

Interim  
financial  
report

15



**WDP**

WAREHOUSES WITH BRAINS

## 2015 INTERIM FINANCIAL REPORT

- **The net current result for H1 2015 amounts to 41.4 million euros or 2.32 euros per share, which implies an increase per share of 14.0% compared to H1 2014.**
- **For 2015, after a strong first half-year and the announced acquisitions, WDP increases its ambition for a net current result from 4.50 to 4.70 euros per share (about 85 million euros), an increase of 15% compared to 2014.**
- **In addition, WDP increases dividend expectations for 2015 from 3.60 to 3.75 euros per share, a projected increase of 10% compared to 2014.**

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### Summary<sup>1</sup>

- The net current result for H1 2015 amounts to 41.4 million euros, an increase of 26.0% compared to H1 2014 (32.9 million euros). The net current result per share<sup>2</sup> for H1 2015 increased by 14.0% to 2.32 euros, compared to 2.04 euros in H1 2014.
- The occupancy rate<sup>3</sup> amounts to 97.5% as of 30 June 2015, stable compared to 97.6% as of 31 December 2014. The average duration (until the first termination date) of the rental contracts of the WDP portfolio is 6.7 years (including solar panels).
- On 30 June 2015, the gearing ratio amounted to 58.2%, compared to 55.8% at the end of 2014. The fair value of the portfolio<sup>4</sup> amounted to 1,805.9 million euros compared to 1,567.3 million euros at the end of 2014.
- The NAV (EPRA)<sup>5</sup> amounts to 40.3 euros on 30 June 2015, compared to 39.2 euros on 31 December 2014.

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<sup>1</sup> As a consequence of IFRS 11 Joint Arrangements coming into effect, the results and effect on the balance sheet of the joint venture WDP Development RO, in which WDP holds 51%, were incorporated with effect from 1 January 2014 according to the equity accounting method. With regards to the statistics in connection with the reporting on the portfolio, the proportionate part of WDP in the portfolio of WDP Development RO is shown (51%).

<sup>2</sup> Based on the weighted average number of outstanding shares during H1 2015, i.e. 17,849,824.

<sup>3</sup> The occupancy rate is calculated on the basis of the rental values of the leased buildings and the unleased premises and includes incomes from solar panels. Projects under construction and/or renovation are not taken into account.

<sup>4</sup> The portfolio value is composed of investment properties, investment properties under development for own account with the purpose of being rented out, assets held for sale and the fair value of the solar panels. If the solar panels are not taken into consideration, the portfolio value amounts to 1,720.9 million euros compared to 1,492.1 million euros at the end of 2014.

<sup>5</sup> Financial performance indicator calculated according to the Best Practices Recommendations of the EPRA (European Public Real Estate Association). See [www.epra.com](http://www.epra.com).

- After the recently announced acquisitions, the total investment volume within the scope of the 2013-2016 growth plan amounts to approximately 700 million euros. With this investment package, more than 85% of the forecast targeted growth of the portfolio (from approximately 800 million euros to 2.0 billion euros) has already been identified, and WDP is on track to achieve the recently raised objectives set in the 2013-2016 growth plan.<sup>6</sup>
- In the first half of 2015, WDP was able to double its future portfolio in Romania to approximately 100,000 m<sup>2</sup> in leasable area, through the start-up of five new construction projects.<sup>7</sup>
- WDP has taken advantage of the very low interest rates to extend its existing hedging instruments<sup>8</sup>, which leads to an improved visibility on earnings and provides an immediate cost saving, resulting in a decrease of the average cost of debt to 2.8%.
- WDP increases its ambition for an expected net current result for 2015 from 4.50 to 4.70 euros per share (from about 82 million to about 85 million euros), an increase of 15% compared to 2014. Of the expected growth by 15%, 9% (namely 0.35 euros per share) relates to the strong portfolio growth in 2014-15 and 6% (namely 0.25 euros per share) is driven by the reduction in the cost of debt<sup>9</sup>.
- Consequently, a dividend increase for 2015 (payable in 2016) from 3.60 to 3.75 euros gross per share has been projected, again an increase, now of 10%, based on a low payout ratio of about 80%.

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<sup>6</sup> See press release dated 11 February 2015.

<sup>7</sup> Based on 100% of the investment.

<sup>8</sup> More specifically, a number of existing Interest Rate Swaps were extended by flattening these over time in a cash-neutral manner.

<sup>9</sup> Including the bond loan that was issued right after the balance sheet date and based on a hedge ratio of 77%.

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## **1. Risk factors**

WDP's strategy is aimed at creating stability for investors with regard to both dividends and income over the long term. The management and Board of Directors of WDP are aware of the specific risks associated with the management of a property portfolio and with optimal management, they try to minimise risk as much as possible.

The management and Board of Directors of WDP confirm the validity of the risks the company may be facing, the possible impact thereof and the strategy employed to mitigate any possible impact, such as those laid out in the *2014 Annual Financial Report* which is available via [www.wdp.be](http://www.wdp.be).

## 2. Interim management report

### 2.1. Consolidated key figures

KEY FIGURES		
<b>OPERATIONAL</b>		
	30.06.2015	31.12.2014
Fair value of property portfolio (solar panels inclusive) (in million euros)	1 805,9	1 567,3
Gross initial yield (incl. vacancies) <sup>1</sup> (in %)	7,9	8,0
Net initial yield (EPRA) <sup>2</sup> (in %)	7,1	7,3
Average lease term (until first break) <sup>3</sup> (in y)	6,7	7,1
Occupancy rate <sup>4</sup> (in %)	97,5	97,6
Like-for-like rental growth <sup>5</sup> (in %)	-1,2	0,0
Operating margin <sup>6</sup> (in %)	92,2	91,6
<b>FINANCIAL</b>		
	30.06.2015	31.12.2014
Gearing ratio <sup>7</sup> (in %)	58,2	55,8
Interest Coverage Ratio <sup>8</sup> (in x)	4,0	3,3
Average cost of debt (in %)	2,9	3,5
Average remaining duration of outstanding debt (in y)	3,9	3,5
Average remaining duration of long term credit facilities (in y)	4,3	4,1
Hedge ratio <sup>9</sup> (in %)	77	82
Average remaining term of hedges <sup>10</sup> (in y)	7,1	6,7
<b>RESULT (in million euros)</b>		
	30.06.2015	30.06.2014
Property result	58,5	49,3
Operating result (before result on the portfolio)	53,9	45,1
Financial result (excl. IAS 39)	-12,4	-11,9
Net current result (incl. participation joint ventures) (EPRA)	41,4	32,9
Result on the portfolio (incl. participation joint ventures) (IAS 40)	7,6	1,6
Revaluation of financial instruments (incl. participation joint ventures) (IAS 39)	14,4	-11,0
Write-down and depreciation of solar panels (incl. participation joint ventures) (IAS 16)	-1,7	n.r.
Net result (IFRS)	61,8	23,4
<b>DETAILS PER SHARE (in euros)</b>		
	30.06.2015	30.06.2014
Net current result (EPRA) <sup>2,11</sup>	2,32	2,04
Result on the portfolio (IAS 40)	0,43	0,10
Revaluation of financial instruments (IAS 39)	0,81	-0,68
Write-down and depreciation of solar panels (IAS 16)	-0,10	n.r.
Net result (IFRS)	3,46	1,45
NAV (IFRS) <sup>11</sup>	37,3	31,4
NAV (EPRA) <sup>2,11</sup>	40,3	35,1
NNNAV (EPRA) <sup>2</sup>	36,8	31,0

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

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

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

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

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

<sup>6</sup> The operating margin is calculated by dividing the operating result (before result on the portfolio) by property result. Based on the comparison between H1 2015 and H1 2014.

<sup>7</sup> For the method of calculating the gearing ratio, refer to the RD of 13 July 2014 on Regulated Real Estate Companies.

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

<sup>9</sup> Percentage of debt at fixed interest cost or debts covered against fluctuations in interest rates by derivative financial products (including bond at fixed rate, issued after balance sheet date).

<sup>10</sup> Remaining term of interest rate hedges entered into to hedge the debt against interest rate fluctuations (including bond at fixed rate, issued after balance sheet date).

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

## 2.2. EPRA metrics

EPRA KEY PERFORMANCE MAESURES*	30.06.2015	31/12/2014
EPRA result (in euros per share)**	2,32	2,04
EPRA NAV (in euros per share)	40,3	39,2
EPRA NNAV (in euros per share)	36,8	34,6
EPRA Net Initial Yield (in %)	7,1	7,3
EPRA Topped-up Net Initial Yield (in %)	7,1	7,3
EPRA vacancy rate (in %)	2,7	2,6
EPRA Cost Ratio (including direct vacancy costs) (in %)	9,4	9,4
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	9,0	9,1

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

\*\* Based on the comparison between H1 2015 and H1 2014.

## 2.3. Notes on the consolidated results for the first half-year of 2015

### Summary

The net current result of WDP for the first half of 2015 amounts to 41.4 million euros. This result represents an increase of 26.0% compared to the result of 32.9 million euros during the same period in 2014. The net current result per share amounts to 2.32 euros, an increase of 14.0% compared to 2.04 euros over the same period last year, taking into account the weighted average number of outstanding shares over this period.<sup>10</sup> With this result, WDP is performing above the initial expectations for 2015.<sup>11</sup>

This increase in the net current result is driven by the continued growth of the WDP portfolio in 2014-15 as a result of the realised acquisition volume, the completed pre-leased projects and the consistently high occupancy rate, among other factors. In addition, operating costs were kept under control and have been substantially reduced following the active management of the cost of debts.

All this confirms WDP's ambition to increase the dividend for 2015 again, now by 10% compared to 2014, to 3.75 euros gross per share for the 2015 financial year (payable in 2016) (previously 3.60 euros), based on a low payout ratio of around 80%.

<sup>10</sup> The weighted average number of outstanding shares over the first half of 2015 amounts to 17,849,824, taking into account the creation of 681,828 new shares as a result of the acquisition of the Bornem site and 386,788 new shares as a result of the optional dividend.

<sup>11</sup> See the press release of 12 February 2014 and the 2014 Annual Financial Report.

**Notes on the consolidated profit and loss for the first half-year of 2015 (analytical schedule)**

<b>CONSOLIDATED RESULTS</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
<i>(in euros x 1 000)</i>		
Rental income, net of rental-related expenses	54 166	45 134
Income from solar energy	4 513	3 826
Other operating income/costs	-193	337
<b>Property result</b>	<b>58 486</b>	<b>49 297</b>
Property charges	-1 686	-1 398
General company expenses	-2 874	-2 767
<b>Operating result (before result on the portfolio)</b>	<b>53 926</b>	<b>45 132</b>
Financial result (excl. IAS 39)	-12 366	-11 921
Taxes on net current result	-120	-40
Deferred tax on net current result	-300	-250
Participation in the result of joint ventures	289	-44
<b>NET CURRENT RESULT (EPRA)</b>	<b>41 429</b>	<b>32 876</b>
<b>RESULT ON THE PORTFOLIO (IAS 40)</b>		
Movement in the fair value of investment property (+/-)	7 801	1 887
Result on disposal of investment property (+/-)		13
Participation in the result of associates and joint ventures	-153	-287
<b>Result on the portfolio (IAS 40)</b>	<b>7 648</b>	<b>1 612</b>
<b>REVALUATION OF FINANCIAL INSTRUMENTS (IAS 39)</b>		
Revaluation of financial instruments	14 381	-11 043
<b>Revaluation of financial instruments (IAS 39)</b>	<b>14 381</b>	<b>-11 043</b>
<b>DEPRECIATION OF SOLAR PANELS (IAS 16)</b>		
Depreciation of solar panels	-1 493	n.r.
Participation in the result of associates and joint ventures	-212	n.r.
<b>Depreciation of solar panels (IAS 16)</b>	<b>-1 706</b>	<b>n.r.</b>
<b>NETTORESULTAAT (IFRS)</b>	<b>61 753</b>	<b>23 445</b>



KEY RATIOS	30.06.2015	30.06.2014
<i>(in euros)</i>		
Net current result (EPRA)/share*	2,32	2,04
Result for the portfolio (IAS 40)/share*	0,43	0,10
Revaluation of financial instruments (IAS 39)/share*	0,81	-0,68
Depreciation of solar panels (IAS 16)/share*	-0,10	n.r.
Net result (IFRS)/share*	3,46	1,45
Net current result/share**	2,24	1,99
Weighted number of shares	17 849 824	16 145 370
Number of outstanding shares at the end of the period	18 507 260	16 539 564

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

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

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

## Property result

The *property result* amounts to 58.5 million euros for the first half of 2015, an increase of 18.6% compared to the same period last year (49.3 million euros). This increase is driven by the continued growth of the portfolio in 2014-15, primarily in Belgium and the Netherlands, through acquisitions and the completion of pre-leased projects. With an unchanged portfolio, the level of rental income has slightly decreased year by year (-1.2%).<sup>12</sup> This result also includes 4.5 million euros of income from solar panels (compared to 3.8 million euros during the same period last year, which had less solar radiation). The property result also includes a decrease under the item *Other operating income/expenses* due to the application of the IFRIC 21 norm, through which the real estate withholding tax is recognized in full as debt and expense on 1 January 2015 and at the same time the recharge of this real estate withholding tax to the tenants is recognized in full as receivable and income on 1 January 2015. Hence the net effect of these property taxes for a financial year is fully charged to the profit and loss account as from 1 January of the financial year.<sup>13</sup>

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

The *operating result (before the result on the portfolio)* amounts to 53.9 million euros for the first half of 2015, an increase of 19.5% compared to the same period last year (45.1 million euros). Property and other general costs amounted to 4.6 million euros for the first half-year, representing an increase of 0.4 million euros compared to the costs for the same period in 2014. WDP succeeded in continuing to keep costs under control, as a result of which the operating margin<sup>14</sup> for the first half-year of 2015 amounts to 92.2% – in line with the same period in 2014 (91.6%).

## Financial result (excluding IAS 39)

The *financial result (excluding IAS 39)* amounts to -12.4 million euros for the first half of 2015, a limited increase compared to the same period last year (-11.9 million euros) despite the higher amount of outstanding financial debts. The total financial debt amounted to 1,026.5 million euros on 30 June 2015, compared to 863.8 million euros at the end of 2014. The average interest charges in the first half of 2015 were 2.9%, compared to 3.6% for the same period in 2014, as a result of the recent extension of the existing hedging instruments, which improves visibility on the profits and provides an immediate cost saving.

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<sup>12</sup> Calculated according to EPRA Best Practices Recommendations. See [www.epra.com](http://www.epra.com).

<sup>13</sup> The impact of fully taking these taxes into account in the first half-year amounts to about -0.8 million euros. The IFRIC 21 standard applies for the first time to the half-year figures. This accounting method has no effect on the result for the full financial year - only on the reflection of these taxes in the interim statements. This standard has not been applied retrospectively. If the standard had been applied in the previous financial year, the result for the first half of 2014 would have been 0.7 million euros lower.

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

### **Net current result (EPRA)**

The *net current result (EPRA)* of WDP for the first half of 2015 amounts to 41.4 million euros. This result represents an increase of 26.0% compared to the result of 32.9 million euros in 2014. This implies an increase of 14.0% per share, from 2.04 to 2.32 euros.

### **Result on the portfolio (IAS 40)**

The *result on the portfolio (IAS 40)* for the first half-year of 2015 amounts to +7.6 million euros<sup>15</sup> or +0.43 euros per share.<sup>16</sup> For the same period last year, this result amounted to +1.6 million euros or +0.10 euro per share. This yields the following results per country for the first half of 2015: Belgium (-2.3 million euros), the Netherlands (+11.9 million euros), France (-1.7 million euros) and Romania (-0.2 million euros).

### **Revaluation of financial instruments (IAS 39)<sup>17</sup>**

The impact of *IAS 39* amounts to 14.4 million euros or 0.81 euros per share over the first half of 2015 (compared to -11.0 million euros or -0.68 per share in the first half of 2014). This positive impact is the result of the change in fair value of the interest rate hedges (mainly *Interest Rate Swaps*) entered into as of 30 June 2015, as a result of an increase in long-term interest rates during 2015.

The change in the fair value of these interest rate hedges is recognised in full in profit and loss rather than in shareholder's equity. Since this effect involves a non-cash and unrealised item, it is removed from the financial result in the analytical presentation and is recognised separately in the income statement.

### **Depreciation and impairment of solar panels (IAS 16)**

The solar panels are valued in 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 has to 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. Then, this net carrying value is revalued once again towards fair value. This revaluation is recognised directly in the shareholders' equity, unless the value falls below the initial cost (in which case the depreciation is recognised in the result). The depreciation component is -1.7 million euros for the first half-year of 2015. Because this effect concerns a non-cash and unrealised item, it is removed from the operating result in the analytical presentation of the results and is recognised separately in the income statement.

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<sup>15</sup> This includes joint ventures' shares in the result on the portfolio.

<sup>16</sup> Based on the weighted average number of outstanding shares, i.e. 17,849,824, during the first half of 2015.

<sup>17</sup> The impact of *IAS 39* (non-cash items) is calculated based on the mark-to-market (M-t-M) value of the interest rate hedges entered into.

### **Net result (IFRS)**

The net current result, together with the result on the portfolio (IAS 40) and the revaluation of financial instruments (IAS 39), led to a *net result* in the first half of 2015 of 61.8 million euros (compared to 23.4 million euros during the first half of 2014).

The difference between the net result of 61.8 million euros and the net current result of 41.4 million euros can primarily be attributed to the positive change in the fair value of the interest hedging instruments (IAS 39) and the positive fluctuations in the value of the portfolio (IAS 40).

**Notes on the consolidated balance sheet for 30 June 2015**

<b>CONSOLIDATED BALANCE SHEET</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
<i>(in euros x 1 000)</i>		
Intangible fixed assets	130	93
Investment properties	1 687 400	1 461 814
Other tangible fixed assets (incl. solar panels)	73 613	63 699
Financial fixed assets	13 887	13 573
Trade debtors and other fixed assets	3 352	4 500
Participations in joint ventures, equity method	3 307	3 333
<b>Fixed assets</b>	<b>1 781 689</b>	<b>1 547 013</b>
Assets intended for sale	903	1 346
Trade receivables	14 808	6 125
Tax receivables and other current assets	4 894	13 922
Cash and cash equivalents	823	234
Defferals and accruals	2 370	1 691
<b>Current assets</b>	<b>23 800</b>	<b>23 318</b>
<b>TOTAL ASSETS</b>	<b>1 805 488</b>	<b>1 570 331</b>
Capital	143 654	135 329
Share premiums	304 426	239 399
Reserves	179 891	174 016
Net result for the financial year	61 753	64 750
<b>Liabilities</b>	<b>689 724</b>	<b>613 494</b>
Long term liabilities	818 843	734 328
Long term financial debt	760 999	664 928
Other long term liabilities	57 844	69 400
Short term liabilities	296 921	222 509
Short term financial debt	265 493	198 886
Other short term liabilities	31 429	23 623
<b>Liabilities</b>	<b>1 115 764</b>	<b>956 837</b>
<b>TOTAL LIABILITIES</b>	<b>1 805 488</b>	<b>1 570 331</b>

KEY RATIOS	30.06.2015	31.12.2014
<i>(in euros)</i>		
NAV (IFRS)/share	37,3	35,2
NAV (EPRA)/share	40,3	39,2
Share price	69,3	62,7
Premium/Discount with regard to NAV (EPRA)	72,1%	60,0%
<i>(in euros x million)</i>		
Fair value of the portfolio (incl. solar panels)*	1 805,9	1 567,3
Debts and liabilities included in the gearing ratio	1 051,0	876,8
Balance total	1 805,5	1 570,3
Gearing ratio**	58,2%	55,8%

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

\*\* For the method used in the calculation of the gearing ratio, refer to the RD on Regulated real Estate Companies.

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

According to independent property experts Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate, the fair value<sup>19</sup> of the WDP property portfolio was, in compliance with IAS 40, 1,720.9 million euros on 30 June 2015, compared to 1,492.1 million euros at the start of the financial year.<sup>20</sup> Together with the valuation at fair value of the investments in solar panels,<sup>21</sup> the total portfolio value evolved to 1,805.9 million euros compared to 1,567.3 million euros at the end of 2014.

This value of 1,805.9 million euros includes 1,614.7 million euros in completed properties (*standing portfolio*). The projects under development represent a value of 57.6 million euros, including projects in Belgium at Londerzeel, Willebroek and Bornem, in the Netherlands at Soesterberg and Papendrecht and in Romania at Braila, Brasov and Ploiesti. In addition, there are land reserves in Sint-Niklaas, Courcelles, Heppignies, Libercourt, Tiel and the land bank in Romania with a fair value of 47.7 million euros.

The implemented investments in solar panels were valued as of 30 June 2015 at a fair value of 85.0 million euros. The solar panels are included in the statement of financial position under the heading *Other tangible fixed assets*.

### Shareholders' equity

The group's *shareholders' equity (IFRS)* amounted to 689.7 million euros on 30 June 2015, compared to 613.5 million euros at the end of 2014. This increase is mainly driven by the generation of profit in the first half-year and includes the payout of the dividend for the 2014 financial year (in which the WDP shareholders opted for more than 55% of their shares for a contribution of their dividend rights in exchange for new shares) and the capital increase resulting from the MLB transaction. The *shareholders' equity of the group (EPRA)*, leaving aside the (negative) mark-to-market (M-t-M) value of the interest rate hedges entered into (in compliance with IAS 39), amounted to 745.2 million euros on 30 June 2015.

### NAV per share

The *NAV (EPRA) per share* amounted to 40.3 euros on 30 June 2015. This represents a decrease of 1.1 euros compared to a NAV (EPRA) per share of 39.2 euros on 31 December 2014 following the dividend payment for the 2014 financial year. The *NAV (IFRS) per share* amounted to 37.3 euros on 30 June 2015, compared to 35.2 euros on 31 December 2014.

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<sup>18</sup> As a consequence of IFRS 11 Joint Arrangements coming into effect, the results and effect on the balance sheet of the joint venture WDP Development RO, in which WDP holds 51%, were incorporated with effect from 1 January 2014 according to the equity accounting method. With regards to the statistics in connection with the reporting on the portfolio, the proportionate part of WDP in the portfolio of WDP Development RO is shown (51%).

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

<sup>20</sup> Including 'Assets held for sale'; see '2.4. Interim management report - Transactions and realisations'.

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

## **Debt**

The total, non-current and current, financial debt in the first half of 2015 rose from 863.8 million euros as of 31 December 2014 to 1,026.5 million euros as of the end of June 2015 as a result of completed acquisitions and projects under construction. The debts and liabilities, as included in the calculation of the gearing ratio in compliance with the Royal Decree of 13 July 2014 concerning Regulated Real Estate Companies, rose from 876.8 million euros to 1,051.2 million euros. At the same time, the balance sheet total rose from 1,570.3 million to 1,805.7 million euros. In the course of the first half-year of 2015, the gearing ratio evolved to 58.2% as of 30 June 2015, compared to 55.8% as of 31 December 2014.

## **2.4. Transactions and realisations**

### **Occupancy rate and leases**

WDP was able to maintain a high occupancy rate during the first half of 2015. On 30 June 2015, the portfolio achieved an occupancy rate of 97.5% compared to 97.6% at the end of 2014. Regarding the maturity of the existing leases, of the 11% of leases with a maturity date in 2015, 93% could already be extended (compared to over 70% at the start of the year). This reaffirms the trust customers have in WDP.

### **Acquisitions**

In the first half of 2015, a series of acquisitions were made, with a total investment volume of approximately 185 million euros. In this respect, WDP expects to generate an overall gross initial rental yield of approximately 7.25%.

### *Belgium*

*Bornem, Sluisweg 32*: strategic XXL site in Bornem, in particular a multimodal FMCG campus for DHL Supply Chain encompassing a total area of approximately 100,000 m<sup>2</sup>, located on concession land near the Willebroek container terminal. The site consists of approximately 72,000 m<sup>2</sup> in completed warehouse space and about 18,000 m<sup>2</sup> in warehouse space under construction, with completion projected for the fourth quarter of 2015<sup>22</sup>. There is also an agreement with professional property developer MG Real Estate concerning the possible realisation over the long term of a third phase of about 13,000 m<sup>2</sup> (on the basis of leasing to DHL Supply Chain). This site has been acquired on 31 March 2015, via WDP's purchase of 100% of the shares in the company MLB NV,<sup>23</sup> which owns the rights to

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<sup>22</sup> See '2.4. Transactions and realisations – Developments under construction – Belgium'.

<sup>23</sup> 'MLB' stands for 'Maritime Logistics Bornem'.



the site. The price paid for the shares of MLB NV was based on the total investment value of the real estate held by this company of around 58 million euros (including the project in execution of 10 million euros). This transaction has led to an increase of the shareholders' equity by 48.0 million euros, of which an amount of (approximately) 5.5 million euros has been allocated to the *Capital* item and an amount of (approximately) 42.5 million euros to the *Share premium account* item.

In addition, at the beginning of May 2015, WDP was able to finalise the acquisition of two PV installations with a combined installed capacity of 3MWp on the roof of the MLB site in Bornem. This acquisition, with an overall investment value of around 8 million euros and an annual revenue of about 1 million euros, has been realised through the acquisition of 100% of the shares in the companies Suncop 1 NV and Suncop 2 BVBA.

*Asse, Z4 Broekooi 290*: this site, formerly owned by the British logistics investor Segro, with direct access located along the Brussels Ring road, is a warehouse and offices totalling approximately 26,000 m<sup>2</sup> on a 5 ha site, fully leased to the paper and packaging company Antalis. This transaction was realised in the beginning of January 2015 and has an investment budget of about 11 million euros.<sup>24</sup> The lease contract runs until the end of May 2016, after which WDP intends to wholly or partially redevelop the site, on the basis of pre-leasing.

*Willebroek, Victor Dumonlaan*: close to the container terminal in Willebroek. Today, MG Real Estate intends to complete a site of about 40,000 m<sup>2</sup> on an area of 7.5 hectares. During the first phase, a logistical building of about 15,000 m<sup>2</sup> was constructed which was completed and acquired by WDP in mid-June 2015. During the second phase, this area may be doubled, with completion planned for the second quarter of 2016.<sup>25</sup> Both phases were let to Damco based on a 3-6-9 lease contract. Damco wishes to consolidate its logistics activities at the port of Antwerp and Brussels at the new Willebroek site. In addition, approximately 10,000 m<sup>2</sup> of development potential remains available at the site. WDP is acquiring the entire phased site, and after MG Real Estate's completion of its part. The investment amount with respect to the first phase amounts to approximately 10 million euros.

### *Netherlands*

*Moerdijk, Transitoweg 5*: WDP acquired this site, a former property of the *Spoorwegpensioenfond*s and currently leased to a retailer, in February 2015. This site, held in full ownership, is a property consisting of warehouses with office space of over 41,000 m<sup>2</sup> with cross-dock facilities located at the port of Moerdijk, which, among other facilities, is equipped with a sea transport terminal. This transaction has an investment budget of approximately 18 million euros<sup>26</sup>.

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<sup>24</sup> Includes transaction costs.

<sup>25</sup> See '2.4. Transactions and realisations – Developments under construction – Belgium'.

<sup>26</sup> Includes transaction costs.

*Barendrecht, Dierensteinweg 30/Spoorwegemplacement 1 and Breda, IABC:* in the beginning of May 2015, WDP and The Greenery have entered into a partnership for the acquisition, redevelopment and expansion of the Greenery sites located in Barendrecht and Breda. The initial investment for WDP is approximately 46 million euros for the acquisition of both sites.<sup>27</sup>

*Tilburg, Hermesstraat 1:* a site within the Vossenbergh industrial estate in the immediate vicinity of the container terminal in Tilburg, the Netherlands, with a total area of over 45,000 m<sup>2</sup>. The buildings, equipped with cooling systems and also TAPA-certified, are fully pre-leased to logistics service provider ID Logistics, which will carry out the distribution activities for FUJIFILM Europe BV, former owner of the site, which is still active at the neighbouring production site. This transaction was realised mid-May 2015 and requires an overall investment amount of 36 million euros on behalf of WDP. ID Logistics has signed on to a rental commitment for a fixed period of 5 years, with an option to extend for another five years.

*Sites in Meppel, Bodegraven (2) and Drunen:* sale-and-rent-back operation for four properties of over 37,000 m<sup>2</sup> total, formerly owned by a logistics service provider, realised at the end of June 2015. These properties have been adapted to the logistics activities of this logistics service provider, which has signed an average 8-year lease within the scope of this transaction. This transaction has an investment budget of about 6 million euros.

*Alblasserdam, Nieuwland Parc 121:* another site serving the AGF sector,<sup>28</sup> this time for Staay Food Group, near Rotterdam. Staay Food Group, active globally in the import, export, wholesale trade and cultivation of fruit and vegetables, wishes to centralise its activities in line with its continued growth. The transaction, with an investment budget of approximately 12 million euros, is taking place by way of a sale-and-rent-back operation involving the existing buildings as well as a new construction project.<sup>29</sup> The sale-and-rent-back operation will be finalised in December 2015 together with the completion of the new construction. Tenant Staay Food Group has signed on to a 15-year rental commitment.

All of these acquisitions have been made at prices in keeping with the fair value as stipulated in the estimate reports of the independent property experts.

## **Projects completed in the first half of 2015**

### *Belgium*

*Vilvoorde, Havendoklaan 10:* in the Cargovil zone, a warehouse of approximately 7,000 m<sup>2</sup> was built on a plot adjacent to the WDP site at Havendoklaan 12 for the benefit of the logistics service provider

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<sup>27</sup> See '2.4. Transactions and realisations – Developments under construction – Netherlands'.

<sup>28</sup> 'AGF' stands for 'Potatoes, Vegetables and Fruit' in Dutch. WDP has previously announced the acquisition of the sites of The Greenery in Breda and Barendrecht. See press release dated 29 April 2015.

<sup>29</sup> See '2.4. Transactions and realisations - Developments under construction – Netherlands (Papendrecht)'.

Intertrans. The investment budget amounts to 5 million euros.

### *Netherlands*

*Schiphol, Schiphol Logistics Park (Pudongweg 3)*: a project of over 14,000 m<sup>2</sup> based on a lease contract with Kuehne + Nagel which centralises several of its activities here and has also established the site as its headquarters. The project will be BREEAM-certified with a planned *Very Good* score. The total investment amounts to around 16 million euros for the first phase.

*Zwolle, Paderbornstraat 21*: a new BREEAM-certified e-commerce warehouse (planned score: *Excellent*) with a surface area of about 35,000 m<sup>2</sup>, tailor-made for wehkamp.nl, the Netherlands' largest online department store. The partnership is based on a fixed fifteen-year lease contract. The project requires an investment by WDP of about 30 million euros for phase I of the building. Furthermore, the tenant, wehkamp.nl, has invested over 70 million euros in equipping it.

*Harderwijk, Archimedesstraat 9*: a new tailor-made construction project for Alcoa. This is a new distribution centre with a warehouse totalling over 17,000 m<sup>2</sup> (excluding offices and mezzanine) on a plot acquired by WDP. Alcoa prefers this location given its strategic situation with regard to its Dutch and German clients. Alcoa has signed a long-term ten-year fixed lease. The investment budget amounts to about 16 million euros.

## **Developments under construction**

### *Belgium*

*Londerzeel, Nijverheidsstraat 13*: redevelopment into a state-of-the-art deep-freeze warehouse with 30,000 pallet spaces for Lantmännen Unibake, an international bakery group, based on a twenty-year lease. Investment is estimated at approximately 18 million euros. In mid-June 2015, the adjacent production site, owned by Lantmännen Unibake, was destroyed by a major fire. WDP's deep-freeze warehouse was saved, but it did sustain minor damage, delaying completion, which was initially planned for the end of June 2015. The cost of the damage is covered by insurance.

*Bornem, Sluisweg 32*: about 18,000 m<sup>2</sup> in warehouse space under construction, with completion projected for the fourth quarter of 2015, as part of the multimodal FMCG campus<sup>30</sup> for DHL Supply Chain. The investment budget amounts to around 10 million euros.

*Willebroek, Victor Dumonlaan*: realisation of a second phase as part of the logistic site for Damco<sup>31</sup> (with scheduled completion for the second quarter of 2016), as well as the development of a third phase subject to lease agreements, totalling 25,000 m<sup>2</sup>. The investment budget amounts to around 14

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<sup>30</sup> See '2.4. Transactions and realisations – Acquisitions – Belgium'.

<sup>31</sup> See '2.4. Transactions and realisations – Acquisitions – Belgium'.

million euros.

### *Netherlands*

*Soesterberg, Centurionbaan:* on a new industrial estate along the A28 motorway, WDP is establishing a new industrial building for Hypsos, a specialist in live communication. A warehouse with offices of more than 7,200 m<sup>2</sup> is being developed on a plot of more than 1.1 ha. It will be a high-end building, tailor-made for the tenant, based on a long-term lease, with scheduled completion in the fourth quarter of 2015. The investment budget amounts to over 7 million euros.

*Barendrecht, Dierensteinweg 30 and Breda, IABC:* in Barendrecht, WDP is realising a new construction project expanding the existing Retail DC of The Greenery at its location on Dierensteinweg. The logistics activities of Hagé International, the import department of The Greenery, are also being housed in the new construction. A second new construction is being realised for the existing Euro Pool System container washing plant, where The Greenery's crates are washed. Completion of both properties, which have a total area of approximately 40,000 m<sup>2</sup>, is anticipated at the end of 2016. In Breda, a new construction site of about 20,000 m<sup>2</sup> is being undertaken by WDP. The site has been partly established as Zachtfruit DC for The Greenery. Completion is anticipated in the course of the fourth quarter of 2016. In the meantime, the logistics operations of The Greenery Zachtfruit remain at their current location. The lease contracts of the existing tenants at this site remain active. WDP will redevelop the acquired part of the site in the future. Subject to further expansion after redevelopment, WDP anticipates a gross rental yield of at least 7% for this transaction during the first few years. The investment budget amounts to approximately 26 million euros, spread out over the next two years.

*Papendrecht, Nieuwland Parc:* new construction project extending the sale-and-rent-back operation<sup>32</sup> consisting of a warehouse with offices of a total area of over 7,000 m<sup>2</sup>, carried out by Heembouw, with an anticipated completion at the end of 2015. Tenant Staay Food Group has signed on to a 15-year rental commitment. The investment budget amounts to over 13 million euros.

### *Romania*<sup>33</sup>

*Braila:* WDP is realising a warehouse of approximately 16,000 m<sup>2</sup> on a plot of concession land located near the Danube in Braila. After phased completion (scheduled in autumn 2015) the space will be rented by the Japanese company Yazaki, a leading international supplier for the automotive industry, based on a long-term 15-year lease with an option to extend. Tenant Yazaki is already active at several locations in Romania. This project requires an investment of around 9 million euros.<sup>34</sup>

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<sup>32</sup> See '2.4. Transactions and realisations – Acquisitions – Netherlands (Alblasserdam)'.

<sup>33</sup> These projects were carried out via WDP Development RO, a 51-49 joint venture with entrepreneur and Romanian specialist Jeroen Biermans.

<sup>34</sup> Based on 100% of the investment.

*Brasov:* an agreement was entered into with Inter Cars, the current tenant of a new WDP warehouse in Brasov, doubling its area at this site. WDP anticipates the completion of this additional 5,000 m<sup>2</sup>, with an investment budget of about 2 million euros,<sup>35</sup> at the end of the fourth quarter of 2015. Inter Cars has signed a 10-year lease contract for the new construction and is also extending the contract for its existing buildings until the same maturity date.

*Ploiesti:* on the existing plot of land, where a logistics building was erected for Roquet, the development of a new 12,000 m<sup>2</sup> construction was begun on behalf of Federal-Mogul, an internationally known manufacturer and supplier for the automotive sector, with completion anticipated at the end of 2015. Federal-Mogul has signed a 10-year lease contract. The investment budget amounts to about 7 million euros.<sup>36</sup>

## Disposals

*Leuven, Vaart 25-35:* anticipating the need for more housing, WDP entered into a partnership agreement with project developer L.I.F.E. to convert the existing Hungaria building, where various smaller merchants are currently established, to a residential tower block. *I love Hungaria* will be ready in the spring of 2018. As part of this project, WDP along with L.I.F.E. will sell this site in phases.<sup>37</sup>

In addition, during the first half-year of 2015, the seventh floor of the Asar towers at Frans Van Kalkenlaan 9 in Anderlecht was sold.

Currently, an amount of 0.9 million euros is recognised on the balance sheet as *Assets held for sale*. This concerns a plot of land in Wieze that is to be sold.

## Sustainability

### *Launch of 30 MWp solar panel programme in Dutch property portfolio*

Within the framework of its strategy of increasing the sustainability of its portfolio, WDP is beginning the realisation of a green energy programme via the installation of solar panels in the Netherlands with a total capacity of approximately 30 MWp. In this context, SDE+ subsidies<sup>38</sup> are granted. WDP anticipates that this project will be rolled out by the end of 2016 in cooperation with its tenants.

WDP is now already investing in the roof of the ultramodern e-commerce warehouse in Zwolle tailor-

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<sup>35</sup> Based on 100% of the investment.

<sup>36</sup> Based on 100% of the investment.

<sup>37</sup> See press release dated 30 April 2015.

<sup>38</sup> The 'Sustainable Energy Production Incentive Scheme' (SDE in Dutch, later SDE+) is a ministerial decree encouraging the production of clean and sustainable energy in the Netherlands. This scheme generates a return (measured in 'IRR' or Internal Rate of Return) in line with investments in property.

made for wehkamp.nl by fitting it out with a PV installation with a total capacity of 2.5 MWp. This installation is in line with the grant of an *Excellent* BREEAM rating for this site.

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

#### *Netherlands*

*Hasselt, Hanzeweg*: multimodal hub in the region of Zwolle (Hasselt), consisting of a container terminal with an area of approximately 23,000 m<sup>2</sup> (based on a long-term 20-year lease), to which is linked a cross-dock warehouse of approximately 10,000 m<sup>2</sup> which, based on a 10-year lease, is let to Westerman Logistics, a logistics service provider for the Benelux region and northern Germany, as well as a distribution centre of approximately 20,000 m<sup>2</sup> for the Knock-Down Truck<sup>39</sup> activities of heavy vehicle producer Scania Logistics Netherlands, housed at its production site, also located in Zwolle. This acquisition will be phased in during the third quarter of 2015 and has an investment budget of about 25 million euros.

*Veghel, Eisenhowerweg 15*: in July 2015, WDP signed a purchase agreement to acquire a plot of land of approximately 8,500 m<sup>2</sup>, adjacent to the existing site, for 1.5 million euros for the future realisation of a project, subject to lease agreements.

#### *Romania*<sup>40</sup>

In Romania, in the first half of 2015, WDP doubled its future portfolio to approximately 100,000 m<sup>2</sup> of leasable area.<sup>41</sup> In addition to the developments under construction, the following projects may be announced:

*Ramnicu Valcea*: strategically located along the Pan-European Corridor IV – one of the Pan-European Corridors important to the transport sector – Faurecia, a global player in the development and supply of automobile parts, will take up residence in a new 12,000 m<sup>2</sup> warehouse to be developed (projected completion: Q1 2016) based on a 10-year lease contract. WDP anticipates an investment amount of approximately 8 million euros for this project.<sup>42</sup>

*Sibiu (1)*: also situated along the Pan-European Corridor IV, and in the immediate vicinity of Sibiu's international airport, construction of a 8,000 m<sup>2</sup> logistics warehouse for tenant Siemens' supply operations to the train sector is beginning. To this end, Siemens is entering into a 10-year rental

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<sup>39</sup> 'Complete Knock Down' or 'CKD' is a production process in the automotive sector. With CKD vehicles, all parts are manufactured, packed in crates, shipped, and then put together at a local assembly plant in the country of destination.

<sup>40</sup> These projects were carried out via WDP Development RO, a 51-49 joint venture with entrepreneur and Romanian specialist Jeroen Biermans.

<sup>41</sup> Based on 100% of the investment.

<sup>42</sup> Based on 100% of the investment.

commitment. WDP anticipates that this new construction will be completed in the course of the second quarter of 2016. The investment budget amounts to about 5 million euros.<sup>43</sup>

*Sibiu (2)*: in addition, WDP plans to develop a strategic hub for DPD, a current tenant in Courcelles, Belgium, consisting of a warehouse and offices of about 4,500 m<sup>2</sup> and a large car park. DPD has signed a 15-year lease contract. WDP anticipates completion in the course of the second quarter of 2016. The investment budget is approximately 3 million euros.<sup>44</sup>

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<sup>43</sup> Based on 100% of the investment.

<sup>44</sup> Based on 100% of the investment.

## 2.5. Management of financial resources

### Key financial figures

KEY FINANCIAL DATA	30.06.2015	31.12.2014
Net financial debt (in million euros)	1 025,7	863,6
Debt and liabilities included in the gearing ratio (in million euros)	1 051,0	876,8
Balance sheet total (in million euros)	1 805,5	1 570,3
Gearing ratio <sup>1</sup> (in %)	58,2	55,8
Interest Coverage Ratio <sup>2</sup> (in x)	4,0	3,3
Average cost of debt (in %)	2,9	3,5
Average remaining term of outstanding debts (in year)	3,9	3,5
Average remaining term of long-term credit facilities (in year)	4,3	4,1
Hedge ratio <sup>3</sup> (in %)	76,9	82,0
Average remaining term of interest rate hedges <sup>4</sup> (in year)	7,1	6,7

<sup>1</sup> For the calculation method used for the gearing, please refer to the GVV/SIR Royal Decree of 13 July 2014.

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

<sup>3</sup> Percentage of the debt at fixed rate or hedged against interest rate fluctuations by means of derivative financial instruments (including bond at fixed rate, issued after balance sheet date).

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

### Debt structure

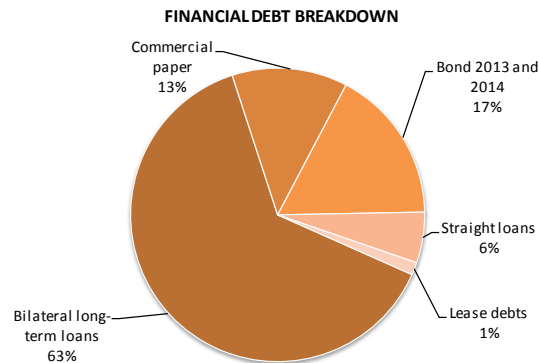
#### Breakdown

On 30 June 2015, the total consolidated financial debt amounted to 1,026.5 million euros. This amount breaks down as follows:

- 650.1 million euros in traditional bilateral medium and long-term bank loans, spread over nine banks;
- 130.4 million euros in commercial paper;
- 174.5 million euros in bond loans;<sup>45</sup>
- 14.1 million euros in lease debts;
- 57.4 million euros in straight loans.

<sup>45</sup> This concerns the bond loan as issued in 2013 and a bond loan issued in the spring of 2014, both 7-year bond loans. The bond loan as issued in 2015 after the balance sheet date, was not taken into account. See [www.wdp.be](http://www.wdp.be).





### *Maturity dates*

The financial debts mature in a staggered manner, particularly during the period from 2015 to 2022. Those debts maturing in 2015 are chiefly in commercial paper.<sup>46</sup> Regarding the maturity of the long-term debt in 2015, these respective credit facilities were fully extended.

The weighted average term of WDP's outstanding financial debt as of 30 June 2015 is 3.9 years.<sup>47</sup> If only the total drawn and undrawn long-term credits are taken into account, the weighted average term amounts to 4.3 years.<sup>48</sup> At the end of 2014, these terms were 3.5 and 4.1 years, respectively.

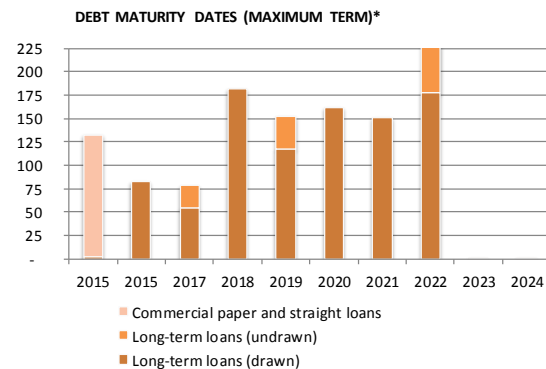
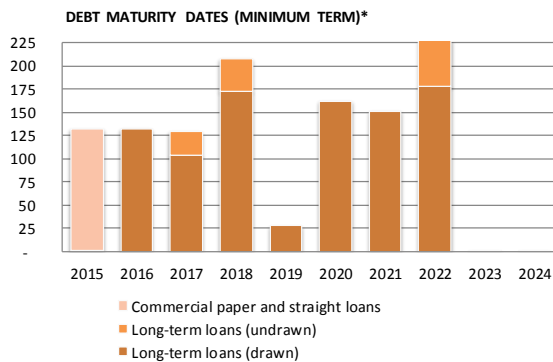
The total amount of undrawn and confirmed long-term credit facilities amounted to 110 million euros<sup>49</sup>, including the bond loan issued after the balance sheet date.

<sup>46</sup> The commercial paper programme is fully hedged by backup facilities.

<sup>47</sup> Includes the short-term debts mainly consisting of the commercial paper programme (see footnote above).

<sup>48</sup> For some credits, the lender may decide to extend the credit by means of an extension option. If this option is to be executed, the weighted average term of the long-term credits is 4.6 years.

<sup>49</sup> Excludes the credit facility at the European Investment Bank for financing pre-leased projects in Romania.

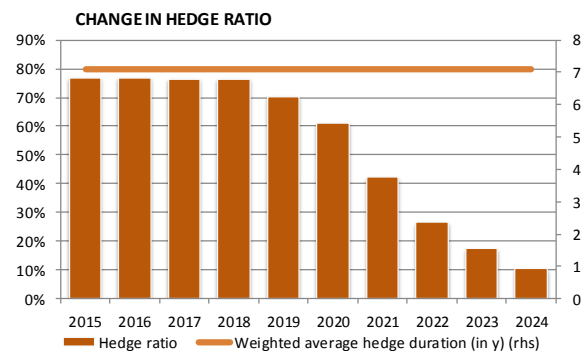


\*For some credits, the lender may decide to extend the credit by means of an extension option. In the case of the minimum term, it is assumed that these extension options would not be executed; in the case of the maximum term, it is assumed that they would be executed repeatedly. The bond as issued after the balance sheet date with maturity date in 2022 was also taken into account.

## Hedges

The amount of financial debt with a fixed interest rate or a floating interest rate and subsequently hedged, primarily through Interest Rate Swaps (IRS), is 816 million euros, with a weighted average term of 7.1 years, which implies a hedging ratio of 77%<sup>50</sup>.

WDP's weighted average cost of debt amounts to 2.9% for the first half-year of 2015, including credit margins, commitment fees for undrawn credit facilities and the cost of hedging instruments. The average cost of debt amounted to 3.5% in 2014. Meanwhile, the average cost of debt was reduced to 2.8%, including the bond issue realised after balance sheet date. The Interest Coverage Ratio<sup>43</sup> is equal to 4.0x for the first half of 2015, compared to 3.3x for the entire 2014 financial year.



## Implementation of the financing strategy

During the first half of 2015, the company strengthened its financial position successively by means of:

- Optional dividend totalling approximately 26 million euros<sup>51</sup>

<sup>50</sup> The amount of financial debt at fixed rate includes the bond loan as issued after balance sheet date at fixed rate (54.4 million euros). With respect to the weighted average term of the hedges and the hedge ratio, this bond loan at fixed rate was taken into account as well.

<sup>43</sup> Defined as operating result (before the result on the portfolio) divided by interest charges minus interest income and dividends minus income from financial leases and similar.

<sup>51</sup> See press release dated 29 May 2015.

The shareholders of WDP opted to exchange over 55% of their shares for an investment of dividend rights for new shares in lieu of a cash dividend. This result led to a capital increase for WDP of approximately 26 million euros by means of the creation of 386,788 new shares, at an issue price of 66.30 euros.

- Extension of Monte Paschi credit line by 20 million euros

With Monte Paschi, WDP was able to extend an existing credit of 18 million euros which fell due on 30 May 2015 by way of a new credit facility of 20 million euros with a 5-year term.

- Granting of a new loan of 25 million euros by KBC Bank

WDP was able to conclude a bullet loan with KBC Bank of 25 million euros with a 7-year term.

- Granting of a new loan of 25 million euros by Caisse d'Épargne

WDP was able to conclude a loan with Caisse d'Épargne. This was a bullet loan of 25 million euros with a 5-year term.

- Granting of a new loan of 35 million euros by ING Bank

WDP was able to conclude a bullet loan with ING Bank of 35 million euros with a 7-year term.

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

- WDP realised a private placement of a 7-year bond for a total amount of 92.2 million euros

54.4 million euros in bonds, or 59% of the total capital, were issued at a fixed interest rate and 37.8 million euros or 41% were issued at a floating interest rate. The bonds issued at the fixed interest rate had an issue price of 99.361% and offer a gross annual return of 2.601%. The bonds issued at the variable interest rate were issued at 100% and will have an interest payment every six months.<sup>52</sup> WDP uses the proceeds from this issuance for general corporate purposes, in particular for the growth of the WDP group and to diversify its sources of financing. This issuance also enables the average debt duration to be extended. These transactions were closed on 2 July 2015.

#### *Financial risks*

In 2015, WDP has continuously monitored the potential impact of financial risks and has taken the necessary measures to manage these risks. These include counterparty risk (insolvency or credit risks with financial partners), liquidity risk (the non-availability of funding or very costly funding options) and risks having to do with interest, budget, contracts and exchange rates. See also *1. Risk factors*.

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<sup>52</sup> The interest on the bonds with a variable interest rate will be calculated using a margin of 175 basis points above the 6 month EURIBOR rate.

## 2.6. Outlook

WDP upgrades its expected increase in the net current result in 2015. The net investment volume of approximately 275 million euros achieved in 2014 will fully contribute to the result during the 2015 financial year. Moreover, several acquisitions have already been realised, or planned in 2015 as well as several new construction projects being implemented with planned completion in 2015. In achieving this growth, a capital structure that remains constant with a debt ratio of approximately 56% has been taken into account.

Based on the earnings generated in the first half-year of 2015, the acquisition volume of the past few months and the forecast for the rest of the financial year, WDP increases its ambition for the net current result (EPRA) from 4.50 to 4.70 euros per share (approximately 85 million euros, previously about 82 million euros), an increase of 15% compared to 2014.<sup>53</sup> Of the expected growth by 15%, 9% (namely 0.35 euros per share) relates to the strong portfolio growth in 2014-15 and 6% (namely 0.25 euros per share) is driven by the reduction in the cost of debt, for which the total weighted average cost has further declined to 2.8%.

This expected growth should allow the dividend to again rise, now by 10% versus 2014, to 3.75 euros gross per share (previously 3.60 euros), based on a low payout rate of about 80%.

In 2015, 11% of the contracts will reach their next expiry date, of which 93% could already be extended. Based on currently available information and the present rental market situation, WDP assumes a minimum average occupancy rate of 97% for 2015.

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<sup>53</sup> This profit forecast is based on the current situation, barring presently unforeseen circumstances (such as a material deterioration of the economic and financial climate), and a normal number of hours of sunshine.

### 3. Shares and bonds

#### 3.1. Shares

##### Price and volume

FIGURES PER SHARE	30.06.2015	31.12.2014	31.12.2013
Number of shares in circulation on closing date	18 507 260	17 438 644	16 079 247
Free float	74%	73%	72%
Market capitalisation (in euros)	1 282 368 045	1 093 054 205	847 376 317
Traded volume in shares	3 123 517	3 165 630	3 244 920
Average daily volume (in euros)	1 751 366	691 657	629 536
Velocity*	16,9%	18,2%	20,2%
Stock exchange price			
highest	76,69	64,15	55,69
lowest	61,90	51,68	43,77
closing	69,29	62,68	52,70
NAV (IFRS)** (in euros)	37,3	35,2	32,8
NAV (EPRA)** (in euros)	40,3	39,2	35,9
Dividend payout ratio	N/R	88%	88%
Net current result / share*** (in euros)	2,32	4,10	3,85
Net current result / share**** (in euros)	2,24	3,87	3,70
Gross dividend / share (in euros)	N/R	3,40	3,25
Net dividend / share (in euros)	N/R	2,55	2,44

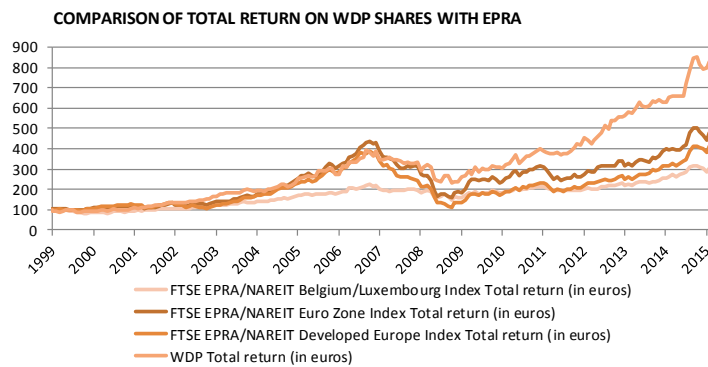
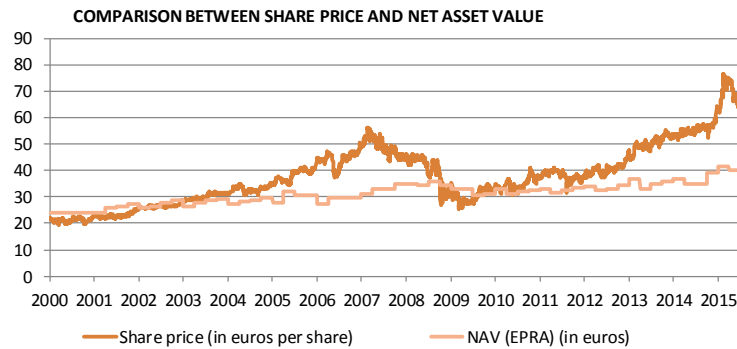
\* The number of shares traded per year divided by the total number of shares at the end of the year.

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

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

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

## Long-term price and return



## Significant events after the balance sheet date

On 20 July 2015, with the application of the *Wet Afschaffing Toondereffecten* (Bearer Securities Abolition Act), 3,603 bearer shares registered on a securities account on behalf of the company (it not being the owner of these shares) were sold on the regulated Euronext Brussels market. The proceeds from this sale, after deduction of the costs incurred by WDP for holding and managing said shares, were deposited with the *Deposito- en Consignatiekas* (Deposit and Consignation Office) until any rightful claimant asks for their return. The *Wet Afschaffing Toondereffecten* imposes a penalty of 10% per year in arrears (as of 1 January 2016) for return requests.

## 3.2. Bonds

At the end of June 2015, WDP conducted a private placement of bonds with a seven-year term and a maturity date of 2 July 2022 for a total amount of 92.2 million euros. 54.4 million euros in bonds, or 59% of the total capital, were issued at a fixed interest rate and 37.8 million euros or 41% were issued at a floating interest rate. The bonds issued at the fixed interest rate have an issue price of 99.361%

and offer a gross annual return of 2.601%. The bonds issued at the variable interest rate are issued at 100% and will have an interest payment every six months.<sup>54</sup> The bonds are freely tradable on Euronext Brussels.<sup>55</sup>

In May 2014, WDP successfully conducted a public offering of retail bonds with a seven-year term and a maturity date of 13 June 2021 for a total amount of 125 million euros. The bonds were issued at 101.875%, which corresponds to a fixed gross annual return of 3.073%. As of 30 June 2015, the indicative price of the bonds was 104.39%. The bonds are freely tradable on Euronext Brussels.<sup>56</sup>

In March 2013, WDP conducted a successful private placement of bonds with a seven-year term and a maturity date of 18 March 2020 for a total amount of 50 million euros. The bonds were issued at 99.861%, which corresponded to a fixed gross annual return of 3.82%. As of 30 June 2015, the indicative price of the bonds was 106.13%. These bonds are also freely tradable on Euronext Brussels.<sup>57</sup>

### **3.3. WDP's shareholding structure<sup>58</sup>**

The family RTKA company structure – in which all shares of the Jos De Pauw family are represented – is currently at 4,814,918 WDP shares, or 26.02% of the total number of securities in WDP that have voting rights. De Pauw NV holds 1,869 shares. Together, these two entities hold 26.03% of WDP's capital.

On 30 June 2015 the shareholding of the Federal Holding and Investment Company was over 3%.<sup>59</sup> WDP also received a notice from BNP Paribas Investment Partners SA/NV that as from 14 June 2013, the latter held a 3.73% stake in WDP shares. In addition, WDP received a notice from AXA Investment Partners SA/NV that as from 13 April 2015, it no longer exceeded the limit of 3% of the total existing voting rights.<sup>60</sup>

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<sup>54</sup> The interest on the bonds with a variable interest rate will be calculated using a margin of 175 basis points above the 6 month EURIBOR rate.

<sup>55</sup> There are 544 outstanding bonds with ISIN code BE0002234038 (fixed rate note) and 378 outstanding bonds with ISIN code BE0002235043 (fixed rate note).

<sup>56</sup> There are 125,000 outstanding bonds with ISIN code BE0002216829.

<sup>57</sup> There are 500 outstanding bonds with ISIN code BE0002192582.

<sup>58</sup> Situation based on the transparency notices received up to 30 June 2014. Any notified changes may be viewed at [www.wdp.be](http://www.wdp.be).

<sup>59</sup> The Federal Holding and Investment Company (26 October 2011) is the parent company of Belfius NV, which in turn is the parent company of Dexia Insurance Belgium. Dexia Insurance Belgium is the parent company of DELP Invest and Dexia Life and Pensions.

<sup>60</sup> See press release dated 25 June 2014.

### 3.4. Financial calendar

FINANCIAL CALENDAR	
12 11 2015	Publication of Q3 2015 results
Week 7 2016	Publication of 2015 annual results
27 04 2016	General Meeting
02 05 2016	2015 ex-dividend date
03 05 2016	2015 dividend record date
TBD <sup>61</sup>	2015 dividend payment date

For any changes, please refer to the Financial Calendar at [www.wdp.be](http://www.wdp.be).

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<sup>61</sup> Subject to the decision of the Board of Directors and the Manager concerning a potential optional dividend.



## 4. Property report<sup>62</sup>

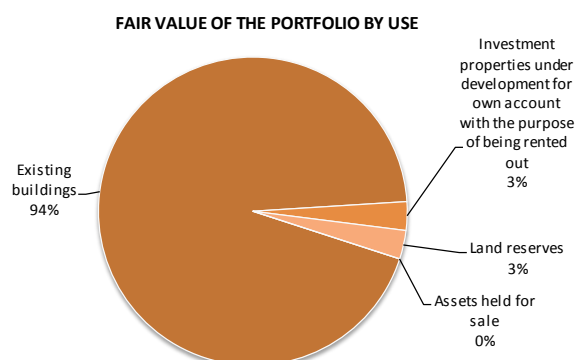
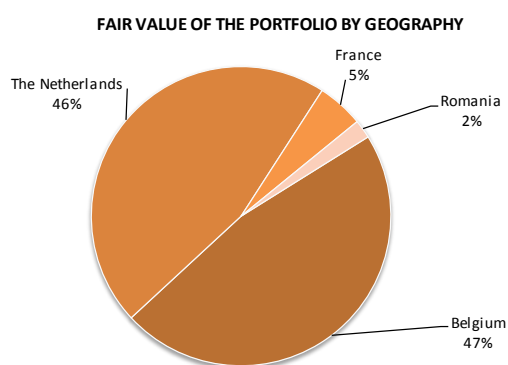
### 4.1. Review of the consolidated property portfolio

#### Description of the portfolio on 30 June 2015

The independent property experts Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate have estimated the fair value<sup>63</sup> of the WDP property portfolio (including *Assets held for sale* and excluding solar panels) in accordance with IAS 40 at 1,720.9 million euros on 30 June 2015. The fair value at the end of 2014 amounted to 1,492.1 million euros.

The portfolio breaks down as follows:

FAIR VALUE (in million euros)	Belgium	Netherlands	France	Romania	Total
Existing buildings	758,9	770,2	76,3	9,4	1 614,8
Investment properties under development for own account with the purpose of being rented out	42,0	11,2	0,0	4,4	57,6
Land reserves	16,9	9,4	3,0	18,4	47,7
Assets held for sale	0,9	0,0	0,0	0,0	0,9
<b>Total</b>	<b>818,7</b>	<b>790,8</b>	<b>79,3</b>	<b>32,2</b>	<b>1 720,9</b>



<sup>62</sup> WDP's share in the portfolio of WDP Development RO (51%) still appeared as part of the statistics in the reporting on the portfolio.

<sup>63</sup> Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties: these are the transfer costs to be paid should there be a hypothetical disposal of the investment properties. The fair value at which the investment properties are valued consists of the investment value minus the transaction costs. The theoretical local registration rights which are deducted from the investment value cost on average per country as follows: Belgium: 2.5%, Netherlands: 4.6%, France: 3.5% and Romania: 1.5%.

PORTFOLIO STATISTICS BY COUNTRY	Belgium	Netherlands	France	Romania	Total
Number of lettable sites	70	51	8	3	132
Gross lettable area (in m <sup>2</sup> )	1 531 796	1 181 214	145 511	15 381	2 873 902
Land (in m <sup>2</sup> )	2 895 525	2 123 843	376 174	860 977	6 256 519
Fair value (in million euros)	818,7	790,8	79,3	32,2	1 720,9
% of total fair value	47%	46%	5%	2%	100%
% change in fair value for the first half of the year	-0,3%	1,5%	-2,2%	-0,4%	0,4%
Vacancy rate (EPRA) <sup>1,2</sup>	3,6%	0,9%	10,0%	0,0%	2,7%
Average lease length till first break (in year) <sup>2</sup>	4,9	7,6	3,6	7,5	6,1
WDP gross initial yield <sup>3</sup>	7,9%	7,8%	8,5%	8,9%	7,9%
Effect of vacancies	-0,3%	-0,1%	-0,9%	0,0%	-0,2%
Adjustment gross to net rental income (EPRA)	-0,4%	-0,2%	-0,1%	0,0%	-0,3%
Adjustments for transfer taxes	-0,2%	-0,3%	-0,3%	-0,1%	-0,3%
EPRA net initial yield <sup>1</sup>	7,1%	7,2%	7,3%	8,8%	7,1%

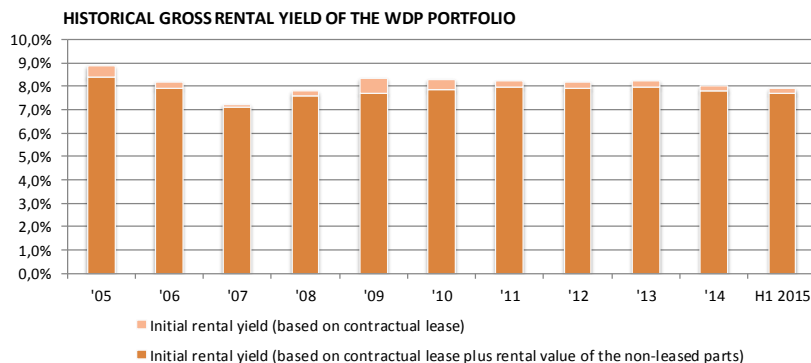
<sup>1</sup> Financial performance indicator calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. Please see [www.epra.com](http://www.epra.com).

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

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

## Changes in fair value during the first half of 2015

In the first half of 2015, WDP invested in new acquisitions, a total amount of 186.1 million euros. In addition, 35.5 million euros were invested for the completion of pre-leased projects for own account. Furthermore, 0.4 million euros in property was sold.



Changes in the valuation of the investment properties to the order of 7.6 million euros can be explained by a decrease of the required yields from the Dutch portfolio. The gross rental yield, after the addition of the estimated market rental value of the unleased parts, is 7.9% as of 30 June 2015, stable compared to 8.0% at the end of 2014.

### Value and composition of the rental portfolio

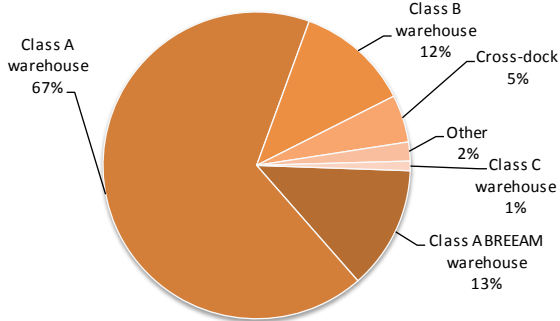
The total surface area comprises 625.7 hectares, including 46.4 hectares granted in concession. The balance of 579.3 hectares has a fair value of 600.6 million euros, or 35% of the total fair value. This gives an average land value of 103.7 euros per m<sup>2</sup>, excluding transaction costs. The land reserves are also comprised in this area, particularly in Belgium and Romania.

<b>DESIGNATED USE AT 30.06.2015</b>	<i>Built surface (in m<sup>2</sup>)</i>	<i>Estimated rental value (in million euros)</i>	<i>Estimated rental value per m<sup>2</sup> (in euros)</i>	<i>% of total rental value</i>
Warehouses	2 331 073	96,2	41,3	79,6
Offices	191 703	17,6	91,7	14,5
Commercial space	13 944	0,7	48,2	0,6
Various uses (mixed-use areas, parking facilities and filling space)	120 902	1,8	15,0	5,3
<b>Total</b>	<b>2 873 902</b>	<b>120,9</b>	<b>42,1</b>	<b>100,0</b>

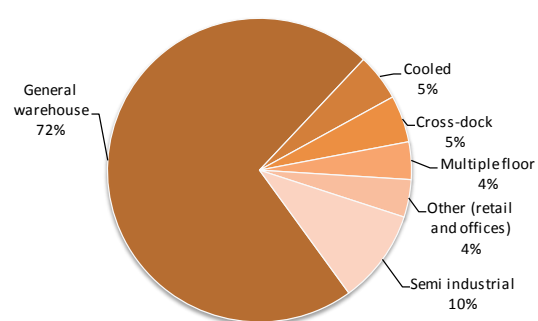
The total leasable area of the buildings is 2.9 million m<sup>2</sup>, with a total estimated rental value of 120.9 million euros. The warehouses account for the lion's share of this volume (79.6%), with 2,331,073 m<sup>2</sup> and a joint rental value of 96.2 million euros. The average rental value per square meter amounts to 41.3 euros.

Office premises represent 191,703 m<sup>2</sup> or 17.6 million euros in rental value. The average rental value per square meter amounts to 91.7 euros. Commercial premises take up 13,944 m<sup>2</sup> and represent 0.7 million euros in rent, with an average of 48.2 euros per square meter. Various other locations represent 337,182 m<sup>2</sup> or 6.5 million euros, with an average rent of 19.2 euros/m<sup>2</sup>.

**DIVERSIFICATION OF PROPERTY PORTFOLIO (BASED ON THE FAIR VALUE) BY PROPERTY QUALITY CLASSIFICATION**



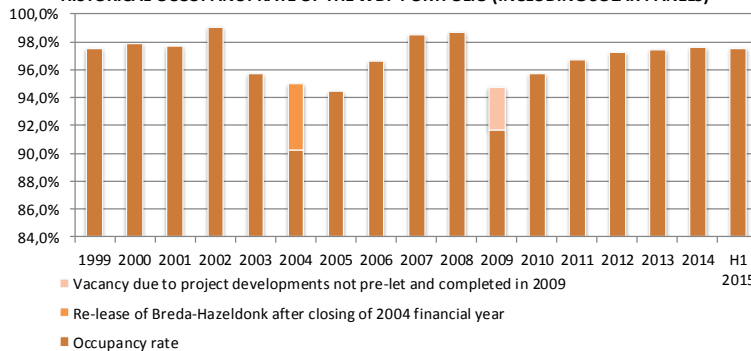
**DIVERSIFICATION OF PROPERTY PORTFOLIO (BASED ON THE FAIR VALUE) BY PROPERTY TYPE**



### Rental situation of the available buildings

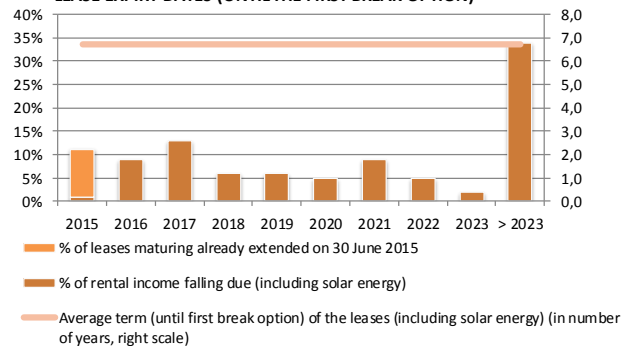
The occupancy rate of the WDP portfolio amounted to 97.5% on 30 June 2015, compared to 97.6% at the end of 2014 (including solar panels).<sup>64</sup> This represents an implementation of WDP's commercial strategy, which is aimed at developing long-term relationships with clients and supports the company's performance through a high operating margin.

**HISTORICAL OCCUPANCY RATE OF THE WDP PORTFOLIO (INCLUDING SOLAR PANELS)**



WDP's practice of building partnerships together with its clients is also reflected in the fact that the average residual term to the expiry date of a lease contract is 7.9 years. When the first termination date is taken into account, the average residual term is 6.1 years.

**LEASE EXPIRY DATES (UNTIL THE FIRST BREAK OPTION)**

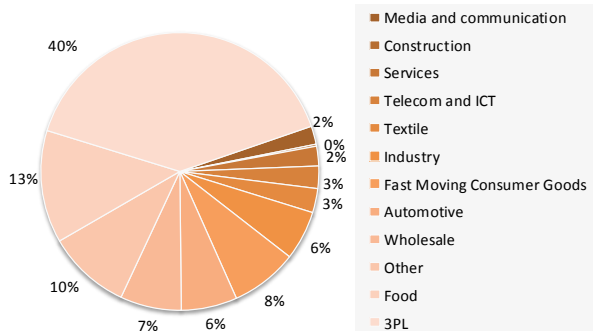


<sup>64</sup> Excluding the solar panels, the occupancy rate amounted to 97.3%.

If income from solar panels is also taken into account, the average residual term to the expiry date is 8.3 years. When the first termination date is taken into account, the average residual term is 6.7 years.

The main tenants are: solar energy with an 8.5% share of rental income, Kuehne + Nagel (7.4%), the Univeg group (7.3%), Carrefour (3.1%), Distri-Log (3.0%), Philips Lighting (2.9%), DHL Supply Chain Services (2.9%), Action (2.9%) DHL Express (2.9%) and Lidl (2.4%). The share of the ten biggest tenants is 43.4%. The top 20 make up a share of 57.9% and the top 50 make up 82.5%.

RENTAL INCOME FOR THE FIRST HALF OF 2015 BY TENANT'S INDUSTRIES



**MAIN TENANTS**

(% rental income, including revenue from solar energy)

1. Income from solar panels	8,5%
2. Kuehne + Nagel	7,4%
3. Univeg Group	7,3%
4. Carrefour	3,1%
5. Distri-Log	3,0%
6. Philips Lighting	2,9%
7. DHL Supply Chain Services	2,9%
8. Action	2,9%
9. DHL Express	2,9%
10. Lidl	2,4%

**TOP 10** 43,4%

## Overview of developments under construction<sup>65</sup>

	Country	Type	Lettable area (in m <sup>2</sup> )	Expected completion	Pre-let	Lessee	Investment budget (in million euros)*	Expected return
<b>Projecten in execution - fully owned by WDP</b>								
Londerzeel - Nijverheidsstraat 13	BE	Redevelopment and extension	9 500	Q3 2015	100%	Lantmännen Unibake	18	
Bornem - Sluisweg 32	BE	New build	18 000	Q4 2015	100%	DHL Supply Chain	10	
Willebroek - Victor Dumonlaan	BE	New build	25 000	Q2 2016	100%	Damco (60%)	14	
Soesterberg - Centurionbaan	NL	New build	7 000	Q4 2015	100%	Hypsos	7	
Papendrecht - Nieuwland Parc	NL	New build	7 000	Q4 2015	100%	Staay Food Group	13	
Barendrecht - Dierensteinweg	NL	New build	40 000	Q4 2016	100%	The Greenery	18	
Breda - IABC	NL	New build	20 000	Q4 2016	100%	The Greenery	9	
Braïla	RO	New build	16 000	Q3 2015	100%	Yazaki	4,5	
Brasov	RO	New build	5 000	Q4 2015	100%	Inter Cars	1	
Ploiesti	RO	New build	12 000	Q4 2015	100%	Federal-Mogul	3,5	
Sibiu	RO	New build	8 000	Q2 2016	100%	Siemens	2,5	
Sibiu	RO	New build	4 500	Q2 2016	100%	DPD	1,5	
Ramnicu Valcea	RO	New build	12 000	Q2 2016	100%	Faurecia	4	
<b>TOTAL</b>			<b>184 000</b>		<b>100%</b>		<b>106</b>	<b>7,5-8,0%</b>

\* For the redevelopment projects, the value as stated here does not include the value of the existing sites before the start of the renovation. The proportional share of WDP in the portfolio of WDP Development RO (51%) is also taken into consideration.

The anticipated out-of-pocket cost for the realisation of these projects is estimated at approximately 106 million euros, of which about 36 million euros has already been issued as of 30 June 2015. WDP expects to generate a weighted average return on the total investment in between 7.5% and 8.0%.<sup>66</sup>

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

### Belgium

In line with 2014, the demand for state-of-the-art warehouses with substantial surface areas continues, particularly along the Antwerp-Brussels logistical axis. However, in view of the supply in that region being limited in scale, the demand is being diverted to new logistics hubs, such as the Antwerp-Ghent axis, the Wallonia axis and the provinces of Liège and Limburg. Speculative developments are still rare. Tailor-made projects continue to play a leading role. Investments come mainly from domestic

<sup>65</sup> See also '2.4. Interim management report – Transactions and realisations'.

<sup>66</sup> The investment amount mentioned in this paragraph does not account for the value of the redevelopment projects before the start of renovations, and as such, it reflects only the net growth of the portfolio within the 2013-2016 growth plan. See also 'Property portfolio' under 2.3 Notes on the consolidated results for the first half-year of 2015.

logistics real estate players, although foreign investors keep a close eye on the market. This trend is expected to persist through the end of 2015.

### *Netherlands*

Dutch exports continue to increase thanks to full order books in the logistics market, with lasting positive effects for both rentals and investments. Demand for high-quality premises is still outpacing supply in this region, leading to the extension of existing leases, commitments to future expansions of existing sites and the establishment of new projects tailor-made for future tenants. In addition, the solid fundamentals of this market have not gone unnoticed by international investors.

### *France*

As the economy gradually recovers, the take-up level continues to rise along with it, mainly in the regions around Lyon, Marseilles and Paris. The large number of lease contracts and the extremely limited number of speculative developments has led to a drop in the amount of available space. On the other hand, many already existing premises are becoming available for rent. The limited supply of large logistics platforms available has increased the number of tailor-made projects (A-class warehouses), in line with the end of 2014. The extremely limited supply of high-quality locations still means subdued business activity in the sector, but sales of large existing portfolios as well as the growing interest of both French and foreign pure players are expected to revive the market further.

### *Romania*

The increasing stabilisation of the real estate market has continued, facilitated by growing exports. Demand within the sector is driven by new orders for both new locations and expansions of existing sites. The optimism of the industrial market has meant increasing interest on the part of investors, particularly for tailor-made projects.

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

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

Dear Sirs,

We are pleased to present you with our estimate of the value of the property portfolio of WDP Comm. VA as of 30 June 2015.

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

The fair value is defined by the IAS 40 standard as the amount for which the assets could be exchanged between two well-informed parties without mutual special interests on a voluntary basis. IVSC deems these conditions to be met if the above-mentioned definition of market value is respected. The market value must reflect the current lease contracts, the current gross margin of self-financing (or cash flow) the reasonable assumptions relating to potential rental income and the expected costs.

In this context, the administration costs must be adjusted to the actual situation of the market. After an analysis of a large number of transactions, the property experts, acting in a working group at the request of listed property companies, came to the conclusion that, given the fact that property taking different forms can be transferred, the impact of transaction costs on large investment properties on the Belgian market whose value exceeds 2.5 million euros is limited to 2.5%. The value with additional costs borne by the seller is therefore equal to the fair value plus 2.5% in administration costs. This means the fair value is calculated by dividing the value with additional costs borne by the seller by 1.025. Properties whose value lies below the threshold of 2.5 million euros and properties abroad are subject to the usual registration fee; their fair value is therefore equal to the *value with costs borne by the buyer*.

As property experts, we possess relevant and recognised credentials as well as up-to-date experience with properties of a type and location similar to those of the properties in WDP's property portfolio.

In giving an estimate of the properties, we took into account both the current rental agreements and all rights and obligations arising from these agreements. Each property was estimated separately. The estimates do not account for any potential capital gain that might be realised by offering the portfolio on the market in its entirety. Our estimates also do not account for marketing costs specific to a transaction, such as estate agents' fees or publicity costs. In addition to an annual inspection of these properties, our estimates are also based on the information provided by WDP regarding the rental situation, surface areas, sketches or plans, rental charges and taxes associated with each property concerned, compliance and environmental pollution. The information provided was deemed accurate and complete. Our estimates assume that undisclosed items are not such that they would affect the value of the property.

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

Based on the statements outlined in the previous paragraphs, we were able to confirm that the fair value of the real estate property (excluding solar panels) of WDP as of 30 June 2015 was 1,720,905,232 (one billion seven hundred twenty million nine hundred and five thousand two hundred thirty-two) euros.

Yours faithfully,





**KRIS PEETERMANS**

Head of Valuation & Advisory Belux | Cushman & Wakefield

**PHILIPPE JANSSENS**

CEO | Stadim

**JACQUES BOEVE**

Partner Valuations | DTZ Zadelhoff

**CAROLINE HUSSENOT**

Director of the International Department | BNP Paribas Real Estate

## 5. Condensed consolidated financial statements for the first half-year of 2015

### 5.1. Condensed consolidated profit and loss account as of 30 June 2015<sup>67</sup>

<i>in euros (x 1 000)</i>	note	30.06.2015	30.06.2014
Rental income	VI	54 757	45 559
Rental charges		-591	-426
<b>NET RENTAL RESULT</b>		<b>54 166</b>	<b>45 134</b>
Recovery of rental charges normally paid by the tenant on let properties		6 024	3 501
Rental charges and taxes normally paid by the tenant on let properties		-7 769	-4 157
Other income and charges related to leases		6 065	4 820
<b>PROPERTY RESULT</b>		<b>58 486</b>	<b>49 297</b>
Technical costs		-1 104	-851
Commercial costs		-208	-168
Property management costs		-374	-379
<b>PROPERTY CHARGES</b>		<b>-1 686</b>	<b>-1 398</b>
<b>PROPERTY OPERATING RESULTS</b>		<b>56 800</b>	<b>47 899</b>
General company expenses		-1 381	-2 767
Depreciation and write-down on solar panels		-1 493	n.r.
<b>OPERATING RESULT (BEFORE RESULT ON THE PORTFOLIO)</b>		<b>53 926</b>	<b>45 132</b>
Result on disposals of investment property		0	13
Variations in the fair value of investment property*	VII	7 801	1 887
<b>OPERATING RESULT</b>		<b>61 727</b>	<b>47 031</b>
Financial revenues		499	760
Net interest charges		-12 655	-12 536
Other financial charges		-210	-145
Movements in the fair value of financial assets and liabilities		14 381	-11 043
<b>FINANCIAL RESULT</b>		<b>2 015</b>	<b>-22 964</b>
<b>PRE-TAX RESULT</b>		<b>63 742</b>	<b>24 067</b>
<b>PARTICIPATION IN THE RESULT OF ASSOCIATED COMPANIES AND JOINT VENTURES</b>		<b>-76</b>	<b>-332</b>
<b>TAXES</b>		<b>-420</b>	<b>-290</b>
<b>NET RESULT</b>		<b>61 753</b>	<b>23 445</b>
<b>Attributable to:</b>			
Shareholders of the parent company		61 753	23 445
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>		<b>17 849 824</b>	<b>16 145 370</b>
<b>NET RESULT PER SHARE (in euros)</b>		<b>3,46</b>	<b>1,45</b>
<b>DILUTED NET RESULT PER SHARE (in euros)</b>		<b>3,46</b>	<b>1,45</b>

<sup>67</sup> The IFRIC 21 norm, through which the real estate withholding tax is recognized in full as debt and expense on 1 January 2015 applies for the first time to the half-year figures. This standard has not been applied retrospectively. If the standard had been applied in the previous financial year, the property result for the first half of 2014 would have been 0.7 million euros lower.

## 5.2. Condensed consolidated statement of overall income

<i>in euros (x 1 000)</i>	30.06.2015	30.06.2014
<b>I. NET RESULT</b>	<b>61 753</b>	<b>23 445</b>
<b>II. OTHER ELEMENTS OF OVERALL RESULT (RECOVERABLE THROUGH PROFIT AND LOSS)</b>	<b>2 909</b>	<b>-2 568</b>
Revaluation of the solar panels in Belgium	2 972	-1 320
Revaluation of the solar panels in joint ventures	-63	-1 248
<b>OVERALL RESULT OF THE FIRST HALF-YEAR</b>	<b>64 662</b>	<b>20 877</b>
Attributable to:		
Shareholders of the group	64 662	20 877

## 5.3. Other components of comprehensive income

	30.06.2015	30.06.2014
<i>(in euros x 1 000)</i>		
Net current result (including participation in the result of joint ventures) (EPRA)	41 429	32 876
Result on the portfolio (including participation in the result of joint ventures) (IAS 40)*	7 648	1 612
Revaluation of financial instruments (IAS 39)	14 381	-11 043
Depreciation and write-down on solar panels (including share in the result of joint ventures) (IAS 16)	-1 706	n.r.
<b>NET RESULT (IFRS)</b>	<b>61 753</b>	<b>23 445</b>
<i>(in euros per share)**</i>		
Net current result (including participation in the result of joint ventures) (EPRA)	2,32	2,04
Result on the portfolio (including participation in the result of joint ventures) (IAS 40)*	0,43	0,10
Revaluation of financial instruments (IAS 39)	0,81	-0,68
Depreciation and write-down on solar panels (including share in the result of joint ventures) (IAS 16)	-0,10	n.r.
<b>NET RESULT (IFRS)</b>	<b>3,46</b>	<b>1,45</b>

\* Including deferred taxes on portfolio result.

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

In these interim statements, the IFRIC 21 norm, through which the real estate withholding tax is recognized in full as debt and expense on 1 January 2015 and at the same time the recharge of this real estate withholding tax to the tenants is recognized in full as receivable and income on 1 January 2015. Hence the net effect of these property taxes for a financial year is fully charged to the profit and loss account as from 1 January of the financial year.

#### 5.4. Condensed consolidated balance sheet as of 30 June 2015

<i>in euros (x 1 000)</i>	<i>note</i>	30.06.2015	31.12.2014
<b>Fixed assets</b>		<b>1 781 689</b>	<b>1 547 013</b>
Intangible fixed assets		130	93
Investment property	VII	1 687 400	1 461 814
Other tangible fixed assets (including solar panels)	VII	73 613	63 699
Financial fixed assets		13 887	13 573
Trade receivables and other non-current assets		3 352	4 500
Participations in associated companies and joint ventures		3 307	3 333
<b>Current assets</b>		<b>23 800</b>	<b>23 318</b>
Assets held for sale	VII	903	1 346
Trade receivables		14 808	6 125
Tax benefits and other current assets		4 894	13 922
Cash and cash equivalents		823	234
Deferred active charges		2 370	1 691
<b>TOTAL ASSETS</b>		<b>1 805 488</b>	<b>1 570 331</b>
<b>Shareholder's equity</b>		<b>689 724</b>	<b>613 494</b>
I. Shareholders' equity attributable to the parent company's shareholders		689 724	613 494
Capital		143 654	135 329
Premiums on issues		304 426	239 399
Reserves (including result)		179 891	174 016
Net result for the financial year		61 753	64 750
<b>Liabilities</b>		<b>1 115 764</b>	<b>956 837</b>
I. Non-current liabilities		818 843	734 328
Provisions		1 046	1 046
Non-current financial liabilities	VIII	760 999	664 928
Other non-current financial liabilities		56 798	68 354
Deferred tax liabilities		0	0
II. Current liabilities		296 921	222 509
Current financial liabilities	VIII	265 493	198 886
Trade payables and other current debts		21 453	12 473
Other current liabilities		861	1 181
Deferred active charges		9 116	9 968
<b>TOTAL LIABILITIES</b>		<b>1 805 488</b>	<b>1 570 331</b>

## 5.5. Condensed consolidated cash flow statement

<i>in euros (x 1 000)</i>	30.06.2015	30.06.2014
<b>CASH AND CASH EQUIVALENTS, OPENING BALANCE</b>	234	1 579
<b>NET CASH FLOWS CONCERNING OPERATING ACTIVITIES</b>	<b>57 116</b>	<b>47 321</b>
<b>1. Cash flows concerning operations</b>	<b>56 939</b>	<b>46 952</b>
Profit / loss from operating activities	74 329	35 511
Profit for the year	61 753	23 445
Interest charges	12 655	12 536
Interest received	-499	-760
Income tax	420	290
Adjustments to non-monetary items	-16 252	-17 757
Write-downs	1 832	340
Depreciations	-129	-37
Interest charges to be transferred	3 277	758
Interest capitalised during construction	1 035	624
Interest income to be transferred	272	351
Increase (+) / decrease (-) in provisions	0	-5
Variations in the fair value of investment property	-7 801	-1 887
Increase (+) / decrease (-) in deferred taxes	-370	250
Variations in fair value of financial derivatives	-14 381	11 043
Participation in the result of associated companies and joint ventures	13	332
Increase in sales	0	-13
Increase (+) / decrease (-) in working capital	-1 138	-317
<b>2. Cash flows concerning other operating activities</b>	<b>177</b>	<b>369</b>
Interest received classified by operating activities	227	409
Income tax paid / received	-50	-40
<b>NET CASH FLOWS CONCERNING INVESTMENT ACTIVITIES</b>	<b>-166 235</b>	<b>-118 480</b>
<b>1. Purchases</b>	<b>-167 363</b>	<b>-120 397</b>
Payments regarding purchases of real estate investments	-152 602	-106 628
Payments regarding purchases of shares of real estate companies	-14 286	-13 547
Acquisitions of other tangible and intangible fixed assets	-475	-223
<b>2. Disposals</b>	<b>1 442</b>	<b>1 950</b>
Receipts from sale of investment property	442	950
Receipts from sale of shares of real estate companies	1 000	1 000
<b>3. Financing granted to joint ventures</b>	<b>-314</b>	<b>-33</b>
Financing granted to joint ventures	-314	-33
<b>NET CASH FLOWS CONCERNING FINANCING ACTIVITIES</b>	<b>109 708</b>	<b>71 621</b>
<b>1. Increase in financial debts</b>	<b>295 585</b>	<b>290 197</b>
<b>2. Decrease in financial debts</b>	<b>-132 908</b>	<b>-175 228</b>
<b>4. Interest paid</b>	<b>-16 968</b>	<b>-13 919</b>
<b>5. Dividends paid*</b>	<b>-36 001</b>	<b>-29 430</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>589</b>	<b>461</b>
<b>CASH AND CASH EQUIVALENTS, CLOSING BALANCE</b>	<b>823</b>	<b>2 040</b>

\* This only relates to cash-out, because an optional dividend was offered in 2014 and 2015, with 60% and 55% of the shareholders respectively opting for distribution in shares rather than cash.

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

<i>in euros (x 1 000)</i>	1.01.2015	Allocation of result during 2014	Net result for the first half year	Movements in the fair value of solar panels	Capital increases*	Dividends distributed	Other	30.06.2015
<b>Total shareholders' equity</b>	<b>613 494</b>	<b>0</b>	<b>61 753</b>	<b>2 909</b>	<b>73 352</b>	<b>-61 610</b>	<b>-174</b>	<b>689 724</b>
Subscribed capital	135 329				8 325			143 654
Issue premiums	239 399				65 027			304 426
Reserves	174 016	64 750		2 909		-61 610	-174	179 891
Net result for the period	64 750	-64 750	61 753					61 753

\* Relating to the capital increase following the optional dividend and the MLB transaction.

<i>in euros (x 1 000)</i>	1.01.2014	Allocation of result during 2013	Net result for the first half year	Movements in the fair value of solar panels	Capital increases*	Dividends distributed	Other	30.06.2014
<b>Total shareholders' equity</b>	<b>527 080</b>	<b>0</b>	<b>23 445</b>	<b>-2 568</b>	<b>22 881</b>	<b>-52 311</b>	<b>33</b>	<b>518 560</b>
Subscribed capital	124 898				3 676			128 574
Issue premiums	177 057				19 204			196 261
Reserves	145 451	79 674		-2 568		-52 311	33	170 279
Net result for the period	79 674	-79 674	23 445					23 445

\* Relating to the capital increase following the optional dividend.

## 5.7. Notes

### I. General information on the company

WDP is a public Regulated Real Estate Company and takes the legal form of a *Commanditaire Vennootschap op Aandelen* (limited partnership with share capital) under Belgian law. Its registered office is located at Blakebergen 15, 1861 Wolvertem (Belgium). The telephone number is +32 (0)52 338 400.

The consolidated financial statements of the company as of 30 June 2015 include the company and its subsidiaries.

WDP is listed on Euronext Brussels.

### II. Basis of presentation

The consolidated interim financial statements are drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with legal and administrative regulations applicable in Belgium and in accordance with the IAS 34 standards for the financial statements of the company as of 30 June 2015 (interim financial statements). These standards include all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) in so far where they apply to the activities of the group and effective for financial years commencing on or after 1 January 2015.

The consolidated interim financial statements are represented in thousands of euros, rounded to the nearest thousand. The 2014 and 2015 financial years are presented here. For the historical financial information for the 2013 financial year, please see the financial reports for 2013 and 2014.

Accounting methods were consistently applied for the financial years presented.

The application of IFRIC 21 *Levies* means that the real estate withholding tax is recognized in full as debt and expense on 1 January 2015 and at the same time the recharge of this real estate withholding tax to the tenants is recognized in full as receivable and income on 1 January 2015.

#### **Standards and interpretations effective for the financial year beginning on 1 January 2015**

- Improvements to IFRS (2011-2013) (applicable to financial years beginning on or after 1 January 2015)
- IFRIC 21 *Levies* (applicable to financial years beginning on or after 17 June 2014)

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

A number of new standards, amendments to standards and interpretations have not yet been adopted in 2015, but they can be adopted prior to their effective dates. WDP has not yet adopted these. To the extent that these new standards, amendments and interpretations are relevant to WDP, below are the effects the application thereof may have on the consolidated financial statements for 2016 and subsequent years.

- IFRS 9 *Financial Instruments* and subsequent amendments (applicable to financial years beginning on or after 1 January 2018, but not yet adopted by the European Union)
- IFRS 14 *Regulatory Deferral Accounts* (applicable to financial years beginning on or after 1 January 2016, but not yet adopted by the European Union)
- IFRS 15 *Revenue from Contracts with Customers* (applicable to financial years beginning on or after 1 January 2017, but not yet adopted by the European Union)
- Improvements to IFRS (2010-2012) (applicable to financial years beginning on or after 1 February 2015)
- Improvements to IFRS (2012-2014) (applicable to financial years beginning on or after 1 January 2016, but not yet adopted by the European Union)
- Amendments to IFRS 10 and IAS 28 *Sales or contributions of assets between an investor and its associate/joint venture* (applicable to financial years beginning on or after 1 January 2016, but not yet adopted by the European Union)
- Amendments to IFRS 11 *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations* (applicable to financial years beginning on or after 1 January 2016, but not yet adopted by the European Union)
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable to financial years beginning on or after 1 January 2016, but not yet adopted by the European Union)
- Amendments to IAS 16 and IAS 41 *Agriculture - Bearer Plants* (applicable to financial years beginning on or after 1 January 2016, but not yet adopted by the European Union)
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (applicable to financial years beginning on or after 1 July 2014, but not yet adopted by the European Union)
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (applicable to financial years beginning on or after 1 January 2016, but not yet adopted by the European Union)



### III. Segmented information – Result by sector

in euros (x 1 000)	Financial year 30.06.2014					Romania
	Belgium	Netherlands	France	Non-allocated amounts	Total IFRS	
I. Rental income*	27 353	24 456	2 948	0	54 757	309
III. Rental charges	-413	-196	17	0	-591	0
<b>RENTAL INCOME, NET OF RENTAL-RELATED EXPENSES</b>	<b>26 940</b>	<b>24 260</b>	<b>2 965</b>	<b>0</b>	<b>54 166</b>	<b>309</b>
V. Recovery of rental charges normally paid by the tenant on let properties	4 991	106	926	0	6 024	43
VII. Rental charges and taxes normally paid by the tenant on let properties	-5 605	-1 173	-991	0	-7 769	-60
VIII. Other leasing-related income and charges**	5 866	157	42	0	6 065	649
<b>PROPERTY RESULT</b>	<b>32 192</b>	<b>23 351</b>	<b>2 942</b>	<b>0</b>	<b>58 486</b>	<b>942</b>
IX. Technical costs	-827	-223	-54	0	-1 104	-81
X. Marketing costs	-192	18	-34	0	-208	-22
XII. Property management costs	-522	146	2	0	-374	-4
<b>PROPERTY CHARGES</b>	<b>-1 541</b>	<b>-59</b>	<b>-86</b>	<b>0</b>	<b>-1 686</b>	<b>-107</b>
<b>PROPERTY OPERATING RESULTS</b>	<b>30 651</b>	<b>23 292</b>	<b>2 857</b>	<b>0</b>	<b>56 800</b>	<b>835</b>
XIV. Corporate management costs	0	0	0	-1 381	-1 381	n.r.
Depreciation and write-downs on solar panels	-1 493	0	0	0	-1 493	-212
<b>OPERATING RESULT (BEFORE RESULT ON THE PORTFOLIO)</b>	<b>29 158</b>	<b>23 292</b>	<b>2 857</b>	<b>-1 381</b>	<b>53 926</b>	<b>622</b>
XVI. Result on disposals of investment property	0	0	0	0	0	0
XVIII. Movements in the fair value of investment property	-2 347	11 869	-1 721	0	7 801	-126
<b>OPERATING RESULT</b>	<b>26 811</b>	<b>35 161</b>	<b>1 135</b>	<b>-1 381</b>	<b>61 727</b>	<b>496</b>

in euros (x 1 000)	Financial year 30.06.2014					Romania
	Belgium	Netherlands	France	Non-allocated amounts	Total IFRS	
I. Rental income*	24 910	17 813	2 836	0	45 559	260
III. Rental charges	-171	-89	-165	0	-426	0
<b>RENTAL INCOME, NET OF RENTAL-RELATED EXPENSES</b>	<b>24 739</b>	<b>17 724</b>	<b>2 671</b>	<b>0</b>	<b>45 134</b>	<b>260</b>
V. Recovery of rental charges normally paid by the tenant on let properties	2 958	45	498	0	3 501	73
VII. Rental charges and taxes normally paid by the tenant on let properties	-3 237	-381	-539	0	-4 157	-92
VIII. Other leasing-related income and charges**	4 750	28	42	0	4 820	308
<b>PROPERTY RESULT</b>	<b>29 210</b>	<b>17 416</b>	<b>2 672</b>	<b>0</b>	<b>49 297</b>	<b>549</b>
IX. Technical costs	-612	-204	-36	0	-851	-46
X. Marketing costs	-108	-50	-10	0	-168	-11
XII. Property management costs	-460	76	5	0	-379	52
<b>PROPERTY CHARGES</b>	<b>-1 180</b>	<b>-178</b>	<b>-41</b>	<b>0</b>	<b>-1 398</b>	<b>-5</b>
<b>PROPERTY OPERATING RESULTS</b>	<b>28 030</b>	<b>17 238</b>	<b>2 631</b>	<b>0</b>	<b>47 899</b>	<b>544</b>
XIV. Corporate management costs	0	0	0	-2 767	-2 767	n.r.
<b>OPERATING RESULT (BEFORE RESULT ON THE PORTFOLIO)</b>	<b>28 030</b>	<b>17 238</b>	<b>2 631</b>	<b>-2 767</b>	<b>45 132</b>	<b>544</b>
XVI. Result on disposals of investment property	13	0	0	0	13	0
XVIII. Movements in the fair value of investment property	-3 018	4 276	629	0	1 887	-270
<b>OPERATING RESULT</b>	<b>25 025</b>	<b>21 514</b>	<b>3 260</b>	<b>-2 767</b>	<b>47 031</b>	<b>274</b>

\* Income from solar energy was 5,148 million euros during the first half of 2015 and 4,124 million euros during the first half of 2014. This income was generated in Belgium (4,513 million euros) and in Romania (0,635 million euros). The income from solar energy is recognised in 'Other income and charges related to leases'.

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

The basis for reporting per segment within WDP is the geographical region. This segmentation basis reflects the four geographical markets in Europe in which WDP is active. This segmentation is important for WDP given that the nature of its activity, its customers, etc. present similar economic characteristics within these segments. Business decisions are taken at this level, and different key performance indicators (such as rental income, occupancy rates, etc.) are monitored in this manner.

#### IV. Segmented information - Assets

<i>in euros (x 1 000)</i>	Financial year 30.06.2015					
	Belgium	Netherlands	France	Non-allocated amounts	Total IFRS	Romania
<b>INVESTMENT PROPERTY</b>	<b>817 371</b>	<b>790 751</b>	<b>79 278</b>	<b>0</b>	<b>1 687 400</b>	<b>32 176</b>
Existing buildings	758 448	770 197	76 252	0	1 604 897	9 396
Investment properties under development for own account with the purpose of being rented out	42 013	11 172	0	0	53 185	4 383
Land reserves	16 911	9 381	3 026	0	29 317	18 396
<b>ASSETS HELD FOR SALE</b>	<b>903</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>903</b>	<b>0</b>
<b>OTHER TANGIBLE FIXED ASSETS</b>	<b>73 306</b>	<b>307</b>	<b>0</b>	<b>0</b>	<b>73 613</b>	<b>11 720</b>
Tangible fixed assets for own use	383	0	0	0	384	0
Other: solar panels*	72 923	307	0	0	73 230	11 720
<b>FINANCIAL FIXED ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13 887</b>	<b>13 887</b>	<b>0</b>
<b>PARTICIPATION IN ASSOCIATED COMPANIES AND JOINT VENTURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3 307</b>	<b>3 307</b>	<b>0</b>
<i>in euros (x 1 000)</i>	Financial year 31.12.2014					
	Belgium	Netherlands	France	Non-allocated amounts	Total IFRS	Romania
<b>INVESTMENT PROPERTY</b>	<b>734 405</b>	<b>646 708</b>	<b>80 701</b>	<b>0</b>	<b>1 461 814</b>	<b>28 917</b>
Existing buildings	681 236	573 290	77 676	0	1 332 202	9 418
Investment properties under development for own account with the purpose of being rented out	36 346	73 418	0	0	109 764	602
Land reserves	16 824	0	3 025	0	19 849	18 897
<b>ASSETS HELD FOR SALE</b>	<b>1 346</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 346</b>	<b>0</b>
<b>OTHER TANGIBLE FIXED ASSETS</b>	<b>63 606</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>63 699</b>	<b>12 289</b>
Tangible fixed assets for own use	554	93	0	0	647	119
Other: solar panels*	63 052	0	0	0	63 052	12 170
<b>FINANCIAL FIXED ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13 573</b>	<b>13 573</b>	<b>0</b>
<b>PARTICIPATION IN ASSOCIATED COMPANIES AND JOINT VENTURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3 333</b>	<b>3 333</b>	<b>0</b>

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

## V. Subsidiary information

	Share of equity	
	30.06.2015	30.06.2014
<b>Fully consolidated companies</b>		
<b>Name and full address of the registered offices</b>		
WDP France SARL – rue Cantrelle 28 – 36000 Châteauroux – France	100%	100%
WDP Nederland NV – Hoge Mosten 2 – 4822 NH Breda - The Netherlands with stake in WDP Development NL NV - Hoge Mosten 2 - 4822 NH Breda - The Netherlands <sup>1</sup>	100%	100%
Eurologistik 1 Freehold BVBA - Blakebergen 15 - 1861 Wolvertem - Belgium <sup>2</sup>	100%	100%
Breker Immo NV - Blakebergen 15 - 1861 Wolvertem - Belgium <sup>3</sup>	100%	100%
Transeuropean Leuven NV - Blakebergen 15 - 1861 Wolvertem - Belgium <sup>4</sup>	100%	100%
Charles V Property NV - Blakebergen 15 - 1861 Wolvertem - Belgium <sup>5</sup>	100%	100%
Suncop I NV - Blakebergen 15 - 1861 Wolvertem - Belgium <sup>6,10</sup>	100%	
Suncop 2 BVBA - Blakebergen 15 - 1861 Wolvertem - Belgium <sup>6,10</sup>	100%	
MLB NV - Blakebergen 15 - 1861 Wolvertem - Belgium <sup>7,10</sup>	100%	
The Bridge Logistic III NV - Blakebergen 15 - 1861 Wolvertem - Belgium <sup>8,10</sup>	100%	
<b>Joint ventures</b>		
WDP Development RO SRL – 1 Baia de Arama Street, Building C, 1st floor, office no. 19, district 2 - Bucharest - Romania	51%	51%
I Love Hungaria NV - Mechelsesteenweg 64, Bus 401 - 2018 Antwerp - Belgium <sup>9</sup>	50%	

<sup>1</sup> WDP Development NL NV was formed in August 2011 as a self-financed permanent development company of WDP Nederland NV.

<sup>2</sup> On 7 June 2013 WDP acquired 100% of the shares in Eurologistik 1 Freehold BVBA, holding the rights to an existing logistic site in Vilvoorde. This transaction is not deemed to be a business combination.

<sup>3</sup> In early September 2013 WDP acquired 100% of the shares of Breker Immo NV. This company owns a building in Asse (Kobbegeem), acquired by means of this transaction. On 29 September 2014, WDP merged with wholly owned subsidiary Breker Immo NV. This transaction is not deemed to be a business combination.

<sup>4</sup> End of April 2014, WDP has acquired 100% of the shares in the company Transeuropean Leuven NV, which owns a multi-unit in Zaventem. On 30 June 2015, WDP merged with wholly owned subsidiary Transeuropean Leuven NV. This transaction is not deemed to be a business combination.

<sup>5</sup> End of April 2014, WDP has acquired 100% of the shares in the company Charles V Property NV, which owns a logistic building in Ternat. On 30 June 2015, WDP merged with wholly owned subsidiary Charles V Property NV. This transaction is not deemed to be a business combination.

<sup>6</sup> At the end of May 2015, WDP has acquired 100% of the shares in the companies Suncop I NV and Suncop 2 BVBA, holding the rights to two PV installations on the roof of the MLB site in Bornem. This transaction is not deemed to be a business combination.

<sup>7</sup> On 31 March 2015, WDP has acquired 100% of the shares in the company MLB NV, which owns the site of the same name in Bornem. This transaction is not deemed to be a business combination.

<sup>8</sup> End of June 2015, WDP has acquired 100% of the shares in the company The Bridge Logistics III NV, which owns a site in Willebroek - Victor Dumonlaan 32. This transaction is not deemed to be a business combination.

<sup>9</sup> This joint venture was formed in May 2015 between WDP Comm. VA and real estate developer L.I.F.E. NV for the redevelopment of the Hungaria site in Leuven.

<sup>10</sup> For the acquisition of the companies, no other tangible fixed assets or liabilities were acquired, except for investment properties and/or solar panels, except for two external financings with respect to SUNCOP I NV and SUNCOP 2 BVBA.

## VI. Overview of annualised rental income (including income from solar energy)

<i>in euros (x 1 000)</i>	30.06.2015	31.12.2014
Rental income (including annualised income from solar energy)		
with final expiry date within		
one year	5 496	7 682
more than one but less than five years	30 951	25 310
more than five years	94 470	75 914
<b>TOTAL</b>	<b>130 917</b>	<b>108 907</b>

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

## VII. Investment property – Statement of changes<sup>68</sup>

<i>in euros (x 1 000)</i>	2015				Romania
	Belgium	Netherlands	France	Total	
<b>at 01/01</b>	<b>734 405</b>	<b>646 708</b>	<b>80 701</b>	<b>1 461 814</b>	<b>28 917</b>
Investments	15 685	15 713	298	31 696	3 385
New acquisitions	11 144	116 461	0	127 605	0
Acquisition of investment property by means of share-based payment transactions	58 484	0	0	58 484	0
Disposals	0	0	0	0	0
Variations in the fair value	-2 347	11 869	-1 721	7 801	-126
<b>at 30/06</b>	<b>817 371</b>	<b>790 751</b>	<b>79 278</b>	<b>1 687 400</b>	<b>32 176</b>

<i>in euros (x 1 000)</i>	2014				Romania
	Belgium	Netherlands	France	Total	
<b>at 01/01</b>	<b>683 094</b>	<b>404 966</b>	<b>79 673</b>	<b>1 167 733</b>	<b>25 201</b>
Investments	34 997	49 265	303	84 566	3 032
New acquisitions	15 279	132 897	0	148 175	0
Acquisition of investment property by means of share-based payment transactions	0	41 610	0	41 610	0
Transfers to fixed assets for sale	-290	0	0	-290	0
Disposals	0	-125	0	-125	0
Variations in the fair value	1 324	18 095	725	20 145	-443
<b>at 31/12</b>	<b>734 405</b>	<b>646 708</b>	<b>80 701</b>	<b>1 461 814</b>	<b>28 917</b>

For events occurring after the end of the reporting period, see 2.4. *Transactions and realisations - Events after the reporting period.*

<sup>68</sup> Includes project developments in compliance with the IAS 40 standard.

### VIII. Statement of financial debt

	Included as of		< 1 jaar		1-5 jaar		> 5 jaar	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
<i>in euros (x 1 000)</i>								
Commercial paper	130 350	147 411	130 350	147 411				
Straight loans	57 354	30 366	57 354	30 366				
Roll over loans	75 363	18 078	75 363	18 078				
Leasing debt	2 425	2 826	2 425	2 826				
Other		205		205				
<b>Current financial liabilities</b>	<b>265 493</b>	<b>198 886</b>	<b>265 493</b>	<b>198 886</b>				
Roll over loans	574 766	477 392			436 171	407 435	138 596	69 957
Bond	174 518	174 472			49 706		124 812	174 472
Leasing debt	11 714	13 064			9 011	9 562	2 703	3 502
<b>Non-current financial liabilities</b>	<b>763 545</b>	<b>664 928</b>			<b>497 435</b>	<b>416 997</b>	<b>266 110</b>	<b>247 931</b>
<b>TOTAL</b>	<b>1 026 492</b>	<b>863 814</b>	<b>265 493</b>	<b>198 886</b>	<b>497 435</b>	<b>416 997</b>	<b>266 110</b>	<b>247 931</b>

For more information, please see 2.5. *Interim management report - Management of financial resources.*

### IX. Financial instruments

#### Financial instruments and amortised cost price

Fair value of financial instruments entered under amortised cost in the statement of financial position:

FINANCIAL ASSETS	IFRS balance sheet item	Level (IFRS 13)	30.06.2015	
			Amortised cost	Fair value
<i>(in euros x 1 000)</i>				
Loans and receivables	I. - E.	2	13 887	13 887
Non-current receivables	I. - G.	2	3 352	3 352
Trade receivables	II. - D.	2	14 808	14 808
Cash and cash equivalents	II. - F.	2	823	823
<b>TOTAL</b>			<b>32 870</b>	<b>32 870</b>

FINANCIAL LIABILITIES <i>(in euros x 1 000)</i>	IFRS balance sheet item	Level (IFRS 13)	30.06.2015	
			Amortised cost	Fair value
Commercial paper	II. B.	2	130 350	130 350
Bond	I. B.	2	174 518	183 553
Bank debt	I. B. and II. B.	2	707 484	707 484
Leasing debt	I. B. and II. B.	2	14 139	14 139
Other financial liabilities	I. B.	2	0	0
Trade receivables and other current liabilities	II. D.	2	21 453	21 453
<b>TOTAL</b>			<b>1 047 944</b>	<b>1 056 979</b>

The fair value of the financial assets and liabilities above are valued at the book value except for bond loans, whose fair value is determined by an indicative price as indicated by the broker, since they are not traded frequently (level 2). Because the other financial liabilities are incurred at a floating interest rate, the fair value is very close to the book value.

#### Financial instruments at fair value (IAS 39)

The group uses derivatives to hedge the interest rate risk on its financial liabilities aiming to reduce the volatility of the net current result (which forms the basis for the dividend), minimising the cost of the liabilities at the same time. These hedges are managed centrally through a macro hedging policy. The group does not use any derivatives for speculative purposes, nor does it hold any derivatives for trading purposes. The derivatives currently employed by WDP do not qualify as hedging transactions. As a result, changes in the fair value are immediately included in the result.

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

Fair value is based on observable inputs, and as such, the IRS contracts are at Level 2 of the fair value hierarchy as defined in IFRS 13. The details and valuation at fair value of the hedging instruments on the balance sheet date are as follows:



CLASSIFICATION ACCORDING TO IFRS	Level (IFRS)	Notional amount (in euros x 1 000)	Interest rate (in %)	Weighted average term (in year)	30.06.2015	30.06.2015
					Assets	Liabilities
IRS	2	506 710	2,35	7,1	0	-54 377
IRS (forward start)	2	95 000	0,85	7,4	0	-247
<b>TOTAL</b>		<b>601 710</b>	<b>2,12</b>	<b>7,2</b>	<b>0</b>	<b>-54 623</b>

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

<i>in euros (x 1 000)</i>		30.06.2015	31.12.2014
Non-current and current liabilities		1 115 764	956 837
To be excluded:			
- I. Non-current liabilities - A. Provisions		1 046	1 046
- I. Non-current liabilities - C. Other non-current financial liabilities - Permitted hedging instruments		54 291	68 354
- I. Non-current liabilities - F. Deferred taxes - Liabilities		0	0
- II. Current liabilities - E. Other current liabilities - Other: Hedging instruments Afdekkingsinstrumenten		333	650
- II. Current liabilities - F. Accruals and deferred income		9 116	9 968
<b>Total debt</b>	<b>A</b>	<b>1 050 979</b>	<b>876 818</b>
Total assets	B	1 805 488	1 570 331
To be excluded:			
- E. Financial fixed assets - Financial instruments at fair value through profit and loss - Permitted hedging instruments		0	0
<b>Total assets</b>	<b>B</b>	<b>1 805 488</b>	<b>1 570 331</b>
<b>Debt ratio</b>	<b>A/B</b>	<b>58,21%</b>	<b>55,84%</b>

### Additional notes on changes in the gearing ratio

As stipulated in the GVV/SIR legislation, notably in Article 24 of the GVV/SIR Royal Decree of 13 July 2014, GVV/SIRs should, when their consolidated gearing ratio rises to over 50%, draw up a financial plan with an implementation schedule in which they describe the measures to be taken to prevent the gearing ratio from rising above 65% of consolidated assets. A report is appended to this financial plan by the statutory auditor in which he confirms that he has verified the method of preparation of the

plan, particularly with regard to its economic basis, and that the figures contained in this plan agree with those in the accounts of the GVV/SIR. In the interim and annual financial reports, an account should be given of how the financial plan was implemented during the relevant period and how the GVV/SIR will implement the plan in the future.

#### *Changes in gearing ratio*

During the first half of 2015, the consolidated gearing ratio of WDP evolved to 58.2% as of 30 June 2015, compared to 55.8% on 31 December 2014. This takes into account a total investment volume of approximately 230 million, but also takes into account the success of the optional dividend, which boosted shareholders' equity by 26 million euros and the capital increase of 48 million euros following the contribution in kind of MLB NV.

On the basis of the current gearing ratio of 58.2% as of 30 June 2015, WDP still had an additional investment potential of approximately 350 million euros, without exceeding the maximum gearing ratio of 65%. The potential for further investment amounts to approximately 80 million euros before the 60% gearing ratio is exceeded.

On the other hand, the valuations of the portfolio have an impact on the gearing ratio. Taking the current capital base into account, only with a decrease in value of the investment properties of approximately 150 million euros, or an 11% loss of the property portfolio on the order of 1,320.5 million euros, would the maximum gearing ratio of 65% be exceeded. In this respect, WDP is of the opinion that the current gearing ratio is at an acceptable level and provides sufficient margin to absorb any decreases in value of the property. Moreover, the experts' appraisal in 2011-14 points to a stabilisation in the fair value of the portfolio, defining a slight increase during the first half of 2015, mainly within the Dutch portfolio.

#### *Expected changes in the gearing ratio in 2015*

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

In the course of 2015, WDP's gearing ratio is likely to change from 58.2% as of 30 June 2015 to approximately 56% as of 31 December 2015. This takes the following items into account:

- The development of the current investment programme.<sup>69</sup>
- The retained earnings, accounting for the profit forecast for 2015 of approximately 85 million euros, of which 41.4 million euros were already made in H1 2015.

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<sup>69</sup> See also '2.4. Interim management report – Transactions and realisations'.

### *Conclusion*

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

If certain events necessitate an adjustment of the company policy, this will happen without delay and the shareholders will be informed accordingly by the company in its periodic reports.

### **XI. Transactions between affiliates**

Apart from the management fee charged by the Manager De Pauw NV to WDP, there are no other transactions between associated companies. This fee was set at 1,300,000 euros for all of 2015. This amount corresponds to the total market level cost of the Board of Directors in 2015, including the bonus scheme for the executive management and the management of the GVV/SIR. (See also 5.7. *Management report – Corporate governance and structures in the 2014 Annual Financial Report*).

### **XII. Rights and obligations not included in the balance sheet**

As of 30 June 2015, WDP Comm. VA and its subsidiaries have established bank guarantees of a total amount of 3,517,984 euros, the beneficiaries of which include the following categories for the following amounts:

<i>in euros</i>	<i>30.06.2015</i>
Environmental	1 023 580
Rent and concession	236 425
Financial	0
Legal	750 000
Services	7 979
Acquisitions	1 500 000

The parent company WDP Comm. VA has provided the following securities to its respective subsidiaries:

- Security for the agreement of WDP Development RO SRL amounting to 75 million euros provided to the EIB.
- Security for the agreement of WDP Development RO SRL amounting to 25 million euros provided to BNP Paribas Fortis SA/NV.

WDP entered into the following commitments to financiers:<sup>70</sup>

- A commitment in favour of the credit institutions with which WDP conducts business in order not to burden the fixed assets with mortgages (negative pledge). WDP confirms that as of 30 June 2015, there are no outstanding mortgages in the property portfolio.
- WDP has entered into a commitment with the various financiers in order to remain eligible as a GVV/SIR. The conditions are laid down in the Act of 12 May 2014 and the Royal Decree of 13 July 2014. For more information, see the *2014 Annual Financial Report*, available at [www.wdp.be](http://www.wdp.be).
- For the financing of the operations in the Netherlands through WDP Nederland NV, WDP has entered into a commitment to remain qualified as a *Fiscale Beleggingsinstelling* (FBI).
- For some financial institutions, WDP undertakes to maintain a minimum Interest Coverage Ratio.<sup>71</sup> For WDP, this level is usually 1.5x.<sup>72</sup> In the first half of 2015, this ratio will be 4.0x.
- For some financiers, WDP undertakes to repay the credit should a change of control occur and the financier would consequently ask for repayment.
- For some financiers, WDP undertakes to limit projects still not pre-leased (speculative developments) to 15% of the book value of the portfolio (excluding land reserves). As of 30 June 2015, this ratio was 0%.

As of 30 June 2015, all covenants with regard to credit institutions and bondholders entered into by WDP had been complied with.

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

For the events after the balance sheet date, please refer to '2.4. Transactions and realisations – Significant events after the balance sheet date', '2.5. Management of financial resources' and 3.1 Shares – Significant events after the balance sheet date.

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<sup>70</sup> 'Financiers' is understood to mean the credit institutions as well as the financiers with the Debt Capital Markets.

<sup>71</sup> Defined as operating result before the result on the portfolio divided by interest charges minus interest income and dividends minus income from financial leases and similar.

<sup>72</sup> Except for two loans for which the minimum Interest Coverage Ratio is 2.0x.

## 6. Report of the statutory auditor

### **Report on review of the consolidated interim financial information for the six-month period ended 30 June 2015**

To the Board of Directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed balance sheet as at 30 June 2015, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed cash flow statement and the condensed statement of changes in the consolidated equity for the period of six months then ended, as well as selective notes I to XIII.

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

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

The consolidated condensed balance sheet shows total assets of 1.805.488 (000) euros and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 61.753 (000) euros.

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

#### *Scope of the review*

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

*Conclusion*

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

Antwerp, 3 August 2015

**THE STATUTORY AUDITOR**

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL  
Represented by Kathleen De Brabander

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

In accordance with Article 13 section 2 of the Royal Decree of 14 November 2007 concerning the liabilities of issuers of financial instruments admitted to trading on a regulated market, De Pauw NV, managed and permanently represented by Tony De Pauw, declares that to its knowledge:

- the condensed interim financial statements, prepared on the basis of principles for financial reporting in accordance with IFRS and IAS 34 *Interim Financial Reporting* as adopted by the European Union, give a true and fair view of the equity, financial situation and results of WDP and the companies included in the consolidation;
- the interim financial report gives a true statement of the main events which occurred during the first six months of the current financial year, their impact on the condensed financial statements, the main risk factors and uncertainties for the remaining months of the financial year, and the main transactions between the associated parties and their possible effect on the condensed financial statements should these transactions be of significant importance and not concluded under normal market conditions.

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Image gallery: [www.wdp.be/relations/pressmedia](http://www.wdp.be/relations/pressmedia)

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

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

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