partner of WDP at various locations for many years.<sup>25</sup>

*Echt (Susteren), Fahrenheitweg 1:* in the South Limburg region, WDP has taken over the distribution centre of Action. In the context of its continued expansion, Action has completed a second distribution centre for supplying its shops in Belgium, France and Germany. In an initial phase, Action can have a building available with some 58,000 m<sup>2</sup> of warehouses, excluding offices and mezzanine. The second phase of some 15,000 m<sup>2</sup>, planned for completion in Q2 2015, will be realised adjacently. WDP is acquiring this site from Action by means of a sale and rent back operation with a fixed lease of 15 years. The first phase will be completed and transferred to WDP at the start of June 2014, and the extension will be realised and taken over by WDP in April 2015.<sup>26</sup>

All of these acquisitions were made at prices in accordance with the fair value as determined in the valuation reports of the independent property experts.

### **Projects completed in the first half-year of 2014**

#### *Belgium*

*Londerzeel, Weversstraat 2:* after demolition and remediation of the old site, a tailor-made TAPA27-certified warehouse of 14,500 m<sup>2</sup> for Colfridis with high visibility along the A12 was developed. The investment amounts to some 6 million euros and the project was completed at the end of the first quarter of 2014.

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<sup>26</sup> See the press release of 19 May 2014.

<sup>27</sup> TAPA stands for 'Technology Asset Protection Association'. A TAPA certificate is a recognised standard for freight security that provides an organisation with the assurance that the established requirements are met to guarantee a secure network and secure storage of valuable goods.



### *The Netherlands*

*Zwolle, Lippestraat 15*: expansion project of around 2 million euros that was realised on an existing site for tenant Kuehne + Nagel in the context of a contract extension for the entire site of more than 20,000 m<sup>2</sup>.

*Eindhoven, Park Forum 1029*: in the Park Forum West industrial area in Eindhoven, WDP has realised a turnkey industrial building with offices totalling over 8,000 m<sup>2</sup> at the end of the second quarter of 2014 for tenant Brocacef. This project has a total investment value of 10 million euros.

### **Investment properties under development for own account with the purpose of being rented out**

#### *Belgium*

*Grimbergen, Epegemsesteenweg 31*: in mid-February 2014, Montea and WDP firmed up a lease with Caterpillar Distribution Services Europe for a period of nine years, commencing on 1 January 2015. Currently the site<sup>28</sup> is being partially redeveloped and expanded by WDP and Montea in consultation with the tenant, into a strategic logistics hub of some 60,000 m<sup>2</sup> of warehouse space with adjoining offices. The investment is estimated at some 7 million euros (WDP share, taking account of the proportional WDP-Montea 50-50 share).

*Londerzeel, Nijverheidsstraat 13*: redevelopment into a state-of-the-art refrigerated warehouse with 20,000 pallet places for Lantmänner Unibake, an international bakery group, on the basis of a lease of 20 years with foreseen completion in the third quarter of 2015. The investment is estimated at approximately 18 million euros.

*Willebroek, Victor Dumonlaan 4*: in the context of the re-letting, WDP will renovate and transform the existing site of some 34,000 m<sup>2</sup> into a fully-conditioned warehouse for the food industry customised and in consultation with the tenant, so Bakker Logistiek Groep can move into this new site as from 1 February 2015. The investment budget amounts to around 2 million euros.

*Leuven, Vaartkom 31*: WDP owns an attractively located and iconic building, *Hungaria*, in Leuven, for which the currently designated mixed use has elapsed however. In this context, WDP has signed a cooperation agreement with LIFE, a leading residential property developer based in the Antwerp area, to give the property a new designated use in the long term. The project is subject to obtaining the necessary town planning permits and is planned for 2016.

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<sup>28</sup> The site in Grimbergen is retained together with another 'Vastgoedbevak/Sicafi' Montea Comm. VA in joint ownership on the basis of a 50-50 share. This means that WDP Comm. VA is co-owner of this site.

- NEW** *Liege (Flémalle), rue de l'Arbre Saint-Michel 99*: in addition to the existing site for DPD, WDP acquired an adjacent plot of land, to develop an extension of the existing space with some 2,000 m<sup>2</sup>; following the growing e-commerce activities (planned completion: Q3 2014). The investment budget amounts to 1.5 million euros.
- NEW** *Vilvoorde, Havendoklaan 10*: in the Cargovil zone, on a plot of land located next to the WDP site at the Havendoklaan 12, a warehouse of approximately 7,000 m<sup>2</sup> will be built for the benefit of logistics service provider Intertrans, with planned completion in the first quarter of 2015. The investment budget amounts to 5 million euros.
- NEW** *Willebroek, Koningin Astridlaan 14-16*: on this site, located beside the A12 motorway, the final phase of the transformation of the 'Femont-site' has been started. WDP will transform this last part of the former warehouses into a modern logistics building for Distri-Log, already tenant of the adjacent buildings. This final phase includes approximately 10,000 m<sup>2</sup> (planned completion: Q1 2015) with an investment budget of 6 million euros.

### *The Netherlands*

*Bleiswijk, Spectrumlaan 7-9*: a warehouse with adjoining offices of more than 10,000 m<sup>2</sup> for MRC Transmark, a supplier to the oil and gas industry, on the basis of a 10-year lease starting as from the fourth quarter of 2014. The investment value amounts to approximately 8 million euros.

*Zwolle, Pommerenstraat 4A*: a new BREEAM certified e-commerce warehouse (planned score: *Very Good*) with surface area of some 35,000 m<sup>2</sup>, completely tailor-made for wehkamp.nl, the Netherlands' largest online department store. The cooperation is based on a lease fixed for 15 years, commencing as soon as the entire distribution centre is operational (autumn of 2015). The project requires an investment from WDP of some 30 million euros for phase I of the project. In addition, the tenant wehkamp.nl will itself invest more than 70 million euros in equipping it<sup>29</sup>.

*Schiphol, Schiphol Logistics Park (Incheonweg 7)*: a project of more than 14,000 m<sup>2</sup> with planned completion in the fourth quarter of 2014, on the basis of a lease with Kuehne + Nagel that will centralise several of its activities there and also set up the site as its headquarters. The project will be BREEAM certified with a planned *Very Good* score. In an initial phase, the total investment amounts to about 16 million euros.

*Harderwijk, Archimedesstraat 9*: a new development project tailor-made for Alcoa. This is a new to be realised distribution centre with storage space totalling 17,000 m<sup>2</sup>, excluding offices and mezzanine. Alcoa prefers this location, in view of its strategic location relative to its Dutch and German clients. WDP foresees a phased completion for this project, commencing in the second quarter of 2015, and


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<sup>29</sup> See the press release of 4 November 2013.

with final completion in August later that year on the basis of a fixed long-term lease of 10 years. The investment budget amounts to around 16 million euros.<sup>26</sup>

*Tiel, Medel 1A*: a new construction project with a total of 27,000m<sup>2</sup>. WDP will develop a warehouse with offices for Kuehne + Nagel. The investment budget amounts to around 25 million euros. The site includes expansion potential.

### *Romania*

 *Ploiesti*: on the existing plot, via WDP Development RO<sup>30</sup>, WDP will develop a logistics building (the fourth for WDP in Romania) of approximately 7,000 m<sup>2</sup> for Roquet, a supplier to the automotive industry, on the basis of a long-term lease with planned completion in the first quarter of 2015. The investment budget amounts to 4 million euros<sup>31</sup>.

WDP expects these projects in development to generate an initial gross rental yield of some 8%.


### **Disposals**

At the start of 2014, WDP sold a non-strategic site at Groene Hofstraat 1 in Boom for an amount of some 1 million euros.

WDP currently has 1.2 million euros in *Assets held for sale*, specifically a piece of land in Wieze that will be sold.

### **Significant events after the balance sheet date**

#### *The Netherlands*

 *Duiven, Inundatie 1*: at the beginning of July 2014, WDP purchased a site consisting of a warehouse with offices of some 23,000 m<sup>2</sup> in Duiven. The building is leased to Nedac Sorbo, a distribution company specialised in non-food ranges, on the basis of a long-term lease.<sup>32</sup>

*Venray, Wattstraat 2-6*: in mid-July 2014, the purchase agreement for the previously announced acquisition of a strategically situated new warehouse in Venray was completed. The site of more than

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<sup>30</sup> WDP Development RO is a 51-49 joint venture with entrepreneur and Romanian specialist Jeroen Biermans.

<sup>31</sup> On the basis of 100% of the investment.

<sup>32</sup> These transactions were therefore not included in the interim results of 2014.

40,000 m<sup>2</sup> accommodates international logistics service provider CEVA Logistics for its client Microsoft. The property, with a highly visible location, located in the business park De Blakt, where WDP is already active with a neighbouring site for tenant Sligro. The planned expansion of approximately 35,000 m<sup>2</sup> will be carried out by the buyer and seller. Tenant CEVA Logistics currently has a lease of 5+5 years, of which two years have already expired. With the addition of CEVA Logistics to WDP's client portfolio, WDP accommodates the top 3 major international logistics providers, besides Kuehne + Nagel and DHL.<sup>25,32</sup>

## 2.5. Management of financial resources

### Financial key figures

KEY FINANCIAL DATA	30/06/2014	31/12/2013
Net financial debt (in million euros)	801,3	686,8
Debt and liabilities included in the gearing ratio (in million euros)	821,5	701,1
Balance sheet total (in million euros)	1 410,4	1 283,1
Gearing ratio <sup>1</sup> (in %)	58,2%	54,6%
Interest Coverage Ratio <sup>2</sup> (in x)	3,6	3,6
Average cost of debt (in %)	3,60	3,64
Average remaining term of outstanding debts (in y)	3,8	3,0
Average remaining term of long-term credit facilities (in y)	4,1	3,4
Hedge ratio <sup>3</sup> (in %)	80	78
Average remaining term of interest rate hedges <sup>4</sup> (in y)	5,6	5,7

<sup>1</sup> See the 'Vastgoedbevak/Sicafi' Royal Decree of 7 December 2010 for the calculation method used for the gearing.

<sup>2</sup> Defined as operating result (before result for the portfolio) divided by interest changes, minus interest and dividends collection, minus compensation for financial leasing and others. This ratio indicates the extent to which the company is able to meet its annual interest payments.

<sup>3</sup> Percentage of the debt at fixed rate or hedged against interest rate fluctuations by means of derivative financial instruments.

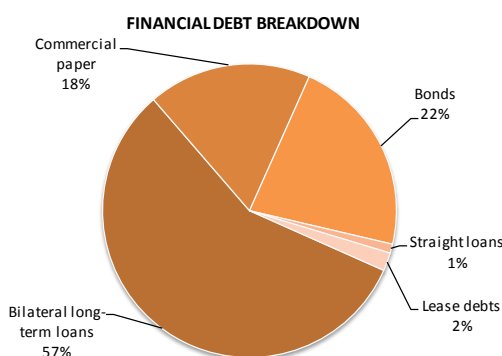
<sup>4</sup> Remaining term of debt at fixed rate and interest rate hedges entered into to hedge the debt against interest rate fluctuations.

## Debt structure

### *Breakdown*

On 30 June 2014 the total consolidated financial debt was 803.3 million euros. This amount is broken down as follows:

- 460.5 million euros in traditional bilateral medium and long-term bank loans, spread over nine banks;
- 145.9 million euros in commercial paper;
- 174.4 million euros in bonds<sup>33</sup>;
- 17.8 million euros in lease debts;
- 4.7 million euros in straight loans.



### *Maturity dates*

The financial debts mature in a spread manner, mainly in the period from 2014 to 2021. The debts that mature in 2014 mainly concern the commercial paper<sup>34</sup>. There are no maturity dates of long-term debts in 2014.

The weighted average term of WDP's outstanding financial debts on 30 June 2014 equates to 3.8 years<sup>35</sup>. If only the total drawn and undrawn long-term credits are taken into account, the weighted average duration amounts to 4.1 years<sup>36</sup>. At the end of 2013, this was respectively 3.0 and 3.4 years.

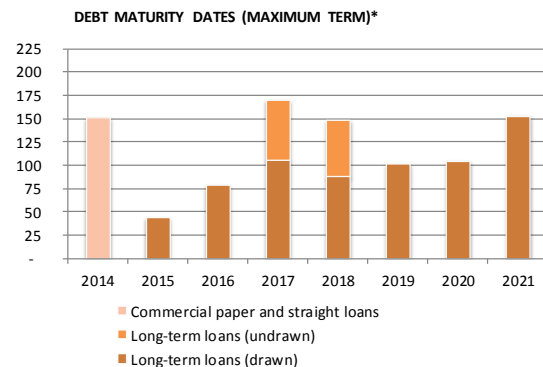
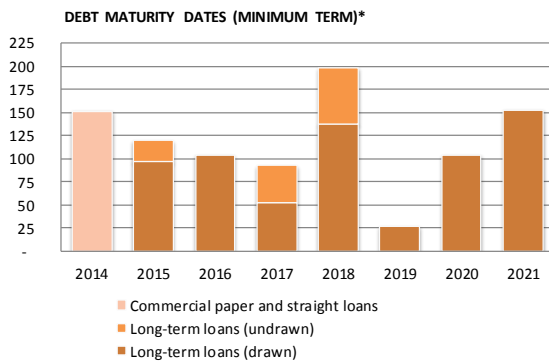
<sup>33</sup> This concerns the bonds as issued in 2013 and those that were issued in the spring of 2014, both with a maturity of 7 years. See [www.wdp.be](http://www.wdp.be).

<sup>34</sup> The commercial paper-programme is fully covered by back-up facilities.

<sup>35</sup> Including short-term debts: these include mainly the commercial paper-programme (see also footnote above).

<sup>36</sup> For some credits, the lender may decide to extend the loan by means of an extension option. If this option is to be executed, the weighted average term of the long-term credits is 4.4 years.

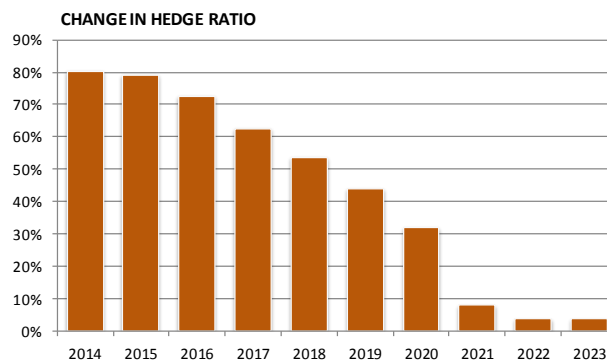
On 30 June 2014, the total amount of undrawn and confirmed long-term credit facilities amounted to 120 million euros<sup>37</sup>. In addition, WDP has access to a short-term credit facility to pre-finance projects in the Netherlands as well as to short-term credit lines to finance its dividends, its working capital and to cover the commercial paper programme. With regard to the maturity dates of the long-term debts in 2014, these respective credit facilities have already been extended proactively.



\* For some credits, the lender may decide to extend the loan by means of an extension option. For the minimum term, it is assumed that this extension option would not be exercised; for the maximum term, the assumption is that this option would be exercised each time.

### Hedges

The amount of financial debts with fixed interest rates or floating interest rate and then hedged, mainly through Interest Rate Swaps (IRSs), amounts to 665 million euros with a weighted average duration of 5.6 years, which implies a hedge ratio of 80%.



WDP's weighted average cost of debt for the first half of 2014 was 3.6%, including credit margins, the reservation commission on unused credit facilities and the cost of the hedging instruments. The

<sup>37</sup> Excluding the credit facility with the European Investment Bank for financing pre-leased projects in Romania.

average cost of debt in 2013 amounted to 3.6%. The Interest Coverage Ratio<sup>38</sup> was equal to 3.6x for the first half-year of 2014, compared to 3.6x for the entire 2013 financial year.

#### *Implementation of the financing strategy*

During the first half-year of 2014, the company strengthened its financial position successively as follows:

- Optional dividend amounting to around 23 million euros<sup>39</sup>  
Shareholders representing approximately 60% of WDP's shares opted to contribute their dividend rights in exchange for new shares instead of a cash dividend payment. This resulted in a capital increase of 22.9 million euros through the creation of 460,317 new shares, taking account of an issue price of 49.74 euros.
- Public offering of retail bonds<sup>40</sup>  
WDP realised a successful public offering of retail bonds for a total amount of 125 million euros with maturity date on 13 June 2021. The fixed interest rate of the bonds amounted to 3.375% gross per annum. The net proceeds were mainly used for the recently announced acquisitions of various sites in the Benelux.<sup>41</sup>
- Extension of credit lines at BNP Paribas Fortis lines totalling 50 million euros  
  
WDP has been able to realise the extension of an existing credit of 50 million euros with BNP Paribas Fortis, maturing at 31 December 2014, by means of two new credit facilities of 25 million euros each with durations of 6 and 7 years respectively.

#### *Financial risks*

WDP also continued to closely monitor the potential impact of the financial risks in 2014, and implemented the necessary measures to manage these risks. These risks include counterparty risk (insolvency or credit risk affecting financial partners), liquidity risk (non-availability of funding or very expensive funding options) and risks related to interest rates, budget, covenants and exchange rates. See also main section 1. *Risk factors*.

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<sup>38</sup> Defined as operating result (before the result on the portfolio) divided by interest expenses less interest income collected and dividends less income from finance leases and suchlike.

<sup>39</sup> See the press release of 4 June 2014.

<sup>40</sup> See the press releases of 20 May 2014 and 22 May 2014.

<sup>41</sup> See the press releases of 2 May 2014 and 19 May 2014.

## 2.6. Outlook

In addition to the numerous projects in development in this *2014 construction year*, WDP could immediately deploy the financial resources raised via the optional dividend and the retail bond in various new acquisitions. Within the realisation of the growth, account is always taken of a capital structure that remains constant with a debt ratio of 56% as at 31 December 2014.

On the basis of the profit realised over the first half-year of 2014, the acquisition volume of recent months, and the prospects for the rest of the financial year, WDP increases in the expected net current result from 4.00 to 4.05 euros per share, around 67 million euros<sup>42</sup>.

This represents an increase in the net current result per share of 5% compared to 2013, which is in line with the targeted rate of growth within the 2013-16 strategic growth plan. This means WDP confirms the expected dividend increase by 5% compared to 2013, to 3.40 euros per share, in line with the targeted profit growth.

In 2014, 13% of the contracts will reach their next expiry date, of which now more than 90% have already been able to be extended, compared to 60% at the start of the year. On the basis of the currently available information and the existing lease market situation, WDP assumes a minimum average occupancy rate of 96% for 2014.

## 2.7. Transition from *Vastgoedbevak/Sicafi* to *Regulated Real Estate Company (GVV/SIR)*

As a result of the publication of the Law of 12 May 2014 concerning Regulated Real Estate Companies (*Gereguleerde Vastgoedvennootschappen/Sociétés Immobilières Réglementées – GVV/SIR Law*) and the Belgian Royal Decree of 13 July 2014 on Regulated Real Estate Companies, WDP, which has the status of *openbare Vastgoedbevak/Sicafi*, listed on Euronext Brussels, intends to change its status to adopt that of a public Regulated Real Estate Company (*openbare GVV/SIR*).

The GVV/SIR Law offers certain operating entities, active in the real estate sector, the opportunity to adopt a specific status. It also enables *Vastgoedbevaks/Sicafis*, under certain conditions and within a specific time span, to change status to adopt that of a GVV/SIR.

Taking account of the coming into force of the Law of 19 April 2014 concerning the alternative funds for collective investment and their managers (hereinafter the *AIFMD Law*)<sup>43</sup>, the company must always make a choice: since a *Vastgoedbevak/Sicafi* will henceforth automatically be deemed to be an AIFM, *Alternative Investment Funds Manager*, hereinafter, *AIFM*, it must choose either to retain the status

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<sup>42</sup> This profit forecast is based on the current situation, and barring presently unforeseen circumstances (such as a further deterioration of the economic and financial climate), and a normal number of hours of sunshine.

<sup>43</sup> The Law forms the conversion to Belgian law of the European Directive concerning the 'Alternative Investment Funds Managers', so that this directive is called the 'AIFMD Directive' and that this Act will be called the 'AIFMD Law'.



of property investment trust and thus for the new AIFM status, or for the new GVV/SIR status (the new *B-REIT* status), with exclusion on that of AIFM.

WDP believes that adopting the GVV/SIR status is in the interest of the shareholders and of the company, and in essence of all the stakeholders. After all, the application of the AIFMD Law would lead to a burdening of the operating structure of the company and also the classification as AIFM would be accompanied by other regulations, especially with respect to derivative instruments (EMIR, *European Market Infrastructure Regulation*). The combination of this would result in the company's operating and financial costs increasing significantly.

The adoption of the GVV/SIR status excludes the application of these AIFMD regulations, since the GVV/SIR status excludes those of AIFM. WDP believes that the GVV/SIR status is better aligned to the economic reality and provides an adjusted legal framework that fits in with the capacity of WDP as an operating and commercial property company. In the context of the GVV/SIR status, the tax transparent status is retained and shareholders benefit from protection similar to the protection provided by the *Vastgoedbevak/Sicafi* legislation. In addition, this status will also allow WDP to consequently position itself as a REIT (*Real Estate Investment Trust*) in order to improve its visibility and its understanding by the international investors.

In this context, the Board of Directors of WDP has decided to submit a license file to the FSMA, in order to obtain the approval of the FSMA, to be able to have its status changed to adopt that of public Regulated Real Estate Company (GVV/SIR). This change of status will be submitted for approval to the shareholders. WDP will provide all necessary information add documentation to the shareholders in due time.

### 3. Shares and bonds

#### 3.1. The WDP share

##### Price and volume

FIGURES PER SHARE	30/06/2014	31/12/2013	31/12/2012
Number of shares in circulation on closing date	16 539 564	16 079 247	15 081 692
Free float	73%	72%	71%
Market capitalisation (in euros)	905 044 942	847 376 317	712 459 130
Traded volume in shares	1 545 773	3 244 920	3 198 319
Average daily volume (in euros)	688 745	629 536	506 943
Velocity*	19%	20%	21%
Stock exchange price			
highest	56,49	55,69	47,25
lowest	51,51	43,77	37,02
closing	54,72	52,70	47,24
NAV (IFRS)** (in euros)	31,4	32,8	29,3
NAV (EPRA)** (in euros)	35,1	35,9	34,5
Dividend payout ratio	N/R	90%	90%
Net current result / share*** (in euros)	2,04	3,85	3,45
Net current result / share**** (in euros)	1,99	3,70	3,67
Gross dividend / share (in euros)	N/R	3,25	3,11
Net dividend / share (in euros)	N/R	2,44	2,33

\* The number of shares traded per year divided by the total number of shares at the end of the year.

\*\* NAV = Net Asset Value, namely the equity before profit distribution of the current financial year.

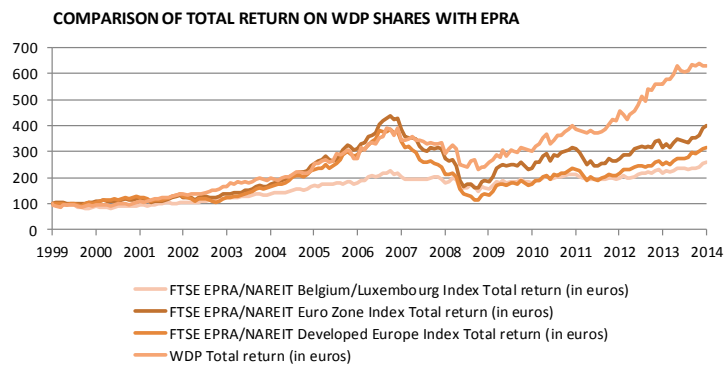
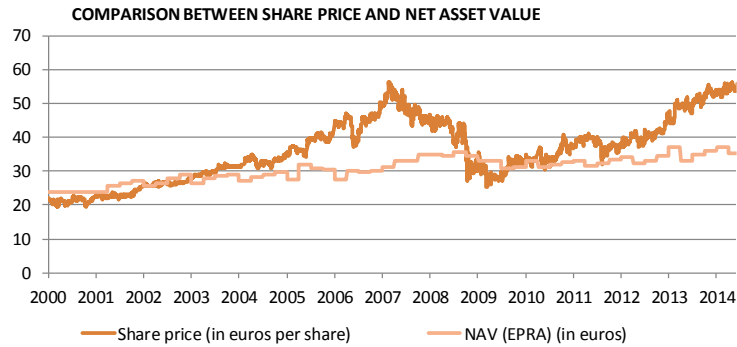
\*\*\* On the basis of the number of shares entitled to dividend at the end of each period.

\*\*\*\* On the basis of the pro-rata-temporis basis for the weighted average number of shares over the period.



NYSE EURONEXT  
IPO: 28|06|1999  
Listing continuous  
ISIN-code: BE0003763779  
Liquidity provider: Petercam  
and Kempen & Co

## Long-term price development and return



### 3.2. The bonds

In May 2014, WDP successfully conducted a public offering of retail bonds with a duration of seven years and maturity date on 13 June 2021, for a total amount of 125 million euros. The bonds were issued at 101.875%, which corresponds with a fixed annual gross yield of 3.073%. As at 30 June 2014, the indicative price of the bonds amounted to 103.2175%. The bonds are freely negotiable on Euronext Brussels.<sup>44</sup>

In March 2013, WDP successfully conducted a private placement of bonds, with a duration of seven years and maturity date on 18 March 2020, for a total amount of 50 million euros. The bonds were issued at 99.861%, which corresponds with a fixed annual gross yield of 3.82%. As at 30 June 2014, the indicative price of the bonds amounted to 103.341%. The bonds are also freely negotiable on Euronext Brussels.<sup>45</sup>

<sup>44</sup> There are 125,000 outstanding bonds with ISIN code BE0002216829.

<sup>45</sup> There are 500 outstanding bonds with ISIN code BE0002192582.

### 3.3. Structure of the shareholding of the company<sup>46</sup>

On 26 October 2012, the majority shareholder, the Jos De Pauw family, transferred all of its shares in joint ownership, which were held by mutual agreement, to the family company structure RTKA, in which the existing mutual agreement was institutionalised. RTKA currently holds 4,408,850 shares in WDP, or 26.66% of the total number of securities in WDP that grant voting rights. De Pauw NV is holder of 1,800 shares. Together they hold 26.67% of the capital of WDP.

The holders of voting rights are the members of the management body of RTKA, being Robert, Tony, Kathleen and Anne De Pauw, to the exclusion of any other holder of rights to the participation.

The members of this management body act by mutual agreement with De Pauw NV, which is wholly controlled by the members of the management body of RTKA.

On 30 June 2014, the holding of the Federal Holding and Investment Company was still more than 3%<sup>47</sup>. WDP also received a notification from BNP Paribas Investment Partners NV that on 14 June 2013, it held a participation in shares of WDP of 3.73%. Furthermore, WDP received a notification from AXA Investment Partners NV that, with effect from 17 June 2014, it no longer exceeded the limit of 3% of the total of existing voting rights.<sup>48</sup>

### 3.4. Financial calendar

FINANCIAL CALENDAR	
05 11 2014	Publication of Q3 2014 results
Week 7 2014	Publication of 2014 annual results
29 04 2015	General Meeting
05 05 2015	Ex-dividend date 2014
07 05 2015	Dividend record date 2014
TBD <sup>49</sup>	Dividend payment date 2014

For any changes, please see the Financial Calendar on the website [www.wdp.be](http://www.wdp.be).

<sup>46</sup> Situation on the basis of the transparency notifications received up to 30 June 2014. Any changes notified can also be consulted at [www.wdp.be](http://www.wdp.be).

<sup>47</sup> The Federal Holding and Investment Company (registration 26 October 2011) is the parent of Belfius NV, which in turn is the parent of Dexia Insurance Belgium. Dexia Insurance Belgium is the parent of DELP Invest and Dexia Life and Pensions.

<sup>48</sup> See the press release of 25 June 2014.

<sup>49</sup> Depending on the decision of the Board of Directors of the manager concerning a possible optional dividend.

## 4. Property report<sup>50</sup>

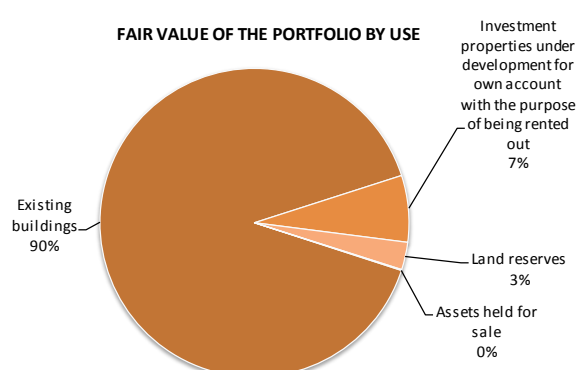
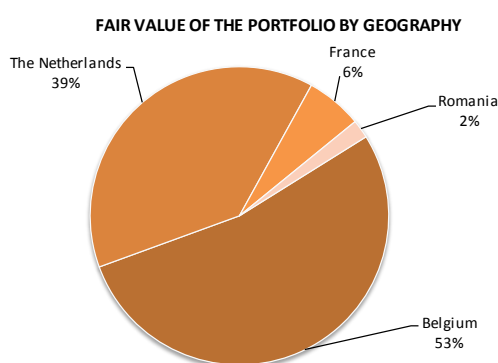
### 4.1. Review of the consolidated property portfolio

#### Situation of the portfolio on 30 June 2014

The independent surveyors Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate have valued the WDP property portfolio (including the *Assets held for sale* and excluding solar panels) in accordance with IAS 40 at a fair value<sup>51</sup> of 1,320.5 million euros on 30 June 2014. The comparable value at year-end 2013 was 1,196.2 million euros.

The portfolio breaks down as follows:

FAIR VALUE (in million euros)	Belgium	Netherlands	France	Romania	Total
Existing buildings	632,4	474,8	77,5	7,4	1 192,2
Investment properties under development for own account with the purpose of being rented out	54,3	34,7	0,0	0,0	89,0
Land reserves	16,1	0,0	3,0	19,0	38,1
Assets held for sale	1,2	0,0	0,0	0,0	1,2
<b>Total</b>	<b>704,0</b>	<b>509,5</b>	<b>80,5</b>	<b>26,4</b>	<b>1 320,5</b>



<sup>50</sup> For the statistics related to the reporting concerning the portfolio, the proportional share of WDP in the portfolio of WDP Development RO is always shown (51%).

<sup>51</sup> Impact on the fair value of estimated transfer duties and transfer fees based on the hypothetical disposal of investment property (-): this refers to the transfer fees that must be paid for the hypothetical disposal of the investment property. The fair value at which the investment property is valued consists of the investment value less transaction fees. The average theoretical local registration duties deducted from the investment value by country are as follows: Belgium: 2.5%, Netherlands: 5.8%, France: 3.5% and Romania: 1.0%.

PORTFOLIO STATISTICS BY COUNTRY	Belgium	Netherlands	France	Romania	Total
Number of lettable sites (#)	61	34	8	2	105
Gross lettable area (in m <sup>2</sup> )	1 212 807	822 838	150 113	10 122	2 195 880
Land (in m <sup>2</sup> )	2 868 727	1 346 980	376 174	860 977	5 452 858
Fair value (in million euros)	704,0	509,5	80,5	26,4	1 320,5
% of total fair value	53%	39%	6%	2%	100%
% change in fair value for the first half of 2013	-0,4%	0,8%	0,8%	-1,0%	0,1%
Vacancy rate (EPRA) <sup>1,2</sup>	2,7%	3,4%	8,6%	0,0%	3,3%
Average lease length till first break (in y) <sup>2</sup>	5,5	8,8	3,5	8,8	7,4
WDP gross initial yield <sup>3</sup>	7,8%	8,6%	8,5%	9,3%	8,2%
Effect of vacancies	-0,2%	-0,3%	-0,6%	0,0%	-0,3%
Adjustment gross to net rental income (EPRA)	-0,1%	-0,2%	-0,1%	0,0%	-0,2%
Adjustments for transfer taxes	-0,2%	-0,4%	-0,3%	-0,3%	-0,3%
EPRA net initial yield <sup>1</sup>	7,3%	7,6%	7,5%	9,0%	7,5%

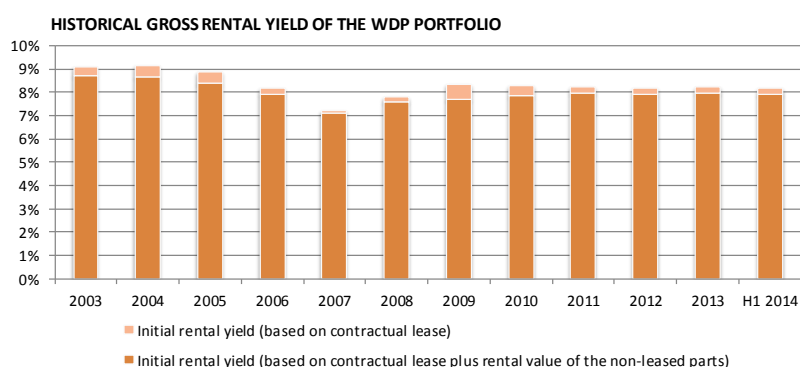
<sup>1</sup> Financial performance indicator calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. Please see [www.epra.com](http://www.epra.com).

<sup>2</sup> Excluding solar panels.

<sup>3</sup> Calculated by dividing the annualised contractual gross (cash) rents by fair value. The fair value is the value of the property investments after deduction of transaction costs (mainly transfer tax).

### Changes in fair value during the first half-year of 2014

During the first half-year of 2014, WDP invested a total of 92.7 million euros in new acquisitions. In addition, 31.0 million euros was spent on the completion of pre-leased projects for own account. There was also property sold for 1.0 million euros.



The variation in the valuation of the investment properties of 1.6 million euros can be explained by the development in rental income, including the indexation and extension of a number of leases. The gross rental yield after the addition of the estimated market rental value for the unleased properties amounted to 8.2% as at 30 June 2014, stable compared to 8.2% as at the end of 2013.

### Value and composition of the rental portfolio

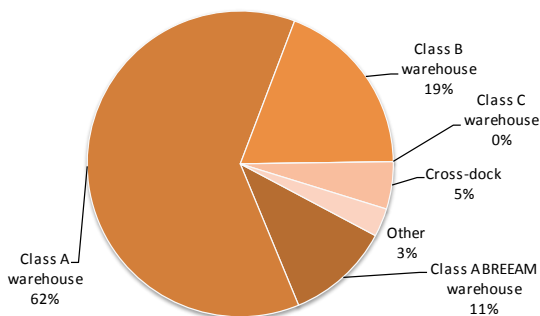
The total surface area comprises 545.3 hectares, including 25.6 hectares granted in concession. The balance of 519.7 hectares has an estimated disposal value of 486.1 million euros, or 38% of the total fair value. This produces an average land value of 93.5 euros/m<sup>2</sup> excluding transaction fees. This surface area also includes the land reserves, predominantly in Belgium and Romania.

DESIGNATED USE AT 30/06/2014	Built surface (in m <sup>2</sup> )	Estimated rental value (in million euros)	Estimated rental value per m <sup>2</sup> (in euros)	% of total rental value
Warehouses	1 775 760	72,2	40,7	80,9
Offices adjoining warehouses	96 645	7,6	78,9	8,5
Offices	59 318	5,9	99,6	6,6
Commercial space	67 354	1,2	18,0	1,4
Various uses (mixed-use areas, parking facilities and filing space)	192 052	2,3	12,2	2,6
<b>Total</b>	<b>2 191 130</b>	<b>89,3</b>	<b>40,8</b>	<b>100,0</b>

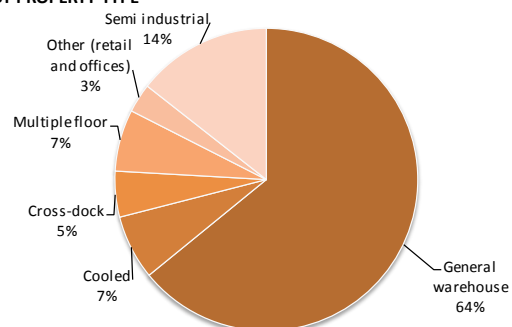
The total leasable surface area of the buildings amounts to 2.2 million m<sup>2</sup>, with a total estimated rental value of 89.3 million euros. Warehouses account for the bulk (80.9%) of this volume, with 1,775,760 m<sup>2</sup> and a total rental value of 72.2 million euros. Their average rental value per square metre thus amounts to 40.7 euros.

The offices, some of which are separate and some of which are adjacent to warehouses, account for 155,964 m<sup>2</sup> or 13.5 million euros of rental value. The average rental value per square metre amounts to 86.8 euros. The commercial properties account for 67,354 m<sup>2</sup> and represent 1.2 million euros in rent, with an average of 20.9 euros per square metre. Finally, various locations constitute 192,052 m<sup>2</sup> or 2.3 million euros, with a rental average of 12.2 euros/m<sup>2</sup>.

DIVERSIFICATION OF PROPERTY PORTFOLIO (BASED ON RENTAL INCOME) BY PROPERTY QUALITY CLASSIFICATION

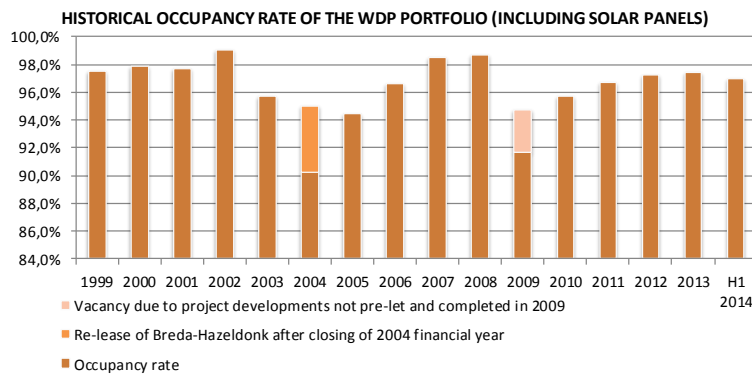


DIVERSIFICATION OF PROPERTY PORTFOLIO (BASED ON RENTAL INCOME) BY PROPERTY TYPE



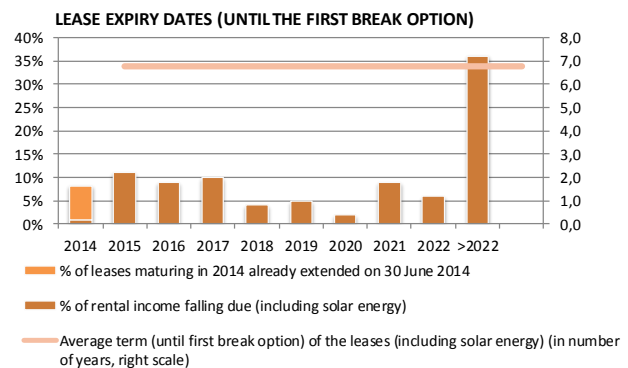
### Rental situation of the available buildings

The occupancy rate of the WDP portfolio as at 30 June 2014 amounted to 97.0%, compared to 97.4% as at the end of 2013 (including solar panels)<sup>52</sup>. This results from WDP's commercial strategy aimed at building long-term relationships with its customers and supports the company's performance by means of a high operating margin.



WDP's practice of building partnerships with its customers is also reflected by the fact that the average remaining term until the expiry date of the leases amounts to 8.8 years. Taking into account the first option to cancel, the average remaining term is 6.8 years.

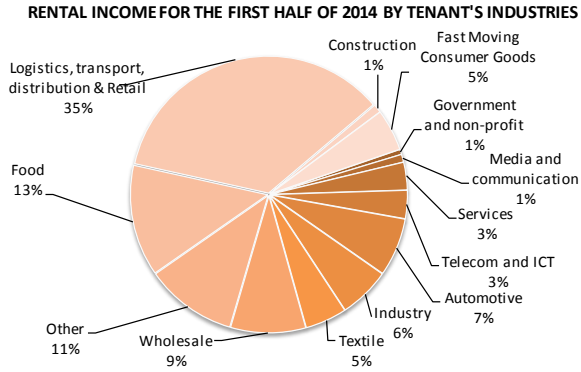
If income from solar panels is also taken into account, the average remaining term until the expiry date is 9.3 years. Taking into account the first option to cancel, the average remaining term is 7.4 years.



The key tenants are: Univeg group with a share of 8.8% of the rental collection, solar energy (8.3%), DHL (6.3%), Kuehne + Nagel (6.1%), Carrefour (3.7%), Philips Lighting (3.5%), Distri-Log (3.1%), V&D (2.6%), Pon Tyre (2.1%) and Lidl (1.8%). The share of the ten key tenants combined is 46.3%. The *top 20* account for 60.1% and the *top 50* are responsible for 83.0%.

<sup>52</sup> Excluding solar panels the occupancy rate amounted to 96.7%.





**MAIN TENANTS**

(% rental income, including revenue from solar energy)

1. Univeg-group	8,8%
2. Income from solar panels	8,3%
3. DHL	6,3%
4. Kuehne + Nagel	6,1%
5. Carrefour	3,7%
6. Philips Lighting	3,5%
7. Distri-Log	3,1%
8. V&D	2,6%
9. Pon Tyre	2,1%
10. Lidl	1,8%

**TOP 10** 46,3%

**Overview of investment properties under development for own account with the purpose of being rented out<sup>53</sup>**

<i>in euros (x 1 000)</i>	Country	Type	Lettable area (in m <sup>2</sup> )	Expected completion	Pre-let	Lessee	Investment budget (in million euros) *	Expected return
<b>Projecten in execution - fully owned by WDP</b>								
	BE	Newbuild	2 000	Q3 2014	100%	DPD	2	
	BE	Newbuild	7 000	Q1 2015	100%	Intertrans	5	
	BE	Newbuild	10 000	Q1 2015	100%	Distri-Log	6	
	BE	Renovation	34 000	Q1 2015	100%	Bakker Logistiek	2	
	BE	Redevelopment and expansion	60 000	Q1 2015	100%	Caterpillar Distribution Services	7 **	
	BE	Redevelopment	9 500	Q3 2015	100%	Lantmännen Unibake	18	
	NL	Newbuild	10 000	Q4 2014	100%	MRC Transmark	8	
	NL	Newbuild	14 000	Q4 2014	100%	Kuehne + Nagel	16	
	NL	Newbuild	27 000	Q4 2014	100%	Kuehne + Nagel	25	
	NL	Newbuild	17 000	Q3 2015	100%	Alcoa	16	
	NL	Newbuild	35 000	Q3 2015	100%	wehkamp.nl	30	
	RO	Newbuild	7 000	Q1 2015	100%	Roquet	4 ***	
<b>TOTAL</b>			<b>232 500</b>		<b>100%</b>		<b>140</b>	<b>&gt; 8%</b>

\* For the redevelopment projects, the value as stated here does not include the value of the existing sites before the start of the renovation.

\*\* Based on the proportional 50-50 share of WDP-Montea.

\*\*\* Based on 100% of the investment.

<sup>53</sup> See also '2.4. Interim management report – Transactions and realisations'.

The foreseen out-of-pocket cost for the realisation of these projects is estimated at more than 140 million euros, of which some 50 million euros had already been spent as at 30 June 2014. WDP expects to realise a return of at least 8% on the total investment.<sup>54</sup>

## **4.2. Review of the logistics property market in Belgium, the Netherlands, France and Romania**

### *Belgium*

The Belgian logistics market performed well during the last half-year; a healthy take-up and various medium to large leases are evidence of this. This moderate growth is expected to continue, although developers are also retaining their vigilant attitude. The Brussels-Antwerp logistical axis remains sought after. The stabilisation of the Belgian economy, combined with high purchasing power, is shifting the emphasis from SME buildings to larger, logistics warehouses tailored for the client. Tailor-made projects continue to provide a solution for the developer, who can thus count on a stable tenant in search of suitable space.

### *The Netherlands*

Driven by the export sector, the demand for high-quality logistics facilities in the Netherlands remains high. In view of the continued shortage of available, future-oriented spaces, tailor-made projects, strategically located around the logistics hotspots are in great demand. WDP was one of the most active players due to numerous acquisitions during the first semester of 2014, for example regarding the brand new DC for Action. There is still a lot of space available in the Netherlands, although it is of lesser quality. It is expected that the industrial market will continue its progression, in line with the recovery of the economy. The preference for tailor-made projects continues, with an increasing difference in quality between the recently completed and older sites.

### *France*

The growth of the logistics market is still being tempered by the wait-and-see attitude being adopted within the sector. Nevertheless, the French industrial market is performing relatively well, although the economy as a whole continues to falter. There is mainly interest in *A class warehouses* in the logistics North-South axis. Rents remain stable, encouraged by the incentives offered to tenants. Projects at risk remain rare, in view of the limited access to financing. Tailor-made projects as well as existing, high-quality buildings which have the necessary operating permits; remain sought after. Owners seek to reduce their number of available sites and mainly want to be able to provide larger, more efficient logistics platforms.

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<sup>54</sup> *The investment amount as stated in this section does not take into account the value of the redevelopment projects before the start of the renovation, and as such only presents the net growth of the portfolio in the 2013-16 growth plan. See also 'Property Portfolio' under '2.3. Notes to the consolidated results for the first half-year of 2014'.*

### ***Romania***

The economic recovery started in 2013 is continuing through 2014, with positive effects for the logistics market. People are assuming a growing interest from abroad as a result of the availability of specialised workers and low wages combined with an improvement of the infrastructure. Activities will continue to centralise in West and Central Romania. The demand for available space remains limited, but it is expected that the revival will also continue pull through in this area.

*Sources: BNP Paribas Real Estate, Cushman & Wakefield, and DTZ Zadelhoff*

### **4.3. Conclusions of the independent property experts**

Dear Sirs,

We are pleased to present to you our estimate of the value of the property portfolio of WDP Comm. VA on the date of 30 June 2014.

WDP has appointed us as independent property experts to determine the investment value and fair value of its property portfolio. The estimates made take into account both the observations and definitions stated in the reports and the guidelines of the International Valuation Standards issued by IVSC.

Fair value is defined by the IAS 40 standard as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. IVSC considers these conditions to have been met if the definition of market value set out above is respected. In addition, market value must reflect current rental agreements, the current gross margin of self-financing (or cash flow), the reasonable assumptions with respect to potential rental income and expected costs.

The administration costs must be adjusted in this context to the actual situation in the market. Following analysis of a large number of transactions, acting at the request of listed property companies, in a working party, the independent property experts concluded that, since property can be transferred in various forms, the impact of the transaction costs on large investment properties in the Belgian market of which the value is more than 2.5 million euros is limited to 2.5%. The value with additional costs borne by the seller therefore corresponds to the fair value plus 2.5% administration costs. The fair value is therefore calculated by dividing the value with additional costs borne by the seller by 1.025. Properties below the threshold of 2.5 million euros and foreign properties are subject to the usual registration fees and their fair value therefore equals the *value with costs borne by the buyer*.

As independent property experts, we have a relevant and recognised professional qualification as well as up-to-date experience with properties of a similar type and location as the properties being valued in the property portfolio of WDP.

The estimates of the properties take account of both current leases and all rights and obligations arising from those agreements. Each property was estimated separately. The estimates do not take account of potential added value that could be realised by offering the portfolio as a whole in the market. Our estimates also do not take account of marketing costs specific to a transaction, such as estate agents' fees or advertising costs. Our estimates are based on an annual inspection of the properties concerned and also take account of the information provided by WDP regarding the rental situation, surface areas, the sketches or plans, rental costs and taxes relating to the property concerned, conformity and environmental pollution. The information provided was deemed to be

accurate and complete. Our estimates are based on the assumption that any components not included do not affect the value of the property.

Each independent property expert is responsible for valuing the part of the portfolio that has been contractually assigned to him or her.

On the basis of the statements in the preceding sections, we can confirm that the fair value of WDP's property portfolio (excluding solar panels) on 30 June 2014 amounted to 1,320,514,914 euros (one billion, three hundred and twenty million, five hundred and fourteen thousand, nine hundred and fourteen euros).

Yours faithfully,

**KOEN NEVENS**

CEO | Cushman & Wakefield

**PHILIPPE JANSSENS**

Managing Director | Stadim

**LEOPOLD WILLEMS**

Associate director of the International appraisals department | DTZ Zadelhoff

**JEAN-CLAUDE DUBOIS**

President | BNP Paribas Real Estate Valuation France

## 5. Consolidated condensed financial statements for the first half-year of 2014

### 5.1. Consolidated condensed income statement as at 30 June 2014<sup>55</sup>

<i>in euros (x 1 000)</i>	note	30/06/2014	restated 30/06/2013	30/06/2013
Rental income	VI	45 559	40 624	40 849
Rental charges		-426	-353	-353
<b>RENTAL INCOME, NET OF RENTAL-RELATED EXPENSES</b>		<b>45 134</b>	<b>40 271</b>	<b>40 496</b>
Recovery of rental charges normally paid by the tenant on let properties		3 501	3 380	3 380
Rental charges and taxes normally paid by the tenant on let properties		-4 157	-3 824	-3 835
Other income and charges related to leases		4 820	3 539	3 587
<b>PROPERTY RESULT</b>		<b>49 297</b>	<b>43 366</b>	<b>43 629</b>
Technical costs		-851	-676	-686
Commercial costs		-168	-192	-218
Property management costs		-379	-355	-383
<b>PROPERTY CHARGES</b>		<b>-1 398</b>	<b>-1 223</b>	<b>-1 288</b>
<b>PROPERTY OPERATING RESULTS</b>		<b>47 899</b>	<b>42 143</b>	<b>42 341</b>
General company expenses		-2 767	-2 304	-2 364
<b>OPERATING RESULT (BEFORE RESULT ON THE PORTFOLIO)</b>		<b>45 132</b>	<b>39 839</b>	<b>39 977</b>
Result on disposals of investment property		13	666	666
Variations in the fair value of investment property*	VII	1 887	3 683	2 752
<b>OPERATING RESULT</b>		<b>47 031</b>	<b>44 188</b>	<b>43 395</b>
Financial revenues		760	1 764	1 530
Net interest charges		-12 536	-11 696	-11 821
Other financial charges		-145	-37	-86
Movements in the fair value of financial assets and liabilities		-11 043	14 961	14 961
<b>FINANCIAL RESULT</b>		<b>-22 964</b>	<b>4 992</b>	<b>4 584</b>
<b>PRE-TAX RESULT</b>		<b>24 067</b>	<b>49 180</b>	<b>47 979</b>
<b>PARTICIPATION IN THE RESULT OF ASSOCIATED COMPANIES AND JOINT VENTURES</b>		<b>-332</b>	<b>-1 076</b>	<b>0</b>
<b>TAXES</b>		<b>-290</b>	<b>-225</b>	<b>-101</b>
<b>NET RESULT</b>		<b>23 445</b>	<b>47 878</b>	<b>47 878</b>
<b>Attributable to:</b>				
Shareholders of the parent company		23 445	47 878	47 878
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>		<b>16 145 370</b>	<b>15 198 946</b>	<b>15 198 946</b>
<b>NET RESULT PER SHARE (in euros)</b>		<b>1,45</b>	<b>3,15</b>	<b>3,15</b>
<b>DILUTED NET RESULT PER SHARE (in euros)</b>		<b>1,45</b>	<b>3,15</b>	<b>3,15</b>

\* This relates only to the movements in the fair value of investment property. The revaluation surpluses of solar panels are booked directly in the equity capital, under the section 'Reserves' in accordance with IAS 16.

<sup>55</sup> As a result of the coming into effect of 'IFRS 11 Joint agreements', the results and effect on the balance sheet of the joint venture WDP Development RO, in which WDP holds 51%, will be incorporated with effect from 1 January 2014 according to the equity accounting method. Comparable historic figures are also shown concerning preceding periods. See also '5.7. Notes – II. Representational basis'.

## 5.2. Consolidated condensed statement of the overall result

<i>in euros (x 1 000)</i>	30/06/2014	<i>restated</i> 30/06/2013
<b>I. NET RESULT</b>	<b>23 445</b>	<b>47 878</b>
<b>II. OTHER ELEMENTS OF OVERALL RESULT (RECOVERABLE THROUGH PROFIT AND LOSS)</b>		
Movements in the fair value of solar panels in Belgium	-1 320	-1 381
Joint ventures	-1 248	0
<b>OVERALL RESULT OF THE FIRST HALF-YEAR</b>	<b>20 877</b>	<b>46 497</b>
Attributable to:		
Shareholders of the parent company	20 877	46 497

## 5.3. Other components of the comprehensive income

	30/06/2014	<i>restated</i> 30/06/2013
<i>(in euros x 1 000)</i>		
Net current result (including participation in the result of joint ventures)	32 876	29 375
Result on the portfolio (including participation in the result of joint ventures)*	1 612	3 541
IAS 39 result	-11 043	14 961
<b>NET RESULT</b>	<b>23 445</b>	<b>47 878</b>
<i>(in euros per share)**</i>		
Net current result (including participation in the result of joint ventures)	2,04	1,93
Result on the portfolio (including participation in the result of joint ventures)*	0,10	0,23
IAS 39 result	-0,68	0,98
<b>NET RESULT / SHARE</b>	<b>1,45</b>	<b>3,15</b>

\* Including deferred taxes on portfolio result.

\*\* Calculated on the weighted average number of shares.

#### 5.4. Consolidated condensed balance sheet as at 30 June 2014<sup>56</sup>

in euros (x 1 000)	note	30/06/2014	restated 31/12/2013	31/12/2013
<b>Fixed assets</b>		<b>1 388 677</b>	<b>1 267 791</b>	<b>1 290 049</b>
Intangible fixed assets		142	114	114
Investment property	VII	1 292 825	1 167 733	1 194 061
Other tangible fixed assets (including solar panels)	VII	65 349	66 814	77 605
Financial fixed assets		23 337	23 384	11 466
Trade receivables and other non-current assets		5 652	6 800	6 802
Participations in associated companies and joint ventures		1 373	2 946	0
<b>Current assets</b>		<b>21 676</b>	<b>15 299</b>	<b>17 973</b>
Assets held for sale	VII	1 231	2 179	2 179
Trade receivables		8 022	3 578	3 613
Tax benefits and other current assets		5 162	5 465	6 990
Cash and cash equivalents		2 040	1 579	1 911
Deferred active charges		5 222	2 498	3 280
<b>TOTAL ASSETS</b>		<b>1 410 353</b>	<b>1 283 090</b>	<b>1 308 022</b>
<b>Shareholder's equity</b>		<b>518 560</b>	<b>527 080</b>	<b>527 080</b>
I. Shareholders' equity attributable to the parent company's shareholders		518 560	527 080	527 080
Capital		128 574	124 898	124 898
Premiums on issues		196 262	177 057	177 057
Reserves (including result)		170 279	145 451	145 451
Net result for the financial year		23 445	79 674	79 674
<b>Liabilities</b>		<b>891 793</b>	<b>756 010</b>	<b>780 942</b>
I. Non-current liabilities		639 699	565 026	587 615
Provisions		1 060	1 065	1 073
Non-current financial liabilities	VIII	578 170	514 899	537 377
Other non-current financial liabilities		60 469	49 062	49 062
Deferred tax liabilities		0	0	103
II. Current liabilities		252 094	190 984	193 327
Current financial liabilities	VIII	225 175	173 477	173 477
Trade payables and other current debts		17 617	12 690	15 033
Other current liabilities		721	633	633
Deferred active charges		8 581	4 184	4 184
<b>TOTAL LIABILITIES</b>		<b>1 410 353</b>	<b>1 283 090</b>	<b>1 308 022</b>

<sup>56</sup> As a result of the coming into effect of 'IFRS 11 Joint agreements', the results and effect on the balance sheet of the joint venture WDP Development RO, in which WDP holds 51%, will be incorporated with effect from 1 January 2014 according to the equity accounting method. Comparable historic figures are also shown concerning preceding periods. See also '5.7. Notes – II. Representational basis'.



## 5.5. Consolidated condensed cash flow statement<sup>57</sup>

in euros (x 1 000)	restated		
	30/06/2014	30/06/2013	30/06/2013
<b>CASH AND CASH EQUIVALENTS, OPENING BALANCE</b>	<b>1 579</b>	<b>812</b>	<b>1 801</b>
<b>NET CASH FLOWS CONCERNING OPERATING ACTIVITIES</b>	<b>47 321</b>	<b>45 317</b>	<b>47 694</b>
<b>1. Cash flows concerning operations</b>	<b>46 952</b>	<b>43 954</b>	<b>46 662</b>
Profit / loss from operating activities	35 511	58 044	46 662
Profit for the year	23 445	47 878	58 068
Interest charges	12 536	11 696	47 878
Interest received	-760	-1 755	11 821
Income taxes	290	225	-1 530
Adjustments to non-monetary items	11 757	-17 863	-101
Write-downs	340	328	-17 754
Depreciations	-37	-31	345
Interest charges to be transferred	758	-715	-715
Interest capitalised during construction	624	177	293
Interest income to be transferred	351	418	448
Increase (+) / decrease (-) in provisions	-5	-7	-4
Variations in the fair value of investment property	-1 887	-3 683	-2 752
Increase (+) / decrease (-) in deferred taxes	250	200	228
Variations in the fair value of financial derivatives	11 043	-14 962	-14 962
Participation in the result of associated companies and joint ventures	332	1 076	0
Increase in sales	-13	-666	-666
Increase (+) / decrease (-) in working capital	-317	3 774	6 347
<b>2. Cash flows concerning other operating activities</b>	<b>369</b>	<b>1 363</b>	<b>1 032</b>
Interest received classified by operating activities	409	1 338	1 082
Income tax paid / received	-40	25	-50
<b>NET CASH FLOWS CONCERNING INVESTMENT ACTIVITIES</b>	<b>-118 447</b>	<b>-35 117</b>	<b>-38 047</b>
<b>1. Purchases</b>	<b>-120 397</b>	<b>-53 304</b>	<b>-56 234</b>
Payments regarding purchases of real estate investments	-106 628	-7 191	-9 010
Payments regarding purchases of shares of real estate companies	-13 547	-46 100	-46 100
Acquisitions of other tangible and intangible fixed assets	-223	-14	-1 124
<b>2. Disposals</b>	<b>1 950</b>	<b>18 187</b>	<b>18 187</b>
Receipts from sale of investment property	950	1 637	1 637
Receipts from sale of shares of real estate companies	1 000	16 550	16 550
<b>NET CASH FLOWS CONCERNING FINANCING ACTIVITIES</b>	<b>71 588</b>	<b>-9 120</b>	<b>-7 723</b>
<b>1. Increase in financial debts</b>	<b>290 197</b>	<b>201 904</b>	<b>221 003</b>
<b>2. Decrease in financial debts</b>	<b>-175 228</b>	<b>-178 418</b>	<b>-195 874</b>
<b>3. Financing granted to WDP Development RO</b>	<b>-33</b>	<b>10</b>	<b>5</b>
<b>4. Interest paid</b>	<b>-13 919</b>	<b>-11 158</b>	<b>-11 399</b>
<b>5. Dividends paid*</b>	<b>-29 430</b>	<b>-21 458</b>	<b>-21 458</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>461</b>	<b>1 080</b>	<b>1 924</b>
<b>CASH AND CASH EQUIVALENTS, CLOSING BALANCE</b>	<b>2 040</b>	<b>1 893</b>	<b>3 724</b>

\* This only relates to cash-out, because and optional dividend was offered in 2013 and 2014, with 72% and 60% of the shareholders respectively opting for distribution in shares rather than cash.

<sup>57</sup> As a result of the coming into effect of 'IFRS 11 Joint agreements', the results and effect on the balance sheet of the joint venture WDP Development RO, in which WDP holds 51%, will be incorporated with effect from 1 January 2014 according to the equity accounting method. Comparable historic figures are also shown concerning preceding periods. See also '5.7. Notes – II. Representational basis'.

## 5.6. Condensed statement of changes in the consolidated shareholders' equity

	1/01/2014	Allocation of result during 2013	Net result for first half year	Movements in the fair value of solar panels	Capital increases*	Dividends distributed	Other	
<b>Shareholders' equity</b>	<b>527 080</b>	<b>0</b>	<b>23 445</b>	<b>-2 568</b>	<b>22 881</b>	<b>-52 311</b>	<b>33</b>	<b>518 560</b>
Capital	124 898	0	0	0	3 676	0	0	128 574
Issue premiums	177 057	0	0	0	19 204	0	0	196 261
Reserves	145 451	79 674	0	-2 568	0	-52 311	33	170 279
Net result for the financial year	79 674	-79 674	23 445	0	0	0	0	23 445

\* Relating the capital increase following the optional dividend.

	1/01/2013	Allocation of result during 2012	Net result for first half year	Movements in the fair value of solar panels	Capital increases*	Dividends distributed	Other	
<b>Shareholders' equity</b>	<b>450 181</b>	<b>0</b>	<b>47 878</b>	<b>-1 381</b>	<b>25 396</b>	<b>-46 854</b>	<b>15</b>	<b>475 234</b>
Capital	117 349	0	0	0	4 603	0	0	121 952
Issue premiums	138 428	0	0	0	20 793	0	0	159 221
Reserves	159 078	35 326	0	-1 381	0	-46 854	15	146 183
Net result for the financial year	35 326	-35 326	47 878	0	0	0	0	47 878

\* Relating the capital increase following the optional dividend.

## 5.7. Notes

### I. General information on the company

WDP (Warehouses De Pauw) is a *vastgoedbevak/sicafi* (real estate investment trust) and takes the form of a *Commanditaire Vennootschap op Aandelen* (limited partnership with share capital) under Belgian law. Its registered office is at Blakebergen 15, 1861 Wolvertem (Belgium). The telephone number is +32 (0)52 338 400.

The company's consolidated financial statements as at 30 June 2014 include the company and its subsidiaries.

WDP is listed on Euronext Brussels.

### II. Representational basis

The consolidated interim financial statements are drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the statutory and administrative regulations applicable in Belgium, and in accordance with the IAS 34 standard for the financial statements of the company as at 30 June 2014 (interim financial statements). These standards include all the new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), insofar as they apply to the group's activities and are effective for the financial years starting on or after 1 January 2014.

The consolidated interim financial statements are presented in thousands of euros, rounded to the nearest thousand. The 2014 and 2013 financial years are presented in this report. We refer to the 2012 and 2013 annual reports for historical financial information on the 2012 financial year.

The accounting policies have been applied consistently for all the financial years presented.

The application of IFRS 11 *Joint arrangements*, leads to the joint venture WDP Development RO being recognized in accordance with the equity method instead of through the proportionate consolidation method, as from the financial year starting on 1 January 2014. This has no impact neither on the result nor on the equity of the group. However, the presentation is different in the sense that the impact on the results of the joint venture is accounted for under one line, namely *Participation in the result of associated companies and joint ventures*. Likewise, in the balance sheet, this predominantly influences the captions *Investment property* and *Other tangible fixed assets (including solar panels)* en *Non-current financial liabilities* since joint venture is exclusively reflected through the (balance sheet) captions *Participation in the result of associated companies and joint ventures* and *Financial fixed assets*.

### **Standards and interpretations applicable for the financial year starting on 1 January 2014**

- IFRS 10 *Consolidated Financial Statements* (applicable to financial years beginning on or after 1 January 2014).
- IFRS 11 *Joint Arrangements* (applicable to financial years beginning on or after 1 January 2014)
- IFRS 12 *Disclosure of Interests in Other Entities* (applicable to financial years beginning on or after 1 January 2014).
- IFRS 27 *Separate Financial Statements* (applicable to financial years beginning on or after 1 January 2014).
- IAS 28 *Investments in Associates and Joint Ventures* (applicable to financial years beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Consolidated financial statements and disclosure of interests in other entities: investment entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 *Financial Instruments: presentation - Offsetting Financial Assets and Liabilities* (applicable to financial years beginning on or after 1 January 2014).
- Amendments to IAS 36 *Impairment of assets – Recoverable amount disclosures for non-financial assets* (applicable for financial years beginning on or after 1 January 2014)
- Amendments to IAS 39 *Financial instruments – Novation of derivatives and continuation of hedge accounting* (applicable for financial years beginning on or after 1 January 2014)

### **New or revised standards and interpretations that are not yet effective**

Several new standards, revised versions of existing standards and interpretations have not yet entered into force in 2014 but can be adopted in advance of their effective dates. WDP has not yet adopted these, unless stated otherwise. The effect of their adoption insofar as these new standards, revised versions of existing standards and interpretations are relevant to WDP on the consolidated financial statements for 2015 and the following years is presented below.

- IFRS 9 *Financial Instruments and the related amendments* (not yet endorsed in the European Union)
- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the European Union)
- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in European Union)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the European Union)
- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the European Union)

- Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in European Union)
- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in European Union)
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in European Union)
- Amendments to IAS 19 *Employee Benefits - Employee Contributions* (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in European Union)
- IFRIC 21 *Levies* (applicable for annual periods beginning on or after 1 January 2014)

The group expects that the above new standards, revised versions of existing standards and interpretations will not have any effect on the financial statements, except for:

- IFRS 9 *Financial Instruments and the related amendments* and IFRS 15 *Revenue from Contracts with Customers*, of which the impact on the annual financial statements is being investigated.

### III. Segmented information – result by sector

in euros (x 1 000)	Financial year 30/06/2014					Total IFRS	Romania (JV) (***)
	Belgium	Netherlands	France	Czech Republic	Non-allocated		
I. Rental income*	24 910	17 813	2 836	0	0	45 559	260
III. Rental charges	-171	-89	-165	0	0	-426	0
<b>RENTAL INCOME, NET OF RENTAL-RELATED EXPENSES</b>	<b>24 739</b>	<b>17 724</b>	<b>2 671</b>	<b>0</b>	<b>0</b>	<b>45 134</b>	<b>260</b>
V. Recovery of rental charges normally paid by the tenant on let properties	2 958	45	498	0	0	3 501	73
VII. Rental charges and taxes normally paid by the tenant on let properties	-3 237	-381	-539	0	0	-4 157	-92
VIII. Other leasing-related income and charges**	4 750	28	42	0	0	4 820	308
<b>PROPERTY RESULT</b>	<b>29 210</b>	<b>17 416</b>	<b>2 672</b>	<b>0</b>	<b>0</b>	<b>49 297</b>	<b>549</b>
IX. Technical costs	-612	-204	-36	0	0	-851	-46
X. Marketing costs	-108	-50	-10	0	0	-168	-11
XII. Property management costs	-460	76	5	0	0	-379	52
<b>PROPERTY CHARGES</b>	<b>-1 180</b>	<b>-178</b>	<b>-41</b>	<b>0</b>	<b>0</b>	<b>-1 398</b>	<b>-5</b>
<b>PROPERTY OPERATING RESULTS</b>	<b>28 030</b>	<b>17 238</b>	<b>2 631</b>	<b>0</b>	<b>0</b>	<b>47 899</b>	<b>544</b>
XIV. Corporate management costs	0	0	0	0	-2 767	-2 767	n/r
<b>OPERATING RESULT (BEFORE RESULT ON THE PORTFOLIO)</b>	<b>28 030</b>	<b>17 238</b>	<b>2 631</b>	<b>0</b>	<b>-2 767</b>	<b>45 132</b>	<b>544</b>
XVI. Result on disposals of investment property	13	0	0	0	0	13	0
XVIII. Movements in the fair value of investment property	-3 018	4 276	629	0	0	1 887	-270
<b>OPERATING RESULT</b>	<b>25 025</b>	<b>21 514</b>	<b>3 260</b>	<b>0</b>	<b>-2 767</b>	<b>47 031</b>	<b>274</b>
Financial result						-22 964	-22 964
Reconciliation of segmentation of joint ventures	n/r	n/r	n/r	n/r	n/r	n/r	-606
Participation in the result of associated companies and joint ventures						-332	-332
Taxes						-290	-290
<b>NET RESULT</b>	<b>n/r</b>	<b>n/r</b>	<b>n/r</b>	<b>n/r</b>	<b>0</b>	<b>23 445</b>	<b>-332</b>

in euros (x 1 000)	Financial year 30/06/2013					Total IFRS	Romania
	Belgium	Netherlands	France	Czech Republic	Non-allocated		
I. Rental income*	21 562	15 919	3 142	0	0	40 624	225
III. Rental charges	-398	44	0	0	0	-353	0
<b>RENTAL INCOME, NET OF RENTAL-RELATED EXPENSES</b>	<b>21 164</b>	<b>15 964</b>	<b>3 142</b>	<b>0</b>	<b>0</b>	<b>40 271</b>	<b>225</b>
V. Recovery of rental charges normally paid by the tenant on let properties	2 933	51	397	0	0	3 380	0
VII. Rental charges and taxes normally paid by the tenant on let properties	-3 094	-276	-454	0	0	-3 824	-11
VIII. Other leasing-related income and charges**	3 445	53	41	0	0	3 539	48
<b>PROPERTY RESULT</b>	<b>24 449</b>	<b>15 791</b>	<b>3 126</b>	<b>0</b>	<b>0</b>	<b>43 366</b>	<b>263</b>
IX. Technical costs	-451	-182	-42	0	0	-675	-10
X. Marketing costs	-133	-49	-10	0	0	-192	-26
XII. Property management costs	-374	18	1	0	0	-355	-3
<b>PROPERTY CHARGES</b>	<b>-959</b>	<b>-213</b>	<b>-51</b>	<b>0</b>	<b>0</b>	<b>-1 223</b>	<b>-40</b>
<b>PROPERTY OPERATING RESULTS</b>	<b>23 490</b>	<b>15 578</b>	<b>3 075</b>	<b>0</b>	<b>0</b>	<b>42 143</b>	<b>223</b>
XIV. Corporate management costs	0	0	0	0	-2 304	-2 304	0
<b>OPERATING RESULT (BEFORE RESULT ON THE PORTFOLIO)</b>	<b>23 490</b>	<b>15 578</b>	<b>3 075</b>	<b>0</b>	<b>-2 304</b>	<b>39 839</b>	<b>223</b>
XVI. Result on disposals of investment property	0	0	0	666	0	666	0
XVIII. Movements in the fair value of investment property	-253	3 696	240	0	0	3 683	-931
<b>OPERATING RESULT</b>	<b>23 237</b>	<b>19 274</b>	<b>3 315</b>	<b>666</b>	<b>-2 304</b>	<b>44 188</b>	<b>-708</b>
Financial result						4 992	4 992
Reconciliation of segmentation of joint ventures	n/r	n/r	n/r	n/r	n/r	n/r	-368
Participation in the result of associated companies and joint ventures						-1 076	-1 076
Taxes						-225	-225
<b>NET RESULT</b>	<b>n/r</b>	<b>n/r</b>	<b>n/r</b>	<b>n/r</b>	<b>0</b>	<b>47 878</b>	<b>-1 076</b>

\* Income from solar energy was 4,124 million euros during the first half of 2013 and 3,244 million euros during the first half of 2012. In the first half of 2013, this income was generated in Belgium (3,826 million euros) and in Romania (0,298 million euros). During the first half of 2012, income was generated only in Belgium. The income from solar energy is recognised in 'Other income and charges related to leases'.

\*\* The maximum tenant risk within the WDP portfolio was 10% and the maximum risk per site 5%. See also '4.1. Property Report - Review on the consolidated property portfolio'.

\*\*\* Following the coming into effect of 'IFRS 11 Joint arrangements', the joint venture WDP Development RO is incorporated according to the equity accounting method. In the chart above, the operational result (before management costs and following the 51% share of WDP) is shown. Then, this is reconciled within the result of this entity as reported following the equity method as stated by IFRS.

The segmentation basis for segment reporting within WDP is by geographical region. This segmentation basis reflects the four geographical markets in Europe in which WDP operates. This segmentation is important for WDP as the nature of the activities, customers etc. show comparable economic characteristics within these segments. Business decisions are taken at this level and various key performance indicators, such as rental income, occupancy rate, etc. are monitored in this way.

#### IV. Segmented information – assets

in euros (x 1 000)	Financial year 30/06/2014					Romania (proportional)	Romania (equity method)
	Belgium	Netherlands	France	Non-allocated amounts	Total IFRS		
<b>INVESTMENT PROPERTY</b>	<b>702 818</b>	<b>509 490</b>	<b>80 545</b>	<b>0</b>	<b>1 292 853</b>	<b>26 431</b>	<b>0</b>
Existing buildings	632 404	474 790	77 519	0	1 184 714	7 438	0
Investment properties under development for own account with the purpose of being rented out	54 323	34 700	0	0	89 023	0	0
Land reserves	16 090	0	3 026	0	19 116	18 993	0
<b>ASSETS HELD FOR SALE</b>	<b>1 231</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 231</b>	<b>0</b>	<b>0</b>
<b>OTHER TANGIBLE FIXED ASSETS</b>	<b>65 302</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>65 348</b>	<b>10 321</b>	<b>0</b>
Tangible fixed assets for own use	638	46	0	0	684	113	0
Other: solar panels*	64 664	0	0	0	64 664	10 208	0
<b>FINANCIAL FIXED ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23 337</b>	<b>23 337</b>	<b>0</b>	<b>23 337</b>
<b>PARTICIPATION IN ASSOCIATED COMPANIES AND JOINT VENTURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 373</b>	<b>1 373</b>	<b>0</b>	<b>1 373</b>
in euros (x 1 000)	Financial year 31/12/2013					Romania (proportional)	Romania (equity method)
	Belgium	Netherlands	France	Non-allocated amounts	Total IFRS		
<b>INVESTMENT PROPERTY</b>	<b>683 094</b>	<b>404 966</b>	<b>79 673</b>	<b>0</b>	<b>1 167 733</b>	<b>26 328</b>	<b>0</b>
Existing buildings	652 163	390 690	76 647	0	1 119 500	7 018	0
Investment properties under development for own account with the purpose of being rented out	15 011	14 276	0	0	29 287	0	0
Land reserves	15 920	0	3 026	0	18 946	19 310	0
<b>ASSETS HELD FOR SALE</b>	<b>2 179</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 179</b>	<b>0</b>	<b>0</b>
<b>OTHER TANGIBLE FIXED ASSETS</b>	<b>66 759</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>66 814</b>	<b>10 791</b>	<b>0</b>
Tangible fixed assets for own use	618	55	0	0	673	107	0
Other: solar panels*	66 141	0	0	0	66 141	10 684	0
<b>FINANCIAL FIXED ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23 384</b>	<b>23 384</b>	<b>0</b>	<b>23 384</b>
<b>PARTICIPATION IN ASSOCIATED COMPANIES AND JOINT VENTURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 946</b>	<b>2 946</b>	<b>0</b>	<b>2 946</b>

\* In Belgium, solar panels are valued at fair value in conformity with IAS 16.



## V. Information concerning the subsidiaries

<i>in euros (x 1 000)</i>	<i>Share of equity</i>	
	<i>30/06/2014</i>	<i>30/06/2013</i>
<b>Fully consolidated companies</b>		
<b>Name and full address of the registered offices</b>		
WDP France SARL – rue Cantrelle 28 – 36000 Châteauroux – France	100%	100%
WDP Nederland NV – Princenhagelaan 1-A2 – 4813 DA Breda - The Netherlands with stake in WDP Development NL NV - Princenhagelaan 1-A2 - 4813 DA Breda - The Netherlands*	100%	100%
Eurologistik 1 Leasehold BVBA - Blakebergen 15 - 1861 Wolvertem - Belgium**	100%	100%
Eurologistik 1 Freehold BVBA - Blakebergen 15 - 1861 Wolvertem - Belgium**	100%	100%
Breker Immo NV - Blakebergen 15 - 1861 Wolvertem - Belgium***	100%	
TEL NV - Blakebergen 15 - 1861 Wolvertem - Belgium****	100%	
Charles V Property NV - Blakebergen 15 - 1861 Wolvertem - Belgium*****	100%	
WDP CZ SRO - Hvezdova 1716/2b - 140 78 Prague - Czech Republic*****	0%	0%

### Joint ventures

WDP Development RO SRL – 1 Baia de Arama Street, Building C, 1st floor, office no. 19, district 2 - Bucharest - Romania	51%	51%
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\* WDP Development NL NV was formed in August 2011 as a self-financed permanent development company of WDP Nederland NV.

\*\* On 7 June 2013 WDP acquired 100% of the shares in Eurologistik 1 Leasehold and Eurologistik 1 Leasehold, holding the rights to an existing logistic site in Vilvoorde. WDP merged with its fully owned subsidiary Eurologistik 1 Leasehold BVBA in early October 2013. This transaction is not deemed to be a business combination.

\*\*\* In early September 2013 WDP acquired 100% of the shares of Breker Immo NV. This company owns a building in Asse (Kobbegeem), acquired by means of this transaction. This transaction is not deemed to be a business combination.

\*\*\*\* End of April 2014, WDP has acquired 100% of the shares in the company Charles V Property NV, which owns a logistic building in Ternat. This transaction is not deemed to be a business combination.

\*\*\*\*\* On 20 June 2013 WDP realised the closing of 100% of the shares in its Czech subsidiary WDP CZ.

## VI. Overview of receivable annualised rental income, including income from solar energy

<i>in euros (x 1 000)</i>	30/06/2014	31/12/2013
Rental income (including annualised income from solar energy) with final expiry date within		
one year	6 929	9 990
more than one but less than five years	20 187	16 190
more than five years	74 660	66 014
<b>TOTAL</b>	<b>101 776</b>	<b>92 194</b>

This table contains an overview of the annualised rental income, including the annualised income from solar energy, in accordance with current agreements. This is based on the indexed rents to be received up to and including the expiry date, as agreed in the leases.

## VII. Investment properties – statement of changes<sup>58</sup>

in euros (x 1 000)	2014				Romania
	Belgium	Netherlands	France	Total	
at 01/01	683 094	404 966	79 673	1 167 733	26 328
Investments	7 679	22 676	243	30 598	373
New acquisitions	15 035	77 697	0	92 732	0
Disposals	0	-125	0	-125	0
Variations in the fair value	-3 018	4 276	629	1 887	-270
at 30/06	702 790	509 490	80 545	1 292 825	26 431

in euros (x 1 000)	2013				Romania
	Belgium	Netherlands	France	Total	
at 01/01	591 049	363 746	80 619	1 035 414	25 201
Investments	22 732	3 446	251	26 429	2 470
New acquisitions	51 516	35 236	0	86 752	0
Acquisition of investment properties by means of share-based payment transactions	22 000	0	0	22 000	0
Transfers to fixed assets held for sale	-948	0	0	-948	0
Disposals	-1 637	0	0	-1 637	0
Variations in the fair value	-1 618	2 538	-1 197	-277	-1 343
at 30/12	683 094	404 966	79 673	1 167 733	26 328

For events after the end of the period, please see 2.4. *Transactions and realisations – Significant events after the balance sheet date.*

<sup>58</sup> Including property developments in compliance with the IAS 40 standard.

### VIII. Statement of financial debt

in euros (x 1 000)	Included as of		< 1 jaar		1-5 jaar		> 5 jaar	
	30/06/2014	restated 31/12/2013	30/06/2014	restated 31/12/2013	30/06/2014	restated 31/12/2013	30/06/2014	restated 31/12/2013
Commercial paper	145 933	145 341	145 933	145 341		0		0
Straight loans	4 665	22 449	4 665	22 449		0		0
Roll over loans	71 157	2 216	71 157	2 216		0		0
Leasing debt	3 419	3 468	3 419	3 468		0		0
Other	1	3	1	3		0		0
<b>Current financial liabilities</b>	<b>225 175</b>	<b>173 477</b>	<b>225 175</b>	<b>173 477</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Roll over loans	389 327	449 103		0	319 423	424 916	69 904	24 187
Bond	174 414	49 625		0		0	174 414	49 625
Leasing debt	14 429	16 171		0	9 767	10 481	4 662	5 690
Other	0	0		0		0	0	0
<b>Non-current financial liabilities</b>	<b>578 170</b>	<b>514 899</b>	<b>0</b>	<b>0</b>	<b>329 190</b>	<b>435 397</b>	<b>248 980</b>	<b>79 502</b>
<b>TOTAL</b>	<b>803 345</b>	<b>688 376</b>	<b>225 175</b>	<b>173 477</b>	<b>329 190</b>	<b>435 397</b>	<b>248 980</b>	<b>79 502</b>

For more detailed information, please refer to 2.5. *Interim management report – Management of financial resources.*

### IX. Financial instruments

#### Financial instruments at amortised cost

Fair value of financial instruments that are recognised at amortised cost in the balance sheet:

FINANCIAL ASSETS (in euros x 1 000)	Level (IFRS)	30/06/2014	
		Amortised cost	Fair value
Loans and receivables	2	11 391	23 337
Trade receivables and other fixed assets	2	8 678	5 652
Trade receivables	2	10 171	8 022
Cash and cash equivalents	2	3 724	2 040
<b>TOTAL</b>		<b>33 964</b>	<b>39 050</b>

FINANCIAL LIABILITIES <i>(in euros x 1 000)</i>	Level (IFRS)	30/06/2014	
		Amortised cost	Fair value
Commercial paper	2	145 933	145 933
Bond	2	174 414	180 692
Bank debt	2	465 149	465 149
Leasing debt	2	17 848	17 848
Other financial liabilities	2	1	1
Trade receivables and other current liabilities	2	17 414	17 414
<b>TOTAL</b>		<b>820 759</b>	<b>827 037</b>

The fair value of the financial assets and liabilities above is measured at the accounting value, except for the bonds, the fair value of which is determined by an indicative price such as indicated by the broker, since these are not frequently traded (level 2). Since the other financial debts are contracted at a variable interest rate, the fair value tends to be close to the accounting value.

#### Financial instruments at fair value

The group uses derivative financial instruments in order to hedge interest rate risks on its financial debts with the purpose of reducing volatility of the net current result, which forms the basis of the dividend, while at the same time keeping the cost of the debts as low as possible. The management of these hedges is performed centrally by means of a macro hedging policy. The group does not use any derivative financial instruments for speculative purposes nor does it hold any derivatives for trading purposes. The derivatives that are currently used by WDP do not qualify as hedging transactions. Consequently, changes to fair value are immediately recognised in the result.

These contracts are valued at fair value on the balance sheet date, in compliance with IAS 39. This information is received from the various financial institutions and is verified by WDP by discounting future contractual cash flows on the basis of the corresponding yield curves.

Fair value is determined on the basis of observable inputs; consequently, the IRS contracts are part of level 2 of the fair-value hierarchy, as stipulated in IFRS 13. The details and measurement at fair value on the balance sheet date of the hedging instruments are as follows:

CLASSIFICATION ACCORDING TO IFRS	Level (IFRS)	Notional amount (in euros x 1 000)	Interest rate (in %)	Weighted average term (in y)	30/06/2014 Assets	30/06/2014 Liabilities
IRS	2	414 424	3,25	5,5	0	50 792
IRS (callable)	2	66 000	3,58	3,7	0	7 973
Floor KI / Cap KO	2	10 000	4,50	4,5	0	1 908
<b>TOTAL</b>		<b>490 424</b>	<b>3,32</b>	<b>5,3</b>	<b>0</b>	<b>60 672</b>

## X. Calculation of the gearing ratio and notes regarding changes in the gearing ratio

<i>in euros (x 1 000)</i>		<i>restated</i>
	30/06/2014	31/12/2013
Non-current and current liabilities	891 793	756 010
To be excluded:		
- I. Non-current liabilities - A. Provisions	-1 060	-1 065
- I. Non-current liabilities - C. Other non-current financial liabilities - Permitted hedging instruments	-60 469	-49 062
- I. Non-current liabilities - F. Deferred taxes - Liabilities	0	0
- II. Current liabilities - E. Other current liabilities - Other: Hedging instruments Afdekkingsinstrumenten	-204	-647
- II. Current liabilities - F. Accruals and deferred income	-8 581	-4 184
<b>Total debt</b>	<b>A 821 480</b>	<b>701 052</b>
<b>Total assets</b>	<b>B 1 410 353</b>	<b>1 283 010</b>
To be excluded:		
- E. Financial fixed assets - Financial instruments at fair value through profit and loss - Permitted hedging instruments	0	-80
<b>Total assets</b>	<b>B 1 410 353</b>	<b>1 283 010</b>
<b>Debt ratio</b>	<b>A/B 58,25%</b>	<b>54,64%</b>

### Further notes to changes in the company's gearing ratio

Pursuant to Article 54 of the Belgian Royal Decree of 7 December 2010, public *Vastgoedbevaks/Sicafis* are required to draw up a financial plan with an implementation schedule describing the measures to be taken to prevent the gearing ratio from exceeding 65% of the consolidated assets. The statutory auditor writes a special report on this financial plan confirming that he or she has checked how the plan was drawn up, especially concerning its economic principles, and that the figures contained in this plan correspond to the figures in the accounts of the *Bevak/Sicafi*. It must be stated in the interim and annual financial reports how the financial plan was implemented in the period under review and how the *Bevak/Sicafi* will implement the plan in the future.

### *Changes in the gearing ratio*

During the first half-year of 2014, the consolidated gearing ratio of WDP increased to 58.2% as at 30 June 2014 compared to 54.6% as at 31 December 2013. This is taking into account a total investment volume of some 125 million euros, but also taking account of the success of the optional dividend with which the shareholders' equity was reinforced by 23 million euros.

Based on the current gearing ratio of 58.2% as at 30 June 2014, WDP has additional investment potential of approximately 250 million euros, without exceeding the maximum gearing ratio of 65%. There is room for 40 million euros in additional investments before the 60% gearing ratio is exceeded.

On the other hand, portfolio valuations also have an effect on the gearing ratio. Taking account of the current capital base, the maximum gearing ratio of 65% would only be exceeded if the value of investment properties were to decrease by approximately 150 million euros, or 11% compared to the 1,320 million euros of the property portfolio. WDP believes that the current gearing ratio is at an acceptable level and provides sufficient margin to absorb any decreases in the value of the properties. Furthermore, the experts' appraisal in 2011-14 showed that the fair value of the portfolio had stabilised.

### *Expected changes in gearing ratio in 2014*

The aim is to maintain the gearing ratio at a level between 55% and 60% and in this context the targets set by WDP are based on a capital structure maintained at the same level.

WDP's gearing ratio is likely to change during the course of 2014 from 58.2% as at 30 June 2014 to some 56% as at 31 December 2014. This forecast takes account of the following elements:

- The implementation of the current investment programme.<sup>59</sup>
- Retained profits, taking into account the expected profit for 2014 of some 67 million euros, of which 32.9 million euros have already been realised in H1 2014.

### *Conclusion*

WDP therefore believes that the gearing ratio will not exceed 65% and that no additional measures need to be taken at the moment, based on the prevailing economic and property trends, the planned investments and expected changes in the shareholders' equity of the company.

If the company's policies needed to be adjusted in response to specific events, this will be done immediately and the shareholders will be informed through the company's regular reports.

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<sup>59</sup> See also '2.4. Interim management report – Transactions and realisations'.

## XI. Transactions between affiliates

Apart from the management fee charged to WDP by the manager, De Pauw NV, there were no other transactions between affiliates. This fee has been set at 1,125,000 euros for the full 2014 year. This amount corresponds with the market-level cost for the Board of Directors in 2014, including the basic remunerations and the bonus scheme for the executive management and the management of the company. (See also 5.7. *Management report – Corporate governance and structure in the 2013 Annual financial report*)

## XII. Rights and obligations not included on the balance sheet

On 30 June 2014, WDP Comm. VA and its subsidiaries established bank guarantees for a total amount of 5,108,176 euros, the beneficiaries of which can be broken down into the following categories and for the following amounts:

### COMPLETE OVERVIEW AT 30/06/20134

(in euros)

Environmental	224 373
Rent and concession	2 707 294
Financial	2 707 294
Legal	750 000
Services	7 979

The parent company, WDP Comm. VA has granted the following guarantees for its respective subsidiaries:

- Security for the commitments of WDP Development RO SRL amounting to 75 million euros in favour of the EIB.

WDP has entered into the following commitments with financiers<sup>60</sup>:

- Commitment for the credit institutions with which WDP typically conducts business in order not to burden the fixed assets with mortgages or power of attorney to mortgage (i.e. negative pledge).
- WDP has entered into a commitment with the various financiers in order to remain eligible as a *Vastgoedbevak/Sicafi*. The conditions for this can be found in the Belgian Royal Decrees

<sup>60</sup> 'Financiers' means the credit institutions, as well as capital providers via the Debt Capital Markets.



dated 10 April 1995, 21 June 2006 and 7 December 2010. For more information, please see the *2013 Annual financial report* that is available on [www.wdp.be](http://www.wdp.be).

- To fund the operations in the Netherlands via WDP Nederland NV, WDP has entered into a commitment to remain qualified as a *Fiscale Beleggingsinstelling (FBI)*.
- For some financiers, WDP undertakes to maintain a minimum Interest Coverage Ratio<sup>61</sup> of at least a specific level. For WDP, this level is usually 1.5x.<sup>62</sup> This ratio amounted to 3.6x as at 30 June 2014.
- With some financiers, WDP undertakes to repay the credit if a change of control takes place and as a result of this the financier asks for repayment.
- For some financiers, WDP undertakes to limit projects that have not yet been pre-let (i.e. speculative developments) to 15% of the book value of the portfolio, excluding land reserves. As at 30 June 2014, this ratio amounted to 0%.

As at 30 June 2014, WDP complied with all its covenants, both to the credit institutions and to the bondholders.

In addition, as at the balance sheet date of 30 June 2014, WDP has committed to acquire the land for the projects in Tiel and Harderwijk before the year-end.<sup>63</sup>

### **XIII. Significant events after the balance sheet date**

For the events after the balance sheet date, please see *2.4. Transactions and realisations – Significant events after the balance sheet date*.

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<sup>61</sup> Defined as operating result (before the result on the portfolio) divided by interest expenses less interest income and dividends less income from finance leases and suchlike.

<sup>62</sup> Except for three loans, for which the minimum Interest Coverage Ratio amounts to 2.0x.

<sup>63</sup> See also '2.4. Transactions and realisations – Investment properties under development for own account with the purpose of being rented out'.

## 6. Auditor's report

### **Report on review of the consolidated interim financial information for the six months ended 30 June 2014**

#### *To the Board of Directors*

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed balance sheet as at 30 June 2014, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed cash flow statement and the condensed statement of changes in the consolidated equity for the period of six months then ended, as well as selective notes I to XIII.

#### **Report on the consolidated interim financial information**

We have reviewed the consolidated interim financial information of Warehouses De Pauw Comm. VA (*the company*) and its subsidiaries (jointly *the group*), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The consolidated condensed balance sheet shows total assets of 1.410.353 (000) euros and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 23.445 (000) euros.

The Board of Directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

#### *Scope of review*

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in

an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Warehouses De Pauw Comm. VA has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Antwerp, 4 August 2014

DELOITTE Bedrijfsrevisoren

BV o.v.v.e. CVBA

Represented by Kathleen De Brabander

**THE STATUTORY AUDITOR**

## **7. Statement on the interim financial report**

In accordance with Article 13:2 of the Belgian Royal Decree of 14 November 2007, De Pauw NV, managed and permanently represented by Tony De Pauw, declares that to the best of its knowledge:

- the condensed interim financial statements, prepared on the basis of the accounting policies in accordance with IFRS and in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union, provide a true and fair presentation of the capital, of the financial position and of the results of WDP and the companies included in the consolidation;
- the interim financial report provides a true statement of the significant events that took place during the first six months of the current financial year, their effect on the condensed financial statements, the most significant risk factors and uncertainties for the months still to come of the financial year, as well as the main transactions between the related parties and their possible effect on the condensed financial statements if these transactions represent a significant effect and were not contracted under normal market conditions.

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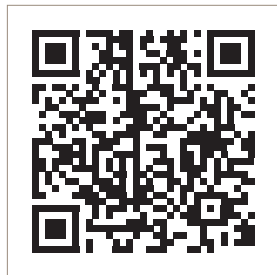
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*WDP, a real estate investment trust, develops and invests in logistics property (warehouses and offices). WDP's property portfolio amounts to more than 2 million m<sup>2</sup>. This international portfolio of semi-industrial and logistics buildings is spread over more than 100 sites at prime logistics locations for storage and distribution in Belgium, France, the Netherlands and Romania. More information about WDP can be found at [www.wdp.be](http://www.wdp.be).*

*WDP Comm. VA – Public Closed-End Property Investment Company incorporated under Belgian law.  
Company number 0417.199.869 (Brussels Trade Register)*

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Find your WDP warehouses  
on our **MOBILE APP**  
**mobile.wdp.eu**

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