



**WDP**

warehouses with brains



**WDP Q1 2013 results**

# Agenda

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- WDP in a nutshell
- Highlights Q1 2013
- Operational review
- Results analysis
- Financing structure
- WDP share
- New ambition 2013-16
- Outlook 2013



# WDP in a nutshell

Pure player in warehouse sector

## Developments

- New build
- Refurbishments

## Acquisitions

- Portfolios
- Sale & rent back

## Sustainability

- BREEAM
- Renewable energy

## Active & flexible investor

- Creating long-term partnerships
- Focus on sustainable solutions
- Internal commercial, development & property management teams

## Built on solid foundations

- Supported by defensive REIT status
- Geographic diversification
- Long-dated experience with dedicated strategy for > 35y



# Prioritize controlled growth



- **Win/win for all stakeholders**
- **Generating visibility & sustainable EPS growth**



# Built on strong fundamentals

> 95 %

Historical average occupancy rate

> 8 %

Consistently high portfolio yield (based on long lease duration)

< 10 %

Operating expenses as a % of revenues

< 4 %

Controlled cost of debt (based on solid risk profile)

55-60 %

Constant capital structure synchronizing debt & equity issuance

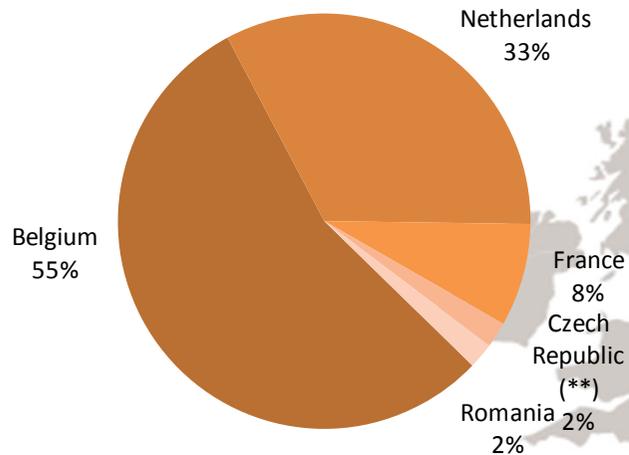
# 35

Headcount – combining SME spirit & large cap sophistication



# Geographical footprint

## Portfolio fair value split Q1 2013 (\*)



### TOTAL

- Value: EUR 1,098m
- Gross yield: 8.2%
- Vacancy rate: 3.1%
- 2.0m m<sup>2</sup> buildings
- 4.8m m<sup>2</sup> land

### Czech Republic

- Value: EUR 25m
- Gross yield: 10.5%
- Vacancy rate: 0.0%
- 39,000 m<sup>2</sup> buildings
- 131,000 m<sup>2</sup> land

### Romania

- Value: EUR 25m
- Gross yield: 9.3%
- Vacancy rate: 0.0%
- 7,000 m<sup>2</sup> buildings
- 861,000 m<sup>2</sup> land

### Belgium

- Value: EUR 603m
- Gross yield: 7.7%
- Vacancy rate: 3.9%
- 1,160,000 m<sup>2</sup> buildings
- 2,417,000 m<sup>2</sup> land

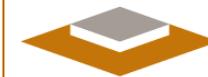
### France

- Value: EUR 81m
- Gross yield: 8.8%
- Vacancy rate: 8.4%
- 150,000 m<sup>2</sup> buildings
- 376,000 m<sup>2</sup> land

### Netherlands

- Value: EUR 364m
- Gross yield: 8.7%
- Vacancy rate: 1.3%
- 662,000 m<sup>2</sup> buildings
- 1,008,000 m<sup>2</sup> land

(\*) Excl. solar panels and incl. projects. Vacancy rate excl. solar panels (EPRA definition).  
 (\*\*) Czech portfolio to be sold.



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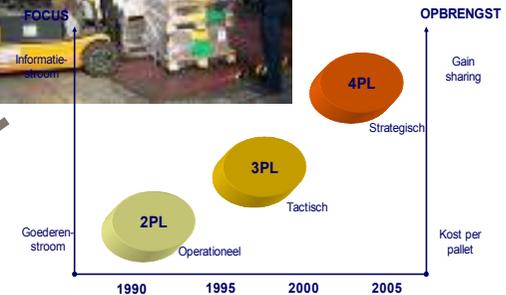
# Healthy sector & strategic logistics location



Preparing products for European markets



Know-how & 3PL evolution



Proximity



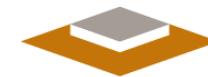
EDC know-how



Gateways and Infrastructure



Attractiveness



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# Highlights Q1 2013

## ■ Operational

- Strong fundamentals sustained (occupancy at 97% & lease duration at 7y)
- Several new projects launched in Belgium & Romania (based on pre-lettings)
- Phased development of new multimodal logistics hub (port of Ghent)

## ■ Financial

- Active balance sheet management (synchronized debt & equity issuance)
- Strengthening financing (diversification of funding sources through bond issue)
- Renewed success of optional dividend (reinforcing equity base to fund growth)

## ■ Results

- Continued growth of the net current result in Q1 2013 (+12% on a per share basis) (\*)
- Dividend forecast for 2013 of EUR 3.25 per share confirmed (+5% compared to 2012)
- New growth plan 2013-16 initiated (targeted cumulative EPS growth of 20-25% over 4 years)

(\*) Based on the weighted average number of outstanding shares.

# Highlights Q1 2013

## KEY FIGURES

Operational	31.03.2013	31.12.2012
Fair value of real estate portfolio (incl. solar panels) (EUR m)	1.165,5	1.163,1
Gross rental yield (incl. vacancy) (%)	8,2%	8,2%
Net initial yield (EPRA) (%)	7,4%	7,4%
Average lease duration (till first break) (y)	7,1	7,2
Occupancy rate (%)	97,1%	97,3%
Like-for-like rental growth (%)	1,7%	2,3%
Operating margin (%) (Q1 2013 vs. Q1 2012)	91,3%	91,3%

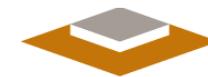
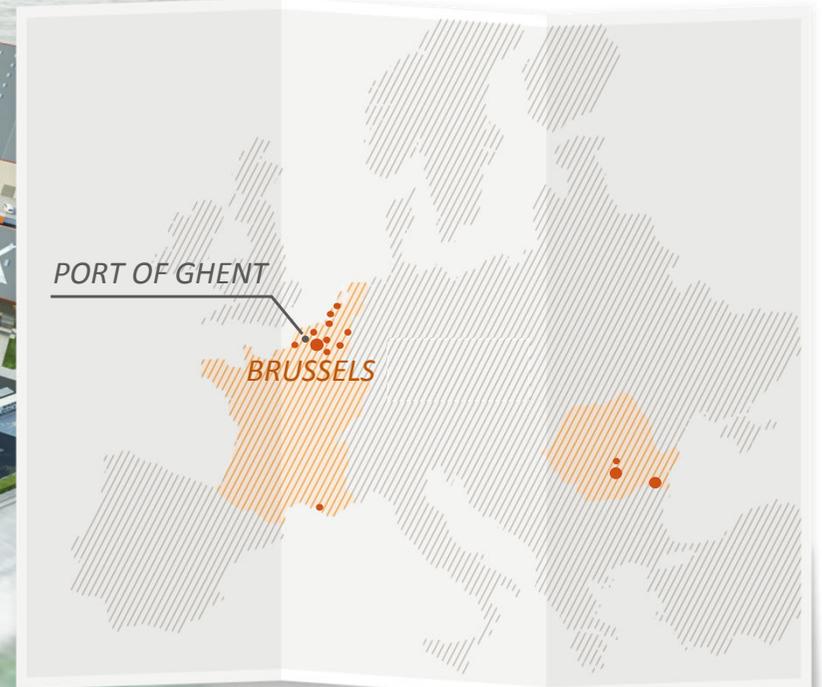
Per share data (EUR)	31.03.2013	31.03.2012
Net current result (EPRA)	0,92	0,82
Result on portfolio	0,01	0,02
IAS 39 result	0,34	-0,30
Net result	1,27	0,53
NAV (IFRS)	31,07	29,93
NAV (EPRA)	35,52	34,05
NNNAV (EPRA)	31,06	29,93



# Belgium - WDPort of Ghent Logistic Park

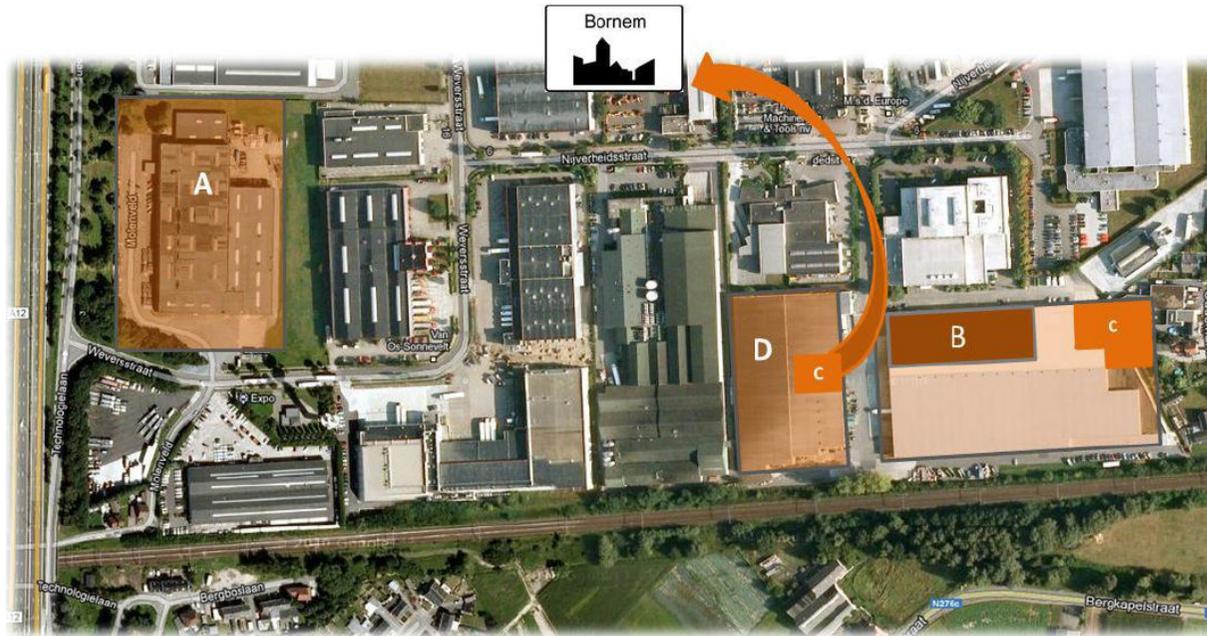


*Multimodal site with potential for ca. 180.000 m<sup>2</sup> of flexible warehouse solutions. Highway, railway & harbor connections.*

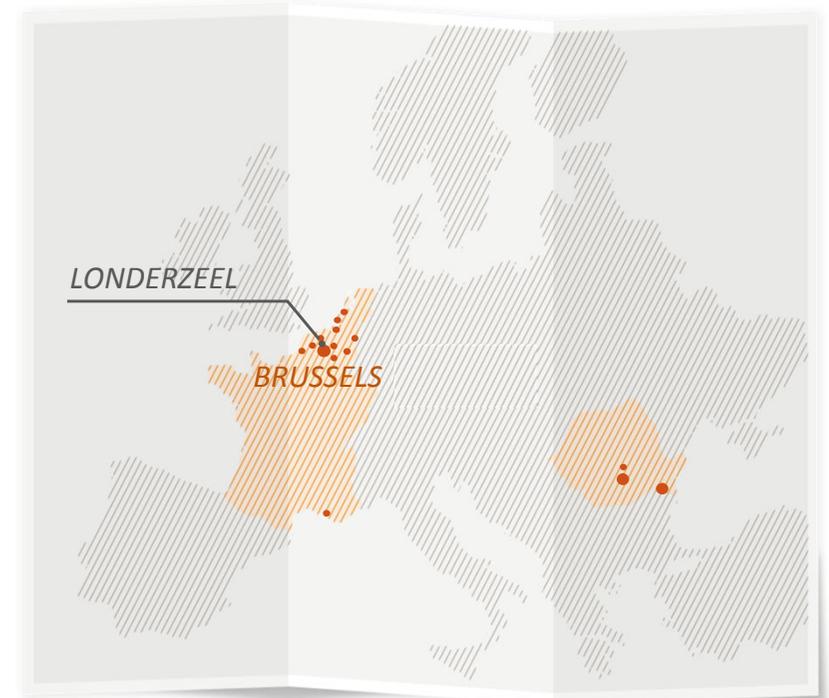


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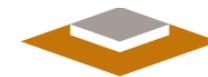
# Belgium – Londerzeel project



*Development, renovation, redevelopment and relocation project.*



- A: new warehouse for Colfridis.*
- B: light renovation - Crown Baele moves into an adapted industrial complex.*
- C: Davigel centralizes its activities by relocating to Bornem.*  
*Now there is room for a newly built warehouse at D.*
- D: construction of deep-freeze warehouse for Lantmänner Unibake.*



# Purchases

Transaction	Country	Type	Investment
<b>Zaltbommel</b>	NL	logistics site	EUR 8m (*)



- **Total investment of ca. EUR 8m**
- **Further deployment in the Netherlands**

*(\*) The closing of the transaction is scheduled by June 30, 2013.*



# Disposals

Transaction	Country	Type	Divestment
-------------	---------	------	------------

## In execution

- |                          |    |                    |         |
|--------------------------|----|--------------------|---------|
| ■ WDP CZ                 | CZ | logistics & retail | EUR 25m |
| ■ Aalst, Wieze, Nivelles | BE | logistics          | EUR 11m |



- **Optimizing portfolio ~ EUR 36m disposals (at fair value) (\*)**
- **WDP CZ + smaller non-strategic assets**

(\*) Several properties with a fair value of EUR 36m are currently held as 'Assets for sale' in the accounts per March 31, 2013. These relate to the expected sale of 5 properties in Aalst (3), Wieze (1) and Nivelles (1) (EUR 11m) and to the planned disposal of the Czech portfolio (EUR 25m). All disposals to be executed in 2013 are based on a transaction value in line with the latest fair value at the time the disposal was agreed.



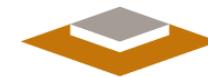
# Projects in execution (pre-let)

Location	Country	Surface	Completion	Tenant
<b>Zwijndrecht</b>	BE	20,000 m <sup>2</sup>	Q4 2013	Van Moer
<b>Nivelles</b>	BE	4,000 m <sup>2</sup>	Q4 2013	GLS
<b>Aalst</b>	BE	3,000 m <sup>2</sup>	Q4 2013	Tech Data
<b>Londerzeel</b>	BE	21,000 m <sup>2</sup>	Q1 2014/15	Various
<b>Brasov</b>	RO	5,000 m <sup>2</sup>	Q4 2013	Intercars
<b>Sarulesti</b>	RO	n/r	Q4 2013	Solar ground park
<b>Total</b>		<b>53,000 m<sup>2</sup></b>		



- **Total capex of > EUR 40m**
- **Yield on total cost minimum 8% (\*)**

(\*) Excluding the ground solar park that is being developed in Sarulesti (RO).



# Development potential (uncommitted)

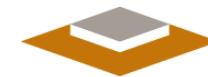
Location	Country	Buildable surface (*)
<b>Sint-Niklaas</b>	BE	16,000 m <sup>2</sup>
<b>Nivelles</b>	BE	8,000 m <sup>2</sup>
<b>Courcelles</b>	BE	10,000 m <sup>2</sup>
<b>Trilogiport</b>	BE	50,000 m <sup>2</sup> (**)
<b>Heppignies</b>	BE	80,000 m <sup>2</sup>
<b>Port of Ghent</b>	BE	180,000 m <sup>2</sup> (**)
<b>Libercourt</b>	FR	24,000 m <sup>2</sup>
<b>Various RO</b>	tbd	



- Land positions with a fair value of EUR 42m
- Initiation subject to preletting, secured financing & permits

(\*) Potential surfaces that could be built on the sites.

(\*\*) Concession.



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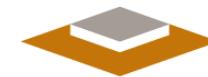


# Sustainability

- **Investments in sustainability through ‘offset’ and ‘reduce’**
  - ‘Offset’ through investments in renewable energy
  - ‘Reduce’ through reduction of energy consumption in existing & new buildings
  - Only investments based on low-risk assessment & similar return pattern
- **Investments in renewable energy**
  - Total of 22 MWp solar panels in Belgium (15) & Romania (7) (\*)
  - Long-term secured cash flow & strengthening commercial positioning of properties
  - Examining various alternatives, but only based on low-risk assessment (\*\*)
- **Various initiatives to reduce carbon footprint**
  - Various investments to reduce heating & electricity consumption for tenants
  - Initiated sustainable lighting project (cfr. Mollem – first ‘fully-LED’ warehouse in BE)
  - BREEAM certification for new projects (9% of portfolio BREEAM certified)

(\*) Including a ground solar park of 6MW that is being installed in Romania (on the basis of 100% of the investment. WDP is 51% owner within the 51-49 joint operation WDP Development RO).

(\*\*) Such as for example the thermal storage systems that are being used in the BREEAM certified buildings in Nieuwegein and Helmond that are part of the Lake Side Portfolio.

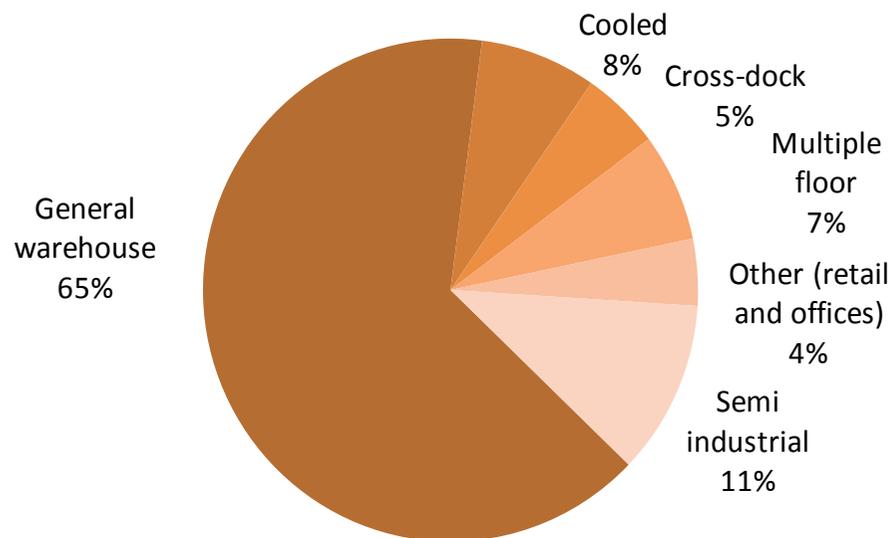


# Strong portfolio quality

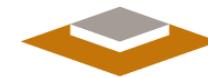
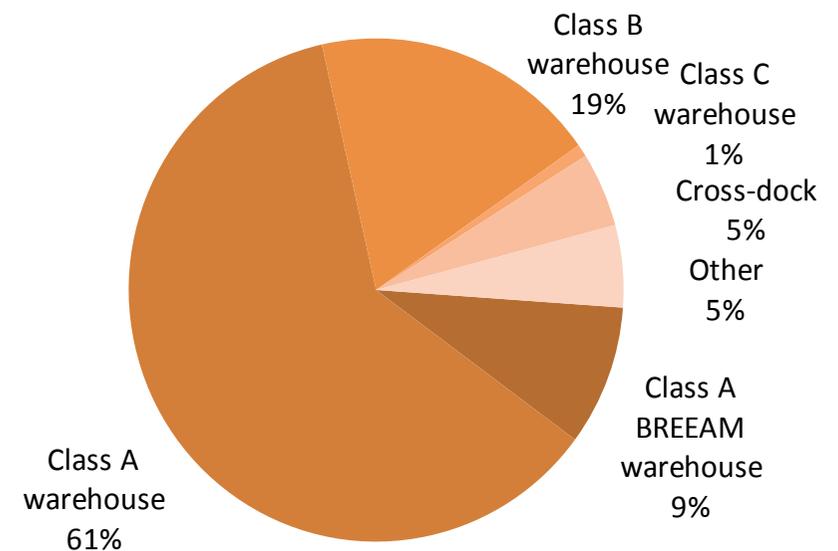
## ■ Investments reflect long-term thinking & entrepreneurship

- Locations on strategic logistics corridors
- Robust building quality, integrating sustainability & flexibility through lifecycle
- Diversified portfolio & integrated facility management to tailor clients' needs

Type of buildings



Building quality

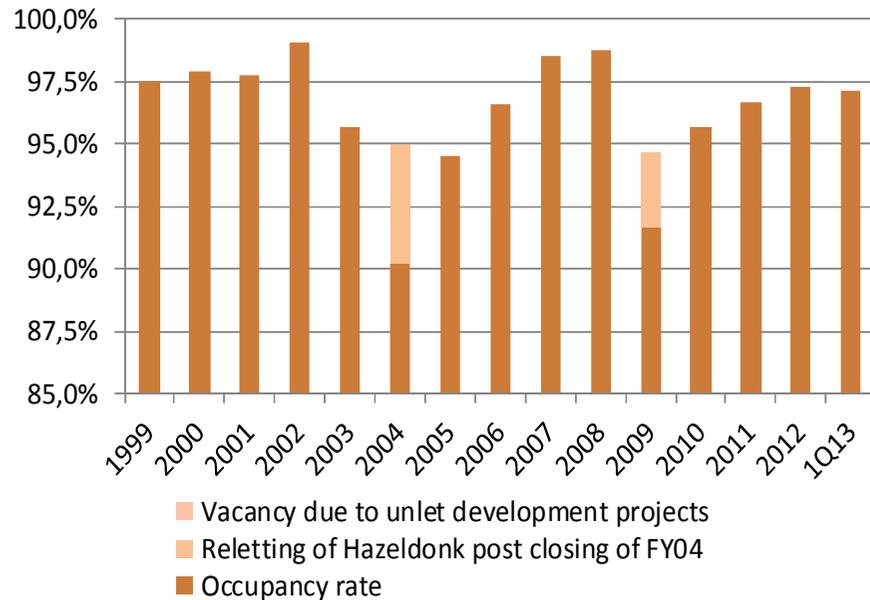


# Occupancy

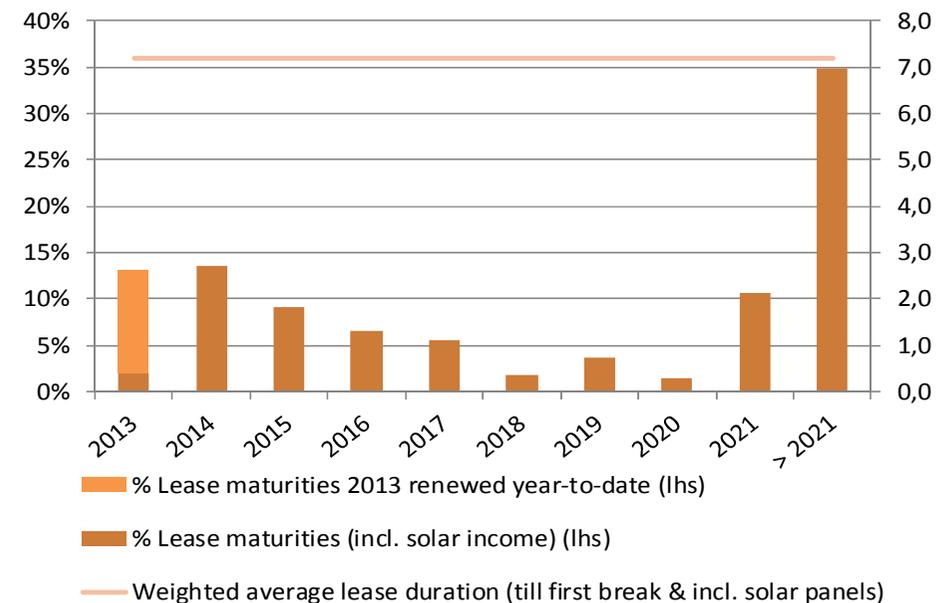
## ■ Continued high occupancy

- Occupancy rate 97.1% end Q1 2013 (vs. 97.3% end 2012)
- Lease renewal rate of 90% in 2012
- Circa 85% of rental breaks in 2013 already secured year-to-date

### Historical occupancy rate



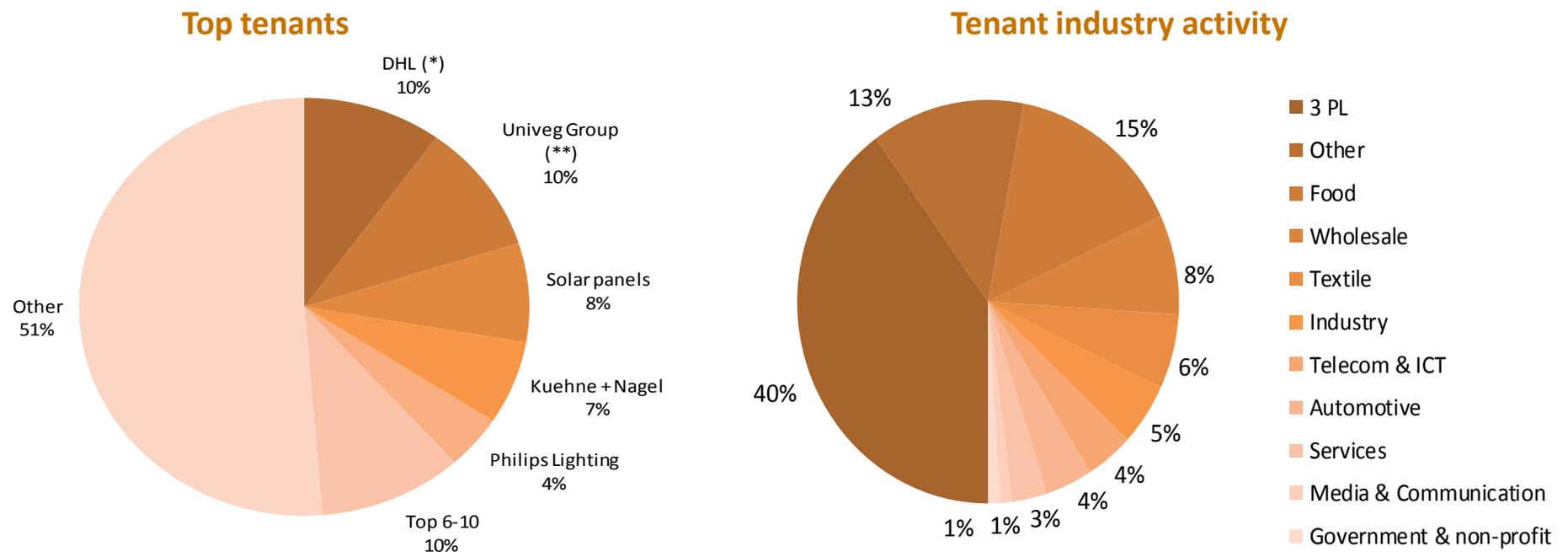
### Lease maturity profile (till first break)



# Diversified client base...

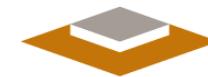
## ■ Well-spread tenant profile

- Active in multiple industries & predominantly large (inter)national corporates
- Healthy mix between end-users & logistic service providers
- Top tenants spread over multiple buildings / businesses / countries (max. building risk <5%)



(\*) The client relationship with DHL concerns multiple rental contracts spread over 10 buildings, 3 countries and 3 business units.

(\*\*) The client relationship with Univeg concerns multiple rental contracts spread over 2 sites and 2 countries.



# ... with long-term leases

## ■ Income visibility

- Circa 35% of contracts have a duration of minimum 10y
- Investments in 2012 realized with an average lease duration of > 10y
- Strong historical client retention rate & fidelity

### Lease duration

Weighted average lease duration (y)	Till first break	Till expiration
Rental contracts (excl. solar panels)	6,4y	8,8y
Rental contracts (incl. solar panels)	7,1y	9,3y



# Q1 2013 Consolidated results

EUR x 1.000	Q1 2013	Q1 2012	% Growth rel.
<b>Net current profit</b>			
Net rental result	20.210	17.119	18,1%
Income from solar energy	811	960	-15,5%
Other operating income/charges	-204	-143	n.r.
<b>Property result</b>	<b>20.818</b>	<b>17.936</b>	<b>16,1%</b>
Property costs	-644	-463	39,0%
Corporate overheads	-1.167	-1.231	-5,2%
<b>Net profit on property</b>	<b>19.007</b>	<b>16.242</b>	<b>17,0%</b>
Financial result excl. IAS 39 result	-5.074	-5.016	1,2%
Taxes on net current result	-13	-80	n.r.
Deferred taxes on net current result	-100	-16	n.r.
<b>Net current profit</b>	<b>13.820</b>	<b>11.131</b>	<b>24,2%</b>
<b>Result on the portfolio</b>			
Changes in fair value of property investments (+/-)	218	241	n.r.
Result on the disposals of property investments (+/-)	-7	-1	n.r.
Deferred taxes on the result of the portfolio	5	24	n.r.
<b>Result on the portfolio</b>	<b>216</b>	<b>265</b>	<b>n.r.</b>
<b>IAS 39 result</b>			
Variation in the fair value of financial instruments (IAS 39 impact)	5.056	-4.136	n.r.
Deferred taxes on revaluation of IRSs	-	-	n.r.
<b>IAS 39 result</b>	<b>5.056</b>	<b>-4.136</b>	<b>n.r.</b>
<b>NET PROFIT</b>	<b>19.093</b>	<b>7.260</b>	<b>n.r.</b>



# Q1 2013 Consolidated results

Per share data	Q1 2013	Q1 2012	% Growth rel.
Net current result (EPRA) <sup>(*)</sup>	0,92	0,82	12,3%
Portfolio result	0,01	0,02	n.r.
IAS 39 result	0,34	-0,30	n.r.
Net profit	1,27	0,53	n.r.
Weighted average number of outstanding shares	15.081.692	13.638.521	10,6%
Net current result (EPRA)	0,92	0,82	12,3%
Portfolio result	0,01	0,02	n.r.
IAS 39 result	0,34	-0,30	n.r.
Net profit	1,27	0,53	n.r.
Total number of outstanding shares	15.081.692	13.638.521	10,6%

*(\*) Based on the weighted average number of outstanding shares and based on EPRA Best Practices Recommendations ([www.epra.com](http://www.epra.com)).*

*(\*\*) Based on the total number of dividend entitled shares.*



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# Q1 2013 Consolidated B/S

EUR x 1.000	31.03.2013	31.12.2012	31.03.2012
Intangible fixed assets	187	213	278
Property investments	1.062.003	1.060.615	918.863
Other tangible fixed assets (incl. solar panels)	68.421	69.018	72.334
Financial fixed assets	11.398	11.396	11.407
Financial lease receivables	-	-	-
Trade receivables and other fixed assets	5.186	5.580	585
Deferred tax assets	-	-	-
<b>Fixed assets</b>	<b>1.147.195</b>	<b>1.146.822</b>	<b>1.003.467</b>
Assets intended for sale	36.229	34.564	14.310
Financial leasing receivables	-	-	-
Trade debtors receivables	9.417	8.393	8.895
Tax receivables and other current assets	1.760	2.458	1.571
Cash and cash equivalents	2.172	1.801	1.916
Deferrals and accruals	3.755	2.388	4.204
<b>Current assets</b>	<b>53.332</b>	<b>49.605</b>	<b>30.896</b>
<b>TOTAL ASSETS</b>	<b>1.200.527</b>	<b>1.196.426</b>	<b>1.034.364</b>



# Q1 2013 Consolidated B/S

EUR x 1.000	31.03.2013	31.12.2012	31.03.2012
Capital	117.425	117.349	106.323
Issue premiums	138.428	138.428	94.168
Reserves	193.699	159.078	200.477
Net result of the financial year	19.093	35.326	7.260
<b>Equity capital</b>	<b>468.645</b>	<b>450.180</b>	<b>408.228</b>
Long-term financial debt	508.044	481.446	421.243
Other long-term liabilities	68.058	73.027	59.168
<b>Long-term liabilities</b>	<b>576.102</b>	<b>554.473</b>	<b>480.411</b>
Short-term financial debt	139.161	178.418	129.546
Other short-term liabilities	16.620	13.353	16.179
<b>Short-term liabilities</b>	<b>155.781</b>	<b>191.770</b>	<b>145.725</b>
<b>TOTAL LIABILITIES</b>	<b>1.200.527</b>	<b>1.196.425</b>	<b>1.034.365</b>
<b>Metrics</b>			
NAV (IFRS)	31,07	29,85	29,93
NAV (EPRA)	35,52	34,64	34,05
NNNAV (EPRA)	31,06	29,85	29,93
Share price	49,50	47,24	40,03
Premium / discount	39,8%	36,8%	17,6%
Debt ratio	54,8%	56,1%	54,5%



# Financial management

## ■ Management of capital structure

- Matching property acquisitions with simultaneous debt & equity issuance
- Renewed success of optional dividend (72% take-up) leading to EUR 25m capital increase (\*)
- Debt ratio expected to remain stable in 2013 vs. 2012 (at around 56%)

## ■ Debt financing

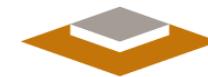
- Diversification of funding sources through inaugural bond issue of EUR 50m (\*\*)
- 2013 long-term debt maturities proactively refinanced in full
- Buffer of EUR 100m committed undrawn long-term credit facilities

## ■ Controlled cost of debt

- Good coverage metrics sustained and based on high visibility
- Average financing cost at 3.5% in Q1 2013 (vs. 3.6% in FY 2012)
- High hedge ratio maintained (currently at 85%) with a duration of 6y

(\*) The EUR 25.4m equity raised in May through the stock dividend was issued at EUR 44.27 per share, leading to the creation of 573,596 new shares thereby bringing the total number of shares at 15,655,288.

(\*\*) In March 2013 the private placement of a 7-year bond for a total amount of EUR 50m was realized. The bonds offer an annualized gross yield of 3.82% and are traded on NYSE Euronext Brussels.

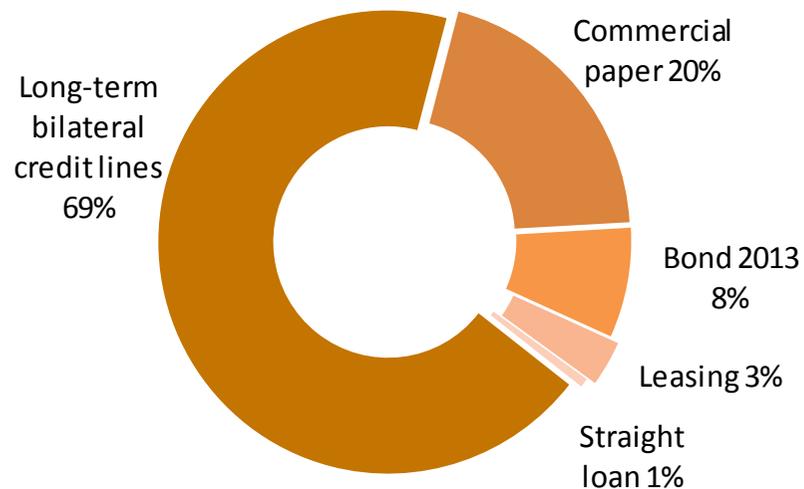


# Financing structure

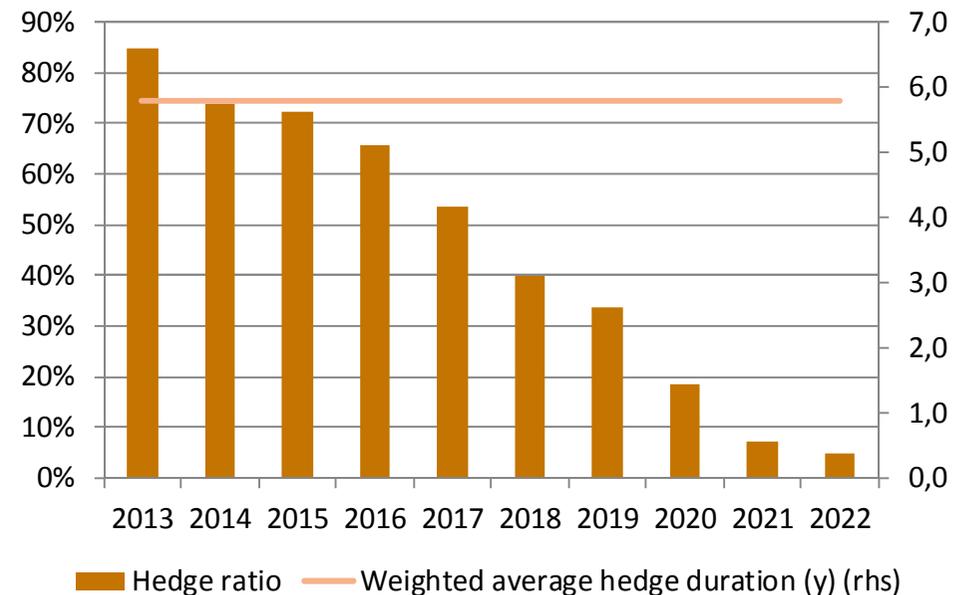
## ■ Solid debt metrics

- Debt ratio Q1 2013 at 54.8%
- ICR at 3.7x based on long-term visibility and high hedge ratio (currently at 85%)
- Cost of debt at 3.5%

### Debt composition



### Evolution hedge ratio

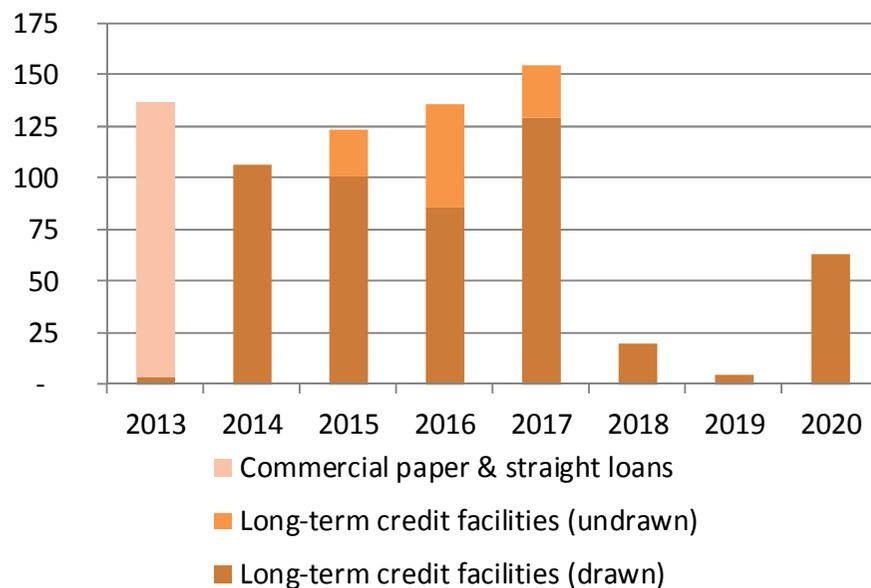


# Financing structure

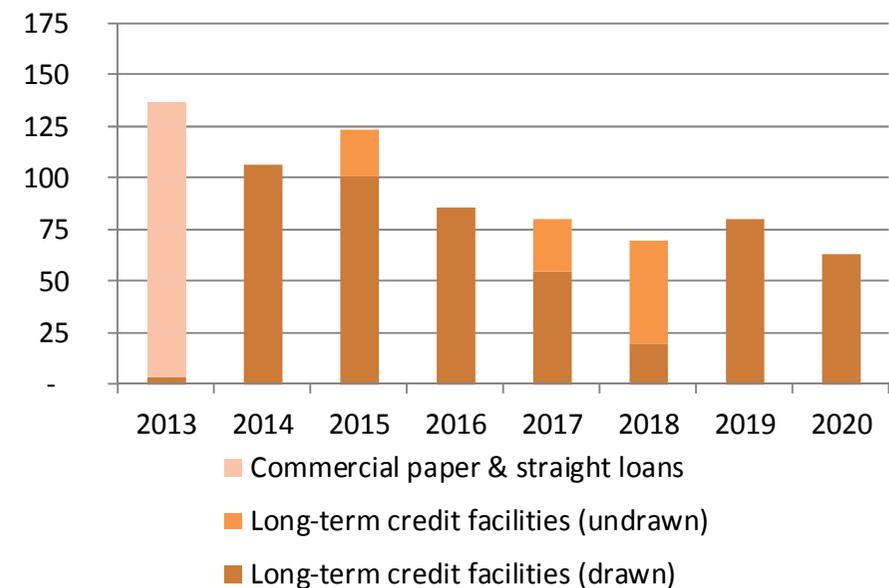
## ■ Well-spread debt maturities

- Duration of outstanding debt of 3.0y (incl. commercial paper)
- Duration of long-term credit facilities of min. 3.6y and max. 4.2y (\*)
- Committed undrawn long-term credit lines of EUR 100m (\*\*)

Debt maturities (min.) (\*)



Debt maturities (max.) (\*)



(\*) Some loans are structured with a renewal option at the discretion of the lenders. The minimum loan duration assumes these renewal options are not exercised. The maximum loan duration assumes the loans are rolled over at the date of the renewal.

(\*\*) Excluding the back-up facilities to cover the commercial paper programme and available short-term credit facilities.



# WDP share

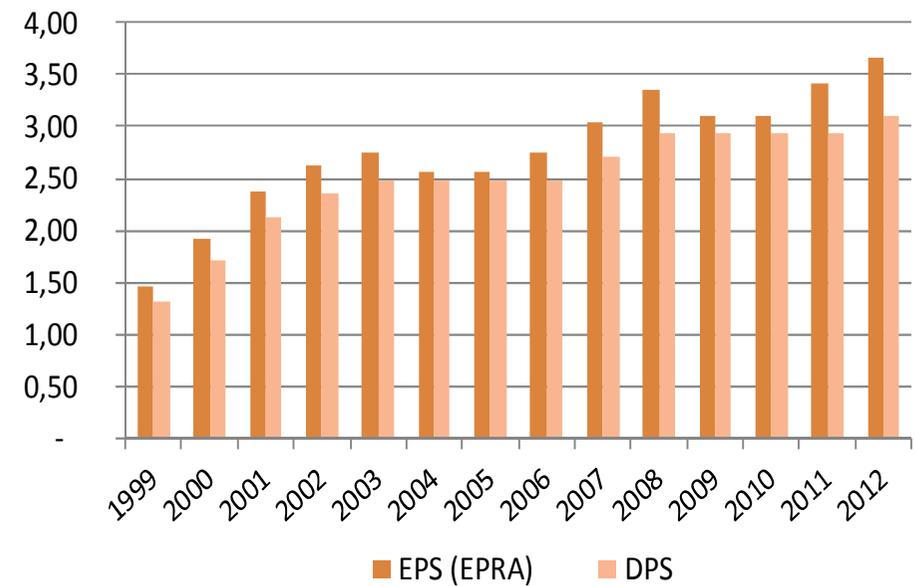
## ■ Share statistics

- NAV (EPRA) per share of EUR 35.5 at Q1 2013
- Market cap of ca. EUR 775m
- Free float of 71% - Family Jos De Pauw 29%

### WDP share price vs. NAV



### EPS & DPS history



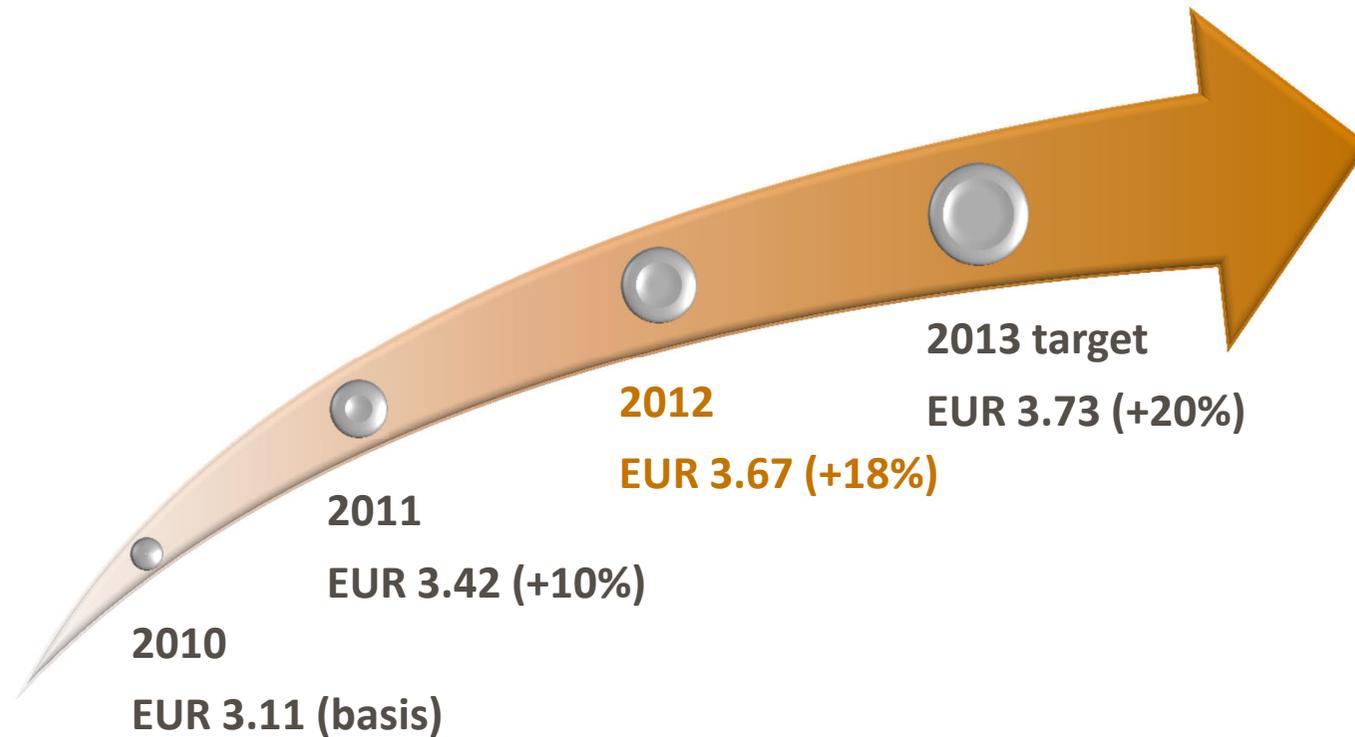
# WDP share

## ■ Return of WDP share

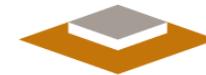
Total return	Q1 2013	Average since IPO / year
<b>WDP</b>	<b>4,8%</b>	<b>13,4%</b>
GPR 250 Belgium	-2,1%	4,5%
GPR 250 Europe	-0,6%	6,5%
BEL 20	4,7%	-1,4%



# Executed 2011-13 growth plan



- Target EPS nearly achieved after 2 years
- Including reinforcement of equity base



# New growth plan 2013-16

- Ambition to grow EPS in 4 years by 20-25% to EUR 4.40-4.60 by 2016
- ...based on:
  - Increasing portfolio with 50% or EUR 600m in existing markets, especially the Benelux
    - Acquisitions (direct, sale & rent back, portfolios)
    - Developments for own account on existing and/or new land (subject to pre-letting)
    - Investments in sustainability through 'offset' and 'reduce' (improve CO<sub>2</sub> footprint)
  - Continuation of matching property acquisitions with synchronous debt & equity issuance (\*)
  - Strong operational fundamentals (high occupancy, long lease duration, sustainable rent levels)
  - Controlled cost of debt (based on a solid risk profile)



- **Creating growth & profitability**
- **Driven by a healthy sector in a strategic region for logistics**

*(\*) In principle, through stock dividend and contributions in kind.*



**WDP**  
warehouses with brains

# Outlook 2013

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- Expected net current result of minimum EUR 60m... (\*)
- ...based on:
  - high occupancy (projected to be at least 96% end 2013)
  - high lease renewal rate (13% lease expiries in 2013, of which already ca. 85% renewed)
  - reinvestment of proceeds from ongoing disposals and optional dividend assuming a constant capital structure with a gearing ratio around 56%
- Net current result per share of minimum EUR 3.85 (+5% vs. 2012)
- Expected dividend (payable in 2014) +5% to EUR 3.25 per share

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*(\*) Based on the situation & prospects as at 31 March 2013 and barring unforeseen events (such as a material deterioration of the economic and financial environment) and a normal level of solar irradiation.*



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# WAREHOUSES WITH BRAINS