WAREHOUSES WITH BRAINS

PRESS RELEASE

Friday 1 February 2019, 07.00 am
Regulated information
Inside information

www.wdp.eu

Annual results for the period 01.01.2018 - 31.12.2018

2018

- EPRA Earnings of 6.00 euros per share, an increase of 7%
- Dividend confirmed at 4.80 euros per share, an increase of 7%
- Investments within framework of 2016-20 growth plan nearly identified in full

2019-23

- Implementation of new five-year growth plan
- Envisaged annual portfolio growth of 10% towards 5 billion euros
- Ambition of an annual increase of 6% in EPRA Earnings per share to 8.00 euros in 2023

1. Summary

- The EPRA Earnings[1] for 2018 amount to 134.4 million euros, marking an increase of 10.7% over 2017 (121.4 million euros). The EPRA Earnings per share[2] for 2018 come to 6.00 euros, an increase of 7.2% over the figure of 5.60 euros from 2017.
- The net result (IFRS) – Group share for 2018 amounts to 328.8 million euros, driven in part by an increase of 208.3 million euros (or 6.2%) in the underlying value of the property portfolio. The net result (IFRS) – Group share per share for 2018 amounts to 14.69 euros, compared to 10.84 euros in 2017.
- The occupancy rate[3] was 97.5% on 31 December 2018, compared to 97.4% on 31 December 2017. The average duration (until the first termination date) of the lease contracts in the WDP portfolio is 5.8 years (including solar panels).
- As at 31 December 2018, the loan-to-value[4] came to 50.0% and the gearing ratio (proportionate) to 51.8%, compared to 51.3% and 53.1%, respectively, as at 31 December 2017.
- The EPRA NAV[5] was 71.2 euros on 31 December 2018, compared to 58.3 euros on 31 December 2017. The IFRS NAV was 68.5 euros on 31 December 2018, compared to 56.3 euros on 31 December 2017.
- A new investment package of approx. 100 million euros was secured during the fourth quarter of 2018 (mainly in the growth market of Romania). A total of over 350 million euros in new investments were successfully identified in 2018. The total identified investment volume under the 2016-20 growth plan comes to approx. 1.1 billion euros, implying around 90% of the planned target of 1.25 billion euros.
- Considering that the targets under the 2016-20 growth plan (1.25 billion euros in cumulative investments and EPRA Earnings per share of 7.00 euros in 2020) are within reach, WDP is currently already planning the next chapter in its further growth, through the implementation of a new growth plan that envisages a portfolio expansion to 5 billion euros over the five-year period from 2019 to 2023, supported by a target annual portfolio growth of 10% and an annual increase of 6% in EPRA Earnings per share, bringing this figure to 8.00 euros in 2023. This growth will mainly be driven by the company's own pre-leased projects on existing and/or new plots, and to a limited degree by selective acquisitions, supported

In accordance with the guidelines issued by ESMA (the European Securities and Markets Authority), the Alternative Performance Measures (APM) used by WDP must be defined in a footnote on their first mention in this press release. This definition will also be accompanied by a symbol (◤) so the reader can easily recognise it as an APM definition. Chapters 7 and 8 of this press release also give a reconciliation of these indicators.

[1] ◤ EPRA Earnings: this figure is the underlying result of the core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the changes in the fair value of financial instruments and depreciation and write-down on solar panels. See also www.epra.com.

[2] ◤ The EPRA Earnings per share are the EPRA Earnings based on the weighted average number of shares.

[3] The occupancy rate is calculated based on the rental values of the leased properties and the unleased space and includes income from solar panels. This does not include projects under development or renovations.

[4] ◤ The loan-to-value is obtained from the IFRS statements by dividing the net financial debt by the sum of the fair value of the property portfolio, the fair value of the solar panels and financing to and holdings in associated companies and joint ventures.

[5] ◤ EPRA NAV: this is the NAV that was adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with investment properties over the long term. See also www.epra.com.

by WDP's commercial platform within each of its existing core markets and its positioning as both developer and long-term final investor.[6]

- For 2019, WDP anticipates EPRA Earnings of 6.50 euros per share (an increase of 8%). Based on this outlook, the dividend for 2019 (payable in 2020) is projected at 5.20 euros gross per share, also marking an increase of 8% over 2018.[7]

[6] These ambitions are based on retention of current operating and financial metrics and a stable operating environment in a context of persistent structural demand for modern logistics space. These growth and profit targets are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.

[7] These growth and profit targets are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.

2. Operational and financial activities during 2018

2.1 Occupancy rate and leasing activity

On 31 December 2018, the property portfolio achieved an occupancy rate of 97.5%, compared to 97.4% at the end of 2017. Out of the 10% of lease agreements reaching their next expiry date in 2018, 99% were successfully extended (of which more than 90% with existing customers). This reaffirms the trust customers have in WDP.

2.2 Acquisitions and divestments

2.2.1 Acquisitions

2018 saw the realization of several acquisitions, with a total investment volume of 96 million euros. All of these acquisitions were made at prices in line with the fair value determined in the valuations from the independent property experts. WDP generates an overall gross initial rental yield of approx. 8.8% on these investments[8].

2.2.1.1 Acquisitions completed during the fourth quarter of 2018

The Netherlands

BREDA, STEENEN HOOFD 44: acquisition of a new land resource of approx. 90,000 m².

HASSELT, HANZEWEG: an additional warehouse was purchased next to the existing WDP premises for Scania, with a total area of approx. 10,000 m². Scania will lease this property for a ten-year term as well.

BARENDRECHT, SPOORWEGEMPLACEMENT: the existing WDP site on Spoorwegemplacement will be expanded with over 3,000 m² of additional land resources for the future.

Romania

BRAZI: WDP acquired Carrefour's existing warehouse, spanning some 23,000 m², in Brazi (near Ploiesti), and leased it to this retailer for a ten-year term. This property is currently being expanded with an additional 11,000 m².[9]

SLATINA: acquisition of a new land resource of approx. 64,000 m² in Slatina, located in the west of Bucharest.

[8] Excluding land reserve.
[9] See *2.4.1 Projects identified during the fourth quarter of 2018*.

2.2.1.2 Summary of all acquisitions in 2018[10]

Location		Tenant	Lettable area (in m²)	Investment budget (in million euros)
BE	Asse-Zellik (1)	land reserve	14.000	7
BE	Asse-Zellik (2)	land reserve	22.000	5
BE	Asse-Zellik (3)	land reserve	52.000	12
BE			88.000	24
NL	Veghel	land reserve	10.000	2
NL	Breda, Steenen Hoofd 44	land reserve	88.900	7
NL	Barendrecht, Spoorwegemplacement	land reserve	3.325	1
NL			102.225	10
RO	Cluj-Napoca (4)	Profi	33.000	22
RO	Brasov (2)	Flenco	20.000	5
RO	Timisoara (6)	Procter & Gamble / various	37.000	21
RO	Brazi	Carrefour	23.000	11
RO	Slatina	land reserve	64.300	3
RO			177.300	61
Total			367.525	96

2.2.2 Disposals

LEUVEN, VAART 25-35: anticipating the need for more housing in this part of the city, WDP entered into a partnership agreement with project developer L.I.F.E. to convert the existing Hungaria building into a residential tower block. I Love Hungaria is scheduled for phased delivery as from the fall of 2019. As part of this project, WDP along with L.I.F.E. are selling this site in phases.[11] 69% of the surface area has already been sold.

Moreover, 2018 also saw the sale of the sites in MEER, TERNAT (INDUSTRIELAAN 23), AIX-EN-PROVENCE, PUURS, LILLE-TEMPLEMARS (RUE DE L'ÉPINOY) and part of the site in ANDERLECHT.

[10] The area for land reserve relates to the total surface of the plot.
[11] See the press release from 30 April 2015.

2.3 Projects completed in 2018

As announced, WDP successfully delivered the following pre-leased projects during 2018, with a total area of 433,000 m². The initial gross rental yield for all of these completed projects is 7.1%[12], with an investment budget of approx. 266 million euros.

Location		Tenant	Delivery date	Lettable area (in m²)	Investment budget (in million euros)
BE	Heppignies, rue de Capilône 6	Trafic	4Q18	15.000	8
BE				15.000	8
LU	Bettembourg (Eurohub Sud)	Auchan / Innovation First	4Q18	25.000	11
LU				25.000	11
NL	Amsterdam, Kaapstadweg	DHL	3Q18	14.000	14
NL	Bleiswijk, Maansteenweg/Spectrumlaan (1)	Mediq	3Q18	25.000	13
NL	Bleiswijk, Maansteenweg/Spectrumlaan (3)	Toolstation	3Q18	11.900	9
NL	Bleiswijk, Spectrumlaan 29	Total Exotics	1Q18	4.000	7
NL	Bleiswijk, Spectrumlaan 31	Misi	1Q18	7.000	7
NL	Echt, Fahrenheitweg	Dick Vijn	2Q18	14.000	10
NL	Heerlen, Earl Bakkenstraat (2)	CEVA Logistics	4Q18	13.000	6
NL	Moerdijk, Energieweg 4	Gondrand Traffic	2Q18	18.000	18
NL	Schiphol Logistics Park	Rapid Logistics / Panalpina	4Q18	17.000	27
NL	Tiel, De Diepert 5	Kuehne + Nagel	4Q18	32.000	20
NL	Veghel, Marshallweg 2	Kuehne + Nagel	4Q18	35.000	26
NL				190.900	155
RO	Aricestii Rahtivani	Kamtec	1Q18	4.500	3
RO	Brasov (3)	Inter Cars	4Q18	3.000	2
RO	Bucharest - Dragomiresti (4)	Aquila Part Prod Com	4Q18	24.000	15
RO	Bucharest - Dragomiresti (5)	Sarantis Romania	4Q18	10.000	6
RO	Cluj-Napoca (3)	Profi	3Q18	11.000	10
RO	Constanta - Mihail Kogalniceanu	Vestas ceu Romania	4Q18	2.300	1
RO	Oarja (3)	CEVA Logistics	2Q18	29.000	10
RO	Oarja (4)	CEVA Logistics	3Q18	18.000	5
RO	Oradea (1)	Kuehne + Nagel	1Q18	4.000	2
RO	Oradea (2)	Inteva Products Salonta	4Q18	16.000	8
RO	Paulesti (1)	Global Enterprises International	2Q18	4.800	3
RO	Ramnicu Valcea (3)	Faurecia	1Q18	4.800	3
RO	Roman	Profi	2Q18	39.000	8
RO	Timisoara (2)	TE Connectivity Solutions	1Q18	8.000	4
RO	Timisoara (3)	Mömax	1Q18	3.000	2
RO	Timisoara (4)	360 Co-Packing	1Q18	6.000	2
RO	Timisoara (5)	360 Co-Packing	4Q18	15.000	8
RO				202.400	92
Total				433.300	266

2.4 Projects under development

WDP expects the total of projects under development, worth approx. 273 million euros[13] and boasting a total surface area of around 445,000 m², to generate an initial gross rental yield of around 7.5%[14].

2.4.1 Projects identified during the fourth quarter of 2018

Romania

BRAZI: the warehouse recently acquired from Carrefour[15] will be expanded by 11,000 m², with completion scheduled for the third quarter of 2019. Part of the building is fitted out as a conditioned zone. Carrefour will lease this part for a ten-year term. The investment budget amounts to approx. 5 million euros.

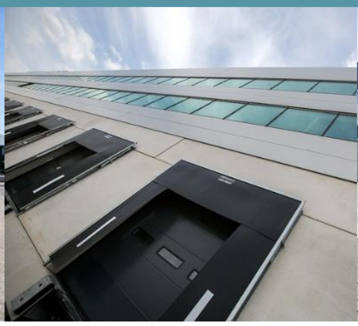
DEVA: distribution centre for Carrefour, under a ten-year lease, which will be responsible for deliveries to its supermarkets. Completion of this new building is scheduled for the fourth quarter of 2019. The site is located at the junction of the A1 and E79 motorways between Bucharest and Timisoara. The new warehouse meets this retailer's need for more space under its expansion strategy and for workflow optimisation. The distribution centre with an area of approx. 45,000 m² is being developed in line with Carrefour's sustainability requirements, with part of the warehouse fitted out as a conditioned zone. WDP projects an investment budget of approx. 24 million euros to complete this project.

BUCHAREST – STEFANESTII DE JOS (7): new state-of-the-art logistics site for Auchan. The new buildings, totalling approx. 77,000 m², will include a part fitted out as a conditioned zone and will be leased by Auchan for a seven-year term. Delivery is slated for over the course of Q1 2020. The investment budget amounts to around 45 million euros.

[12] The gross yield is 6.3% for the Benelux and 8.7% for Romania.
[13] 116 million euros of which has thus far been invested.
[14] The gross yield is 6.3% for the Benelux and 8.6% for Romania.
[15] See *2.2.1.1 Acquisitions completed during the fourth quarter of 2018*.

2.4.2 Summary of all projects under development[16]

Location		Tenant	Delivery date	Lettable area (in m²)	Investment budget (in million euros)
BE	Tongeren, Heersterveldweg 17	GLS	4Q19	5.000	8
BE				5.000	8
LU	Bettembourg (Eurohub Sud)	end user	4Q19	25.000	12
LU				25.000	12
NL	Arnhem, Bedrijvenpark Ijsseloord 2	Bunzl	2Q19	20.250	18
NL	Barendrecht, Dierensteinweg 30 (C-D)	The Greenery	1Q19	23.700	10
NL	Bleiswijk, Maansteenweg/Spectrumlaan (4)	Konings-Zuivel	1Q19	8.000	6
NL	Bleiswijk, Maansteenweg/Spectrumlaan (5)	Hoogsteder	2Q19	8.000	7
NL	Breda	Lidl	3Q19	55.000	27
NL	Heinenoord, Bedrijvenpark Hoekse Waard	VCKG Holding / New Corp Logistics	1Q19	22.075	18
NL	Zwolle (1)	wehkamp	1Q19	25.000	24
NL	Zwolle (2)	Altrex	3Q19	3.885	2
NL				165.910	112
RO	Brazi	Carrefour	3Q19	11.000	5
RO	Bucharest - Stefanestii de Jos (4)	Metro	1Q20	58.000	33
RO	Bucharest - Stefanestii de Jos (5)	LPP	2Q19	22.000	10
RO	Bucharest - Stefanestii de Jos (6)	Kitchen Shop	2Q19	2.500	2
RO	Bucharest - Stefanestii de Jos (7)	Auchan	1Q20	77.000	45
RO	Buzau	Ursus Breweries	3Q19	21.000	10
RO	Deva	Carrefour	4Q19	45.000	24
RO	Paulesti (2)	end user	2Q19	8.800	7
RO	Sibiu (3)	Aeronamic Eastern Europe	2Q19	4.000	4
RO				249.300	141
Total				445.210	273


[16] Based on 100% of the investment in the fully consolidated entities (including WDP Romania) and prorated for the joint ventures (in particular, 55% for WDP Luxembourg).

2.5 Sustainability

Solar panel project in the Netherlands

Currently, the second phase of the solar panel project in the Netherlands is in execution, for a total investment of approx. 25 million euros and a total additional capacity of 25 MWp by the end of 2019[17]. After delivery, WDP will have a total installed capacity of 85 MWp in its solar power portfolio. Over the medium-term, WDP will strive for a total PV portfolio of 100 MWp.

Energy monitoring system for the entire property portfolio

Over the course of 2018, in partnership with energy management specialist nanoGrid, WDP rolled out the hardware installation for the energy management system across the properties in the WDP portfolio. This energy monitoring system can optimise client consumption, providing savings on energy bills and thus also contributing towards a more sustainable property portfolio.

2.6 Changes in policy regarding Dutch REIT status

As part of the planned elimination of the dividend tax, the Dutch Government coalition agreement of October 2017 stated the intention that FBIs, including WDP through its subsidiary WDP Nederland N.V., would no longer be allowed to invest directly in Dutch real estate from 2020 onwards. In early October of 2018, the Dutch government announced that it would maintain the dividend withholding tax and keep the FBI regime intact, meaning that direct investment in Dutch real estate will continue to be permitted after 2020.

In addition, WDP was in talks with the Dutch tax authority, which indicated to WDP that – as a shareholder in WDP Nederland N.V., which has FBI status – it is subject to a new shareholder test (the conditions to qualify as an FBI depend on factors such as activities and shareholder structure). In light of the above, the talks between the Dutch tax authority and the company to firm up the details had been suspended. WDP hopes to resume these talks in the near future. The company believes it should be able to pass this shareholder test and reach reasonable agreements with the Dutch tax authority.[18]

2.7 Management of financial resources

- Issue of 100 million euros in green bonds in a US private placement

In late March 2018, WDP concluded an agreement with a single US investor (MetLife Inc.) to issue a US private placement with an eleven-year term for a total of 100 million euros (with

[17] Thus far, commercial agreements have been concluded for the installation of 13 MWp.
[18] For information purposes, WDP estimates the difference between the fiscally transparent status of an FBI and the normal taxation regime (pro forma) to be no more than 3% of current EPRA Earnings per share. In any case, it would never be applied retroactively.

extension option), with a coupon of 2.62%. The issue took the form of green bonds that will only be used to finance or refinance WDP's eligible sustainable assets.

- Capital increase by contribution in kind for 5 million euros

  In mid-September 2018, WDP completed its acquisition of an industrial site in Asse-Zellik[19] by means of a contribution in kind, in exchange for payment of 44,860 new WDP shares. This transaction resulted in an increase of 5.2 million euros in shareholders' equity.

- Capital increase by contribution in kind for 12 million euros

  In mid-October 2018, WDP completed its acquisition of an additional site in Asse-Zellik[20] by means of a contribution in kind, in exchange for payment of 119,226 new WDP shares. This transaction resulted in an increase of 12.4 million euros in shareholders' equity.

- Capital increase by (indirect) contribution in kind for 45 million euros

  WDP realised an indirect contribution in kind of a receivable related to the pre-leased projects in Veghel, Tiel and Bleiswijk, resulting in a capital increase of 44.9 million euros and the issue of 390,702 new shares.

- New EIB financing package of 150 million euros

  After an initial collaboration in 2010, WDP and the European Investment Bank (EIB) have agreed on a new financing package for a total of 150 million euros. This will take the form of term loans to provide the capital needed for the projects completed in 2018 as well as for future projects in the EU convergence regions in Romania.

- New credit facility

  In addition, over the course of 2018, WDP secured additional credit lines of around 130 million euros.

- Credit line extension

  As usual, WDP extended its long-term credit lines maturing in 2019 proactively, for a total of 160 million euros.

[19] See the press release of 17 September 2018.
[20] See the press release of 17 October 2018.

3. Financial results

3.1 Summary

The EPRA Earnings of WDP for 2018 amount to 134.4 million euros. This result marks an increase of 10.7% over the result of 121.4 million euros in 2017. The EPRA Earnings per share come to 6.00 euros, an increase of 7.2% over the same period last year.

This increase in the EPRA Earnings primarily stems from strong growth in the WDP portfolio in 2017-18 by means of pre-leased projects in the growth markets of the Netherlands and Romania. In addition, operational and financial costs were actively managed and kept under control.

3.2 Key figures

Key figures		
Operational	**31.12.2018**	**31.12.2017**
Fair value of property portfolio (including solar panels) (in million euros)	3.449,6	2.669,8
Gross initial yield (including vacancies)[1] (in %)	6,7	7,1
Net initial yield (EPRA)[2] (in %)	6,0	6,4
Average lease term (until first break)[3] (in years)	5,8	6,2
Occupancy rate[4] (in %)	97,5	97,4
Like-for-like rental growth[5] (in %)	1,7	1,1
Operating margin[6] (in %)	91,3	92,5
Financial	**31.12.2018**	**31.12.2017**
Loan-to-value[7]	50,0	51,3
Gearing ratio (proportional) (in line with the GVV/SIR Royal Decree)	51,8	53,1
Interest Coverage Ratio[8] (in x)	4,6	4,9
Average cost of debt (in %)[9]	2,4	2,6
Average remaining duration of outstanding debt (in years)	4,4	4,1
Average remaining duration of long term credit facilities (in years)	5,3	4,5
Hedge ratio[10] (in %)	91	91
Average remaining term of hedges[11] (in years)	7,3	7,6
Result (in million euros)	**31.12.2018**	**31.12.2017**
Property result	187,9	154,5
Operating result (before the result on the portfolio)	171,6	142,8
Financial result (excluding changes in the fair value of the financial instruments)[12]	-33,0	-25,7
EPRA Earnings[13]	134,4	121,4
Result on the portfolio (including share joint ventures) - Group share[14]	208,3	101,5
Changes in the fair value of the financial instruments - Group share	-9,0	16,5
Depreciation and write-down on solar panels (including share joint ventures) - Group share	-4,8	-4,2
Net result (IFRS) - Groupe share	328,8	235,2
Details per share (in euros)	**31.12.2018**	**31.12.2017**
EPRA Earnings[15]	6,00	5,60
Result on the portfolio (including share joint ventures) - Group share[16]	9,31	4,68
Changes in fair value of the financial instruments - Group share	-0,40	0,76
Depreciation and write-down on solar panels - Group share	-0,21	-0,19
Net result (IFRS) - Group share	14,69	10,84
IFRS NAV[17]	68,5	56,3
EPRA NAV[18]	71,2	58,3
EPRA NNNAV[19]	68,2	55,9

[1] Calculated by dividing 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).

[2] Financial performance indicator calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations van EPRA . See also www.epra.com.

[3] Including the solar panels which are included in the remaining weighted average term of the green energy certificates.

[4] Calculated based on the rental values for the leased properties and the non-leased surfaces, including the income from solar panels. Ongoing projects and/or renovations are not considered.

[5] ◤Like-for-like rental growth: organic growth of the gross rental income year-on-year on the basis of an unchanged portfolio, excluding development projects, acquisitions and disposals during both periods of this comparison.

[6] ◤The operating margin, obtained by dividing the operating result (before the result on the portfolio) by the property result.

[7] ◤The loan-to-value is obtained from the IFRS statements by dividing the net financial debt by the sum of the fair value of the property portfolio, the fair value of the solar panels and financing to and holdings in associated companies and joint ventures.

[8] Defined as operating result before the result on portfolio divided by interest charges less interest and dividends collected less the fee for financial leasing and other. This ratio indicates the extent to which the company is able to meet its annual interest payments.

[9] ◤Average cost of debt: this refers to the weighted average yearly interest rate for the reporting period, taking into account the average outstanding debt and the hedging instruments during that same period.

[10] ◤ Hedge ratio: percentage of fixed-rate and floating-rate debts hedged against interest rate fluctuations by means of derivatives. This economic parameter is not an obligatory parameter under the Belgian Regulated Real-Estate Investment Companies Law (Wet betreffende de gereglementeerde vastgoedvennootschappen or 'GVV-Wet').

[11] The remaining duration of debt at fixed rate and interest rate hedges entered into to hedge the debt against interest rate fluctuations.

[12] ◤Financial result (exclusive of change in the fair value of the financial instruments): this is the financial result according to IFRS exclusive of the change in fair value of financial assets and liabilities, and reflects the actual financial expenses of the company.

[13] ◤EPRA Earnings: this is the underlying result of core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the change in the fair value of financial instruments and depreciation and write-down on solar panels. See also www.epra.com.

[14] ◤Result on the portfolio (including share joint ventures) - Group share: realised and unrealised capital gains/loss with respect to the latest valuation by the property expert, taking into account the effective or deferred capital gains tax due, including WDP's proportionate share in the portfolio of associated companies and joint ventures.

[15] ◤The EPRA Earnings per share is the EPRA earnings based on the weighted average number of shares.

[16] ◤Result on the portfolio (including share joint ventures) - Group share per share: this is the result on the portfolio based on the weighted average number of shares.

[17] IFRS NAV: Net asset value before profit distribution of the current year in accordance with the IFRS balance sheet. The IFRS NAV is calculated as the shareholders' equity as per IFRS divided by the number of shares entitled to dividend on the balance sheet date.

[18] ◤EPRA NAV: this is the NAV that was adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with real estate investments over the long term. See also www.epra.com.

[19] ◤EPRA NNNAV: this is the EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes. See also www.epra.com.

3.3 EPRA metrics

EPRA key performance measures[1]	31.12.2018	31.12.2017
EPRA Earnings (in euros per share)[2]	6,00	5,60
EPRA NAV (in euros per share)[3]	71,2	58,3
EPRA NNNAV (in euros per share)[4]	68,2	55,9
EPRA Net Initial Yield (in %)	6,0	6,4
EPRA Topped-up Net Initial Yield (in %)	6,0	6,4
EPRA vacancy rate (in %)	2,7	2,9
EPRA Cost Ratio (incl. direct vacany costs) (in %)[5]	9,5	9,0
EPRA Cost Ratio (excl. direct vacany costs) (in %)[5]	9,1	8,5

[1] Financial performance indicators calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. Please see www.epra.com.

[2] ◤EPRA Earnings: this is the underlying result of core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the change in the fair value of financial instruments and depreciation and write-down on solar panels. See also www.epra.com.

[3] ◤EPRA NAV: this is the NAV that was adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with real estate investments over the long term. See also www.epra.com.

[4] ◤EPRA NNNAV: EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes. See also www.epra.com.

[5] ◤EPRA Cost Ratio: administrative and operating costs (including and excluding direct vacancy costs) divided by the gross rental income. See also www.epra.com.

3.4 Notes on the profit and loss account as at 31 December 2018 (analytical schedule)

3.4.1 Property result

The property result comes to 187.9 million euros for 2018, an increase of 21.6% over last year (154.5 million euros), including full consolidation of the Romanian entity starting on 1 January 2018 (previously using the equity accounting method). This increase is driven by continued portfolio growth in 2017-18, primarily through new pre-leased projects in the growth markets of the Netherlands and Romania. Based on an unchanged portfolio, the rental income rose by +1.7%[21], mainly driven by the indexing of leases. The property result also includes 14.5 million euros in income from solar panels, compared to 10.3 million euros in the same period last year, when the installed capacity was smaller. Moreover, the second and third quarters of 2018 enjoyed unusually high solar exposure.

Gross rental income by country (in euros x 1 000)		Belgium	Netherlands	France	Romania	Total IFRS	Luxembourg[1]
I.	Rental income	68.411	81.833	6.946	18.632	175.822	947
III.	Rental charges[2]	-1.281	101	-135	-500	-1.816	-91
Rental income, net of rental-related expenses		67.129	81.934	6.810	18.132	174.006	855

[1] Taken into account the proportional share in WDP's rental income for Luxemburg (55%).

[2] The heading *Rental charges* consists of *Rent to be paid for leased premises* and *Provisions for trade receivables (additions)*.

[21] ◤ Like-for-like rental growth: this is the organic growth in gross rental income year-on-year with an unchanged portfolio, exclusive of project developments, acquisitions and sales during these two comparison periods.

3.4.2 Operating result (before the result on the portfolio)

The operating result (before the result on the portfolio) amounts to 171.6 million euros in 2018, an increase of 20.1% compared to the same period last year (142.8 million euros). Property and general company expenses amounted to 16.4 million euros for the 2018 financial year, an increase of 5 million euros compared to the costs for the same period in 2017. On an underlying basis, the trend in the general company expenses is in line with the portfolio growth. The increase is explained in part by a revenue booked within overhead costs in 2017 of approx. 1 million euros, associated with management fees charged to the Romanian entity, which was fully consolidated in 2018. Additionally, the overhead expenses in Q4 2018 also included a one-off change of 0.7 million euros related to digitisation projects. The operating margin for 2018 comes to 91.3%, in line with the average in recent years.

3.4.3 Financial result (excluding change in the fair value of the financial instruments)

The financial result (excluding change in the fair value of the financial instruments)[22] amounts to -33.0 million euros for 2018, an increase over last year (-25.7 million euros) due to higher outstanding financial debt and the loss of the interest received on loans provided to the Romanian entity, which is now fully consolidated (previously, using the equity accounting method).

The total financial debt (as per IFRS) amounted to 1,697.8 million euros as at 31 December 2018, compared to 1,349.8 million euros in the same period last year. The average cost of debt comes to 2.4% for 2018, compared to 2.6% in 2017.

3.4.4 Share in the result of associated companies and joint ventures

The result of 0.3 million euros for 2018 primarily stems from the underlying result of the core activities of the Luxembourg joint venture. In 2017, this also incorporated the result (WDP's share) from the Romanian entity, which at that time also included a deferred tax asset of 2.4 million euros (of which 1.7 million euros during the fourth quarter of 2017) that was recognised in light of the recent acceleration in the expansion of Romanian activities, implying that the structural profitability will allow future profits to be offset against available tax losses carried forward.

3.4.5 EPRA Earnings

The EPRA Earnings of WDP for 2018 amount to 134.4 million euros. This result marks an increase of 10.7% over the result of 121.4 million euros in 2017. The EPRA Earnings per

[22] ◤ Financial result (exclusive of change in the fair value of the financial instruments): this is the financial result according to IFRS exclusive of the change in the fair value of financial assets and liabilities, and reflects the actual financial expenses of the company.

share are up 7.2% year-on-year, to 6.00 euros, including an increase of 3% in the weighted average number of outstanding shares.

The increase in the EPRA Earnings per share was higher for the first nine months (+9%) than in the fourth quarter (+2%). This temporary slowdown is attributed to three factors: (1) the projects delivered in 2017 mainly contributed to the result as from the second quarter, whereas in 2018 this was the case as from the end of the fourth quarter, (2) a one-time positive impact in the last quarter of 2017 related to a deferred tax asset for the Romanian activities (+1.7 million euros) and (3) a one-time expenditure in the fourth quarter of 2018 related to digitisation projects (-0.7 million euros). After elimination of the last two factors, the underlying increase equates to +10% in Q4 2018.

3.4.6 Result on the portfolio (including share joint ventures) – Group share

The result on the portfolio (including share joint ventures) – Group share[23] for the entire 2018 financial year amounts to +208.3 million euros, or +9.31 euros per share[24]. For the same period last year, this result amounted to +101.5 million euros or +4.68 euros per share. This breaks down as follows by country for 2018: Belgium (+76.6 million euros), the Netherlands (+110.2 million euros), France (+9.9 million euros), Romania (+11.4 million euros) and Luxembourg (+0.2 million euros).

The revaluation of 208.3 million euros marks an increase of 6.2% in the value of the underlying portfolio, mainly driven by sustained investor interest in logistics properties, prompting the independent property experts to adjust yields by an average of 40 basis points in 2018, as well as by capital gains on project developments.

3.4.7 Change in the fair value of financial instruments – Group share

The change in the fair value of financial assets and liabilities – Group share[25] amounts to -9.0 million euros or -0.40 euros per share for 2018 (compared to +16.5 million euros or +0.76 euros per share in 2017). This negative impact stems from the change in fair value of the interest rate hedges concluded (Interest Rate Swaps) as at 31 December 2018, as a result of a decrease in long-term interest rates during 2018.

The change in the fair value of these interest rate hedges has been fully accounted for in the profit and loss account, not in shareholders' equity. Since this impact involves a non-cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

[23] ◤ Result on the portfolio (including share joint ventures) – Group share: realised and unrealised capital gains/loss with respect to the latest valuation by the property experts, taking into account the effective or deferred capital gains tax due, including WDP's proportionate share in the portfolio of affiliated companies and joint ventures.

[24] ◤ Result on the portfolio (including share joint ventures) per share – Group share: this is the result on the portfolio (including share joint ventures) based on the weighted average number of shares.

[25] The change in the fair value of financial assets and liabilities – Group share (non-cash item) is calculated based on the mark-to-market (M-t-M) value of the interest rate hedges concluded.

3.4.8 Depreciation and write-down on solar panels (including share joint ventures) – Group share

The solar panels are valuated on the balance sheet at fair value based on the revaluation model in accordance with IAS 16 *Tangible fixed assets*. In compliance with IAS 16, WDP must include a depreciation component in its IFRS accounts according to the residual life of the PV installations. The depreciation is calculated based on the fair value from the previous balance sheet date. This newly calculated net book value is then revaluated at fair value. This revaluation is recognised directly in the shareholders' equity to the extent that it still exceeds the historical cost price, plus accumulated depreciations. If it does not, then it is entered in the profit and loss account. The depreciation component and write-down amounts to -4.8 million euros. Since this impact involves a non-cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

3.4.9 Net result (IFRS) – Group share

The EPRA Earnings along with the result on the portfolio, the change in the fair value of financial instruments and the depreciation and write-down for solar panels result in a net result (IFRS) – Group share of 328.8 million euros in 2018 (compared to the same period last year, when this figure was 235.2 million euros).

The difference between the net result (IFRS) – Group share of 328.8 million euros and the EPRA Earnings of 134.4 million euros is attributable to the negative change in the fair value of the interest hedging instruments, the positive fluctuation in the value of the portfolio and the depreciation and write-down of the solar panels.

3.5 Notes on the balance sheet as at 31 December 2018

3.5.1 Early adoption of IFRS 16 *Leases*

IFRS 16 introduces significant changes in accounting for leases for the lessee, removing the distinction between operational and financial leases and recognising assets and liabilities for all leases (aside from exemptions for short-term leases or low-value assets) and is applicable to financial years starting from 1 January 2019.

Given that WDP acts almost exclusively in the capacity of landlord, and thus also lessor, this does not entail any changes in this regard, and WDP will continue to valuate its property portfolio at fair value as per IAS 40.

However, for some of its investments, WDP does not hold the freehold ownership, but the usufruct through a concession, leasehold, or similar arrangement in which it acts as a lessee (as also regularly occurs in the logistics property segment, with public authorities retaining ownership of some land at multimodal nodes and near critical infrastructure). Specifically, this will require recognition of a right of use and corresponding lease liability (approx. 41 million euros)[26] in the consolidated balance sheet starting from the 2019 financial year.

WDP has decided for early adoption of this new IFRS standard and has incorporated its impact into the consolidated balance sheet of 31 December 2018, for assets within the fair value of the property portfolio and for liabilities within non-current liabilities. Considering the fact that the definition of debt ratio in the Belgian GVV/SIR Law includes not only financial debt, but also other non-current financial liabilities of this kind, this accounting rule increases the gearing ratio by 0.6%. In addition, starting in the 2019 financial year, the impact on the profit and loss account, which is the recurring cost of the concessions, will be incorporated by means of the *Financial result*, instead of the *Rental income, net of rental-related expenses*.

3.5.2 Property portfolio[27]

According to independent property appraisers Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, the fair value[28] of the WDP property portfolio according to IAS 40 amounted to 3,332.3 million euros on 31 December 2018, compared to 2,567.4 million euros at the start of the financial year (including the *Assets held for sale*). Together with the valuation at fair value of the investments in solar panels[29], the total portfolio value grew to 3,449.6 million euros compared to 2,669.8 million euros at 2017 year-end.

This value of 3,449.6 million euros includes 3,065.7 million euros in completed properties (standing portfolio). The projects under development account for a value of 161.1 million euros. In addition, WDP also holds land reserves in Courcelles, Heppignies, Asse-Zellik, Bleiswijk, ‘s-Hertogenbosch, Breda and Schiphol and the land bank in Romania, at a fair value of 105.5 million euros.

The investments in solar panels were valued at a fair value of 117.4 million euros as at 31 December 2018.

The overall portfolio is valuated at a gross rental yield of 6.7%[30]. The gross rental yield after deduction of the estimated market rental value for the unleased parts is 6.5%.

[26] Including the proportionate share of the joint ventures, this makes 43 million euros.
[27] Under IFRS 11 *Joint arrangements*, the joint ventures (mainly WDP Luxembourg, in which WDP retains 55%) are incorporated using the equity accounting method. WDP’s proportionate share in the portfolio of WDP Luxembourg (55%) is still reflected in the statistics in the reporting on the portfolio.
[28] For the precise valuation method used, please refer to the BE-REIT press release dated 10 November 2016.
[29] Investments in solar panels are valued in compliance with IAS 16 by applying the revaluation model.
[30] Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unleased parts by the fair value. The fair value is the value of the investment properties after deduction of transaction costs (mainly transfer tax).

Portfolio statistics by country	Belgium	Netherlands	France	Luxemburg	Romania	Total
Number of lettable sites	79	88	7	2	25	201
Gross lettable area (in m²)	1.780.965	1.855.789	192.574	32.574	623.149	4.485.050
Land (in m²)	3.804.191	3.573.876	428.461	56.007	3.980.640	11.843.174
Fair value (in million euros)	1.155,5	1.582,4	119,5	27,5	447,3	3.332,3
% of total fair value	35%	47%	4%	1%	13%	100%
% change in fair value	6,7%	7,0%	8,3%	1,9%	3,8%	6,4%
Vacancy rate (EPRA)[1,2]	4,8%	1,7%	4,0%	0,0%	0,0%	2,7%
Average lease length till first break (in y)[2]	4,3	6,0	4,0	2,5	7,2	5,4
WDP gross initial yield[3]	6,7%	6,3%	6,3%	7,4%	8,0%	6,7%
Effect of vacancies	-0,3%	-0,1%	-0,3%	0,0%	0,0%	-0,2%
Adjustment gross to net rental income (EPRA)	-0,2%	-0,2%	-0,2%	-0,7%	-0,2%	-0,2%
Adjustments for transfer taxes	-0,2%	-0,4%	-0,3%	-0,4%	-0,1%	-0,3%
EPRA net initial yield[1]	6,0%	5,7%	5,6%	6,3%	7,7%	6,0%

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

[2] Excluding solar panels.

[3] Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unlet properties by fair value. The fair value is the value of the property investments after deduction of transaction costs (mainly transfer tax).

3.5.2 NAV per share

The EPRA NAV per share amounted to 71.2 euros on 31 December 2018. This implies an increase of 12.9 euros compared to an EPRA NAV per share of 58.3 euros on 31 December 2017 as a consequence of the profit generation, the capital increases, dividend payout and revaluation of the portfolio. The IFRS NAV per share[31] came to 68.5 euros on 31 December 2018, compared to 56.3 euros on 31 December 2017.

3.6 Financial position

The total (long-term and short-term) financial debt has increased to 1,697.8 million euros by 31 December 2018, compared to 1,349.8 million euros at the end of December 2017, mainly due to the consolidation in full of the Romanian entity and to continued portfolio growth. The short-term financial debt of 221 million euros mainly includes the traditional commercial paper programme (151 million euros).

The balance sheet total rose from 2,675.3 million euros on 31 December 2017 to 3,483.3 million euros by the end of December 2018. The gearing ratio (proportionate) decreased to 51.8% as at 31 December 2018, compared to 53.1% on 31 December 2017. The loan-to-value, which compares the net financial debt to the portfolio value (based on the IFRS statements, including solar panels and financing to and holdings in joint ventures), came to 50.0% as at 31 December 2018.

The weighted average term of WDP's outstanding financial debt on 31 December 2018 was 4.4 years[32]. If only the total drawn and undrawn long-term loans are taken into

[31] The IFRS NAV is calculated as shareholders' equity as per IFRS divided by the total number of shares entitled to dividend on the balance sheet date. This is the net value according to Belgian GVV/SIR legislation.

[32] Including the short-term debts, these mainly consist of the commercial paper programme, which is fully covered with backup facilities.

account, the weighted average term amounts to 5.3 years[33]. On 31 December 2018, the total amount of undrawn and confirmed long-term credit facilities was approx. 300 million euros[34].

The average cost of debt was 2.4% in 2018. The Interest Coverage Ratio[35] is equal to 4.6x for the same period, compared to 4.9x for the entire 2017 financial year. The hedge ratio[36], which measures the percentage of financial debt with a fixed or floating interest rate and subsequently hedges this by means of Interest Rate Swaps (IRS), comes to 91%, with a weighted average hedged term of 7.3 years.

[33] For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. If this option is exercised every time, the weighted average maturity of long-term loans will be 5.6 years.
[34] Excluding the credit facilities to hedge the commercial paper programme.
[35] Defined as operating result (before result on the portfolio), divided by interest charges, minus interest and dividend collection, minus compensation for financial leasing and others.
[36] ◤ Hedge ratio: percentage of fixed-rate and floating-rate debts hedged against interest rate fluctuations by means of derivatives. This economic parameter is not an obligatory parameter under the Belgian Regulated Real-Estate Investment Companies Law (the 'GVV/SIR Law').

4. Outlook

4.1 New 2019-23 growth plan[37]

2016-20 growth plan targets within reach

As part of the current 2016-20 growth plan, WDP as of the end of 2018 has identified a total investment package of 1.1 billion euros, roughly 90% of the planned cumulative volume of 1.25 billion euros. While the ambition of an EPRA Earnings per share of 7.00 euros in 2020 has not yet been fully realized, it is now within reach.

Growth opportunities in the logistics market through structural drivers

In recent years, the logistics sector has become more critical to the value chain due to several underlying trends, such as changes in consumer behaviour (e.g. e-commerce), technological developments and demand for sustainability. Consumption and distribution networks are adjusting to this, creating a persistent demand for modern logistics properties.

WDP intends to leverage its commercial platforms and positioning as both developer and end-investor to further reap benefits from this expected market demand, which should enable continued growth and provision of services to the customers. Moreover, WDP's market share in existing markets is still relatively low (estimated at approx. 9% in the Benelux region, low in France and approx. 14% in Romania).[38]

Planned profitable portfolio growth towards 5 billion euros

Considering the fact that WDP wishes to further pursue its strategy of steady and profitable growth beyond 2020, the company is planning to write a new chapter to measure future performance by implementing a new five-year plan for 2019-23.

After all, WDP wishes to continue to grow in size and profitability by keeping up the current pace of around 10% portfolio growth per year. This sets a course for a cumulative portfolio expansion with 1.5 billion towards 5 billion euros over the next five years. This growth should be spread evenly across WDP's three commercial platforms (BE-LU-FR, NL and RO).

This growth will be based on:

- further reinforcement of activities in the existing geographic markets of BE-NE-LU-FR-RO (RO < 20%);

[37] These ambitions are based on retention of current operating and financial metrics and a stable operating environment in a context of persistent structural demand for modern logistics space. These growth and profit targets are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.
[38] Based on CBRE market reports and WDP research.

- completion of pre-leased projects on existing and/or new plots (by a combination of repeat business and new partners);
- in light of high prices for existing real estate, opportunities for acquisitions that add long-term value to the portfolio (including high residual value and the option to create partnerships with the customer);
- WDP is currently examining a broadening of its activities in the Benelux' neighbouring regions;
- further investments in alternative energy sources and projects to reduce energy consumption in the existing portfolio.

The focus within this growth will be on long-term profitability. The new strategic growth plan for 2019-23 aims for a cumulative growth in EPRA Earnings per share of 33%, to 8.00 euros, over this five-year period. This will also generate future dividend growth.

With respect to the financing of the growth plan, a balanced capital structure is taken into account with a targeted gearing ratio of 50-55% and the existing strategy of combining property investments with synchronised issue of new equity and debt. In principle, reinforcement of equity takes into account the retained earnings, optional dividend and contributions in kind. The debt component factors in traditional credit facilities and bond issues.

WDP believes this growth can be achieved in part based on the current strong fundamentals of the company, such as the high occupancy rate, long terms of lease contracts, sustainable average rent levels, an experienced and motivated staff, and an excellent client portfolio that can generate new business continuously.

4.2 Outlook 2019[39]

In 2019, WDP expects an EPRA Earnings per share of 6.50 euros, an increase of 8% over 2018. Based on this outlook, WDP intends to propose a gross dividend of 5.20 euros for 2019, payable in 2020, also marking an increase of 8%, based on a low payout rate.

The main driver of these forecasts is the strong portfolio growth in 2018 thanks to pre-leased new development projects and solar power projects, which will yield full returns in 2019. In addition, WDP currently holds a strong pre-leased project development pipeline of approx. 445,000 m² and a projected investment of 273 million euros, which will also start to contribute to the 2019 result.

In 2019, 15% of the contracts will reach their next maturity date, 70% of which have already been extended. Based on information currently available and the current rental market situation, WDP assumes a minimum average occupancy rate of 96% for 2019.

[39] These profit forecasts are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.

The projected growth in 2019 based on continued execution of the project development pipeline takes into account a forecast gearing ratio of around 53% for 2019 year-end and an average cost of debt of 2.2%.

5. Financial statements – Key figures as at 31 December 2018 – analytical (results and balance sheet)

5.1 Consolidated results

Consolidated results (in euros x 1 000)	FY 2018	FY 2017	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	173.791	143.574	30.216	21,0%
Indemnification related to early lease terminations	215	801	-585	n.r.
Income from solar energy	14.537	10.331	4.206	40,7%
Other operating income/costs	-619	-213	-406	n.r.
Property result	**187.923**	**154.493**	**33.431**	**21,6%**
Property charges	-6.271	-4.959	-1.313	26,5%
General company expenses	-10.097	-6.695	-3.403	50,8%
Operating result (before the result on the portfolio)	**171.555**	**142.839**	**28.715**	**20,1%**
Financial result (excl. changes in the fair value of financial instruments)	-33.012	-25.734	-7.278	28,3%
Taxes on EPRA Earnings	-1.587	-367	-1.220	n.r.
Deferred taxes on EPRA Earnings	-511	-565	53	n.r.
Share in the results of associated companies and joint ventures	256	5.246	-4.990	n.r.
Minority interests	-2.342	0	-2.342	n.r.
EPRA Earnings	134.359	121.421	12.939	10,7%
Changes in the fair value of investment properties (+/-)	213.811	94.763	119.048	n.r.
Result on disposal of investment property (+/-)	787	929	-142	n.r.
Deferred taxes on the result on the portfolio (+/-)	-3.698	-79	-3.619	n.r.
Share in the results of associated companies and joint ventures	209	5.876	-5.666	n.r.
Result on the portfolio	**211.109**	**101.489**	**109.621**	**n.r.**
Minority interests	-2.853	0	-2.853	n.r.
Result on the portfolio - Group share	208.257	101.489	106.768	n.r.
Changes in the fair value of the financial instruments	-9.027	16.470	-25.497	n.r.
Changes in the fair value of the financial instruments	**-9.027**	**16.470**	**-25.497**	**n.r.**
Minority interests	0	0	0	n.r.
Changes in the fair value of the financial instruments - Group share	-9.027	16.470	-25.497	n.r.
Depreciation and write-down on solar panels	-4.937	-3.904	-1.033	n.r.
Share in the results of associated companies and joint ventures	0	-319	319	n.r.
Depreciation and write-down on solar panels	**-4.937**	**-4.224**	**-713**	**n.r.**
Minority interests	132	0	132	n.r.
Depreciation and write-down on solar panels - Group share	-4.805	-4.224	-582	n.r.
Net result (IFRS)	333.846	235.156	98.691	n.r.
Minority interests	-5.063	0	-5.063	n.r.
Net result (IFRS) - Group share	328.784	235.156	93.628	n.r.

Key ratios (in euros per share)	FY 2018	FY 2017	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings[1]	6,00	5,60	0,40	7,2%
Result for the portfolio - Group share[1]	9,31	4,68	4,63	n.r.
Changes in the fair value of the financial instruments - Group share[1]	-0,40	0,76	-1,16	n.r.
Depreciation and write-down on solar panels - Group share[1]	-0,21	-0,19	-0,02	n.r.
Net result (IFRS) - Group share[1]	14,69	10,84	3,85	n.r.
EPRA Earnings[2]	5,83	5,52	0,31	5,6%
Proposed payment	110.694.672	99.041.747	11.652.926	11,8%
Dividend payout ratio (versus EPRA Earnings)[3]	82,4%	81,6%	0,8%	n.r.
Gross dividend	4,80	4,50	0,30	6,7%
Net dividend	3,36	3,15	0,21	6,7%
Weighted average number of shares	22.379.427	21.687.261	692.166	3,2%
Number of outstanding shares at the end of the period	23.061.390	22.009.277	1.052.113	4,8%

[1] Calculation based on the weighted average number of shares.

[2] Calculation based on the number of shares entitled to dividend.

WDP WAREHOUSES WITH BRAINS

5.2 Consolidated results (by quarter)

Consolidated results (in euros x 1 000)	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Rental income, net of rental-related expenses	41.198	42.490	44.063	46.040
Indemnification related to early lease terminations	0	2	-22	235
Income from solar energy	1.930	5.297	5.236	2.074
Other operating income/costs	-1.769	952	278	-80
Property result	**41.358**	**48.741**	**49.555**	**48.269**
Property charges	-1.510	-1.617	-1.371	-1.774
General company expenses	-2.200	-2.287	-2.420	-3.191
Operating result (before the result on the portfolio)	**37.649**	**44.837**	**45.764**	**43.304**
Financial result (excl. changes in the fair value of financial instruments)	-7.519	-8.023	-8.615	-8.855
Taxes on EPRA Earnings	-86	-445	-414	-642
Deferred taxes on EPRA Earnings	-225	-225	164	-225
Share in the results of associated companies and joint ventures	96	118	35	8
Minority interests	-442	-672	-777	-451
EPRA Earnings	29.473	35.590	36.157	33.139
Changes in the fair value of investment properties (+/-)	12.575	23.975	56.634	120.627
Result on disposal of investment property (+/-)	-122	-226	-69	1.204
Deferred taxes on the result on the portfolio (+/-)	-574	-359	-262	-2.502
Share in the results of associated companies and joint ventures	0	485	137	-413
Result on the portfolio	**11.879**	**23.874**	**56.440**	**118.916**
Minority interests	-355	-143	-170	-2.185
Result on the portfolio - Group share	11.524	23.731	56.270	116.731
Changes in the fair value of the financial instruments	3.471	-6.954	9.087	-14.632
Changes in the fair value of the financial instruments	**3.471**	**-6.954**	**9.087**	**-14.632**
Minority interests	0	0	0	0
Changes in the fair value of the financial instruments - Group share	3.471	-6.954	9.087	-14.632
Depreciation and write-down on solar panels	-1.074	-1.635	-1.527	-701
Share in the results of associated companies and joint ventures	0	0	0	0
Depreciation and write-down on solar panels	**-1.074**	**-1.635**	**-1.527**	**-701**
Minority interests	33	33	99	-33
Depreciation and write-down on solar panels - Group share	-1.041	-1.603	-1.428	-734
Net result (IFRS)	44.191	51.547	100.934	137.174
Minority interests	-764	-782	-848	-2.669
Net result (IFRS) - Group share	43.428	50.765	100.086	134.505

Key ratios (in euros per share)	Q1 2018	Q2 2018	Q3 2018	Q4 2018
EPRA Earnings[1]	1,34	1,60	1,61	1,46
Result for the portfolio - Group share[1]	0,52	1,07	2,50	5,13
Changes in the fair value of the financial instruments - Group share[1]	0,16	-0,31	0,40	-0,64
Depreciation and write-down on solar panels - Group share[1]	-0,05	-0,07	-0,06	-0,03
Net result (IFRS) - Group share[1]	1,97	2,28	4,45	5,91
EPRA Earnings[2]	1,34	1,58	1,60	1,44
Weighted average number of shares	22.009.277	22.222.416	22.512.941	22.763.320
Number of outstanding shares at the end of the period	22.009.277	22.506.602	22.551.462	23.061.390

[1] Calculation based on the weighted average number of shares.

[2] Calculation based on the number of shares entitled to dividend.

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5.3 Consolidated balance sheet

Consolidated balance sheet (in euros x 1 000)	31.12.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	252	146	106	n.r.
Investment property	3.299.864	2.404.027	895.837	37,3%
Other tangible fixed assets (including solar panels)	120.426	95.876	24.551	25,6%
Financial fixed assets	7.877	97.469	-89.592	-91,9%
Trade receivables and other fixed assets	4.972	3.411	1.561	45,8%
Deferred taxes - assets	0	0	0	n.r.
Participations in associated companies and joint ventures - equity method	10.636	31.626	-20.990	-66,4%
Fixed assets	3.444.026	2.632.554	811.472	30,8%
Assets held for sale	739	7.525	-6.786	n.r.
Trade receivables	9.987	9.042	945	n.r.
Tax receivables and other current assets	18.990	22.830	-3.840	n.r.
Cash and cash equivalents	1.724	1.231	493	n.r.
Accruals and deferrals	7.867	2.116	5.750	n.r.
Current assets	39.307	42.745	-3.438	n.r.
Total assets	3.483.333	2.675.299	808.034	n.r.
Capital	176.684	168.873	7.811	4,6%
Issue premiums	646.286	545.154	101.132	18,6%
Reserves	428.767	289.256	139.511	48,2%
Net result for the financial year	328.784	235.156	93.628	39,8%
Equity capital attributable to shareholders of the Group	**1.580.521**	**1.238.439**	**342.083**	**27,6%**
Minority interests	29.994	0	29.994	n.r.
Equity capital	1.610.516	1.238.439	372.077	30,0%
Long term liabilities	1.577.336	1.158.293	419.043	36,2%
Long term financial debt	1.476.586	1.108.966	367.620	33,1%
Other long term liabilities	100.750	49.328	51.423	104,2%
Short term liabilities	295.481	278.566	16.915	6,1%
Short term financial debt	221.165	240.849	-19.684	-8,2%
Other short term liabilities	74.316	37.717	36.599	97,0%
Liabilities	1.872.817	1.436.860	435.958	30,3%
Total liabilities	3.483.333	2.675.299	808.034	30,2%

Key ratios	31.12.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
(in euros per share)				
IFRS NAV	68,5	56,3	12,3	21,8%
EPRA NAV	71,2	58,3	12,9	22,1%
Share price	115,2	93,4	21,8	23,3%
Premium/Discount with regard to EPRA NAV	61,9%	60,3%	1,5%	n.r.
(in euros x million)				
Fair value of the portfolio (including solar panels) [1]	3.449,6	2.669,8	779,8	29,2%
Loan-to-value	50,0%	51,3%	-1,3%	n.r.
Gearing ratio (proportional) [2]	51,8%	53,1%	-1,3%	n.r.

[1] Including the proportional share of WDP in the portfolio of WDP Luxembourg (55%).

[2] For the method used in the calculation of the gearing ratio, refer to the RD on Regulated real Estate Companies.

6. Financial statement – Balance sheet and profit and loss account as at 31 December 2018 – IFRS

6.1 Profit and loss account

in euros (x 1 000)	FY 2018	FY 2017	FY 2016
Rental income	175.822	145.661	133.761
Costs related to leases	-1.816	-1.286	-2.051
Net rental result	174.006	144.375	131.710
Recovery of property costs	0	0	0
Recovery of rental charges an taxes normally paid by the tenant on let properties	10.978	9.239	7.620
Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	54	0	-157
Rental charges and taxes normally paid by the tenant on let properties	-13.175	-11.635	-9.878
Other income and charges related to leases	16.061	12.513	10.367
Property result	187.923	154.493	139.661
Technical costs	-4.059	-3.345	-2.757
Commercial costs	-831	-683	-466
Property management costs	-1.381	-930	-821
Property charges	-6.271	-4.959	-4.044
Property operating results	181.652	149.534	135.617
General company expenses	-10.097	-6.695	-5.376
Other operating income and expenses (depreciation and write-down on solar panels)	-4.937	-3.904	-3.066
Operating result (before the result on the portfolio)	166.618	138.935	127.176
Result on disposals of investment properties	787	929	-41
Changes in the fair value of investment properties	213.811	94.763	34.046
Operating result	381.215	234.627	161.180
Financial income	324	3.268	796
Net interest charges	-32.517	-28.504	-30.532
Other financial charges	-819	-498	-548
Changes in the fair value of financial assets and liabilities	-9.027	16.470	1.787
Financial result	-42.039	-9.264	-28.497
Share in the results of associated companies and joint ventures	466	10.803	-551
Result before taxes	339.642	236.166	132.132
Taxes	-5.796	-1.010	-1.899
Net result	333.846	235.156	130.232
Attributable to:			
Minority interests	-5.063	0	0
Shareholders of the Group	328.784	235.156	130.232
Weighted average number of shares	22.379.427	21.687.261	18.997.071
Net result per share (in euros)	14,69	10,84	6,86
Diluted net result per share (in euros)	14,69	10,84	6,86

6.2 Consolidated statement of overall result

in euros (x 1 000)	FY 2018	FY 2017
I. Net result	333.846	235.156
II. Other elements of the overall result (recoverable through profit and loss)	3.876	863
Revaluation on solar panels	3.876	917
Revaluation on solar panels in joint ventures	0	-54
Overall result	337.722	236.019
Attributable to:		
Minority interests	-4.847	0
Shareholders of the Group	332.875	236.019

WAREHOUSES WITH BRAINS

6.3 Consolidated balance sheet

Balance sheet - Assets (in euros x 1 000)	31.12.2018	31.12.2017	31.12.2016
Fixed assets	3.444.026	2.632.554	2.166.060
Intangible fixed assets	252	146	160
Investment properties	3.299.864	2.404.027	2.036.723
Other tangible fixed assets (including solar panels)	120.426	95.876	86.218
Financial fixed assets	7.877	97.469	24.805
Trade receivables and other non-current assets	4.972	3.411	3.796
Deferred taxes - assets	0	0	0
Participations in associated companies and joint ventures - equity method	10.636	31.626	14.357
Current assets	39.307	42.745	16.549
Assets held for sale	739	7.525	1.367
Trade receivables	9.987	9.042	10.662
Tax receivables and other current assets	18.990	22.830	2.902
Cash and cash equivalents	1.724	1.231	340
Accruals and deferrals	7.867	2.116	1.277
Total assets	3.483.333	2.675.299	2.182.608

Balance sheet - Liabilities (in euros x 1 000)	31.12.2018	31.12.2017	31.12.2016
Shareholder's equity	1.610.516	1.238.439	1.032.352
I. Shareholder's equity attributable to the parent company's shareholders	1.580.521	1.238.439	1.032.352
Capital	176.684	168.873	163.752
Issue premiums	646.286	545.154	492.330
Reserves	428.767	289.256	246.038
Net result for the financial year	328.784	235.156	130.232
II. Minority interests	29.994	0	0
Liabilities	1.872.817	1.436.860	1.150.256
I. Non-current liabilities	1.577.336	1.158.293	931.075
Provisions	359	655	1.045
Non-current financial liabilities	1.476.586	1.108.966	866.463
Other non-current financial liabilities	96.184	48.673	63.568
Trade payables and other non-current debts	0	0	0
Deferred tax liabilities	4.207	0	0
II. Current liabilities	295.481	278.566	219.180
Current financial liabilities	221.165	240.849	179.473
Other current financial liabilities	168	0	0
Trade payables and other current debts	47.314	22.774	24.056
Other current liabilities	7.724	1.549	1.736
Accruals and deferrals	19.110	13.394	13.916
Total liabilities	3.483.333	2.675.299	2.182.608

7. EPRA Performance measures[40]

7.1 EPRA Earnings

in euros (x 1 000)

		FY 2018	FY 2017
Earnings per IFRS income statement		328.784	235.156
Adjustments to calculate the EPRA Earnings, exclude:			
I.	Changes in value of investment properties, development properties held for investment and other interests	-208.874	-90.859
	- Changes in the value of the real estate portfolio	-213.811	-94.763
	- Depreciation and write-down on solar panels	4.937	3.904
II.	Profit or losses on disposal of investment properties, development properties held for investment and other interests	-787	-929
VI.	Changes in fair value of financial instruments and associated close-out costs	9.027	-16.470
VIII.	Deferred tax in respect of EPRA adjustments	3.698	79
IX.	Adjustments (i) to (viii) to the above in respect of joint ventures	-209	-5.556
X.	Minority interests in respect of the above	2.721	0
EPRA Earnings		134.359	121.421
Weighted average number of shares		22.379.427	21.687.261
EPRA Earnings per share (EPS) (in euros)		6,00	5,60

7.2 EPRA NAV

in euros (x 1 000)

	31.12.2018	31.12.2017
IFRS NAV	1.580.521	1.238.439
IFRS NAV/share (in euros)	68,5	56,3
Diluted NAV, after the exercise of options, convertibles and other equity interests	1.580.521	1.238.439
Includes (+/-):		
(iv) Fair value of financial instruments	51.936	42.909
(v.a) Deferred tax	8.710	2.631
EPRA NAV	1.641.168	1.283.979
Number of shares	23.061.390	22.009.277
EPRA NAV per share (in euros)	71,2	58,3
EPRA NAV	1.641.168	1.283.979
Includes:		
i. Fair value of financial instruments	-51.936	-42.909
ii. Fair value of debt	-8.066	-9.039
iii. Deferred tax	-8.710	-2.631
EPRA NNNAV	1.572.455	1.229.400
Number of shares	23.061.390	22.009.277
EPRA NNNAV per share (in euros)	68,2	55,9

[40] EPRA is a registered trademark of the European Public Real-estate Association.

7.3 EPRA cost ratio

in euros (x 1 000)		FY 2018	FY 2017
Include:			
I. Administrative/operating expenses (IFRS)		18.279	14.119
III. Management fees less actual/estimated profit element		-963	-976
IV. Other operation income/recharges, intended to cover overhead expenses less any related profits		-73	229
V. Administrative/operating expenses of joint ventures expense		66	688
Exclude (if part of the above):			
VI. Investment Property Depreciation		-886	-719
EPRA costs (including direct vacancy costs)	A	16.423	13.342
IX. Direct vacancy costs		-787	-806
EPRA costs (excluding direct vacancy costs)	B	15.637	12.536
X. Gross rental income less ground rent costs (IFRS)		171.306	142.918
X. Gross rental income less ground rent costs of joint ventures		887	5.140
Gross rental income	C	172.193	148.058
EPRA cost ratio (including direct vacancy costs)	A/C	9,5%	9,0%
EPRA cost ratio (excluding direct vacancy costs)	B/C	9,1%	8,5%

7.4 EPRA NIY and EPRA TOPPED-UP NIY

in euros (x 1 000)		31.12.2018	31.12.2017
Investment property - wholly owned		3.299.864	2.412.794
Investment property - share of joint ventures		29.796	147.096
Assets held for sale		2.620	7.525
Less developments, land reserves and the right of use of consessions		-318.257	-232.209
Completed property portfolio		3.014.022	2.335.206
Allowance for estimated purchasers' costs		128.903	98.054
Gross up completed property portfolio valuations	B	3.142.926	2.433.260
Annualised cash passing rental income		195.387	161.366
Property outgoings		-6.271	-5.621
Annualised net rent	A	189.116	155.745
Notional rent expiration of rent free period or other lease incentives		0	0
Topped-up net annualised rent	C	189.116	155.745
EPRA NIY	A/B	6,0%	6,4%
EPRA TOPPED-UP NIY	C/B	6,0%	6,4%

8. Detailed calculation of the Alternative Performance Measures applied by WDP[41]

8.1 Result on the portfolio (including share joint ventures) – Group share

in euros (x 1 000)	FY 2018	FY 2017
Movement in the fair value of investment property	213.811	94.763
Result on disposal of investment property	787	929
Deferred taxation on result on the portfolio	-3.698	-79
Participation in the result of associated companies and joint ventures	209	5.876
Result on the portfolio	**211.109**	**101.489**
Minority interests	-2.853	0
Result on the portfolio - Group share	208.257	101.489

8.2 Change in the gross rental income based on an unchanged portfolio

in euros (x 1 000)	FY 2018	FY 2017
Properties owned throughout the two years	136.142	133.804
Development property	30.174	14.511
Acquisitions	9.164	3.032
Disposals	1.073	2.988
Total	176.553	154.336
To be excluded		
Rental income of joint ventures	-947	-9.476
Indemnification related to early lease terminations	215	801
Rental income (IFRS)	175.822	145.661

[41] Excluding EPRA metrics, some of which are regarded as APMs and reconciled under Chapter '7. EPRA Performance measures'.

8.3 Average cost of debt

in euros (x 1 000)	FY 2018	FY 2017
Financial result (IFRS)	-42.039	-9.264
To be excluded:		
Financial income	-324	-3.268
Changes in fair value of financial assets and liabilities	9.027	-16.470
Interest capitalised during construction	-4.417	-1.859
To be included		
Interest expenses of joint ventures	-87	-857
Effective financial expenses (proportional) (A)	-37.840	-31.718
Average outstanding financial liabilities (IFRS)	1.571.037	1.168.489
Average outstanding financial liabilities of joint ventures	19.389	64.487
Average outstanding financial liabilities (proportional) (B)	1.590.425	1.232.976
Annualised Average cost of debt (A/B)	2,4%	2,6%

8.4 Operating margin

in euros (x 1 000)	FY 2018	FY 2017
Property result (IFRS)	187.923	154.493
Operating result (before the portfolio result) (excluding depreciation and write-downs on solar panels)	171.555	142.839
Operating margin	91,3%	92,5%

8.5 Financial result (excluding change in the fair value of the financial instruments)

in euros (x 1 000)	FY 2018	FY 2017
Financial result	-42.039	-9.264
To be excluded:		
Changes in fair value of financial assets and liabilities	9.027	-16.470
Financial result (excluding the changes in fair value of financial instruments)	-33.012	-25.734

8.6 Hedge ratio

in euros (x 1 000)	31.12.2018	31.12.2017
Notional amount of Interest Rate Swaps	1.174.618	1.026.768
Fixed-interest financial liabilities	7.072	7.532
Fixed-interest bonds	366.500	266.500
Fixed-interest financial liabilities at balance sheet date and hedging instruments (A)	1.548.190	1.300.800
Current and non-current financial liabilities (IFRS)	1.697.751	1.349.815
Proportional share in joint ventures in current and non-current financial liabilities	12.637	81.091
Financial liabilities at balance sheet date (B)	1.710.389	1.430.906
Hedge ratio (A/B)	91%	91%

8.7 Gearing ratio

in euros (x 1 000)		31.12.2018 (IFRS)	31.12.2018 (proportional)	31.12.2017 (IFRS)	31.12.2017 (proportional)
Non-current and current liabilities		1.872.817	1.893.778	1.436.860	1.530.038
To be excluded:					
- I. Non-current liabilities - A. Provisions		359	359	655	656
- I. Non-current liabilities - C. Other non-current financial liabilities - Permitted hedging instruments		55.188	55.188	48.673	48.673
- I. Non-current liabilities - F. Deferred taxes - Liabilities		4.207	5.405	0	894
- II. Current liabilities - A. Provisions		0	0	0	0
- II. Current liabilities - E. Other current liabilities - Other: Hedging instruments Hedging instruments		0	0	0	0
- II. Current liabilities - F. Accruals and deferred income		19.110	19.062	13.394	13.677
Total debt	A	1.793.954	1.813.764	1.374.139	1.466.138
Total assets		3.483.333	3.504.293	2.675.299	2.768.444
To be excluded:					
- E. Financial fixed assets - Financial instruments at fair value through profit and loss - Permitted hedging instruments		3.252	3.252	5.764	5.764
Total assets	B	3.480.081	3.501.041	2.669.535	2.762.681
Gearing ratio	A/B	51,5%	51,8%	51,5%	53,1%

8.8 Loan-to-value

in euros (x 1 000)		31.12.2018 (IFRS)	31.12.2017 (IFRS)
Non-current and current financial liabilities		1.697.751	1.349.815
Cash and cash equivalents		1.724	1.231
Net financial debt	A	1.696.027	1.348.584
Fair value of the real estate portfolio (excluding right of use concessions)		3.259.152	2.411.552
Fair value of the solar panels		117.366	93.799
Financing of and participations in associated companies and joint ventures		15.460	123.331
Total portfolio	B	3.391.978	2.628.682
Loan-to-value	A/B	50,0%	51,3%

MORE INFORMATION

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WDP develops and invests in logistics property (warehouses and offices). WDP's property portfolio amounts to around 4.5 million m². This international portfolio of semi-industrial and logistics buildings is spread over more than 200 sites at prime logistics locations for storage and distribution in Belgium, France, the Netherlands, Luxembourg and Romania. More information about WDP can be found at www.wdp.eu.

WDP Comm. VA – BE-REIT (Public Regulated Real Estate Company under Belgian law).
Company number 0417.199.869 (Brussels Trade Register)

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