



WDP

WAREHOUSES WITH BRAINS

PRESS RELEASE

Wednesday 25 April 2018, 07.00 am
Regulated information



www.wdp.eu

Interim statement of the manager for the period 01.01.2018 – 31.03.2018

- ▶ The EPRA Earnings for Q1 2018 amount to 29.5 million euros, an increase of 15% compared to Q1 2017. The EPRA Earnings per share amount to 1.34 euros, an increase of 12% compared to Q1 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 first quarter of 2018, a new investment package of 100 million euros was secured.
- ▶ Issue of 100 million euros in green bonds in a US private placement with MetLife Inc.

1. Summary

- ▶ The EPRA Earnings¹ for Q1 2018 amount to 29.5 million euros, marking an increase of 15.3% over 2017 (25.6 million euros). The EPRA earnings per share² for Q1 2018 come to 1.34 euros, an increase of 11.7% over the figure of 1.20 euros from 2017.
- ▶ The net result (IFRS) – Group share for Q1 2018 amounts to 43.4 million euros, driven in part by a variation of 11.5 million euros (or 0.5%) in the underlying value of the property portfolio. The net result (IFRS) – Group share per share for Q1 2018 amounts to 1.97 euros, compared to 2.37 euros in 2017.
- ▶ The occupancy rate³ was 97.5% on 31 March 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 6.3 years (including solar panels).
- ▶ On 31 March 2018, the gearing ratio was 53.1%/53.3% (IFRS⁴/proportionate), compared to 49.1%/50.3% on 31 March 2017.
- ▶ The EPRA NAV⁵ was 60.3 euros on 31 March 2018, compared to 58.3 euros on 31 December 2017. The IFRS NAV was 58.2 euros on 31 March 2018, compared to 56.3 euros on 31 December 2017.
- ▶ The Board of Directors of the manager of WDP intends to offer an optional dividend again. The issue price and all other details will be announced later today after the meeting of the Board of Directors and the Annual General Meeting of WDP. The expected proceeds from the optional dividend will be used immediately for the projects under development within the 2016-20 growth plan.
- ▶ The total identified investment volume under the 2016-20 growth plan is approx. 850 million euros. After all, an additional investment volume of 100 million euros was secured in the first quarter of 2018. This package includes various leased projects from the recently acquired landholdings and consists primarily of repeat business with existing clients.
- ▶ As previously announced, WDP has reinforced its capital in WDP Development RO by converting a subordinated shareholder's loan into shareholder's equity, to enable further growth in the Romanian property portfolio. This structure ensures that the ownership ratio between the two shareholders, WDP/Jeroen Biermans, changes from 51/49 to 80/20 as from January 2018. Due to this new partnership between the shareholders and the

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 change 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 developments under construction and/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.

corresponding shareholdings, WDP will fully consolidate this activity in its IFRS statements as from 1 January 2018, which in the past was incorporated using the equity accounting method.

- ▶ Along with MetLife Investment Management, WDP achieved a successful US private placement for a sum total of 100 million euros. This involved an issue of green bonds with a coupon of 2.62% and an eleven-year term. This issue reaffirms WDP's commitment to sustainable development and a sustainable strategy. WDP is also the first REIT and the first Belgian company to carry out a green USPP.
- ▶ For 2018, WDP confirms its ambition for EPRA Earnings of 6.00 euros per share (an increase of 7%). This increase of +7% is below the +12% increase of Q1 2018, since the completed projects of the previous year have mainly started contributing to the result as from the second quarter of 2017. Based on the outlook, a dividend of 4.80 euros gross per share is proposed for 2018 (disbursable in 2019), marking another increase, this time of 7% over 2017.⁶ For the period of 2018-20, 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

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. Operational and financial activities during Q1 2018

2.1 Occupancy rate and leasing activity

On 31 March 2018, the portfolio achieved an occupancy rate of 97.5%, compared to 97.4% at the end of 2017. Out of the 10% of lease agreements that reached an expiry date in 2018, over 75% have now been extended. This reaffirms the trust customers have in WDP.

2.2 Acquisitions and divestments

2.2.1 Acquisitions

The first quarter of 2018 saw the completion of several acquisitions, with a total investment volume of 5 million euros and a total surface of 20,000 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. 8.9% from this.

Romania⁷



BRASOV-GHIMBAV: a sale-and-lease-back of the Flenco East Europe Fluid System site consisting of a building of approx. 20,000 m² and additional landholdings. Flenco is now leasing this site under a ten-year fixed lease. The investment budget for WDP is approx. 5 million euros.

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.⁸ 57% of the surface area has already been sold.

The site in **MEER** was also sold during the first quarter of 2018. An amount of 1.9 million euros in *Assets held for sale* is currently recognised in the balance sheet. This covers part of the non-strategic site in Anderlecht and part of the site in Leuven.

2.3 Projects completed during the first quarter of 2018

As announced, WDP successfully delivered the following pre-leased projects during the first quarter of 2018 and a total surface of 58,800 m². The initial gross rental yield for all

⁷ Based on 100% of the investment.

⁸ See the press release from 30 April 2015.

of these completed projects is 7.7%, with an investment budget of approx. 23 million euros.

The Netherlands

BARENDRECHT, DIERENSTEINWEG 30: the first stage of the redevelopment for tenant The Greenery (slated for the first quarter of 2018) has been completed. The investment budget for both stages (an area of approx. 23,700 m²) comes to approx. 10 million euros.⁹

BLEISWIJK, MAANSTEENWEG/SPECTRUMLAAN: projects on the purchased landholding of some 7 ha for Mediq, Total Exotics and Toolstation.¹⁰ The total investment budget for these projects amounts to approx. 28 million euros. The first quarter of 2018 saw the successful delivery of the new 6,000 m² site for Total Exotics. Total Exotics is leasing this property for a term of twelve years (with the first termination date after six years).

Romania¹¹

ARICESTII RAHTIVANI (PLOIESTI): newly built warehouse with offices of about 4,500 m² for Kamtec, specialising in car parts, which is signing on to a long-term ten-year lease. The investment budget amounts to approx. 3 million euros.

ORADEA (1): this new WDP site will accommodate over 4,000 m² in office space for Kuehne + Nagel under a five-year fixed lease. The investment budget amounts to approx. 2 million euros.

TIMISOARA (2): newly built warehouse totalling around 8,000 m² for logistics service provider TE Connectivity Solutions, under a ten-year lease with a break option after seven years. The investment budget amounts to approx. 3 million euros.

RAMNICU VALCEA (3): at the request of current tenant Faurecia, the current area was expanded by approx. 4,800 m² based on a ten-year lease after delivery, for both the existing and new warehouse space. The investment budget for this expansion amounts to around 3 million euros.

ORAJA (3): the site under construction for CEVA Logistics will be expanded immediately with two additional new warehouses of around 10,000 m² and 19,000 m².¹² The initial 10,000 m² stage is slated for delivery during the first quarter of 2018. CEVA Logistics is signing on to a three-year lease for the complete site. WDP projects a total investment budget for these two stages of some 10 million euros.



TIMISOARA (3): new warehouse totalling approx. 3,000 m² for furniture retailer Moemax, under a five-year lease. The investment budget amounts to approx. 2 million euros.

⁹ See also 2.4 Projects under development – the Netherlands.

¹⁰ See also 2.4 Projects under development – the Netherlands.

¹¹ Based on 100% of the investment.

¹² See also 2.4 Projects under development – Romania.

NEW

TIMISOARA (4): new warehouse totalling approx. 6,000 m² for 360 Co-packing, specialised in packaging, under a long-term five-year lease. The investment budget amounts to approx. 2 million euros.

2.4 Projects under development

WDP expects the total of projects under development of approx. 317 million euros¹³ and a total surface of 448,000 m² to generate an initial gross rental yield of around 6.8%.

Belgium

NEW

HEPPIGNIES, RUE DE CAPILÔNE 6 : the existing space (20,000 m²) for Trafic is being expanded with some 15,000 m² in new space, slated for delivery during the fourth quarter of 2018. Trafic is signing on to a twelve-year lease for this. The investment budget for WDP is approx. 8 million euros.

NEW

TONGEREN, HEERSTERVELDWEG 17: during the second quarter of 2018, WDP will acquire land with a direct connection to the E313 motorway for the development of a new cross-dock warehouse of around 5,000 m² for logistics service provider GLS. Completion of this new property is scheduled for the fourth quarter of 2019. GLS has signed a fifteen-year fixed lease. The investment budget for WDP is approx. 8 million euros.

The Netherlands

ECHT, FAHRENHEITWEG: in the ML business park in Echt, where WDP is already present with a site leased to Action, WDP will provide a distribution centre of approx. 14,000 m² that has been leased for a fixed ten-year term to logistics service provider Dick Vijn. The investment budget for WDP amounts to approx. 9 million euros. Delivery is scheduled for the second quarter of 2018.

BARENDRECHT, DIERENSTEINWEG 30: redevelopment of approx. 23,700 m², customised for tenant The Greenery, for a term of at least 15 years (delivery of the final stages is slated for the first quarter of 2019)¹⁴. The investment budget amounts to around 10 million euros.

BLEISWIJK, MAANSTEENWEG/SPECTRUMLAAN: projects are under construction on the purchased landholding of some 7 ha for Mediq, Total Exotics (completed)¹⁵ and Toolstation. For Mediq, a distribution centre of around 25,000 m² is being set up, with delivery slated for the third quarter of 2018, once the warehouse is fully fitted out by Mediq. For Toolstation, a new warehouse is under construction with an area of around 11,900 m², with completion scheduled for the third quarter of 2018. Toolstation is

¹³ Future costs: 147 million euros.

¹⁴ See also 2.3 *Projects completed during the first quarter of 2018 – the Netherlands.*

¹⁵ See also 2.3 *Projects completed during the first quarter of 2018 – the Netherlands.*

signing on to a ten-year lease for this. The total investment budget for these three projects amounts to approx. 28 million euros.

VEGHEL, MARSHALLWEG 2: partial redevelopment of a strategic FMCG campus for logistics service provider Kuehne + Nagel, already owned by WDP. This phased redevelopment involves replacing 31,000 m² in old warehouse space with a brand-new, state-of-the-art distribution centre totalling around 48,000 m². The second and third phase of approx. 29,000 m² is currently under development. WDP expects final delivery of these phases during the second and fourth quarter of 2018, respectively. The total investment budget for this redevelopment amounts to approx. 22 million euros.

MOERDIJK, ENERGIEWEG 4: a distribution centre totalling approx. 18,000 m² to be specially developed for the storage of packaged hazardous substances for Gondrand Traffic under a long-term fifteen-year lease. WDP plans to deliver this site over the course of the second quarter of 2018. This development has an investment budget of about 18 million euros.

AMSTERDAM, KAAPSTADWEG: new cross-docking warehouse totalling over 14,000 m² for logistics service provider DHL Parcel with an investment budget of approx. 14 million euros. Completion is projected for the course of the fourth quarter of 2018. DHL Parcel will rent the premises from WDP under a long-term fifteen-year lease. After delivery, it will be the tenth site in the WDP property portfolio customised for DHL in the Benelux region.

ZWOLLE, PADERBORNSTRAAT: a second distribution centre for online retailer wehkamp of approx. 25,000 m², to expand its existing fully automated e-commerce centre on this site. After delivery (slated for the fourth quarter of 2018), wehkamp will occupy this new property under a long-term ten-year lease. WDP projects an investment budget of approx. 24 million euros to complete this project.

ROTTERDAM, BEDRIJVENPARK OUDELAND: construction of a new property of 6,675 m² for food industry supplier Synergy Food under a long-term fifteen-year lease. This new construction will accommodate the new production and warehouse centre, to guarantee Synergy Food adequate room for future growth and new developments. The building is slated for delivery in the third quarter of 2019. WDP projects an investment budget of some 7 million euros.

HEIENOORD, BEDRIJVENPARK HOEKSE WAARD: after delivery (slated for the fourth quarter of 2019), trading house Van Claem Klerks Group and international transport firm Newcorp Logistics will lease warehouses of 11,025 m² and 11,050 m², respectively, based on a five-year lease term. The investment budget amounts to approx. 18 million euros.

ARNHEM, BEDRIJVENPARK IJSSELOORD 2: construction of a new warehouse of 20,250 m² for Bunzl, a supplier of packaging, disposables and hygiene products, under a long-term ten-year lease after delivery (slated for the first quarter of 2019). WDP projects an investment budget of approx. 18 million euros for this project.

NEW

SCHIPHOL LOGISTICS PARK: in late 2017, WDP exercised part of its purchase option to acquire some 4 ha of additional land to expand the Schiphol Logistics Park. Since then, WDP signed a lease agreement with client Rapid Logistics to expand the existing site with an additional 17,000 m² under a five-year lease, with delivery scheduled for the fourth quarter of 2018. WDP projects an investment of some 24 million euros for the entire project (including the land).

NEW

BLEISWIJK, SNELLIUSLAAN: the recently acquired land in Bleiswijk will see construction of its first project, for Konings-Zuivel, a distributor specialising in dairy products. WDP will build a distribution centre of approx. 8,000 m² on the site under a ten-year lease. Completion of this property is scheduled for the first quarter of 2019. The investment budget amounts to around 10 million euros.

NEW

TIEL, DE DIEPERT 5: the existing site is being expanded with a new distribution centre of around 25,000 m², with logistics service provider Kuehne + Nagel initially leasing some 12,000 m² for a multiannual term. Completion of this new property is scheduled for the fourth quarter of 2018. The investment amount is around 24 million euros for the entire expansion (including the land).

NEW

NIEUWEGEIN DIVISIEDOK: next to the WDP site leased to logistics service provider Fiege, WDP will acquire an additional site with an area of 2.5 ha in development potential with approx. 13,000 m² in pre-leased buildings for development. The investment budget amounts to around 5 million euros. Commercialisation of the site is currently in full swing.

Luxembourg¹⁶

EUROHUB SUD: new warehouse of approx. 25,000 m². WDP anticipates an investment value of 20 million euros for this project. The project is scheduled for completion in late 2018. Retailer Auchan will occupy a space of some 20,000 m², fitted with walk-in coolers and freezers, under a 15-year lease. In addition to its logistics centre, the supermarket chain will also set up its regional administrative headquarters on this site. The remaining 5,000 m² will be leased to Innovation First with a ten-year term. Innovation First specialises in the development and production of educational robots, toy robots for consumers and rack systems for servers and IT components.

Romania¹⁷

CLUJ-NAPOCA (3): at this site, supermarket chain Profi is centralising its retail service for fruits and vegetables for the Transylvania region. In phases, WDP will custom-develop a refrigerated distribution centre, with offices, totalling over 11,000 m², with delivery slated for the third quarter of 2018. Profi is signing on to a long-term ten-year lease agreement. The investment budget amounts to approx. 10 million euros.

¹⁶ Based on 100% of the investment.

¹⁷ Based on 100% of the investment.

ROMAN: in Roman, situated in the North East of Romania, a new construction project of around 39,000 m² is underway for Profi, under a long-term ten-year fixed lease. The investment budget amounts to around 15 million euros. Delivery is in stages, with the last stage scheduled for the second quarter of 2018.

ORADEA (2): a warehouse of over 16,000 m² will be developed for automotive supplier Inteva Products Salonta, which will lease this space under a ten-year lease. Delivery is slated for the third quarter of 2018. The investment budget amounts to around 8 million euros.

OARJA (3): the site under construction for logistics service provider CEVA Logistics will be expanded immediately with two additional new warehouses of around 10,000 m² (already delivered¹⁸) and 19,000 m² with delivery slated for the second quarter of 2018. CEVA Logistics is signing on to a three-year lease for the entire site. WDP projects a total investment budget for these two stages of some 10 million euros.

CONSTANTA: on the existing parcel owned by WDP, a new warehouse is under development for tenant Vesta ceu Romania, a global player in wind energy. The property will have an area of around 2,300 m², with delivery scheduled for the third quarter of 2018. The space will be leased under a five-year contract. The investment budget amounts to approx. 2 million euros.

PAULESTI (1): Global Enterprises International, a supplier for the automotive sector, is signing on to a seven-year lease for a newly built warehouse of around 4,800 m², to be delivered in the second quarter of 2018. The investment budget amounts to approx. 3 million euros.

PAULESTI (2): in addition, a newly built warehouse is also under development on this site for construction firm Norwest Romania, with an area totalling some 8,800 m², slated for delivery in the third quarter of 2018. The tenant is signing on to a ten-year agreement. WDP projects an investment budget of some 7 million euros.



OARJA (4): additional expansion of around 14,000 m² on this site, also for logistics service provider CEVA Logistics, with delivery projected for the third quarter of 2018. WDP projects an investment budget of some 5 million euros. The lease has a five-year term.



TIMISOARA (5): a new warehouse of around 15,000 m² for 360 Co-packing, specialised in packaging, which is also a tenant at another WDP site. 360 Co-packing will lease this new site for a five-year term. Delivery is planned for the third quarter of 2018. WDP projects an investment budget of some 8 million euros.



BUCHAREST (4): on the parcel acquired in 2017 in North West Bucharest, WDP will develop three new warehouses totalling 24,000 m² for logistics service provider Aquila Part Prod Com, under a five-year lease. The space will be delivered in stages

¹⁸ See also 2.3 Projects completed during the first quarter of 2018 – Romania.

in the second and third quarter of 2018. The investment budget amounts to approx. 15 million euros.



BUCHAREST (5): on the same site, Sarantis Romania, manufacturer and distributor of cosmetics, will move into a newly built warehouse of approx. 10,000 m² (projected delivery: Q4 2018) under a lease term of seven years and three months. WDP assumes an investment budget of some 6 million euros.



SIBIU (3): a new warehouse of approx. 5,000 m² for Aeronamic Eastern Europe SRL, supplier to the sector of wind energy, which is signing on to a long-term 15-year lease (with first termination date after ten years). The investment budget amounts to approximately 4 million euros.

2.5 Sustainability

Second stage of solar panel project in the Netherlands adds 25 MWp, on top of the existing 25 MWp

Currently, the second phase of its solar panel project is underway, with a total investment of some 25 million euros. In collaboration with the clients, this project will add a total of 25 MWp in additional capacity to the PV portfolio by the end of 2019, in excess of the existing capacity of 25 MWp that is installed.

Along with installations in Belgium and Romania, WDP is moving from a current 60 MWp towards 85 MWp of installed solar capacity in its portfolio. Over the medium-term, WDP will strive for a total PV portfolio of 100 MWp.

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2.6 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 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.

▶ New credit facility

During the first quarter of 2018, WDP secured an additional credit line of 50 million euros under a seven-year term.

3. Financial results

3.1 Summary

The EPRA Earnings of WDP for Q1 2018 amount to 29.5 million euros. This result represents an increase of 15.3% compared to the result of 25.6 million euros in Q1 2017. The EPRA Earnings per share come to 1.34 euros, an increase of 11.7% 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		
	31.03.2018	31.12.2017
Fair value of property portfolio (including solar panels) (in million euros)	2,865,3	2,669,8
Gross initial yield (including vacancies) ¹ (in %)	7,1	7,1
Net initial yield (EPRA) ² (in %)	6,4	6,4
Average lease term (until first break) ³ (in years)	6,3	6,2
Occupancy rate ⁴ (in %)	97,5	97,4
Like-for-like rental growth ⁵ (in %)	2,0	1,1
Operating margin ⁶ (in %)	91,0	91,6
Financial		
	31.03.2018	31.12.2017
Gearing ratio (IFRS) ⁷	53,1	51,5
Gearing ratio (proportional) (in line with the GVV/SIR Royal Decree)	53,3	53,1
Interest Coverage Ratio ⁸ (in x)	4,4	4,9
Average cost of debt (in %) ⁹	2,4	2,6
Average remaining duration of outstanding debt (in years)	4,6	4,1
Average remaining duration of long term credit facilities (in years)	5,0	4,5
Hedge ratio ¹⁰ (in %)	93	91
Average remaining term of hedges ¹¹ (in years)	7,6	7,6
Result (in million euros)		
	31.03.2018	31.03.2017
Property result	41,4	35,0
Operating result (before the result on the portfolio)	37,6	32,1
Financial result (excluding changes in the fair value of the financial instruments) ¹²	-7,5	-6,8
EPRA Earnings ¹³	29,5	25,6
Result on the portfolio (including participation joint ventures) - Group share ¹⁴	11,9	18,5
Changes in the fair value of the financial instruments - Group share	3,5	7,5
Depreciation and write-down on solar panels (including participation joint ventures) - Group share	-1,1	-1,0
Net result (IFRS) - Group share	43,4	50,6
Details per share (in euros)		
	31.03.2018	31.03.2017
EPRA Earnings ¹⁵	1,34	1,20
Result on the portfolio (including participation joint ventures) - Group share ¹⁶	0,54	0,87
Changes in fair value of the financial instruments - Group share	0,16	0,35
Depreciation and write-down on solar panels - Group share	-0,05	-0,04
Net result (IFRS) - Group share	1,97	2,37
IFRS NAV ¹⁷	58,2	50,8
EPRA NAV ¹⁸	60,3	53,3
EPRA NNAV ¹⁹	57,8	50,3

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 Q1 2018 and Q1 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

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 geregelende 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 participation 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 participation 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 NNAV: 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	31.03.2018	31.12.2017
EPRA Earnings (in euros per share) ²	1,34	1,20
EPRA NAV (in euros per share) ³	60,3	58,3
EPRA NNAV (in euros per share) ⁴	57,8	55,9
EPRA Net Initial Yield (in %)	6,4	6,4
EPRA Topped-up Net Initial Yield (in %)	6,4	6,4
EPRA vacancy rate (in %)	2,7	2,9
EPRA Cost Ratio (incl. direct vacancy costs) (in %) ⁵	8,4	9,0
EPRA Cost Ratio (excl. direct vacancy costs) (in %) ⁵	8,1	8,5

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

²EPRA 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 Q1 2018 and Q1 2017.

³EPRA 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.

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

⁵EPRA 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 to the profit and loss accounts as at 31 March 2018 (analytical schedule)

3.4.1 Property result

The property result for Q1 2018 amounts to 41.4 million euros, an increase of 18.2% over last year (35.0 million euros). This increase is driven by continued portfolio growth in 2017-18, in the five countries where WDP is active, primarily through new pre-leased projects. With an unchanged portfolio, the rental income rose by +2.0%¹⁹, mainly driven by the indexing of leases. The property result also includes 1.9 million euros in income from solar panels (compared to 1.6 million euros in the same period last year, when the installed capacity was smaller).

Gross rental income by country (in euros x 1 000)						
	Belgium	Netherlands	France	Romania ¹	Total IFRS	Luxembourg ¹
I. Rental income	16.910	19.653	1.804	2.844	41.210	233
III. Rental charges ¹	-355	251	92	0	-12	-14
Rental income, net of rental-related expenses	16.555	19.904	1.895	2.844	41.198	219

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)'.
¹⁹ 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 37.6 million euros in the first quarter of 2018, an increase of 17.4% compared to the same period last year (32.1 million euros). Property and other general expenses amounted to 3.7 million euros for the first quarter of 2018, an increase of 0.8 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 Q1 2018 coming to 91.0% – 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)²⁰ amounts to -7.5 million euros for the first quarter of 2018, an increase over last year (-6.8 million euros) due to higher outstanding financial debt and the loss of the interest received on loans provided to the Romanian entity which have now been fully consolidated (previously, using the equity accounting method).

The total financial debt (as per IFRS) amounted to 1,497.9 million euros as at 31 March 2018, compared to 1,070.7 million euros in the same period last year. The average cost of debt in the first quarter of 2018 was 2.4% compared to 2.6% in 2017.

3.4.4 Participation in the result of associated companies and joint ventures

The amount of 0.1 million euros for the first quarter of 2018 is primarily for 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 Q1 2018 amounts to 29.5 million euros. This result marks an increase of 15.3% over the result of 25.6 million euros in 2017. The EPRA Earnings per share are up 11.7% year-on-year, including an increase of 3% in the weighted average number of outstanding shares.

²⁰ Financial result (excluding 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 participation joint ventures) – Group share

The result on the portfolio (including participation joint ventures) – Group²¹ share for the first quarter of 2018 amounts to +11.5 million euros, or +0.52 euros per share²². For the same period last year, this result amounted to +18.5 million euros or +0.87 euros per share. This breaks down as follows by country for the first quarter of 2018: Belgium (+0.1 million euros), the Netherlands (+7.5 million euros), France (+2.5 million euros) and Romania (+1.4 million euros) and Luxembourg (+0.0 million euros).

The revaluation of 11.5 million euros marks a 0.5%-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 share²³ amounts to +3.5 million euros or +0.16 euros per share for the first quarter of 2018 (compared to +7.5 million euros or +0.35 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 31 March 2018, as a result of an increase in long-term interest rates during the first quarter 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 participation joint ventures) – Group share

The solar panels are appraised 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 and write-down amounts to -1.0 million euros. Since this

²¹ Result on the portfolio (including participation 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.

²² Result on the portfolio (including participation joint ventures) per share – Group share: this is the result on the portfolio (including participation joint ventures) based on the weighted average number of shares.

²³ 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.

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 (including participation joint ventures), 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 43.4 million euros in the first quarter of 2018 (compared to 50.6 million euros in the same period last year).

The difference between the net result (IFRS) – Group share of 43.4 million euros and the EPRA Earnings of 29.5 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 31 March 2018

3.5.1 Property portfolio²⁴

According to independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, the fair value²⁵ of the WDP property portfolio according to IAS 40 amounted to 2,753.7 million euros on 31 March 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 panels²⁶, the total portfolio value grew to 2,865.3 million euros compared to 2,669.8 million euros at 2017 year-end.

This value of 2,753.7 million euros includes 2,481.3 million euros in completed properties (standing portfolio). The projects under development account for a value of 140.1 million euros. In addition, WDP also holds land reserves in places such as Courcelles, Heppignies, Tiel, Bleiswijk, Den Bosch and Schiphol and the land bank in Romania, at a fair value of 132.3 million euros.

The investments made in solar panels were valued at a fair value of 111.5 million euros as at 31 March 2018.

²⁴ 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.

²⁵ For the precise valuation method used, please refer to the BE-REIT press release dated 10 November 2016.

²⁶ 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 7.1%²⁷. The gross rental yield after deduction of the estimated market rental value for the unleased parts is 6.9%.

Portfolio statistics by country	Belgium	Netherlands	France	Luxemburg	Romania	Total
Number of lettable sites	76	78	9	1	16	180
Gross lettable area (in m ²)	1.736.997	1.717.700	213.467	14.772	326.532	4.009.467
Land (in m ²)	3.391.911	3.298.564	471.358	28.507	3.154.744	10.345.083
Fair value (in million euros)	1.014,6	1.310,2	123,7	12,9	292,3	2.753,7
% of total fair value	38%	49%	5%	0%	9%	100%
% change in fair value for S1 2017	0,0%	0,6%	2,1%	-0,1%	1,7%	0,5%
Vacancy rate (EPRA) ^{1,2}	4,2%	1,7%	5,8%	0,0%	0,0%	2,7%
Average lease length till first break (in y) ²	4,4	6,6	4,3	1,7	10,4	5,9
WDP gross initial yield ³	7,2%	6,9%	6,9%	7,9%	8,2%	7,1%
Effect of vacancies	-0,3%	-0,1%	-0,4%	0,0%	0,0%	-0,2%
Adjustment gross to net rental income (EPRA)	-0,2%	-0,3%	-0,1%	-0,6%	-0,1%	-0,2%
Adjustments for transfer taxes	-0,2%	-0,3%	-0,3%	-0,5%	-0,1%	-0,3%
EPRA net initial yield ¹	6,5%	6,1%	6,1%	6,8%	7,9%	6,4%

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 60.3 euros on 31 March 2018. This marks an increase of 2.0 euros compared to an EPRA NAV per share of 58.3 euros on 31 December 2017 as a consequence of the profit generation and revaluation of the portfolio in the first quarter of 2018. The IFRS NAV per share²⁸ came to 58.2 euros on 31 March 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 1,497,9 million euros by 31 March 2018, compared to 1,349.8 million euros as at the end of December 2017, mainly related to the consolidation in full of the Romanian entity. The short-term financial debt of 226 million euros mainly includes the traditional commercial paper programme (192 million euros).

The balance sheet total rose from 2,675.3 million euros on 31 December 2017 to 2,907.9 million euros by the end of March 2018. The gearing ratio came to 53.1%/53.3% (IFRS/proportionate) on 31 March 2018, compared to 51.5%/53.1% (IFRS/proportionate) on 31 December 2017.

²⁷ 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).

²⁸ 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.

The weighted average term of WDP's outstanding financial debts on 31 March 2018 was 4.4 years²⁹. If only the total drawn and undrawn long-term loans are taken into account, the weighted average term amounts to 5.0 years³⁰. On 31 March 2018, the total amount of undrawn and confirmed long-term credit facilities was some 260 million euros³¹.

The average cost of debt was 2.4% in the first quarter of 2018. The Interest Coverage Ratio³² is equal to 4.4x for the same period, compared to 4.9x for the entire 2017 financial year. The hedge ratio³³, 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 93%, with a weighted average hedged term of 7.6 years.

²⁹ Including the short-term debts, these mainly consist of the commercial paper programme, which is fully hedged with backup facilities.

³⁰ 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 term of long-term loans will be 5.4 years.

³¹ Excluding the credit facilities to hedge the commercial paper programme.

³² Defined as operating result (before result on the portfolio), divided by interest charges, minus interest and dividends collection, minus compensation for financial leasing and others.

³³ ▣ 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

As announced previously at the time of publication of the 2017 FY results, WDP forecasts an EPRA Earnings per share of 6.00 euros for 2018, an increase of 7% over 2017. This increase of +7% is below the +12% increase of Q1 2018, since the completed projects of the previous year have mainly started contributing to the result as from the second quarter of 2017. 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 payout ratio.³⁴

The main driving force behind this is the strong portfolio growth in 2017 thanks to pre-leased new construction projects and solar power projects, which will yield full returns in 2018. In addition, WDP currently holds a strong project development pipeline of approx. 450,000 m² and a projected investment of around 300 million euros, which will also contribute to the 2018 result. Moreover, as at 1 January 2018, WDP fully had consolidated its Romanian entity, increasing its holding from 51% to 80%, which in financial terms boils down to an acquisition of some 80 million euros³⁵.

In 2018, 10% of the contracts will reach their next maturity date, over 75% 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 full consolidation of Romanian activities and execution of the project development pipeline, takes into account a projected gearing ratio of around 54% at 2018 year-end and an average cost of debt of 2.5%. WDP still aims for a gearing ratio of between 55 and 60% over the medium term³⁶.

³⁴ 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.

³⁵ Calculation based on the overall portfolio (including solar panels) of WDP Development RO of 280 million euros (80% - 51%) as at 31 December 2017.

³⁶ 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.

5.1 Financial statements – Key figures as at 31 March 2018 – analytical (results and balance sheet)

5.1 Consolidated results

Consolidated results (in euros x 1 000)	Q1 2018	Q1 2017	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	41.198	34.688	6.510	18,8%
Indemnification related to early lease terminations	0	402	-402	n.r.
Income from solar energy	1.930	1.579	351	22,2%
Other operating income/costs	-1.769	-1.664	-105	n.r.
Property result	41.358	35.004	6.354	18,2%
Property charges	-1.510	-1.329	-181	13,6%
General company expenses	-2.200	-1.599	-601	37,6%
Operating result (before the result on the portfolio)	37.649	32.077	5.572	17,4%
Financial result (excl. changes in the fair value of financial instruments)	-7.519	-6.781	-738	10,9%
Taxes on EPRA Earnings	-86	-7	-79	n.r.
Deferred taxes on EPRA Earnings	-225	-225	0	n.r.
Participation in the result of associated companies and joint ventures	96	504	-408	n.r.
Minority interests	-442	0	-442	n.r.
EPRA Earnings	29.473	25.567	3.906	15,3%
Changes in the fair value of investment properties (+/-)	12.575	18.872	-6.297	n.r.
Result on disposal of investment property (+/-)	-122	-475	353	n.r.
Deferred taxes on the result on the portfolio (+/-)	-574	23	-597	n.r.
Participation in the result of associated companies and joint ventures	0	49	-49	n.r.
Result on the portfolio	11.879	18.469	-6.590	n.r.
Minority interests	-355	0	-355	n.r.
Result on the portfolio - Group share	11.524	18.469	-6.945	n.r.
Changes in the fair value of the financial instruments	3.471	7.538	-4.067	n.r.
Changes in the fair value of the financial instruments	3.471	7.538	-4.067	n.r.
Minority interests	0	0	0	n.r.
Changes in the fair value of the financial instruments - Group share	3.471	7.538	-4.067	n.r.
Depreciation and write-down on solar panels	-1.074	-871	-202	n.r.
Participation in the result of associated companies and joint ventures	0	-80	80	n.r.
Depreciation and write-down on solar panels	-1.074	-951	-123	n.r.
Minority interests	33	0	33	n.r.
Depreciation and write-down on solar panels - Group share	-1.041	-951	-90	n.r.
Net result (IFRS)	44.191	50.623	-6.431	n.r.
Minority interests	-764	0	-764	n.r.
Net result (IFRS) - Group share	43.428	50.623	-7.195	n.r.

Key ratios (in euros per share)	Q1 2018	Q1 2017	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings ¹	1,34	1,20	0,14	11,7%
Result for the portfolio - Group share ¹	0,52	0,87	-0,34	n.r.
Changes in the fair value of the financial instruments - Group share ¹	0,16	0,35	-0,20	n.r.
Depreciation and write-down on solar panels - Group share ¹	-0,05	-0,04	0,00	n.r.
Net result (IFRS) - Group share ¹	1,97	2,37	-0,40	n.r.
EPRA Earnings ²	1,34	1,20	0,14	11,7%

Weighted average number of shares	22.009.277	21.326.043	683.234	3,2%
Number of outstanding shares at the end of the period	22.009.277	21.326.043	683.234	3,2%

¹ Calculation based on the weighted average number of shares.

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

5.2 Consolidated balance sheet

Consolidated balance sheet (in euros x 1 000)	31.03.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	156	146	11	n.r.
Investment property	2.727.780	2.404.027	323.753	13,5%
Other tangible fixed assets (including solar panels)	114.441	95.876	18.565	19,4%
Financial fixed assets	16.071	97.469	-81.398	-83,5%
Trade receivables and other fixed assets	4.428	3.411	1.018	29,8%
Deferred taxes - assets	262	0	262	n.r.
Participations in associated companies and joint ventures - equity method	6.062	31.626	-25.564	-80,8%
Fixed assets	2.869.199	2.632.554	236.645	9,0%
Assets held for sale	1.867	7.525	-5.658	n.r.
Trade receivables	15.941	9.042	6.899	n.r.
Tax receivables and other current assets	12.998	22.830	-9.832	n.r.
Cash and cash equivalents	1.895	1.231	664	n.r.
Accruals and deferrals	5.993	2.116	3.877	n.r.
Current assets	38.694	42.745	-4.051	n.r.
Total assets	2.907.893	2.675.299	232.595	n.r.
Capital	168.873	168.873	0	0,0%
Issue premiums	545.154	545.154	0	0,0%
Reserves	523.347	289.256	234.091	80,9%
Net result for the financial year	43.428	235.156	-191.728	-81,5%
Equity capital attributable to shareholders of the Group	1.280.802	1.238.439	42.363	3,4%
Minority interests	25.898	0	25.898	0%
Equity capital	1.306.700	1.238.439	68.261	5,5%
Long term liabilities	1.318.075	1.158.293	159.781	13,8%
Long term financial debt	1.271.585	1.108.966	162.619	14,7%
Other long term liabilities	46.490	49.328	-2.838	-5,8%
Short term liabilities	283.119	278.566	4.552	1,6%
Short term financial debt	226.308	240.849	-14.541	-6,0%
Other short term liabilities	56.811	37.717	19.094	50,6%
Liabilities	1.601.193	1.436.860	164.334	11,4%
Total liabilities	2.907.893	2.675.299	232.595	8,7%

Key ratios	31.03.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
(in euros per share)				
IFRS NAV	58,2	56,3	1,9	3,4%
EPRA NAV	60,3	58,3	2,0	3,4%
Share price	101,0	93,4	7,6	8,1%
Premium/Discount with regard to EPRA NAV	67,6%	60,3%	7,3%	n.r.
(in euros x million)				
Fair value of the portfolio (including solar panels) ¹	2.865,3	2.669,8	195,4	7,3%
Debts and liabilities included in the gearing ratio	1.540,7	1.374,3	166,4	12,1%
Balance sheet total	2.908	2.675	233	8,7%
Gearing ratio (IFRS)	53,1%	51,5%	1,6%	n.r.
Gearing ratio (proportional) ²	53,3%	53,1%	0,2%	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 31 March 2018 – IFRS

6.1 Profit and loss account

Income statement (in euros x 1 000)	Q1 2018	FY 2017	Q1 2017
Rental income	41.210	145.661	35.365
Rental charges	-12	-1.286	-276
Net rental result	41.198	144.375	35.090
Recovery of property costs	0	0	0
Recovery of rental charges and taxes normally paid by the tenant on let properties	6.745	9.239	5.719
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	-9.004	-11.635	-8.070
Other income and charges related to leases	2.419	12.513	2.266
Property result	41.358	154.493	35.004
Technical costs	-945	-3.345	-845
Commercial costs	-215	-683	-138
Property management costs	-350	-930	-346
Property charges	-1.510	-4.959	-1.329
Property operating results	39.849	149.534	33.675
General company expenses	-2.200	-6.695	-1.599
Depreciation and write-down on solar panels	-1.074	-3.904	-871
Operating result (before the result on the portfolio)	36.575	138.935	31.205
Result on disposals of investment properties	-122	929	-475
Changes in the fair value of investment properties	12.575	94.763	18.872
Operating result	49.029	234.627	49.602
Financial income	76	3.268	406
Net interest charges	-7.455	-28.504	-7.067
Other financial charges	-140	-498	-120
Changes in the fair value of financial assets and liabilities	3.471	16.470	7.538
Financial result	-4.048	-9.264	756
Participation in the result of associated companies and joint ventures	96	10.803	474
Result before taxes	45.077	236.166	50.833
Taxes	-885	-1.010	-210
Net result	44.191	235.156	50.623
Attributable to:			
Minority interests	764	0	0
Shareholders of the Group	43.428	235.156	50.623
Weighted average number of shares	22.009.277	21.687.261	21.326.043
Net result per share (in euros)	1,97	10,84	2,37
Diluted net result per share (in euros)	1,97	10,84	2,37

6.2 Consolidated balance sheet

Balance sheet - Assets (in euros x 1 000)	31.03.2018	31.12.2017	31.03.2017
Fixed assets	2.869.199	2.632.554	2.241.100
Intangible fixed assets	156	146	145
Investment properties	2.727.780	2.404.027	2.094.850
Other tangible fixed assets (including solar panels)	114.441	95.876	88.675
Financial fixed assets	16.071	97.469	38.905
Trade receivables and other non-current assets	4.428	3.411	3.722
Deferred taxes - assets	262	0	0
Participations in associated companies and joint ventures - equity method	6.062	31.626	14.804
Current assets	38.694	42.745	26.880
Assets held for sale	1.867	7.525	0
Trade receivables	15.941	9.042	15.088
Tax receivables and other current assets	12.998	22.830	7.027
Cash and cash equivalents	1.895	1.231	644
Accruals and deferrals	5.993	2.116	4.121
Total assets	2.907.893	2.675.299	2.267.980

Balance sheet - Liabilities (in euros x 1 000)	31.03.2018	31.12.2017	31.03.2017
Shareholder's equity	1.306.700	1.238.439	1.083.432
I. Shareholder's equity attributable to the parent company's shareholders	1.280.802	1.238.439	1.083.432
Capital	168.873	168.873	163.665
Issue premiums	545.154	545.154	492.330
Reserves	523.347	289.256	376.814
Net result for the financial year	43.428	235.156	50.623
II. Minority interests	25.898	0	0
Liabilities	1.601.193	1.436.860	1.184.548
I. Non-current liabilities	1.318.075	1.158.293	923.918
Provisions	657	655	1.045
Non-current financial liabilities	1.271.585	1.108.966	865.798
Other non-current financial liabilities	45.833	48.673	57.075
II. Current liabilities	283.119	278.566	260.630
Current financial liabilities	226.308	240.849	204.946
Other current financial liabilities	0	0	0
Trade payables and other current debts	37.974	22.774	38.310
Other current liabilities	4.908	1.549	1.819
Accruals and deferrals	13.928	13.394	15.556
Total liabilities	2.907.893	2.675.299	2.267.980

7. EPRA Performance measures³⁷

7.1 EPRA Earnings

EPRA Earnings (in euros x 1 000)	Q1 2018	Q1 2017
Earnings per IFRS income statement	43.428	50.623
Adjustments to calculate the EPRA Earnings, exclude:		
I. Changes in value of investment properties, development properties held for investment and other interests		
- Changes in the value of the real estate portfolio	-11.501	-18.000
- Depreciation and write-down on solar panels	-12.575	-18.872
	1.074	871
II. Profit or losses on disposal of investment properties, development properties held for investment and other interests	122	475
VI. Changes in fair value of financial instruments and associated close-out costs	-3.471	-7.538
VIII. Deferred tax in respect of EPRA adjustments	574	-23
IX. Adjustments (i) to (viii) to the above in respect of joint ventures	0	30
X. Minority interests in respect of the above	322	0
EPRA Earnings	29.473	25.567
Weighted average number of shares	22.009.277	21.326.043
EPRA Earnings per share (EPS) (in euros)	1,34	1,20

7.2 EPRA NAV

EPRA NAV (in euros x 1 000)	31.03.2018	31.12.2017
IFRS NAV	1.280.802	1.238.439
IFRS NAV/share (in euros)	58,2	56,3
Diluted NAV, after the exercise of options, convertibles and other equity interests	1.280.802	1.238.439
Includes (+/-):		
(iv) Fair value of financial instruments	39.438	42.909
(v.a) Deferred tax	5.893	2.631
EPRA NAV	1.326.133	1.283.979
Number of shares	22.009.277	22.009.277
EPRA NAV per share (in euros)	60,3	58,3
EPRA NAV	1.326.133	1.283.979
Includes:		
i. Fair value of financial instruments	-39.438	-42.909
ii. Fair value of debt	-9.310	-9.039
iii. Deferred tax	-5.893	-2.631
EPRA NNAV	1.271.492	1.229.400
Number of shares	22.009.277	22.009.277
EPRA NNAV per share (in euros)	57,8	55,9

7.3 EPRA cost ratio

EPRA cost ratio (in euros x 1 000)		Q1 2018	Q1 2017
Include:			
I. Administrative/operating expenses (IFRS)		4.206	3.872
III. Management fees less actual/estimated profit element		-259	-301
IV. Other operation income/recharges, intended to cover overhead expenses less any related profits		-266	-30
V. Administrative/operating expenses of joint ventures expense		2	150
Exclude (if part of the above):			
VI. Investment Property Depreciation		-208	-158
EPRA costs (including direct vacancy costs)	A	3.475	3.533
IX. Direct vacancy costs		-153	-203
EPRA costs (excluding direct vacancy costs)	B	3.322	3.330
X. Gross rental income less ground rent costs (IFRS)		40.932	38.268
X. Gross rental income less ground rent costs of joint ventures		219	911
Gross rental income	C	41.151	39.179
EPRA cost ratio (including direct vacancy costs)	A/C	8,4%	9,0%
EPRA cost ratio (excluding direct vacancy costs)	B/C	8,1%	8,5%

7.4 EPRA NIY and EPRA TOPPED-UP NIY

EPRA NIY NAV and EPRA TOPPED-UP NIY (in euros x 1 000)		31.03.2018	31.12.2017
Investment property - wholly owned		2.727.780	2.404.027
Investment property - share of joint ventures		24.101	155.863
Assets held for sale		1.867	7.525
Less developments and land reserves		-282.242	-232.209
Completed property portfolio		2.471.506	2.335.206
Allowance for estimated purchasers' costs		100.489	98.054
Gross up completed property portfolio valuations	B	2.571.995	2.433.260
Annualised cash passing rental income		170.996	161.366
Property outgoings		-5.956	-5.621
Annualised net rent	A	165.040	155.745
Notional rent expiration of rent free period or other lease incentives		0	0
Topped-up net annualised rent	C	165.040	155.745
EPRA NIY	A/B	6,4%	6,4%
EPRA TOPPED-UP NIY	C/B	6,4%	6,4%

³⁷ EPRA is a registered trademark of the European Public Real-estate Association.

8. Detailed calculation of the Alternative Performance Measures applied by WDP³⁸

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

Result on the portfolio (including participation joint ventures) (in euros x 1 000)	Q1 2018	Q1 2017
Movement in the fair value of investment property	12.575	18.872
Result on disposal of investment property	-122	-475
Deferred taxation on result on the portfolio	-574	23
Participation in the result of associated companies and joint ventures	0	49
Result on the portfolio	11.879	18.469
Minority interests	-355	0
Result on the portfolio - Group share	11.524	18.469

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

Movement in the gross rental income based on an unchanged portfolio (in euros x 1 000)	Q1 2018	Q1 2017
Properties owned throughout the two years	34.093	33.413
Development property	5.666	1.671
Acquisitions	1.685	10
Disposals	0	502
Total	41.443	35.595
To be excluded		
Rental income of joint ventures	-233	-230
Rental income (IFRS)	41.210	35.365

³⁸ Excluding EPRA metrics, some of which are regarded as APMs and reconciled under Chapter 7. *EPRA Performance measures*.

8.3 Average cost of debt

Average cost of debt (in euros x 1 000)	Q1 2018	FY 2017
Financial result (IFRS)	-4.048	-9.264
To be excluded:		
Financial income	-76	-3.268
Changes in fair value of financial assets and liabilities	-3.471	-16.470
Interest capitalised during construction	-1.000	-1.859
To be included		
Interest expenses of joint ventures	-32	-857
Effective financial expenses (proportional) (A)	-8.626	-31.718
Average outstanding financial liabilities (IFRS)	1.423.854	1.168.489
Average outstanding financial liabilities of joint ventures	45.924	64.487
Average outstanding financial liabilities (proportional) (B)	1.469.778	1.232.976
Annualised Average cost of debt (A/B)	2,4%	2,5%

8.4 Operating margin

Operating margin (in euros x 1 000)	Q1 2018	Q1 2017
Property result (IFRS)	41.358	35.004
Operating result (before the portfolio result) (excluding depreciation and write-downs on solar panels)	37.649	32.077
Operating margin	91,0%	91,6%

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

Financial result (excluding the changes in fair value of financial instruments) (in euros x 1 000)	Q1 2018	Q1 2017
Financial result	-4.048	756
To be excluded:		
Changes in fair value of financial assets and liabilities	-3.471	-7.538
Financial result (excluding the changes in fair value of financial instruments)	-7.519	-6.781

8.6 Hedge ratio

Hedge ratio (in euros x 1 000)	31.03.2018	31.12.2017
Notional amount of Interest Rate Swaps	1.026.231	1.026.768
Fixed-interest financial liabilities	7.306	7.532
Fixed-interest bonds	366.500	266.500
Fixed-interest financial liabilities at balance sheet date and hedging instruments (A)	1.400.036	1.300.800
Current and non-current financial liabilities (IFRS)	1.497.893	1.349.815
Proportional share in joint ventures in current and non-current financial liabilities	10.758	81.091
Financial liabilities at balance sheet date (B)	1.508.651	1.430.906
Hedge ratio (A/B)	93%	91%

8.7 Gearing ratio

	31.03.2018	31.03.2018	31.12.2017	31.12.2017	
Gearing ratio (in euros x 1 000)	(IFRS)	(proportional)	(IFRS)	(proportional)	
Non-current and current liabilities	1.601.193	1.615.418	1.436.860	1.530.038	
To be excluded:					
- I. Non-current liabilities - A. Provisions	657	657	655	656	
- I. Non-current liabilities - C. Other non-current financial liabilities - Permitted hedging instruments	45.833	45.833	48.673	48.673	
- I. Non-current liabilities - F. Deferred taxes - Liabilities	0	894	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	
Hedging instruments					
- II. Current liabilities - F. Accruals and deferred income	13.928	13.876	13.394	13.677	
Total debt	A	1.540.775	1.554.158	1.374.139	1.466.138
Total assets	B	2.907.893	2.922.118	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	6.395	6.395	5.764	5.764	
Total assets	B	2.901.498	2.915.722	2.669.535	2.762.681
Gearing ratio	A/B	53,1%	53,3%	51,5%	53,1%

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MORE INFORMATION



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