



WDP

WAREHOUSES WITH BRAINS

PRESS RELEASE

Friday 26 October 2018, 07.00 am
Regulated information



www.wdp.eu

Interim statement of the manager on 30 September 2018

- ▶ The EPRA Earnings for 9M 2018 amounts to 101.2 million euros, an increase of 12% compared to 9M 2017.
- ▶ The EPRA Earnings per share amounts to 4.55 euros, an increase of 9% compared to 9M 2017.
- ▶ WDP reaffirms its ambition to achieve an EPRA Earnings per share of 6.00 euros for 2018, as well as a target gross dividend of 4.80 euros – a 7%-increase each.
- ▶ Over the course of the third quarter of 2018, a new investment package of over 100 million euros was secured, mainly in the growth market of Romania.

1. Summary

- ▶ The EPRA Earnings¹ for 9M 2018 amounts to 101.2 million euros, marking an increase of 12.4% over 2017 (90.0 million euros). The EPRA earnings per share² for 9M 2018 comes to 4.55 euros, an increase of 9.0% over the figure of 4.17 euros from 2017.
- ▶ The net result (IFRS) – Group share for 9M 2018 amounts to 194.3 million euros, driven in part by a variation of 91.5 million euros (or 3.0%) in the underlying value of the property portfolio. The net result (IFRS) – Group share per share for 9M 2018 amounts to 8.73 euros, compared to 8.56 euros in 2017.
- ▶ The occupancy rate³ was 97.4% on 30 September 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 6.0 years (including solar panels).
- ▶ On 30 September 2018, the gearing ratio was 53.9%/54.1% (IFRS⁴ /proportionate), compared to 51.1%/52.5% on 30 September 2017.
- ▶ The EPRA NAV⁵ was 63.4 euros on 30 September 2018, compared to 55.9 euros on 30 September 2017. The IFRS NAV was 61.5 euros on 30 September 2018, compared to 53.9 euros on 30 September 2017.
- ▶ The total identified investment volume under the 2016-20 growth plan is approx. 1 billion euros. After all, a new investment package of over 100 million euros was secured during the third quarter of 2018 (mainly in the growth market of Romania). A total of around 250 million euros in new investments have been successfully identified in 2018. This package includes various projects leased to existing and new clients, as well as strategic landholdings for further development.
- ▶ For 2018, WDP confirms its ambition for EPRA Earnings of 6.00 euros per share (an increase of 7%). Based on the outlook, a dividend of 4.80 euros gross per share is proposed for 2018 (payable in 2019), marking another increase, this time of 7% over 2017.⁶ For the 2018-20 period, the aim is to achieve a cumulative increase of 25% in the EPRA Earnings, to 7.00 euros per share, compared to 5.60 in 2017.⁶

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 gearing ratio (IFRS) is calculated in the same manner as the gearing ratio (proportionate) in accordance with the GVV/SIR KB, but based on a consolidated balance sheet in accordance with IFRS that incorporates joint ventures using the equity method.

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.

⁶ 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.

2. Operating and financial activities during Q3 2018

2.1 Occupancy rate and leasing activity

On 30 September 2018, the property portfolio achieved an occupancy rate of 97.4%, compared to 97.4% at the end of 2017. Out of the 10% of lease agreements that reached an expiry date in 2018, 97% have now been extended. This reaffirms the trust customers have in WDP.

2.2 Acquisitions and divestments

2.2.1 Acquisitions

The first nine months of 2018 saw the completion of several acquisitions, with a total investment volume of 74 million euros and a total surface area of 188,000 m². 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%⁷ on this.

2.2.1.1 Acquisitions completed during the third quarter of 2018

Belgium

ASSE-ZELLIK: an industrial site for a purchase price of approx. 5 million euros by a contribution in kind. The site is located next to the WDP site for Euro Pool System, spans of some 22,000 m² and is slated for redevelopment. Zellik is regarded as strategic for logistics activities, given its direct connection to the Brussels ring road.

Mid-October of 2018 saw the acquisition of an additional site of around 52,000 m² in **ASSE-ZELLIK**, consisting of both vacant lots and developed area, for a total remuneration of approx. 12.4 million euros. WDP wants to partially redevelop this site over time. The site was formerly owned by De Persgroep Publishing NV.

The Netherlands

VEGHEL: a developed area of around 10,000 m² for redevelopment, located along the existing WDP site for Kuehne + Nagel. The site was acquired for an amount of approx. 2 million euros.

Romania⁸

CLUJ-NAPOCA (4): an existing warehouse of around 33,000 m². The lease with Profi has a remaining duration of ten years. This development will further grow this retailer's

⁷ Excluding land reserve.

⁸ Based on 100% of the investment.

partnership with WDP, following the previous commissioning of a new refrigerated distribution centre on this site. After all, this is where the supermarket chain Profi is centralising its retail service for fruit and vegetables for the Transylvania region. This acquisition will also make WDP the owner of the entire logistics park in Cluj-Napoca (nearly 70,000 m²), and the party responsible for park management. The investment budget for this acquisition amounts to approx. 22 million euros.

2.2.1.2 Summary of all acquisitions in 2018

Location	Tenant	Lettable area (in m ²)	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		10.000	2
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		90.000	48
Total		188.000	74

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 slated for completion in the spring of 2019. As part of this project, WDP along with L.I.F.E. are selling this site in phases.⁹ 69% of the surface area has already been sold.

The site at **INDUSTRIELAAN 23, TERNAT** was also sold during the third quarter of 2018. An amount of 19.1 million euros in *Assets held for sale* is currently recognised in the balance sheet. This is related to the sites in Belgium on the one hand, namely in Puurs, part of the site in Anderlecht and part of the site in Leuven, and in France on the other hand, namely in Templemars and Aix-en-Provence.

⁹ See the press release from 30 April 2015.

2.3 Projects completed during the first nine months of 2018

As announced, WDP successfully delivered the following pre-leased projects during the first nine months of 2018, for a total surface area of 226,000 m². The initial gross rental yield for all of these completed projects is 7.3%, with an investment budget of approx. 128 million euros.

Location	Tenant	Delivery date	Lettable area (in m ²)	Investment budget (in million euros)
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 Moerdijk, Energieweg 4	Gondrand Traffic	2Q18	18.000	18
NL			93.900	76
RO Aricestii Rahtivani	Kamtec	1Q18	4.500	3
RO Cluj-Napoca (3)	Profi	3Q18	11.000	10
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 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)	Mômax	1Q18	3.000	2
RO Timisoara (4)	360 Co-Packing	1Q18	6.000	2
RO			132.100	52
Total			226.000	128



2.4 Projects under development

WDP expects the total of projects under development, representing an investment value of approx. 340 million euros¹⁰ and boasting a total surface area of around 520,000 m², to generate an initial gross rental yield of around 7.3%.

¹⁰ Of which an investment volume of 162 million euros is realised to date.

2.4.1 Projects identified during the third quarter of 2018

The Netherlands

BREDA, IABC 5301: after demolition of the existing warehouse (formerly owned by The Greenery), WDP started construction of a new warehouse of some 55,000 m², which after delivery (slated for the third quarter of 2019) will be leased by Lidl under a long-term ten-year agreement. Lidl will use this property to consolidate its food activities. The investment budget for WDP comes to approx. 27 million euros.

ZWOLLE, MINDENSTRAAT 7: for Altrex, the existing site will be expanded by around 3,800 m², with completion scheduled for the third quarter of 2019. WDP forecasts an investment budget of approx. 3 million euros for this expansion. Altrex is signing on to a ten-year lease, and extends the lease for the existing warehouse with a ten-year lease contract as well.

Luxembourg¹¹

EUROHUB SUD: construction of the third new warehouse on this site, with an area of 25,000 m², 15,000 m² of which is already leased to an end user. The total investment budget for WDP comes to approx. 22 million euros. WDP plans to deliver this project by 2019 year-end.

Romania

BUCHAREST – STEFANESTII DE JOS (4): a new food logistics warehouse constructed for Metro. The building will be delivered in phases starting in early 2020 and consists of both a non-temperature-controlled warehouse and a refrigerated and frozen storage space for food distribution. Metro is signing on to a long-term ten-year lease for this site. WDP forecasts an investment budget of approx. 33 million euros for this project.

BUCHAREST – STEFANESTII DE JOS (5): clothing specialist LPP will house its e-commerce activities in a newly developed distribution centre of over 22,000 m², slated for delivery during the second quarter of 2019. LPP will lease this new warehouse for a period of ten years. The investment budget for WDP is approx. 10 million euros.

BUZAU: construction of a new warehouse for Ursus Breweries, one of the largest breweries in Romania. Ursus Breweries will use the site in Buzau, located to the north east of Bucharest, to supply its clients in the capital. The new distribution centre, spanning approx. 21,000 m², is located next to the existing brewery and after delivery – expected during the third quarter of 2019 – it will be leased for a period of ten years. The investment budget for WDP comes to approx. 10 million euros.

¹¹ Based on 100% of the investment.

2.4.2 Summary of all projects under development¹²

Location	Tenant	Delivery date	Lettable area (in m ²)	Investment budget (in million euros)
BE Heppignies, rue de Capilône 6	Trafic	4Q18	15.000	8
BE Tongeren, Heersterveldweg 17	GLS	4Q19	5.000	8
BE			20.000	16
LU Bettembourg (Eurohub Sud)	Auchan / Innovation First	4Q18	25.000	11
LU Bettembourg (Eurohub Sud)	End user (60%)	4Q19	25.000	12
LU			50.000	23
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 Heerlen, Earl Bakkenstraat (2)	CEVA Logistics	4Q18	13.000	6
NL Heinenoord, Bedrijvenpark Hoekse Waard	VCKG Holding / New Corp Logistics	1Q19	22.075	18
NL Schiphol Logistics Park	Rapid Logistics / Panalpina	4Q18	17.000	24
NL Solar	Various	4Q18	10 MWp	10
NL Tiel, De Diepert 5	Kuehne + Nagel (38%)	4Q18	32.000	20
NL Veghel, Marshallweg 2	Kuehne + Nagel	4Q18	35.000	26
NL Zwolle (1)	wehkamp	4Q18	25.000	24
NL Zwolle (2)	Altrex	3Q19	3.885	2
NL			262.910	197
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 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 Buzau	Ursus Breweries	3Q19	21.000	10
RO Constanta - Mihail Kogalniceanu	Vestas ceu Romania	4Q18	2.300	1
RO Oradea (2)	Inteva Products Salonta	4Q18	16.000	8
RO Paulesti (2)	Production company	4Q18	8.800	7
RO Sibiu (3)	Aeronamic Eastern Europe	2Q19	4.000	4
RO Timisoara (5)	360 Co-Packing	4Q18	15.000	8
RO			186.600	107
Total			519.510	343



¹² Based on 100% of the investment for the fully consolidated entities (such as WDP Development RO) and the proportionate share of the joint ventures (namely 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 2019¹³. After delivery, WDP will have a total installed capacity of 85 MWp in its solar power portfolio. Over the medium-term, WDP strives for a total PV portfolio of 100 MWp.

Energy monitoring system for the entire property portfolio

WDP and energy management specialist NanoGrid have signed an agreement to fit out all WDP warehouses with energy monitoring systems by the end of 2018. This energy monitoring system can optimise customer consumption, which in turn provides savings on power bills and enhances the focus on a sustainable real estate portfolio.

2.6 Changes in policy regarding Dutch REIT status

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, due to the planned elimination of the dividend tax. In early October of 2018, the Dutch government announced that it would retain the dividend tax and keep the FBI system 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 authorities, which indicated to WDP that – as a shareholder in WDP Nederland N.V., which has the FBI status – it is subject to a new shareholder test (the conditions related to the qualification as an FBI depend on factors such as activities and shareholder structure). In the context of the above, the talks between WDP and the Dutch tax authorities to examine the specific path forward here – the company believes that it should be able to pass this shareholder test and that it will be able to reach reasonable agreements with the Dutch tax authorities – have been suspended. WDP hopes to resume these talks in the near future.¹⁴

2.7 Management of financial resources

▶ Capital increase by contribution in kind for 5 million euros

In mid-September 2018, WDP completed its acquisition of an industrial site in Asse-Zellik¹⁵ 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.

¹³ Thus far, commercial agreements have been concluded for the installation of 10 MWp.

¹⁴ 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.

¹⁵ See the press release of 17 September 2018.

▶ Capital increase by contribution in kind for 12 million euros

In mid-October 2018, WDP completed an acquisition of an additional site in Asse-Zellik¹⁶ 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.

¹⁶ See the press release of 17 October 2018.

3. Financial results

3.1 Summary

The EPRA Earnings of WDP for the first nine months of 2018 amounts to 101.2 million euros. This result represents an increase of 12.4% compared to the result of 90.0 million euros in 9M 2017. The EPRA Earnings per share comes to 4.55 euros, an increase of 9.0% over the same period last year.

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

3.2 Key figures

Key figures		
Operational	30.09.2018	31.12.2017
Fair value of property portfolio (including solar panels) (in million euros)	3.150,2	2.669,8
Gross initial yield (including vacancies) ¹ (in %)	6,9	7,1
Net initial yield (EPRA) ² (in %)	6,3	6,4
Average lease term (until first break) ³ (in years)	6,0	6,2
Occupancy rate ⁴ (in %)	97,4	97,4
Like-for-like rental growth ⁵ (in %)	1,8	1,1
Operating margin ⁶ (in %)	91,8	92,7
Financial	30.09.2018	31.12.2017
Gearing ratio (IFRS) ⁷	53,9	51,5
Gearing ratio (proportional) (in line with the GVV/SIR Royal Decree)	54,1	53,1
Interest Coverage Ratio ⁸ (in x)	4,7	4,9
Average cost of debt (in %) ⁹	2,4	2,6
Average remaining duration of outstanding debt (in years)	4,2	4,1
Average remaining duration of long term credit facilities (in years)	4,4	4,5
Hedge ratio ¹⁰ (in %)	84	91
Average remaining term of hedges ¹¹ (in years)	7,2	7,6
Result (in million euros)	30.09.2018	30.09.2017
Property result	139,7	116,0
Operating result (before the result on the portfolio)	128,3	107,5
Financial result (excluding changes in the fair value of the financial instruments) ¹²	-24,2	-19,5
EPRA Earnings ¹³	101,2	90,0
Result on the portfolio (including share joint ventures) - Group share ¹⁴	91,5	82,2
Changes in the fair value of the financial instruments - Group share	5,6	15,8
Depreciation and write-down on solar panels (including share joint ventures) - Group share	-4,1	-3,2
Net result (IFRS) - Groupe share	194,3	184,8
Details per share (in euros)	30.09.2018	30.09.2017
EPRA Earnings ¹⁵	4,55	4,17
Result on the portfolio (including share joint ventures) - Group share ¹⁶	4,11	3,81
Changes in fair value of the financial instruments - Group share	0,25	0,73
Depreciation and write-down on solar panels - Group share	-0,18	-0,15
Net result (IFRS) - Group share	8,73	8,56
IFRS NAV ¹⁷	61,5	53,9
EPRA NAV ¹⁸	63,4	55,9
EPRA NNNNAV ¹⁹	61,1	53,5

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. Based on the comparison between T3 2018 and T3 2017.

⁷ The gearing ratio (IFRS) is calculated in the same manner as the gearing ratio (proportional) in accordance with the Belgian Royal Decree on Regulated Real-Estate Investment Companies (the 'GVV-KB'), but based on a consolidated balance sheet in accordance with IFRS that incorporates joint venture using the equity method.

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 Act (Wet betreffende de gereglemeerde vastgoedvenootschappen 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 NNNNAV: 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	30.09.2018	31.12.2017
EPRA Earnings (in euros per share) ²	4,55	4,17
EPRA NAV (in euros per share) ³	63,4	58,3
EPRA NNNNAV (in euros per share) ⁴	61,1	55,9
EPRA Net Initial Yield (in %)	6,3	6,4
EPRA Topped-up Net Initial Yield (in %)	6,3	6,4
EPRA vacancy rate (in %)	2,8	2,9
EPRA Cost Ratio (incl. direct vacancy costs) (in %) ⁵	8,9	9,0
EPRA Cost Ratio (excl. direct vacancy costs) (in %) ⁵	8,5	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. Based on the comparison between 9M 2018 and 9M 2017.

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 NNNNAV: 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 30 September 2018 (analytical schedule)

3.4.1 Property result

The property result amounts to 139.7 million euros for the first nine months of 2018, an increase of 20.4% compared to last year (116.0 million euros). This increase is driven by continued portfolio growth in 2017-18, primarily through new pre-leased projects. With an unchanged portfolio, the rental income rose by +1.8%¹⁷, mainly driven by the indexing of leases. The property result also includes 12.5 million euros in income from solar panels, compared to 9.1 million euros in the same period last year, when the installed capacity was smaller. In addition, the radiation during the second and third quarter of 2018 was particularly high.

Gross rental income by country (in euros x 1 000)		Belgium	Netherlands	France	Romania	Total IFRS	Luxembourg ¹
I.	Rental income	50.834	60.366	5.296	12.281	128.778	690
III.	Rental charges ²	-1.114	210	-143	0	-1.047	-43
Rental income, net of rental-related expenses		49.720	60.576	5.153	12.281	127.731	647

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

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

¹⁷ 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 128.3 million euros in the first nine months of 2018, an increase of 19.3% compared to the same period last year (107.5 million euros). Property and other general expenses amounted to 11.4 million euros for the first nine months of 2018, an increase of 3 million euros compared to the costs for the same period in 2017. With regard to the overhead trend for the company, this is in line with the underlying portfolio growth (after all, the increase is explained in part by an uptick in overhead costs in 2017 associated with management fees charged to the Romanian entity, fully consolidated in 2018). WDP succeeded in further controlling costs, with the operating margin for the first nine months of 2018 coming to 91.8% , 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)¹⁸ amounts to -24.2 million euros for the first nine months of 2018, an increase over last year (-19.5 million euros) due to higher outstanding financial debt and the loss of the interest received on loans provided to the Romanian entity, which has now been fully consolidated (previously, using the equity accounting method).

The total financial debt (as per IFRS) amounted to 1,660.6 million euros as at 30 September 2018, compared to 1,265.3 million euros in the same period last year. The average interest rate came to 2.4% over the first nine months of 2018, compared to 2.6% in 2017.

3.4.4 Share in the result of associated companies and joint ventures

The result of 0.2 million euros for the first nine months of 2018 is primarily from the underlying result of the core activities of the Luxembourg joint venture. During 2017, this amount included the result of the Romanian entity as well.

3.4.5 EPRA Earnings

The EPRA Earnings of WDP for the first nine months of 2018 amounts to 101.2 million euros. This result marks an increase of 12.4% over the result of 90.0 million euros in 2017. The EPRA Earnings per share is up 9.0% year-on-year, including an increase of 3% in the weighted average number of outstanding shares.

¹⁸ 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.

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

The result on the portfolio (including share in the result of joint ventures) – Group¹⁹ share for the first nine months of 2018 amounts to +91.5 million euros, or +4.11 euros per share²⁰. For the same period last year, this result amounted to +82.2 million euros or +3.81 euros per share. This yields the following results by country for the first nine months of 2018: Belgium (+58.1 million euros), the Netherlands (+24.8 million euros), France (+5.3 million euros) and Romania (+2.7 million euros) and Luxembourg (+0.6 million euros).

The revaluation of 91.5 million euros marks a 3.0%-increase in the value of the underlying portfolio.

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 share²¹ amounts to +5.6 million euros or +0.25 euros per share for the first nine months of 2018 (compared to +15.8 million euros or +0.73 euros per share in 2017). This positive impact stems from the change in fair value of the interest rate hedges concluded (interest rate swaps) as at 30 September 2018, as a result of an increase in long-term interest rates during the first nine months of 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.

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

The solar panels are valued 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 historic cost price, plus accumulated depreciations. If it does not, then it is entered in the profit and loss account. The depreciation component

¹⁹ Result on the portfolio (including share in the result of 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.

²⁰ Result on the portfolio (including share in the result of joint ventures) per share – Group share: this is the result on the portfolio (including share in the result of joint ventures) based on the weighted average number of shares.

²¹ 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.

and write-down amounts to -4.1 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 194.3 million euros in the first nine months of 2018 (compared to 184.8 million euros in the same period last year).

The difference between the net result (IFRS) – Group share of 194.3 million euros and the EPRA Earnings of 101.2 million euros is attributable to the positive 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 30 September 2018

3.5.1 Property portfolio²²

According to independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, the fair value²³ of the WDP property portfolio according to IAS 40 amounted to 3,038.4 million euros on 30 September 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 panels²⁴, the total portfolio value grew to 3,150.2 million euros compared to 2,669.8 million euros at 2017 year-end.

This value of 3,038.4 million euros includes 2,765.7 million euros in completed properties (standing portfolio). The projects under development account for a value of 172.5 million euros. In addition, WDP also holds land reserves in places such as Courcelles, Heppignies, Asse-Zellik, Bleiswijk, 's-Hertogenbosch and Schiphol and the land bank in Romania, at a fair value of 100.2 million euros.

The investments in solar panels were valued at a fair value of 111.8 million euros as at 30 September 2018.

²² 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 share in the portfolio of WDP Luxembourg (55%) still appeared in the statistics in the reporting on the portfolio.

²³ For the precise valuation method used, please refer to the BE-REIT press release dated 10 November 2016.

²⁴ Investments in solar panels are valued in compliance with IAS 16 by applying the revaluation model.

The overall portfolio is valued at a gross rental yield of 6.9%²⁵. The gross rental yield after deduction of the estimated market rental value for the unleased parts is 6.7%.

Portfolio statistics by country	Belgium	Netherlands	France	Luxemburg	Romania	Total
Number of lettable sites	77	81	9	1	19	187
Gross lettable area (in m ²)	1.741.761	1.755.517	197.098	14.772	434.147	4.143.295
Land (in m ²)	3.414.080	3.409.322	471.358	28.507	3.241.853	10.565.120
Fair value (in million euros)	1.096,8	1.398,7	126,7	20,9	395,4	3.038,4
% of total fair value	36%	46%	4%	1%	13%	100%
% change in fair value for 9M 2018	5,4%	1,8%	4,2%	5,0%	0,9%	3,0%
Vacancy rate (EPRA) ^{1,2}	5,9%	0,9%	4,0%	0,0%	0,0%	2,8%
Average lease length till first break (in y) ²	4,2	6,3	4,1	1,2	8,0	5,6
WDP gross initial yield ³	6,8%	6,7%	6,5%	7,9%	8,4%	6,9%
Effect of vacancies	-0,4%	-0,1%	-0,3%	0,0%	0,0%	-0,2%
Adjustment gross to net rental income (EPRA)	-0,2%	-0,2%	-0,1%	-0,7%	-0,1%	-0,2%
Adjustments for transfer taxes	-0,2%	-0,4%	-0,3%	-0,5%	-0,1%	-0,3%
EPRA net initial yield ¹	6,1%	6,1%	5,8%	6,8%	8,1%	6,3%

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 63.4 euros on 30 September 2018. This marks an increase of 5.1 euros compared to an EPRA NAV per share of 58.3 euros on 31 December 2017 as a consequence of the profit generation, dividend pay-out and revaluation of the portfolio. The IFRS NAV per share²⁶ came to 61.5 euros on 30 September 2018, compared to 56.3 euros on 31 December 2017.

3.6 Financial position

The total (long-term and short-term) financial debts had increased to 1,660.6 million euros by 30 September 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 the continued portfolio growth. The short-term financial debt of 233 million euros mainly includes the traditional commercial paper programme (195 million euros).

The balance sheet total rose from 2,675.3 million euros on 31 December 2017 to 3,187.5 million euros by the end of September 2018. The gearing ratio came to 53.9%/54.1% (IFRS/proportionate) on 30 September 2018, compared to 51.5%/53.1% (IFRS/proportionate) on 31 December 2017.

The weighted average term of WDP's outstanding financial debts on 30 September 2018 was 4.2 years²⁷. If only the total drawn and undrawn long-term loans are taken into

²⁵ 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).

²⁶ 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.

²⁷ Including the short-term debts, these mainly consist of the commercial paper programme, which is fully hedged with backup facilities.

account, the weighted average term amounts to 4.4 years²⁸. On 30 September 2018, the total amount of undrawn and confirmed long-term credit facilities was approx. 135 million euros²⁹.

The average cost of debt was 2.4% in the first nine months of 2018. The Interest Coverage Ratio³⁰ is equal to 4.7x for the same period, compared to 4.9x for the entire 2017 financial year. The hedge ratio³¹, which measures the percentage of financial debts with a fixed or floating interest rate and subsequently hedges these by means of Interest Rate Swaps (IRS), comes to 84%, with a weighted average hedge term of 7.2 years.

²⁸ 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 4.8 years.

²⁹ Excluding the credit facilities to hedge the commercial paper programme.

³⁰ 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.

³¹ ▣ 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 Act (the 'GVV/SIR Act').

4. Outlook

WDP confirms its ambition of an EPRA Earnings per share of 6.00 euros in 2018, an increase of 7% over 2017. This increase is less than the +9% increase in the first nine months of 2018 because last year, the completed projects mainly started contributing to the result starting in the second quarter of 2017, as well as the positive one-off impact in Q4 2017 related to setting up a deferred tax asset for the Romanian activities. Excluding the latter, the underlying increase in the projected EPRA Earnings per share for the fourth quarter of 2018 is +10%.

Based on this outlook, WDP intends to set a gross dividend of 4.80 euros for 2018, payable in 2019, also marking an increase of 7%, based on a low pay-out ratio.³²

In 2018, 10% of the contracts will reach their next maturity date, 97% of which have already been extended. Based on information currently available and the current rental market situation, WDP projects a minimum average occupancy rate of 97% for 2018.

The projected growth in 2018 based on continued execution of the project development pipeline takes into account a forecast gearing ratio of around 54% for 2018 year-end and an average cost of debt of 2.4%. WDP still aims for a gearing ratio of between 55 and 60% over the medium term³³.

³² 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.

³³ In principle, in order to reinforce shareholders' equity, growth plan financing based on a constant capital structure takes into account retained earnings, optional dividends and contributions in kind. The debt component factors in traditional credit facilities and bond issues.

5. Financial statements – Key figures as at 30 September 2018 – analytical (results and balance sheet)

5.1 Consolidated results for the first nine months of 2018

Consolidated results (in euros x 1 000)	9M 2018	9M 2017	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	127.751	106.466	21.285	20,0%
Indemnification related to early lease terminations	-20	591	-611	n.r.
Income from solar energy	12.463	9.113	3.350	36,8%
Other operating income/costs	-539	-196	-344	n.r.
Property result	139.655	115.975	23.680	20,4%
Property charges	-4.498	-3.624	-873	24,1%
General company expenses	-6.906	-4.825	-2.082	43,1%
Operating result (before the result on the portfolio)	128.251	107.526	20.725	19,3%
Financial result (excl. changes in the fair value of financial instruments)	-24.157	-19.534	-4.623	23,7%
Taxes on EPRA Earnings	-945	-250	-695	n.r.
Deferred taxes on EPRA Earnings	-286	-340	53	n.r.
Share in the results of associated companies and joint ventures	249	2.646	-2.397	n.r.
Minority interests	-1.891	0	-1.891	n.r.
EPRA Earnings	101.220	90.048	11.172	12,4%
Changes in the fair value of investment properties (+/-)	93.184	79.151	14.032	n.r.
Result on disposal of investment property (+/-)	-417	466	-884	n.r.
Deferred taxes on the result on the portfolio (+/-)	-1.195	-79	-1.116	n.r.
Share in the results of associated companies and joint ventures	622	2.638	-2.016	n.r.
Result on the portfolio	92.193	82.177	10.016	n.r.
Minority interests	-668	0	-668	n.r.
Result on the portfolio - Group share	91.526	82.177	9.348	n.r.
Changes in the fair value of the financial instruments	5.605	15.759	-10.154	n.r.
Changes in the fair value of the financial instruments	5.605	15.759	-10.154	n.r.
Minority interests	0	0	0	n.r.
Changes in the fair value of the financial instruments - Group share	5.605	15.759	-10.154	n.r.
Depreciation and write-down on solar panels	-4.236	-2.971	-1.265	n.r.
Share in the results of associated companies and joint ventures	0	-240	240	n.r.
Depreciation and write-down on solar panels	-4.236	-3.211	-1.026	n.r.
Minority interests	164	0	164	n.r.
Depreciation and write-down on solar panels - Group share	-4.072	-3.211	-861	n.r.
Net result (IFRS)	196.673	184.773	11.899	n.r.
Minority interests	-2.394	0	-2.394	n.r.
Net result (IFRS) - Group share	194.279	184.773	9.505	n.r.

Key ratios (in euros per share)	9M 2018	9M 2017	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings ¹	4,55	4,17	0,38	9,0%
Result for the portfolio - Group share ¹	4,11	3,81	0,31	n.r.
Changes in the fair value of the financial instruments - Group share ¹	0,25	0,73	-0,48	n.r.
Depreciation and write-down on solar panels - Group share ¹	-0,18	-0,15	-0,03	n.r.
Net result (IFRS) - Group share ¹	8,73	8,56	0,17	n.r.
EPRA Earnings ²	4,49	4,09	0,40	9,7%

Weighted average number of shares	22.250.056	21.578.743	671.313	3,1%
Number of outstanding shares at the end of the period	22.551.462	22.009.277	542.185	2,5%

¹ Calculation based on the weighted average number of shares.

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

5.2 Consolidated results for the third quarter of 2018

Consolidated results (in euros x 1 000)	Q3 2018	Q3 2017	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	44.063	36.456	7.607	20,9%
Indemnification related to early lease terminations	-22	190	-212	n.r.
Income from solar energy	5.236	3.512	1.725	49,1%
Other operating income/costs	278	1.281	-1.003	n.r.
Property result	49.555	41.438	8.117	19,6%
Property charges	-1.371	-1.233	-138	11,2%
General company expenses	-2.420	-1.743	-677	38,8%
Operating result (before the result on the portfolio)	45.764	38.462	7.302	19,0%
Financial result (excl. changes in the fair value of financial instruments)	-8.615	-6.364	-2.251	35,4%
Taxes on EPRA Earnings	-414	-105	-309	n.r.
Deferred taxes on EPRA Earnings	164	110	53	n.r.
Share in the results of associated companies and joint ventures	35	701	-666	n.r.
Minority interests	-777	0	-777	n.r.
EPRA Earnings	36.157	32.804	3.353	10,2%
Changes in the fair value of investment properties (+/-)	56.634	14.559	42.075	n.r.
Result on disposal of investment property (+/-)	-69	580	-650	n.r.
Deferred taxes on the result on the portfolio (+/-)	-262	-58	-204	n.r.
Share in the results of associated companies and joint ventures	137	830	-693	n.r.
Result on the portfolio	56.440	15.912	40.528	n.r.
Minority interests	-170	0	-170	n.r.
Result on the portfolio - Group share	56.270	15.912	40.358	n.r.
Changes in the fair value of the financial instruments	9.087	121	8.966	n.r.
Changes in the fair value of the financial instruments	9.087	121	8.966	n.r.
Minority interests	0	0	0	n.r.
Changes in the fair value of the financial instruments - Group share	9.087	121	8.966	n.r.
Depreciation and write-down on solar panels	-1.527	-968	-559	n.r.
Share in the results of associated companies and joint ventures	0	-80	80	n.r.
Depreciation and write-down on solar panels	-1.527	-1.048	-479	n.r.
Minority interests	99	0	99	n.r.
Depreciation and write-down on solar panels - Group share	-1.428	-1.048	-380	n.r.
Net result (IFRS)	100.934	47.789	53.146	n.r.
Minority interests	-848	0	-848	n.r.
Net result (IFRS)	100.086	47.789	52.298	n.r.

Key ratios (in euros per share)	Q3 2018	Q3 2017	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings ¹	1,61	1,50	0,10	7,0%
Result for the portfolio - Group share ¹	2,50	0,73	1,77	n.r.
Changes in the fair value of the financial instruments - Group share ¹	0,40	0,01	0,40	n.r.
Depreciation and write-down on solar panels - Group share ¹	-0,06	-0,05	-0,02	n.r.
Net result (IFRS) - Group share ¹	4,45	2,19	2,26	n.r.
EPRA Earnings ²	1,60	1,49	0,11	7,6%

Weighted average number of shares	22.512.941	21.852.044	660.897	3,0%
Number of outstanding shares at the end of the period	22.551.462	22.009.277	542.185	2,5%

¹ Calculation based on the weighted average number of shares.

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

³ The dividend payout ratio is calculated based on the consolidated result. Dividend is distributed on a statutory basis by WDP Comm. VA.

5.3 Consolidated balance sheet

Consolidated balance sheet (in euros x 1 000)	30.09.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	198	146	52	n.r.
Investment property	2.994.617	2.404.027	590.590	24,6%
Other tangible fixed assets (including solar panels)	114.814	95.876	18.939	19,8%
Financial fixed assets	10.448	97.469	-87.021	-89,3%
Trade receivables and other fixed assets	5.914	3.411	2.503	73,4%
Deferred taxes - assets	0	0	0	n.r.
Participations in associated companies and joint ventures - equity method	11.241	31.626	-20.385	-64,5%
Fixed assets	3.137.232	2.632.554	504.678	19,2%
Assets held for sale	19.134	7.525	11.609	n.r.
Trade receivables	15.240	9.042	6.198	n.r.
Tax receivables and other current assets	7.471	22.830	-15.359	n.r.
Cash and cash equivalents	2.304	1.231	1.073	n.r.
Accruals and deferrals	6.136	2.116	4.020	n.r.
Current assets	50.286	42.745	7.541	n.r.
Total assets	3.187.518	2.675.299	512.219	n.r.
Capital	173.035	168.873	4.162	2,5%
Issue premiums	593.003	545.154	47.849	8,8%
Reserves	426.241	289.256	136.985	47,4%
Net result for the financial year	194.279	235.156	-40.877	-17,4%
Equity capital attributable to shareholders of the Group	1.386.558	1.238.439	148.119	12,0%
Minority interests	27.566	0	27.566	n.r.
Equity capital	1.414.124	1.238.439	175.686	14,2%
Long term liabilities	1.471.949	1.158.293	313.656	27,1%
Long term financial debt	1.427.167	1.108.966	318.201	28,7%
Other long term liabilities	44.782	49.328	-4.546	-9,2%
Short term liabilities	301.444	278.566	22.878	8,2%
Short term financial debt	233.419	240.849	-7.431	-3,1%
Other short term liabilities	68.026	37.717	30.309	80,4%
Liabilities	1.773.393	1.436.860	336.534	23,4%
Total liabilities	3.187.518	2.675.299	512.219	19,1%

Key ratios	30.09.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
(in euros per share)				
IFRS NAV	61,5	56,3	5,2	9,3%
EPRA NAV	63,4	58,3	5,1	8,8%
Share price	113,4	93,4	20,0	21,4%
Premium/Discount with regard to EPRA NAV	78,8%	60,3%	18,5%	n.r.
(in euros x million)				
Fair value of the portfolio (including solar panels) ¹	3.150,2	2.669,8	480,4	18,0%
Debts and liabilities included in the gearing ratio	1.716,2	1.374,3	341,9	24,9%
Balance sheet total	3.188	2.675	512	19,1%
Gearing ratio (IFRS)	53,9%	51,5%	2,5%	n.r.
Gearing ratio (proportional) ²	54,1%	53,1%	1,0%	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 accounts as at 30 September 2018 – IFRS

6.1 Profit and loss account

in euros (x 1 000)

	9M 2018	FY 2017	9M 2017
Rental income	128.778	145.661	107.732
Costs related to leases	-1.047	-1.286	-675
Net rental result	127.731	144.375	107.057
Recovery of property costs	0	0	0
Recovery of rental charges and taxes normally paid by the tenant on let properties	9.979	9.239	7.816
Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	0	0
Rental charges and taxes normally paid by the tenant on let properties	-11.822	-11.635	-10.265
Other income and charges related to leases	13.767	12.513	11.366
Property result	139.655	154.493	115.975
Technical costs	-2.948	-3.345	-2.333
Commercial costs	-640	-683	-500
Property management costs	-909	-930	-791
Property charges	-4.498	-4.959	-3.624
Property operating results	135.157	149.534	112.350
General company expenses	-6.906	-6.695	-4.825
	-4.236	-3.904	-2.971
Other operating income and expenses (depreciation and write-down on solar panels)			
Operating result (before the result on the portfolio)	124.014	138.935	104.554
Result on disposals of investment properties	-417	929	466
Changes in the fair value of investment properties	93.184	94.763	79.151
Operating result	216.781	234.627	184.172
Financial income	186	3.268	1.923
Net interest charges	-23.719	-28.504	-21.093
Other financial charges	-625	-498	-364
Changes in the fair value of financial assets and liabilities	5.605	16.470	15.759
Financial result	-18.553	-9.264	-3.775
Share in the results of associated companies and joint ventures	871	10.803	5.045
Result before taxes	199.099	236.166	185.442
Taxes	-2.427	-1.010	-668
Net result	196.673	235.156	184.773
Attributable to:			
Minority interests	2.394	0	0
Shareholders of the Group	194.279	235.156	184.773
Weighted average number of shares	22.250.056	21.687.261	21.578.743
Net result per share (in euros)	8,73	10,84	8,56
Diluted net result per share (in euros)	8,73	10,84	8,56

6.2 Consolidated balance sheet

Balance sheet - Assets (in euros x 1 000)	30.09.2018	31.12.2017	30.09.2017
Fixed assets	3.137.232	2.632.554	2.511.092
Intangible fixed assets	198	146	127
Investment properties	2.994.617	2.404.027	2.324.486
Other tangible fixed assets (including solar panels)	114.814	95.876	92.118
Financial fixed assets	10.448	97.469	70.739
Trade receivables and other non-current assets	5.914	3.411	3.654
Deferred taxes - assets	0	0	0
Participations in associated companies and joint ventures - equity method	11.241	31.626	19.968
Current assets	50.286	42.745	37.643
Assets held for sale	19.134	7.525	6.220
Trade receivables	15.240	9.042	13.827
Tax receivables and other current assets	7.471	22.830	13.466
Cash and cash equivalents	2.304	1.231	582
Accruals and deferrals	6.136	2.116	3.549
Total assets	3.187.518	2.675.299	2.548.734

Balance sheet - Liabilities (in euros x 1 000)	30.09.2018	31.12.2017	30.09.2017
Shareholder's equity	1.414.124	1.238.439	1.185.572
I. Shareholder's equity attributable to the parent company's shareholders	1.386.558	1.238.439	1.185.572
Capital	173.035	168.873	168.865
Issue premiums	593.003	545.154	545.154
Reserves	426.241	289.256	286.778
Net result for the financial year	194.279	235.156	184.773
II. Minority interests	27.566	0	0
Liabilities	1.773.393	1.436.860	1.363.163
I. Non-current liabilities	1.471.949	1.158.293	1.002.655
Provisions	349	655	655
Non-current financial liabilities	1.427.167	1.108.966	952.102
Other non-current financial liabilities	43.127	48.673	49.899
Trade payables and other non-current debts	0	0	0
Deferred tax liabilities	1.305	0	0
II. Current liabilities	301.444	278.566	360.507
Current financial liabilities	233.419	240.849	313.217
Other current financial liabilities	0	0	0
Trade payables and other current debts	47.572	22.774	33.774
Other current liabilities	8.049	1.549	1.316
Accruals and deferrals	12.405	13.394	12.201
Total liabilities	3.187.518	2.675.299	2.548.734

7. EPRA Performance measures³⁴

7.1 EPRA Earnings

in euros (x 1 000)

	9M 2018	9M 2017
Earnings per IFRS income statement	194.279	184.773
Adjustments to calculate the EPRA Earnings, exclude:		
I. Changes in value of investment properties, development properties held for investment and other interests	-88.947	-76.180
- Changes in the value of the real estate portfolio	-93.184	-79.151
- Depreciation and write-down on solar panels	4.236	2.971
II. Profit or losses on disposal of investment properties, development properties held for investment and other interests	417	-466
VI. Changes in fair value of financial instruments and associated close-out costs	-5.605	-15.759
VIII. Deferred tax in respect of EPRA adjustments	1.195	79
IX. Adjustments (i) to (viii) to the above in respect of joint ventures	-622	-2.399
X. Minority interests in respect of the above	503	0
EPRA Earnings	101.220	90.048
Weighted average number of shares	22.250.056	21.578.743
EPRA Earnings per share (EPS) (in euros)	4,55	4,17

7.2 EPRA NAV

in euros (x 1 000)

	30.09.2018	31.12.2017
IFRS NAV	1.386.558	1.238.439
IFRS NAV/share (in euros)	61,5	56,3
Diluted NAV, after the exercise of options, convertibles and other equity interests	1.386.558	1.238.439
Includes (+/-):		
(iv) Fair value of financial instruments	37.304	42.909
(v.a) Deferred tax	6.322	2.631
EPRA NAV	1.430.184	1.283.979
Number of shares	22.551.462	22.009.277
EPRA NAV per share (in euros)	63,4	58,3
EPRA NAV	1.430.184	1.283.979
Includes:		
i. Fair value of financial instruments	-37.304	-42.909
ii. Fair value of debt	-8.961	-9.039
iii. Deferred tax	-6.322	-2.631
EPRA NNNAV	1.377.597	1.229.400
Number of shares	22.551.462	22.009.277
EPRA NNNAV per share (in euros)	61,1	55,9

³⁴ EPRA is a registered trademark of the European Public Real-estate Association.

7.3 EPRA cost ratio

in euros (x 1 000)

		9M 2018	9M 2017
Include:			
I.	Administrative/operating expenses (IFRS)	12.589	10.844
III.	Management fees less actual/estimated profit element	-723	-745
IV.	Other operation income/recharges, intended to cover overhead expenses less any related profits	86	-79
V.	Administrative/operating expenses of joint ventures expense	6	385
Exclude (if part of the above):			
VI.	Investment Property Depreciation	-656	-522
	EPRA costs (including direct vacancy costs)	A	11.301
			9.884
IX.	Direct vacancy costs	-487	-514
	EPRA costs (excluding direct vacancy costs)	B	10.814
			9.370
X.	Gross rental income less ground rent costs (IFRS)	126.542	105.363
X.	Gross rental income less ground rent costs of joint ventures	673	2.880
	Gross rental income	C	127.215
			108.243
	EPRA cost ratio (including direct vacancy costs)	A/C	8,9%
			9,1%
	EPRA cost ratio (excluding direct vacancy costs)	B/C	8,5%
			8,7%

7.4 EPRA NIY and EPRA TOPPED-UP NIY

in euros (x 1 000)

		30.09.2018	31.12.2017
	Investment property - wholly owned	2.823.785	2.404.027
	Investment property - share of joint ventures	33.137	155.863
	Assets held for sale	17.862	7.525
	Less developments and land reserves	-297.002	-232.209
	Completed property portfolio	2.577.783	2.335.206
	Allowance for estimated purchasers' costs	114.838	98.054
	Gross up completed property portfolio valuations	B	2.692.621
			2.433.260
	Annualised cash passing rental income	176.649	161.366
	Property outgoings	-5.951	-5.621
	Annualised net rent	A	170.698
			155.745
	Notional rent expiration of rent free period or other lease incentives	0	0
	Topped-up net annualised rent	C	170.698
			155.745
	EPRA NIY	A/B	6,3%
			6,4%
	EPRA TOPPED-UP NIY	C/B	6,3%
			6,4%

8. Detailed calculation of the Alternative Performance Measures applied by WDP³⁵

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

in euros (x 1 000)

	9M 2018	9M 2017
Movement in the fair value of investment property	93.184	79.151
Result on disposal of investment property	-417	466
Deferred taxation on result on the portfolio	-1.195	-79
Participation in the result of associated companies and joint ventures	622	2.638
Result on the portfolio	92.193	82.177
Minority interests	-668	0
Result on the portfolio - Group share	91.526	82.177

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

in euros (x 1 000)

	9M 2018	9M 2017
Properties owned throughout the two years	103.444	101.572
Development property	18.401	6.718
Acquisitions	7.437	1.123
Disposals	186	1.349
Total	129.468	110.762
To be excluded		
Rental income of joint ventures	-690	-3.030
Rental income (IFRS)	128.778	107.733

³⁵ 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)

	9M 2018	FY 2017
Financial result (IFRS)	-18.553	-9.264
To be excluded:		
Financial income	-186	-3.268
Changes in fair value of financial assets and liabilities	-5.605	-16.470
Interest capitalised during construction	-3.257	-1.859
To be included		
Interest expenses of joint ventures	-138	-857
Effective financial expenses (proportional) (A)	-27.739	-31.718
Average outstanding financial liabilities (IFRS)	1.534.993	1.168.489
Average outstanding financial liabilities of joint ventures	22.313	64.487
Average outstanding financial liabilities (proportional) (B)	1.557.306	1.232.976
Annualised Average cost of debt (A/B)	2,4%	2,6%

8.4 Operating margin

in euros (x 1 000)

	9M 2018	9M 2017
Property result (IFRS)	139.655	115.975
Operating result (before the portfolio result) (excluding depreciation and write-downs on solar panels)	128.251	107.526
Operating margin	91,8%	92,7%

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

in euros (x 1 000)

	9M 2018	9M 2017
Financial result	-18.553	-3.775
To be excluded:		
Changes in fair value of financial assets and liabilities	-5.605	-15.759
Financial result (excluding the changes in fair value of financial instruments)	-24.157	-19.534

8.6 Hedge ratio

in euros (x 1 000)

	30.09.2018	31.12.2017
Notional amount of Interest Rate Swaps	1.025.156	1.026.768
Fixed-interest financial liabilities	7.127	7.532
Fixed-interest bonds	366.500	266.500
Fixed-interest financial liabilities at balance sheet date and hedging instruments (A)	1.398.783	1.300.800
Current and non-current financial liabilities (IFRS)	1.660.586	1.349.815
Proportional share in joint ventures in current and non-current financial liabilities	8.596	81.091
Financial liabilities at balance sheet date (B)	1.669.181	1.430.906
Hedge ratio (A/B)	84%	91%

8.7 Gearing ratio

in euros (x 1 000)

	30.09.2018 (IFRS)	30.09.2018 (proportional)	31.12.2017 (IFRS)	31.12.2017 (proportional)
Non-current and current liabilities	1.773.393	1.785.859	1.436.860	1.530.038
To be excluded:				
- I. Non-current liabilities - A. Provisions	349	349	655	656
- I. Non-current liabilities - C. Other non-current financial liabilities - Permitted hedging instruments	43.127	43.127	48.673	48.673
- I. Non-current liabilities - F. Deferred taxes - Liabilities	1.305	2.617	0	894
- II. Current liabilities - A. Provisions	0	0	0	0
- II. Current liabilities - E. Other current liabilities - Other: Hedging instruments	0	0	0	0
- II. Current liabilities - F. Accruals and deferred income	12.405	12.353	13.394	13.677
Total debt	A 1.716.207	1.727.413	1.374.139	1.466.138
Total assets	B 3.187.518	3.199.983	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	5.823	5.823	5.764	5.764
Total assets	B 3.181.695	3.194.160	2.669.535	2.762.681
Gearing ratio	A/B 53,9%	54,1%	51,5%	53,1%



MORE INFORMATION



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