WAREHOUSES WITH BRAINS

2018 INTERIM FINANCIAL REPORT

Wednesday 1 August 2018, 7.00 am
Regulated information

2018 Interim financial report

- The EPRA Earnings for H1 2018 amount to 65.1 million euros, an increase of 14% compared to H1 2017. The EPRA Earnings per share amount to 2.94 euros, an increase of 10% compared to H1 2017.
- WDP reaffirms its ambition to achieve an EPRA Earnings per share of 6.00 euros for 2018, as well as a target gross dividend of 4.80 euros – a 7%-increase each.
- Over the course of the first half of 2018, new investments for a total amount of 150 million euros have been secured.
- At the halfway point of the 2016-20 strategic growth plan, an investment volume of approx. 900 million euros has been identified. This means WDP is on track to achieve the target investment volume of 1.25 billion euros, as well as the target EPRA Earnings of 7.00 euros per share – as upgraded at the start of this year.

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Summary

- EPRA Earnings[1] for H1 2018 amount to 65.1 million euros, an increase of 13.7% over H1 2017 (57.2 million euros). The EPRA Earnings per share[2] for H1 2018 comes to 2.94 euros, an increase of 10.2% over the figure of 2.67 euros from H1 2017.
- The net result (IFRS) – Group share for H1 2018 amounts to 94.2 million euros, driven in part by a variation of 35.3 million euros (or 1.3%) in the underlying value of the property portfolio. The net result (IFRS) – Group share per share for H1 2018 amounts to 4.26 euros, compared to 6.39 euros in H1 2017.
- The occupancy rate[3] was 97.3% on 30 June 2018, compared to 97.4% on 31 December 2017. The average remaining duration until the first termination date of the lease agreements and until the maturity date of the WDP portfolio is 6.0 years and 7.5 years, respectively (including solar panels).
- On 30 June 2018, the gearing ratio was 54.8%/55.1% (IFRS[4]/proportionate), compared to 50.8%/52.2% on 30 June 2017.
- The EPRA NAV[5] was 59.3 euros on 30 June 2018, compared to 58.3 euros on 31 December 2017. The IFRS NAV was 56.9 euros on 30 June 2018, compared to 56.3 euros on 31 December 2017.
- The total identified investment volume under the 2016-20 growth plan is approx. 900 million euros. After all, an additional investment volume of 150 million euros was secured in the first half of 2018. Thus, halfway through the 2016-20 strategic growth plan, WDP is on track to achieve its target investment volume of 1.25 billion euros. This investment package includes various leased projects from the recently acquired landholdings and consists primarily of repeat business with existing clients.
- For 2018, WDP confirms its ambition for EPRA Earnings of 6.00 euros per share (an increase of 7%). Based on the outlook, a dividend of 4.80 euros gross per share is proposed for 2018 (payable in 2019), marking another increase, this time of 7% over 2017.[6] For the 2018-20 period, the aim is to achieve a cumulative increase of 25% in the EPRA Earnings, to 7.00 euros per share, compared to 5.60 in 2017. [6]

In accordance with the guidelines issued by ESMA (the European Securities and Markets Authority), the Alternative Performance Measures (APM) used by WDP must be defined in a footnote on their first mention in this press release. This definition will also be accompanied by a symbol (◤) so the reader can easily recognise it as an APM definition. Chapters 8 and 9 of this press release also give a reconciliation of these indicators.

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

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

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

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

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

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

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1. Risk factors

WDP's strategy is to create as much stability as possible for investors with respect to both dividends and income over the long term. The management and Board of Directors of WDP are aware of the specific risks associated property portfolio management and strive for optimal risk management and control.

The Management and Board of Directors of WDP confirm the validity of the risks that the company may face, their potential impact and the strategy used to mitigate potential impact, as set out in the *2017 Annual financial report*, available at www.wdp.eu.

2. Statement on the interim financial report

In accordance with Article 13(§2) of the Belgian Royal Decree of 14 November 2007 setting obligations on issuers of financial instruments admitted to trading on a regulated market, De Pauw SA, managed and permanently represented by Tony De Pauw, declares that to its knowledge:

- the condensed interim financial statements, prepared on the basis of accounting policies 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 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.

WDP WAREHOUSES WITH BRAINS

3. Interim management report

3.1 Consolidated key figures

Key figures		
Operational	30.06.2018	31.12.2017
Fair value of property portfolio (including solar panels) (in million euros)	2.987,5	2.669,8
Gross initial yield (including vacancies)[1] (in %)	7,1	7,1
Net initial yield (EPRA)[2] (in %)	6,3	6,4
Average lease term (until first break)[3] (in years)	6,0	6,2
Occupancy rate[4] (in %)	97,3	97,4
Like-for-like rental growth[5] (in %)	2,0	1,1
Operating margin[6] (in %)	91,6	92,7
Financial	30.06.2018	31.12.2017
Gearing ratio (IFRS)[7]	54,8	51,5
Gearing ratio (proportional) (in line with the GVV/SIR Royal Decree)	55,1	53,1
Interest Coverage Ratio[8] (in x)	4,7	4,9
Average cost of debt (in %)[9]	2,3	2,6
Average remaining duration of outstanding debt (in years)	4,3	4,1
Average remaining duration of long term credit facilities (in years)	4,6	4,5
Hedge ratio[10] (in %)	87	91
Average remaining term of hedges[11] (in years)	7,4	7,6
Result (in million euros)	30.06.2018	30.06.2017
Property result	90,1	74,5
Operating result (before the result on the portfolio)	82,5	69,1
Financial result (excluding changes in the fair value of the financial instruments)[12]	-15,5	-13,2
EPRA Earnings[13]	65,1	57,2
Result on the portfolio (including share joint ventures) - Group share[14]	35,3	66,3
Changes in the fair value of the financial instruments - Group share	-3,5	15,6
Depreciation and write-down on solar panels (including share joint ventures) - Group share	-2,6	-2,2
Net result (IFRS) - Groupe share	94,2	137,0
Details per share (in euros)	30.06.2018	30.06.2017
EPRA Earnings[15]	2,94	2,67
Result on the portfolio (including share joint ventures) - Group share[16]	1,59	3,09
Changes in fair value of the financial instruments - Group share	-0,16	0,73
Depreciation and write-down on solar panels - Group share	-0,12	-0,10
Net result (IFRS) - Group share	4,26	6,39
IFRS NAV[17]	56,9	51,3
EPRA NAV[18]	59,3	53,4
EPRA NNNAV[19]	56,5	50,9

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

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

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

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

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

[6] ◤The operating margin, obtained by dividing the operating result (before the result on the portfolio) by the property result. Based on the comparison between H1 2018 and H1 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

3.2 EPRA metrics

EPRA key performance measures[1]	30.06.2018	31.12.2017
EPRA Earnings (in euros per share)[2]	2,94	2,67
EPRA NAV (in euros per share)[3]	59,3	58,3
EPRA NNNAV (in euros per share)[4]	56,5	55,9
EPRA Net Initial Yield (in %)	6,3	6,4
EPRA Topped-up Net Initial Yield (in %)	6,3	6,4
EPRA vacancy rate (in %)	2,9	2,9
EPRA Cost Ratio (incl. direct vacany costs) (in %)[5]	8,6	9,0
EPRA Cost Ratio (excl. direct vacany costs) (in %)[5]	8,1	8,5

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

[2] ◤EPRA Earnings: this is the underlying result of core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the change in the fair value of financial instruments and depreciation and write-down on solar panels. See also www.epra.com. Based on the comparison between HY1 2018 and HY1 2017.

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

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

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

3.3 Notes on the consolidated results for the first half of 2018

3.3.1 Summary

The EPRA Earnings of WDP for the first half of 2018 amounts to 65.1 million euros. This result marks an increase of 13.7% over the result of 57.2 million euros over the same period in 2017. EPRA Earnings per share came to 2.94 euros, an increase of 10.2% over 2.67 euros in the same period last year, including an increase of 3% in outstanding shares.

This increase in EPRA Earnings primarily stems from strong growth in the WDP portfolio in 2017-18 through a combination of acquisitions, pre-leased projects and the total consolidation of the Romanian entity. In addition, operating and financial costs continue to be actively managed and kept under control.

3.3.2 Notes on consolidated profit and loss

For the first half of 2018 (analytical schedule)

Consolidated results (in euros x 1 000)	H1 2018	H1 2017	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	83.688	70.011	13.678	19,5%
Indemnification related to early lease terminations	2	402	-400	n.r.
Income from solar energy	7.227	5.601	1.626	29,0%
Other operating income/costs	-818	-1.477	659	n.r.
Property result	**90.100**	**74.536**	**15.563**	**20,9%**
Property charges	-3.127	-2.391	-736	30,8%
General company expenses	-4.486	-3.082	-1.405	45,6%
Operating result (before the result on the portfolio)	**82.486**	**69.064**	**13.423**	**19,4%**
Financial result (excl. changes in the fair value of financial instruments)	-15.542	-13.170	-2.372	18,0%
Taxes on EPRA Earnings	-532	-145	-387	n.r.
Deferred taxes on EPRA Earnings	-450	-450	0	n.r.
Share in the results of associated companies and joint ventures	214	1.945	-1.731	n.r.
Minority interests	-1.114	0	-1.114	n.r.
EPRA Earnings	65.063	57.244	7.819	13,7%
Changes in the fair value of investment properties (+/-)	36.550	64.592	-28.043	n.r.
Result on disposal of investment property (+/-)	-348	-114	-234	n.r.
Deferred taxes on the result on the portfolio (+/-)	-933	-21	-913	n.r.
Share in the results of associated companies and joint ventures	485	1.808	-1.323	n.r.
Result on the portfolio	**35.753**	**66.266**	**-30.512**	**n.r.**
Minority interests	-498	0	-498	n.r.
Result on the portfolio - Group share	35.255	66.266	-31.010	n.r.
Changes in the fair value of the financial instruments	-3.482	15.638	-19.120	n.r.
Changes in the fair value of the financial instruments	**-3.482**	**15.638**	**-19.120**	**n.r.**
Minority interests	0	0	0	n.r.
Changes in the fair value of the financial instruments - Group share	-3.482	15.638	-19.120	n.r.
Depreciation and write-down on solar panels	-2.709	-2.003	-706	n.r.
Share in the results of associated companies and joint ventures	0	-160	160	n.r.
Depreciation and write-down on solar panels	**-2.709**	**-2.163**	**-547**	**n.r.**
Minority interests	66	0	66	n.r.
Depreciation and write-down on solar panels - Group share	-2.643	-2.163	-481	n.r.
Net result (IFRS)	95.738	136.985	-41.247	n.r.
Minority interests	-1.546	0	-1.546	n.r.
Net result (IFRS) - Group share	94.192	136.985	-42.792	n.r.

Key ratios (in euros per share)	H1 2018	H1 2017	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings[1]	2,94	2,67	0,27	10,2%
Result for the portfolio - Group share[1]	1,59	3,09	-1,50	n.r.
Changes in the fair value of the financial instruments - Group share[1]	-0,16	0,73	-0,89	n.r.
Depreciation and write-down on solar panels - Group share[1]	-0,12	-0,10	-0,02	n.r.
Net result (IFRS) - Group share[1]	4,26	6,39	-2,13	n.r.
EPRA Earnings[2]	2,89	2,62	0,27	10,2%
Weighted average number of shares	22.116.435	21.439.828	676.607	3,2%
Number of outstanding shares at the end of the period	22.506.602	21.816.404	690.198	3,2%

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

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

For the second quarter of 2018 (analytical schedule)

Consolidated results (in euros x 1 000)	Q2 2018	Q2 2017	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	42.490	35.322	7.168	20,3%
Indemnification related to early lease terminations	2	0	2	n.r.
Income from solar energy	5.297	4.022	1.275	31,7%
Other operating income/costs	952	187	764	n.r.
Property result	**48.741**	**39.532**	**9.209**	**23,3%**
Property charges	-1.617	-1.062	-555	52,2%
General company expenses	-2.287	-1.483	-804	54,2%
Operating result (before the result on the portfolio)	**44.837**	**36.987**	**7.850**	**21,2%**
Financial result (excl. changes in the fair value of financial instruments)	-8.023	-6.389	-1.635	25,6%
Taxes on EPRA Earnings	-445	-138	-308	n.r.
Deferred taxes on EPRA Earnings	-225	-225	0	n.r.
Share in the results of associated companies and joint ventures	118	1.441	-1.323	n.r.
Minority interests	-672	0	-672	n.r.
EPRA Earnings	35.590	31.677	3.913	12,4%
Changes in the fair value of investment properties (+/-)	23.975	45.720	-21.746	n.r.
Result on disposal of investment property (+/-)	-226	361	-587	n.r.
Deferred taxes on the result on the portfolio (+/-)	-359	-44	-316	n.r.
Share in the results of associated companies and joint ventures	485	1.759	-1.273	n.r.
Result on the portfolio	**23.874**	**47.796**	**-23.922**	**n.r.**
Minority interests	-143	0	-143	n.r.
Result on the portfolio - Group share	23.731	47.796	-24.065	n.r.
Changes in the fair value of the financial instruments	-6.954	8.100	-15.054	n.r.
Changes in the fair value of the financial instruments	**-6.954**	**8.100**	**-15.054**	**n.r.**
Minority interests	0	0	0	n.r.
Changes in the fair value of the financial instruments - Group share	-6.954	8.100	-15.054	n.r.
Depreciation and write-down on solar panels	-1.635	-1.131	-504	n.r.
Share in the results of associated companies and joint ventures	0	-80	80	n.r.
Depreciation and write-down on solar panels	**-1.635**	**-1.211**	**-424**	**n.r.**
Minority interests	33	0	33	n.r.
Depreciation and write-down on solar panels - Group share	-1.603	-1.211	-391	n.r.
Net result (IFRS)	51.547	86.362	-34.815	n.r.
Minority interests	-782	0	-782	n.r.
Net result (IFRS)	50.765	86.362	-35.597	n.r.

Key ratios (in euros per share)	Q2 2018	Q2 2017	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings[1]	1,60	1,47	0,13	9,0%
Result for the portfolio - Group share[1]	1,07	2,22	-1,15	n.r.
Changes in the fair value of the financial instruments - Group share[1]	-0,31	0,38	-0,69	n.r.
Depreciation and write-down on solar panels - Group share[1]	-0,07	-0,06	-0,02	n.r.
Net result (IFRS) - Group share[1]	2,28	4,01	-1,72	n.r.
EPRA Earnings[2]	1,58	1,45	0,13	8,9%
Weighted average number of shares	22.222.416	21.552.363	670.053	3,1%
Number of outstanding shares at the end of the period	22.506.602	21.816.404	690.198	3,2%

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

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

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

Property result

The property result amounts to 90.1 million euros for the first half of 2018, an increase of 20.9% compared to last year (74.5 million euros). This increase is driven by continued portfolio growth in 2017-18, in the five countries where WDP is active, primarily through new pre-leased projects and with a focus on the Netherlands and Romania where logistics sector growth is currently strong. Based on an unchanged portfolio, the gross rental income rose by +2.0%[7], mainly driven by the indexing of leases. The property result also includes 7.2 million euros in income from solar panels (compared to 5.6 million euros in the same period last year, when the installed capacity was smaller).

Gross rental income by country (in euros x 1 000)	Belgium	Netherlands	France	Romania	Total IFRS	Luxembourg[1]
I. Rental income	33.720	39.863	3.404	7.074	84.061	467
III. Rental charges[2]	-670	234	64	0	-371	-29
Rental income, net of rental-related expenses	33.051	40.097	3.468	7.074	83.690	438

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

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

Operating result (before the result on the portfolio)

The operating result (before the result on the portfolio) amounts to 82.5 million euros for the first half of 2018, an increase of 19.4% compared to the same period last year (69.1 million euros). Property and other general expenses amounted to 7.6 million euros for the first half of the year, an increase of 2.1 million euros compared to the costs for the same period in 2017. The overhead trend for the company is in line with the underlying portfolio growth (after all, the increase is explained in part by an uptick in overhead costs in 2017 associated with management fees charged to the Romanian entity, which was fully consolidated as from 2018, but was formerly incorporated as a joint venture under the equity method). WDP succeeded in further controlling costs, with the operating margin for the first half of 2018 coming to 91.6% , in line with the average in recent years.

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

The financial result (excluding change in the fair value of the financial instruments)[8] amounts to -15.5 million euros for the first half of 2018, an increase over last year (-13.2 million euros) due to higher outstanding financial debt and the loss of the interest received on loans provided to the Romanian entity which have now been fully consolidated (previously, using the equity accounting method).

[7] ◤ Like-for-like rental growth: this is the organic growth in gross rental income year-on-year with an unchanged portfolio, exclusive of project developments, acquisitions and sales during these two comparison periods.
[8] ◤ Financial result (exclusive of change in the fair value of the financial instruments): this is the financial result according to IFRS exclusive of the change in fair value of financial assets and liabilities, and reflects the actual financial expenses of the company.

The total financial debt (as per IFRS) amounted to 1,601.9 million euros on 30 June 2018, compared to 1,168.9 million euros in the same period last year. The average cost of debt in the first half of 2018 was 2.3%, compared to 2.6% in 2017.

Share in the results of associated companies and joint ventures

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

EPRA Earnings

The EPRA Earnings of WDP for the first half of 2018 amounts to 65.1 million euros. This result marks an increase of 13.7% over the result of 57.2 million euros in 2017. The EPRA Earnings per share is up 10.2% year-on-year, including an increase of 3% in the weighted average number of outstanding shares.

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

The result on the portfolio (including share joint ventures) – Group[9] share for the first half of 2018 amounts to +35.3 million euros, or +1.59 euros per share[10]. For the same period last year, this result amounted to +66.3 million euros or +3.09 euros per share. This yields the following results by country for the first half of 2018: Belgium (+10.4 million euros), the Netherlands (+19.6 million euros), France (+2.6 million euros) and Romania (+2.0 million euros) and Luxembourg (+0.7 million euros).

The revaluation of 35.3 million euros marks a 1.3%-increase in the value of the underlying portfolio.

Change in the fair value of financial instruments – Group share

The change in the fair value of financial assets and liabilities – Group share[11] amounts to -3.5 million euros or -0.16 euros per share for the first half of 2018 (compared to +15.6 million euros or +0.73 euros per share in 2017). This negative impact stems from the change in fair value of the interest rate hedges concluded (Interest Rate Swaps) as at 30 June 2018, as a result of a decrease in long-term interest rates during the second quarter of 2018.

The change in the fair value of these interest rate hedges has been fully accounted for in the profit and loss account, not in shareholders' equity. Since this impact involves a non-

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

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

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

cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

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

The solar panels are valued on the balance sheet at fair value based on the revaluation model in accordance with IAS 16 *Tangible fixed assets*. In compliance with IAS 16, WDP must include a depreciation component in its IFRS accounts according to the residual life of the PV installations. The depreciation is calculated based on the fair value from the previous balance sheet date. This newly calculated net book value is then revaluated at fair value. This revaluation is recognised directly in the shareholders' equity, to the extent that it still exceeds the historic cost price, plus accumulated depreciations. If it does not, then it is entered in the profit and loss account. The depreciation component and write-down amounts to -2.7 million euros. Since this impact involves a non-cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

Net result (IFRS) – Group share

The EPRA Earnings along with the result on the portfolio (including share joint ventures), the change in the fair value of financial instruments and the depreciation and write-down for solar panels result in a net result (IFRS) – Group share of 94.2 million euros in the first half of 2018 (compared to 137.0 million euros in the same period last year).

The difference between the net result (IFRS) – Group share of 94.2 million euros and the EPRA Earnings of 65.1 million euros is attributable to the negative change in the fair value of the interest hedging instruments, the positive fluctuation in the value of the portfolio and the depreciation and write-down of the solar panels.

3.3.3 Notes on the consolidated balance sheet for 30 June 2018

Consolidated balance sheet (in euros x 1 000)	30.06.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	182	146	36	n.r.
Investment property	2.823.785	2.404.027	419.758	17,5%
Other tangible fixed assets (including solar panels)	115.737	95.876	19.861	20,7%
Financial fixed assets	17.324	97.469	-80.144	-82,2%
Trade receivables and other fixed assets	5.302	3.411	1.891	55,5%
Deferred taxes - assets	0	0	0	n.r.
Participations in associated companies and joint ventures - equity method	11.098	31.626	-20.528	-64,9%
Fixed assets	2.973.428	2.632.554	340.874	12,9%
Assets held for sale	17.862	7.525	10.337	n.r.
Trade receivables	17.019	9.042	7.977	n.r.
Tax receivables and other current assets	16.606	22.830	-6.224	n.r.
Cash and cash equivalents	1.320	1.231	89	n.r.
Accruals and deferrals	7.389	2.116	5.273	n.r.
Current assets	60.196	42.745	17.451	n.r.
Total assets	3.033.624	2.675.299	358.326	n.r.
Capital	172.680	168.873	3.807	2,3%
Issue premiums	588.163	545.154	43.009	7,9%
Reserves	426.193	289.256	136.937	47,3%
Net result for the financial year	94.192	235.156	-140.963	-59,9%
Equity capital attributable to shareholders of the Group	**1.281.228**	**1.238.439**	**42.790**	**3,5%**
Minority interests	26.701	0	26.701	n.r.
Equity capital	1.307.929	1.238.439	69.490	5,6%
Long term liabilities	1.430.043	1.158.293	271.750	23,5%
Long term financial debt	1.377.891	1.108.966	268.925	24,3%
Other long term liabilities	52.152	49.328	2.824	5,7%
Short term liabilities	295.652	278.566	17.086	6,1%
Short term financial debt	223.995	240.849	-16.854	-7,0%
Other short term liabilities	71.657	37.717	33.940	90,0%
Liabilities	1.725.695	1.436.860	288.835	20,1%
Total liabilities	3.033.624	2.675.299	358.326	13,4%

Key ratios	30.06.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
(in euros per share)				
IFRS NAV	56,9	56,3	0,7	1,2%
EPRA NAV	59,3	58,3	1,0	1,7%
Share price	108,4	93,4	15,0	16,0%
Premium/Discount with regard to EPRA NAV	82,9%	60,3%	22,6%	n.r.
(in euros x million)				
Fair value of the portfolio (including solar panels)[1]	2.987,5	2.669,8	317,7	11,9%
Debts and liabilities included in the gearing ratio	1.660,4	1.374,3	286,1	20,8%
Balance sheet total	3.034	2.675	358	13,4%
Gearing ratio (IFRS)	54,8%	51,5%	3,3%	n.r.
Gearing ratio (proportional)[2]	55,1%	53,1%	2,0%	n.r.

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

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

Property portfolio[12]

According to independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, the fair value[13] of the WDP property portfolio according to IAS 40 amounted to 2,874.8 million euros on 30 June 2018, compared to 2,567.4 million euros at the start of the financial year (including the *Assets held for sale*). Together with the valuation at fair value of the investments in solar panels[14], the total portfolio value grew to 2,987.5 million euros compared to 2,669.8 million euros at 2017 year-end.

This value of 2,874.8 million euros includes 2,593.5 million euros in completed properties (standing portfolio). The projects under development account for a value of 167.7 million euros. In addition, WDP also holds land reserves in places such as Courcelles, Heppignies, Bleiswijk, 's-Hertogenbosch and Schiphol and the land bank in Romania, at a fair value of 113.6 million euros.

The investments in solar panels were valuated at a fair value of 112.7 million euros as at 30 June 2018.

The overall portfolio is valuated at a gross rental yield of 7.1%[15]. The gross rental yield after deduction of the estimated market rental value for the unleased parts is 6.9%.

Shareholders' equity

The group's shareholders' equity (IFRS) amounted to 1,281.2 million euros on 30 June 2018, compared to 1,238.4 million euros at the end of 2017.

The shareholders' equity excluding the fair value of the financial assets and liabilities (excluding amongst others the cumulative mark-to-market (M-t-M) value of the interest rate hedges and which is included in IFRS shareholders' equity), amounted to 1,327.6 million euros on 30 June 2018, compared to 1,281.3 million euros at 2017 year-end. This increase is a consequence of the capital base growth thanks to profit generation during 2018, the payment of the dividend for the 2017 financial year and the capital increase following the optional dividend. In addition, the property portfolio also enjoyed value growth, as estimated by the independent experts.

NAV per share

The EPRA NAV per share amounted to 59.3 euros on 30 June 2018. This marks an increase of 1.0 euros compared to an EPRA NAV per share of 58.3 euros on 31 December 2017 as a consequence of the profit generation, dividend pay-out and revaluation of the

[12] Under IFRS 11 *Joint arrangements*, the joint ventures (mainly WDP Luxembourg, in which WDP retains 55%) are incorporated using the equity accounting method. WDP's share in the portfolio of WDP Luxembourg (55%) appears in the statistics in the reporting on the portfolio.
[13] For the precise valuation method used, please refer to the BE-REIT press release dated 10 November 2016.
[14] Investments in solar panels are valuated in compliance with IAS 16 by applying the revaluation model.
[15] Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unleased parts by the fair value. The fair value is the value of the investment properties after deduction of transaction costs (mainly transfer tax).

portfolio. The IFRS NAV per share[16] came to 56.9 euros on 30 June 2018, compared to 56.3 euros on 31 December 2017.

Debt

The total (long-term and short-term) financial debts had increased to 1,601.9 million euros by 30 June 2018, compared to 1,349.8 million euros at the end of December 2017, mainly due to the consolidation in full of the Romanian entity. The short-term financial debt of 224 million euros mainly includes the traditional commercial paper programme (193 million euros).

The balance sheet total rose from 2,675.3 million euros on 31 December 2017 to 3,033.6 million euros by the end of June 2018. The gearing ratio came to 54.8%/55.1% (IFRS/proportionate) on 30 June 2018, compared to 51.5%/53.1% (IFRS/proportionate) on 31 December 2017.

The weighted average term of WDP's outstanding financial debts on 30 June 2018 was 4.3 years[17]. If only the total drawn and undrawn long-term loans are taken into account, the weighted average term amounts to 4.6 years[18]. On 30 June 2018, the total amount of undrawn and confirmed long-term credit facilities was approx. 160 million euros[19].

The average cost of debt was 2.3% in the first half of 2018. The Interest Coverage Ratio[20] is equal to 4.7x for the same period, compared to 4.9x for the entire 2017 financial year. The hedge ratio[21], which measures the percentage of financial debt with a fixed or floating interest rate and subsequently hedges this by means of Interest Rate Swaps (IRS), comes to 87%, with a weighted average hedged term of 7.4 years.

3.4 Transactions and realisations

3.4.1 Occupancy rate and leasing activity

On 30 June 2018, the portfolio achieved an occupancy rate of 97.3%, compared to 97.4% at the end of 2017. Out of the 10% of lease contracts reaching their next expiry date in 2018, 95% have already been extended (compared to 47% at the start of the year). This reaffirms the trust customers have in WDP.

[16] The IFRS NAV is calculated as shareholders' equity as per IFRS divided by the total number of shares entitled to dividend on the balance sheet date. This is the net value according to Belgian GVV/SIR legislation.
[17] Including the short-term debts, these mainly consist of the commercial paper programme, which is fully hedged with backup facilities.
[18] For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. If this option is exercised every time, the weighted average maturity of long-term loans will be 5.0 years.
[19] Excluding the credit facilities to hedge the commercial paper programme.
[20] Defined as operating result (before result on the portfolio), divided by interest charges, minus interest and dividends collection, minus compensation for financial leasing and others.
[21] ◤ Hedge ratio: percentage of fixed-rate and floating-rate debts hedged against interest rate fluctuations by means of derivatives. This economic parameter is not an obligatory parameter under the Belgian Regulated Real-Estate Investment Companies Act (the 'GVV/SIR Act').

3.4.2 Acquisitions and divestments

3.4.2.1 Acquisitions

The first half of 2018 saw the completion of several acquisitions, with a total investment volume of 33 million euros and a total surface of 71,000 m². All of these acquisitions were made at prices in line with the fair value determined in the valuations from the independent property experts. WDP generates an overall gross initial rental yield of approx. 9.8%[22] on this.

Acquisitions completed during the second quarter of 2018

Belgium

NEW

ZELLIK, BROEKOOI 170: acquisition of a site of some 14,000 m² for redevelopment in the immediate vicinity of WDP sites for companies such as Antalis and Euro Pool System. The investment budget amounts to around 7 million euros.

Romania

NEW

TIMISOARA (6): multi-tenant site for among others, Procter & Gamble, totalling approx. 37,000 m². Thanks to this site's location on the existing WDP properties in Timisoara, WDP will be ready to capitalise on potential future demand for additional real estate from existing and/or new customers. The investment budget amounts to around 21 million euros.

Summary of all acquisitions during 2018

Location		Tenant	Lettable area (in m²)	Investment budget (in million euros)
BE	Zellik	land reserve	14.000	7
BE			14.000	7
RO	Brasov (2)	Flenco	20.000	5
RO	Timisoara (6)	Procter & Gamble / various	37.000	21
RO			57.000	26
Total			71.000	33

[22] Excluding land reserve.

3.4.2.2 Disposals

LEUVEN, VAART 25-35: anticipating the need for more housing in this part of the city, WDP entered into a partnership agreement with project developer L.I.F.E. to convert the existing Hungaria building into a residential tower block. I Love Hungaria is slated for phased completion starting in the spring of 2019. As part of this project, WDP is selling this site, in collaboration with L.I.F.E.[23] 67% of the surface area has already been sold.

The site in MEER and part of the site in ANDERLECHT were also sold during the first half of 2018. An amount of 17.9 million euros in *Assets held for sale* is currently recognised in the balance sheet. This involves a building in Puurs, another part of the non-strategic site in Anderlecht, the site in Aix-en-Provence and part of the site in Leuven.

3.4.3 Projects completed during the first half of 2018

As announced, WDP successfully delivered the following pre-leased projects during the first half of 2018, for a total surface area of 107,100 m². The initial gross rental yield for all of these completed projects is 7.3%, with an investment budget of approx. 70 million euros.

Location		Tenant	Delivery date	Lettable area (in m²)	Investment budget (in million euros)
NL	Bleiswijk, Spectrumlaan 29	Total Exotics	1Q18	4.000	7
NL	Bleiswijk, Spectrumlaan 31	Misi	1Q18	7.000	7
NL	Echt, Fahrenheitweg	Dick Vijn	2Q18	14.000	10
NL	Moerdijk, Energieweg 4	Gondrand Traffic	2Q18	18.000	18
NL				43.000	41
RO	Aricestii Rahtivani	Kamtec	1Q18	4.500	3
RO	Oarja (3)	Ceva Logistics	2Q18	29.000	10
RO	Oradea (1)	Kuehne + Nagel	1Q18	4.000	2
RO	Paulesti (1)	Global Enterprises International	2Q18	4.800	3
RO	Ramnicu Valcea (3)	Faurecia	1Q18	4.800	3
RO	Timisoara (2)	TE Connectivity Solutions	1Q18	8.000	4
RO	Timisoara (3)	Mömax	1Q18	3.000	2
RO	Timisoara (4)	360 Co-Packing	1Q18	6.000	2
RO				64.100	29
Total				107.100	70

[23] See the press release from 30 April 2015.

3.4.4 Projects under development

WDP expects the total of projects under development (representing an investment volume of 301 million euros[24]) and boasting a total surface area of 401,200 m², to generate an initial gross rental yield of around 6.9%.

3.4.4.1 Projects identified during the second quarter of 2018

The Netherlands

NEW

BLEISWIJK, PRISMAPARK: new construction project with a surface area of around 8,000 m² slated for delivery during the second quarter of 2019. This warehouse will be leased by fruit and vegetable specialist Hoogsteder Group, a subsidiary of The Greenery, under a ten-year lease. WDP projects an investment budget of approx. 6.5 million euros to complete this project.

NEW

HEERLEN, EARL BAKKENSTRAAT: CEVA Logistics wants to expand an existing surface at this site. This will involve expansion of the existing warehouse by approx. 13,000 m² (delivery scheduled for: Q4 2018). The lease contract for this extension will have a term of three and a half years. WDP projects an investment budget of some 6 million euros.

Romania

NEW

BRASOV (3): Inter Cars is expanding its current warehouse by some 3,000 m² of additional truck parking, under a seven-year lease. Delivery of this expansion is slated for the third quarter of 2018. The investment budget for WDP is approx. 2 million euros.

NEW

BUCHAREST (6): WDP has broken ground on a site of approx. 2,500 m² for Kitchen Shop. This new construction project will be delivered during the second quarter of 2019, with investment budget of approx. 1.5 million euros. Kitchen Shop will occupy the site under a ten-year lease.

[24] Cost to come: 154 million euros.

3.4.4.2 Summary of all projects under development

Location	Tenant	Delivery date	Lettable area (in m²)	Investment budget (in million euros)
BE Heppignies, rue de Capilône 6	Trafic	4Q18	15.000	8
BE Tongeren, Heersterveldweg 17	GLS	4Q19	5.000	8
BE			20.000	16
LU Bettembourg (Eurohub Sud)	Auchan + Innovation First	4Q18	25.000	11
LU			25.000	11
NL Amsterdam, Kaapstadweg	DHL	4Q18	14.000	14
NL Arnhem, Bedrijvenpark Ijsseloord 2	Bunzl	1Q19	20.250	18
NL Barendrecht, Dierensteinweg 30 (C-D)	The Greenery	1Q19	23.700	10
NL Bleiswijk, Maansteenweg/Spectrumlaan (1)	Mediq	3Q18	25.000	13
NL Bleiswijk, Maansteenweg/Spectrumlaan (3)	Toolstation	3Q18	11.900	9
NL Bleiswijk, Maansteenweg/Spectrumlaan (4)	Konings-Zuivel	1Q19	8.000	6
NL Bleiswijk, Maansteenweg/Spectrumlaan (5)	Hoogsteder	2Q19	8.000	7
NL Heerlen, Earl Bakkenstraat (2)	Ceva Logistics	4Q18	13.000	6
NL Heinenoord, Bedrijvenpark Hoekse Waard	VCKG Holding, New Corp Logistics	4Q18	22.075	18
NL Rotterdam, Bedrijvenpark Oudeland	Synergy foods	4Q19	6.675	7
NL Schiphol Logistics Park	Rapid Logistics	4Q18	17.000	24
NL Solar	Various	4Q18	10 MWp	10
NL Tiel, De Diepert 5	Kuehne + Nagel	4Q18	12.000	16
NL Veghel, Marshallweg 2	Kuehne + Nagel	4Q18	35.000	26
NL Zwolle	wehkamp	4Q18	25.000	24
NL			241.600	206
RO Brasov (3)	Inter Cars	3Q18	3.000	2
RO Bucharest (4)	Aquila Part Prod Com	3Q18	24.000	15
RO Bucharest (5)	Sarantis Romania	4Q18	10.000	6
RO Bucharest (6)	Kitchen Shop	2Q19	2.500	2
RO Cluj-Napoca (3)	Profi	3Q18	11.000	10
RO Constanta	Vestas ceu Romania	3Q18	2.300	1
RO Oarja (4)	Ceva Logistics	3Q18	18.000	5
RO Oradea (2)	Inteva Products Salonta	3Q18	16.000	8
RO Paulesti (2)	Production company	3Q18	8.800	7
RO Sibiu (3)	Aeronamic Eastern Europe	2Q19	4.000	4
RO Timisoara (5)	360 Co-Packing	3Q18	15.000	8
RO			114.600	68
Total			401.200	301

Solar panel project in the Netherlands

Currently, the second phase of the solar panel project in the Netherlands is in execution, for a total investment of approx. 25 million euros and a total additional capacity of 25 MWp by the end of 2019[25]. After delivery, WDP will have a total installed capacity of 85 MWp in its solar power portfolio. Over the medium-term, WDP will strive for a total PV portfolio of 100 MWp. This is the equivalent of the electricity needs of a city comprising more than 25,000 families.

Energy monitoring system for the entire property portfolio

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

Green finance framework

WDP recently issued a green bond as part of the newly implemented green financing programme. This *green finance framework* supports the company in its green activities, such as investments in alternative energy and measures to improve the energy efficiency of the property portfolio, striving to minimise and to compensate the possible negative impact on the environment.[26]

3.4.6 Strong foundation for growth in Romania

As previously announced, WDP has reinforced its capital in WDP Development RO by converting a subordinated shareholder's loan into shareholders' equity, to enable further growth in the Romanian property portfolio. This structure ensured that the ownership ratio between the two shareholders, WDP/Jeroen Biermans, changed from 51/49 to 80/20 as at January 2018. Due to this new partnership between the shareholders and the corresponding shareholdings, WDP will fully consolidate this activity in its IFRS statements as from 1 January 2018, whereas this was previously incorporated using the equity accounting method.

This has laid the groundwork for using additional financing from the WDP group to grow the Romanian property portfolio to a value of 500 million euros by 2020.

This change will not have any impact on operations. Jeroen Biermans remains General Manager in Romania and a motivated shareholder. Along with his team, he will facilitate operations in Romania and growth to 500 million euros.

[25] Up until now, several commercial agreements have been signed, representing a capacity of 10MWp.
[26] All information with respect to this green finance framework, together with an independent opinion are available on www.wdp.eu/green-bond.

3.4.7 Changes in policy regarding Dutch REIT status

The Dutch October 2017 Government coalition agreement stated the intention that FBIs, including WDP through its subsidiary WDP Nederland N.V., will no longer be allowed to invest directly in Dutch real estate from 2020 onwards, due to the planned abolishment of the dividend withholding tax (DWT). We expect more clarity on this subject by mid-September 2018, as part of the Government tax budget for 2019.

Since 35+ countries worldwide, including most of the G20 countries, have existing REIT legislation in place and more countries are actively considering the introduction of a REIT regime to foster sustainable investments in infrastructure and real estate, this possible amendment is against the trend as stated before.

Moreover, non-listed real estate FBI's are able to restructure themselves and can, in doing so, potentially maintain tax transparency. This creates an uneven playing field and is probably an unforeseen, but damaging, side effect of the DWT plans.

We continue to believe that this issue can still be resolved. Our efforts are aimed at resolving this issue in collaboration with our peers.

In addition, WDP was in talks with the Dutch tax authorities, which have indicated to WDP that as a shareholder in WDP Nederland N.V., which has the FBI status, it is subject to a new shareholder test (the conditions depend on factors such as activities and shareholder structure), by which WDP itself could be considered as an FBI. In the context of the above, the talks between WDP and the Dutch tax authorities to examine the specific path forward here – the company believes that it should be able to pass this shareholder test and that it will be able to reach reasonable agreements with the Dutch tax authorities – have been suspended.[27]

[27] For information purposes, WDP estimates the difference between the fiscally transparent status of an FBI and the normal taxation regime (pro forma) to be no more than 3% of current EPRA Earnings per share and will in any case not be applied retroactively.

3.5 Management of financial resources

3.5.1 Financial key figures

Key financial data	30.06.2018	31.12.2017
Net financial debt (in million euros)	1.601	1.349
Debt and liabilities included in the gearing ratio (in million euros)	1.660	1.374
Balance sheet total (in million euros)	3.034	2.675
Gearing ratio (IFRS) (in %)	54,8	51,5
Gearing ratio (proportional) (in line with the GVV/SIR Royal Decree) [1]	55,1	53,1
Interest Coverage Ratio [2] (in x)	4,7	4,9
Average cost of debt (in %)	2,3	2,6
Average remaining term of outstanding debts (in years)	4,3	4,1
Average remaining term of long-term credit facilities (in years)	4,6	4,5
Hedge ratio [3] (in %)	87	91
Average remaining term of interest rate hedges [4] (in year)	7,4	7,6

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

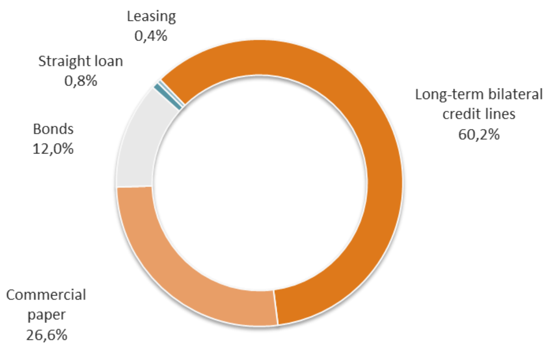
[2] Defined as operating result (before result for the portfolio) divided by interest changes, minus interest and dividends collection, minus compensation for financial leasing and others.

[3] Percentage of fixed-rate and floating-rate debts hedged against interest rate fluctuations by means of derivatives. This economic parameter is not an obligatory parameter under the Belgian Regulated Real-Estate Investments Companies Act (Wet betreffende de Gereglementeerde VastgoedVennootschappen or GVV-Wet).

[4] Remaining term of debt at fixed rate and interest rate hedges entered into to hedge the debt against interest rate fluctuations.

3.5.2 Debt structure

Breakdown



On 30 June 2018, the total outstanding consolidated financial debt came to 1,601.9 million euros. This amount breaks down as follows:

- 963.9 million euros in traditional bilateral medium and long-term bank loans, distributed across 14 banks;
- 193.0 million euros in commercial paper[28];

- 425.8 million euros in bond loans;
- 12.4 million euros in straight loans;
- 6.8 million euros in lease debts.

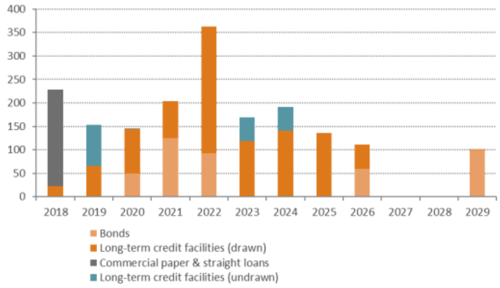
Maturity dates

The bulk of the debt instruments used are bullet type instruments, which implies that over the term, interest liabilities are due on the principal sum and that full repayment of the capital is due on the final expiry date. 14% of the debts involve short-term liabilities (mainly straight loans and commercial paper), the other 54% have a maturity of more than one year and 32% of that expires after more than five years.

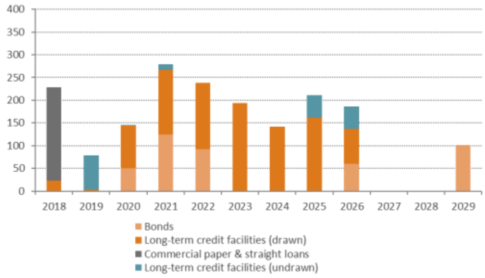
The weighted average term of WDP's outstanding financial debts on 30 June 2018 was 4.3 years[29]. If only the total drawn and undrawn long-term credits are taken into account, the weighted average term amounts to 4.6 years[30]. At 2017 year-end, this was 4.1 and 4.5 years, respectively.

On 30 June 2018, the total amount of undrawn and confirmed long-term credit facilities amounted to approx. 160 million euros[31]. Regarding the maturity dates of the long-term debts in 2018, these respective credit facilities have all been extended.

DEBT MATURITY DATES (MINIMUM TERM)[1]



DEBT MATURITY DATES (MAXIMUM TERM)[1]



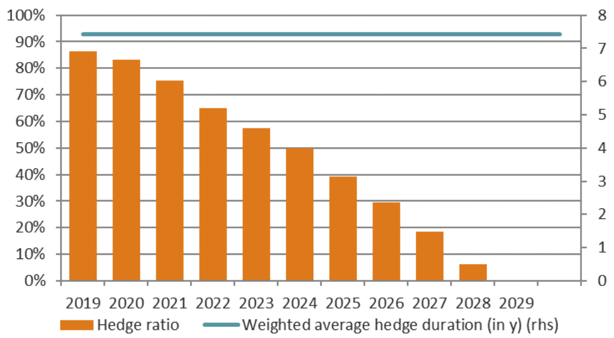
[1] For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension opt-in. In the case of a minimum term, it is assumed that these extension options are not exercised; in the case of a maximum term, it is assumed that they are exercised each time.

[29] Including the short-term debts, these mainly consist of the commercial paper programme, which is fully hedged with backup facilities.
[30] For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. If this option would be executed every time, the weighted average term of long-term credits amounts to 5.0 years.
[31] Excluding the credit facilities to hedge the commercial paper programme.

Hedges

The hedge ratio, which measures the percentage of financial debts with a fixed or floating interest rate that are subsequently hedged by means of Interest Rate Swaps (IRS), comes to 87%, with a weighted average hedged term of 7.4 years.

EVOLUTION HEDGE RATIO



WDP's weighted average cost of debt amounts to 2.3% for the first half-year of 2018, including credit margins, reservation fees for undrawn credit facilities and the cost of hedging instruments. The average cost of debt amounted to 2.6% in 2017. The Interest Coverage Ratio is equal to 4.7x for the first half of 2018, compared to 4.9x for the entire 2017 financial year.

Implementation of the financing strategy

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

  In late March 2018, WDP concluded an agreement with a single US investor (MetLife Inc.) to issue a US private placement with an eleven-year term for a total of 100 million euros (with extension option), with a coupon of 2.62%. The issue took the form of green bonds that will only be used to finance or refinance WDP's eligible sustainable assets.

- New credit facility

  During the first half of 2018, WDP secured an additional credit line of 57 million euros.

Financial risks

In 2018, WDP has again continuously monitored the potential impact of financial risks and has taken the necessary measures to manage these risks. These involve the counterparty risk (insolvency or credit risks with financial partners), liquidity risk (the non-availability of financing or very costly financing options) and risks relating to interest rates, budget, contractual agreements and exchange rates.

For a detailed overview of financial and other risks, their limiting factors and control, see Chapter *1. Risk factors*.

3.6 Outlook

WDP confirms its forecast of an EPRA Earnings per share of 6.00 euros in 2018, an increase of 7% over 2017. This increase is less than the +10% increase in the first half of 2018 because last year, the completed projects mainly started contributing to the result starting in the second quarter of 2017, as well as the positive one-off impact in Q4 2017 related to the setting up of a deferred tax asset for the Romanian activities. Excluding the latter, the underlying increase of the envisaged EPRA Earnings per share for H2 2018 is +8%. Based on this outlook, WDP intends to set a gross dividend of 4.80 euros for 2018, payable in 2019, also marking an increase of 7%, based on a low pay-out ratio.[32]

The main driving force behind this is the strong portfolio growth in 2017 thanks to several acquisitions, pre-leased new construction projects and solar power projects, which will contribute to the result in full in 2018. In addition, WDP currently holds a strong project development pipeline of approx. 400,000 m² and a projected investment of around 300 million euros, which will also contribute to the 2018 result. Moreover, as at 1 January 2018, WDP has fully consolidated its Romanian entity, increasing its holding from 51% to 80%, which in financial terms boils down to an acquisition of some 80 million euros[33].

In 2018, 10% of the contracts will reach their next maturity date, 95% of which have already been extended. Based on information currently available and the current rental market situation, WDP projects a minimum average occupancy rate of 97% for 2018.

The projected growth in 2018 based on continued execution of the project development pipeline takes into account a forecast gearing ratio of around 54% for 2018 year-end and an average cost of debt of 2.4%. WDP still aims for a gearing ratio of between 55 and 60% over the medium term[34].

[32] These profit forecasts are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.
[33] Calculation based on the overall portfolio (including solar panels) of WDP Development RO of 280 million euros (80% - 51%) as at 31 December 2017.
[34] In principle, in order to reinforce shareholders' equity, growth plan financing based on a constant capital structure takes into account retained earnings, optional dividends and contributions in kind. The debt component factors in traditional credit facilities and bond issues.

4. Shares and bonds

4.1 The share

4.1.1 Price and volume

Figures per share	30 JUN. 18	31 DEC. 17	31 DEC.16
Number of shares in circulation on closing date	22.506.602	22.009.277	21.326.043
Free float	75%	75%	74%
Market capitalisation (in euros)	2.439.715.657	2.056.326.750	1.810.367.790
Traded volume in shares	2.802.037	4.990.398	5.456.690
Average daily volume (in euros)	2.268.761	1.776.938	1.749.796
Free float velocity[1]	33,2%	30,4%	34,5%
Stock exchange price			
highest	109,80	98,04	93,87
lowest	93,30	82,09	69,85
closing	108,40	93,43	84,89
EPRA NAV (IFRS)[2] (in euros)	59,3	58,3	51,2
IFRS NAV[3] (in euros)	56,9	56,3	48,4
Dividend payout ratio	n.r.	82%	90%
EPRA Earnings/share[4] (in euros)	2,94	5,60	5,30
EPRA Earnings/share[5] (in euros)	2,89	5,52	4,72
Gross dividend/share (in euros)	n.r.	4,50	4,26
Net dividend/share (in euros)	n.r.	3,15	2,98

[1] The number of shares traded per half-year divided by the total number of free float shares at the end of term and then extrapolated to a term of twelve months.

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

[3] IFRS NAV: the IFRS NAV is calculated as shareholder equity as per IFRS divided by the number of dividend-entitled shares on the balance sheet date. It pertains to the net value according to GVV/SIR legislation.

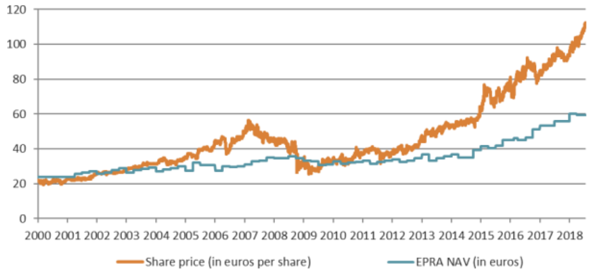
[4] On the basis of the pro-rata-temporis basis for the weighted average number of shares over the period.

[5] On the basis of the number of shares entitled to dividend at the end of each period.

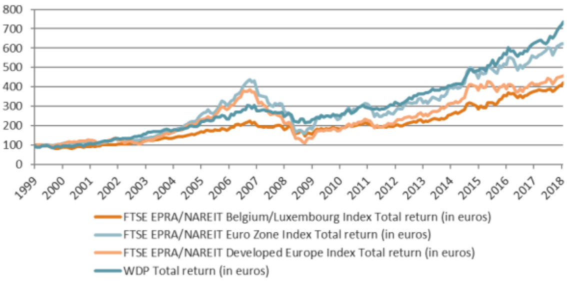
EURONEXT
IPO: 28/06/1999
Listing: continuous
ISIN code: BE0003763779
Liquidity provider: Kempen & Co

4.1.2 Long-term price trend and return

SHARE PRICE VERSUS EPRA NAV



WDP SHARE RETURN VERSUS EPRA INDEXES



4.2 Bonds

4.2.2 Listed bonds

Emittent	ISIN code	Nominal amount (in million euros)	Term (in years)	Maturity date	Coupon	Issue price	Indicative price 30 JUN. 18
WDP Comm. VA	BE0002248178	37,1	10	1 April 2026	2,50%	100,0%	100,9%
WDP Comm. VA	BE0002249184	22,9	10	1 April 2026	Euribor 3M + 2,00%	100,0%	100,0%
WDP Comm. VA	BE0002234038	54,4	7	2 July 2022	2,50%	99,4%	102,4%
WDP Comm. VA	BE0002235043	37,8	7	2 July 2022	Euribor 6M + 1,75%	100,0%	99,0%
WDP Comm. VA	BE0002216829	125,0	7	13 June 2021	3,38%	101,9%	105,6%
WDP Comm. VA	BE0002192582	50,0	7	18 March 2020	3,80%	99,9%	103,9%

4.2.3 Unlisted bonds

Emittent	ISIN code	Nominal amount (in million euros)	Term (in years)	Maturity date	Coupon	Issue price	Indicative price 30 JUN. 18
WDP Comm. VA	n.r.	100,0	11	29 March 2029	2,62%	100,0%	n.r.

4.3 Shareholding

Shareholding	Number of shares (declared)	Date of the statement	(in %)
Free float	16.867.293		74,94%
BlackRock-related companies	659.847	29.12.2016	2,93%
Other shareholders under the statutory treshold[1]	16.207.446	19.05.2017	72,01%
Family Jos De Pauw (reference shareholder)[2]	5.639.308	22.05.2018	25,06%
De Pauw NV[2]	1	29.12.2017	0,00%
Total	22.506.602		100,00%

[1] The number of publicly held shares was determined under the assumption that the total number of shares retained by shareholders obligated to report major holdings by virtue of the Belgian Act of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted for trading on a regulated market and with various provisions has not changed since their most recent declaration of transparency.

[2] On 26 October 2012, the reference shareholder, the Jos De Pauw family, assigned all of its shares, held in joint ownership, in joint ownership under the family company structure RTKA, which institutionalised the existing joint ownership. The holders of voting rights are the members of the Management Body of the management body RTKA, namely Robert, Tony, Kathleen and Anne De Pauw, to the exclusion of all other right holders in respect to the participation. Members of this Board of Directors act in mutual consultation with De Pauw NV, which is fully controlled by the members of RTKA's Board of Directors. This table shows the reference shareholder's shareholding at present.

4.4 Financial calendar

26 October 2018	Publication of Q3 2018 results
1 February 2019	Publication of 2018 annual results
24 April 2019	Annual General Meeting
25 April 2019	Ex-dividend date 2018
26 April 2019	Dividend record date 2018

5. Property report

5.1 Review of the consolidated property portfolio[35]

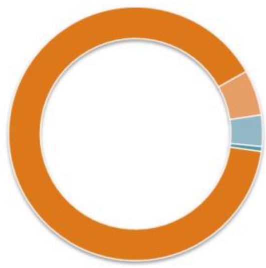
5.1.1 Description of the portfolio as at 30 June 2018

The independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate estimated the fair value[36] of the WDP property portfolio (including *Assets held for sale* and excluding solar panels) in accordance with IAS 40 at 2,874.8 million euros as at 30 June 2018. The fair value at the end of 2017 amounted to 2,567.4 million euros.

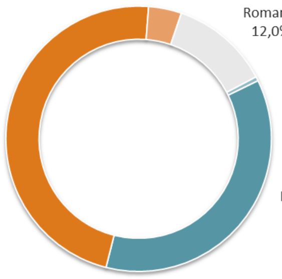
The portfolio breaks down as follows:

Fair value (in million euros)	Belgium	Netherlands	France	Romania	Luxembourg	Total
Existing buildings	993,9	1.223,9	114,5	231,5	11,8	2.575,6
Investment properties under development for own account with the purpose of being rented out	11,0	92,6	0,0	59,5	4,6	167,7
Land reserves	16,9	49,4	0,5	46,7	0,0	113,6
Assets held for sale	9,0	0,0	8,9	0,0	0,0	17,9
Total	1.030,8	1.365,9	123,9	337,7	16,4	2.874,8

BREAKDOWN OF THE FAIR VALUE OF THE PORTFOLIO BY DESIGNATED USE



GEOGRAPHICAL BREAKDOWN OF THE FAIR VALUE OF THE PORTFOLIO



[35] WDP's share in the portfolio of WDP Luxembourg (55%) appears in the statistics in the reporting on the portfolio.
[36] Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties (-): these are the transfer costs to be paid in the event of a hypothetical disposal of the investment properties. The fair value at which the investment properties are valuated consists of the investment value minus the transaction costs. The average theoretical local transfer taxes deducted from the investment value are as follows for the different countries: Belgium: 2.5%, Netherlands: 6.1%, France: 5.1%, Luxembourg: 7.0% and Romania: 1.5%.

Portfolio statistics by country	Belgium	Netherlands	France	Luxemburg	Romania	Total
Number of lettable sites	77	81	9	1	19	187
Gross lettable area (in m²)	1.741.761	1.755.517	197.098	14.772	434.147	4.143.295
Land (in m²)	3.414.080	3.409.322	471.358	28.507	3.241.853	10.565.120
Fair value (in million euros)	1.030,8	1.365,9	115,0	16,4	346,6	2.874,8
% of total fair value	36%	48%	4%	1%	12%	100%
% change in fair value for S1 2018	1,0%	1,4%	2,1%	6,9%	1,0%	1,3%
Vacancy rate (EPRA)[1,2]	5,6%	1,0%	6,4%	0,0%	0,0%	2,9%
Average lease length till first break (in y)[2]	4,3	6,4	4,3	1,5	9,1	5,8
WDP gross initial yield[3]	7,1%	6,8%	6,8%	7,9%	8,3%	7,1%
Effect of vacancies	-0,4%	-0,1%	-0,4%	0,0%	0,0%	-0,2%
Adjustment gross to net rental income (EPRA)	-0,3%	-0,2%	-0,1%	-0,7%	-0,2%	-0,2%
Adjustments for transfer taxes	-0,2%	-0,4%	-0,3%	-0,5%	-0,1%	-0,3%
EPRA net initial yield[1]	6,3%	6,1%	6,1%	6,8%	8,0%	6,3%

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

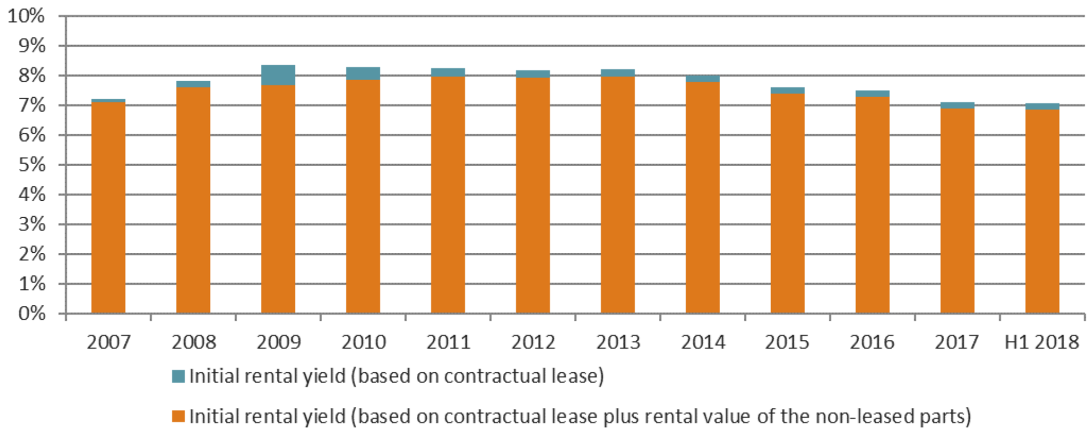
[2] Excluding solar panels.

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

5.1.2 Changes in fair value during the first half of 2018

In the first half of 2018, WDP invested in new acquisitions, for a total amount of 156.5 million euros (including the increase of the stake of WDP Development RO). In addition, 120.4 million euros were invested for the completion of pre-leased projects for own account. Furthermore, 0.9 million euros in property was sold.

HISTORIC GROSS RENTAL YIELD OF THE WDP PORTFOLIO



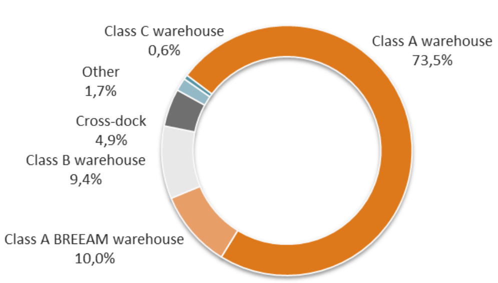
The change in the valuation of the investment properties amounted to an additional +35.3 million euros during the first half of 2018. The gross rental yield based on the contractual rents, after addition of the estimated market rental value of the unleased parts, is 7.1% as at 30 June 2018, stable compared to 7.1% at the end of 2017.

5.1.3 Value and composition of the rental portfolio

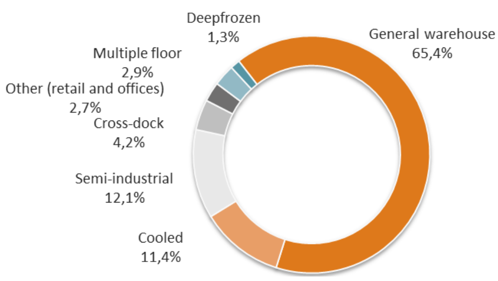
The total surface area comprises 1,056.5 hectares, including 77.7 hectares granted in concession. The balance of 978.8 hectares has a fair value of 941.0 million euros, or 33% of the total fair value. This gives an average land value of 96 euros/m², excluding transaction costs. This area also includes the land reserves, particularly in Belgium, the Netherlands and Romania.

Designated use at 30 JUN. 18	Built surface (in m²)	Estimated rental value (in million euros)	Estimated rental value per m² (in euros)	% of total rental value
Warehouses	3.292.250	142,6	43,3	80%
Offices adjacent to warehouses	291.210	25,5	87,4	14%
Commercial space	11.163	0,3	29,6	0%
Various uses (mixed-use areas, parking facilities and filing space)	580.532	10,5	18,0	6%
Total	4.175.154	178,8	42,8	100%

BREAKDOWN OF PROPERTY PORTFOLIO BY PROPERTY QUALITY TYPE (BASED ON FAIR VALUE)



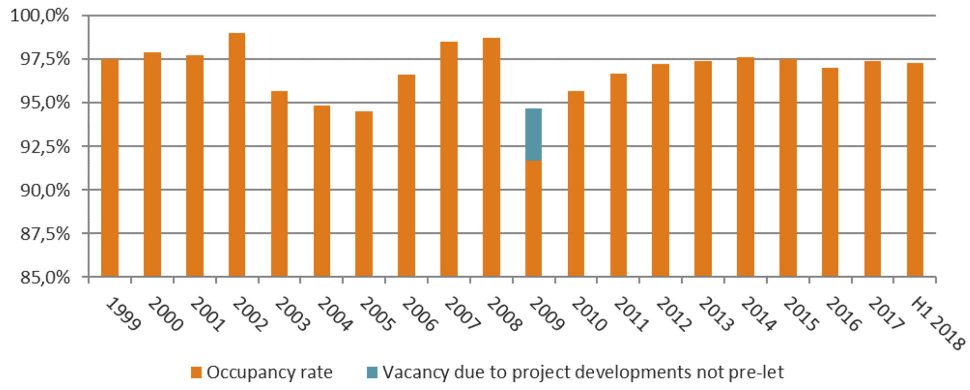
BREAKDOWN OF PROPERTY PORTFOLIO BY PROPERTY TYPE (BASED ON FAIR VALUE)



5.1.4 Rental situation of the available buildings

The occupancy rate of the WDP portfolio amounted to 97.3% on 30 June 2018, compared to 97.4% at the end of 2017 (including solar panels)[37]. This attests to the success of WDP's commercial strategy, which aims to develop long-term relationships with clients and supports the company's performance with a high operating margin.

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

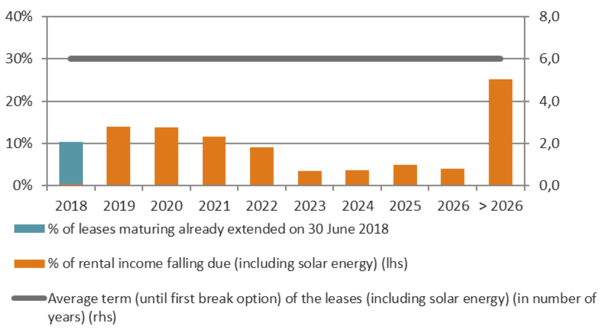


WDP's practice of building long-term partnerships together with its clients is also reflected in the fact that the average residual term to the expiry date of a lease contract is 7.1 years. When the first termination date is taken into account, the average remaining term is 5.8 years.

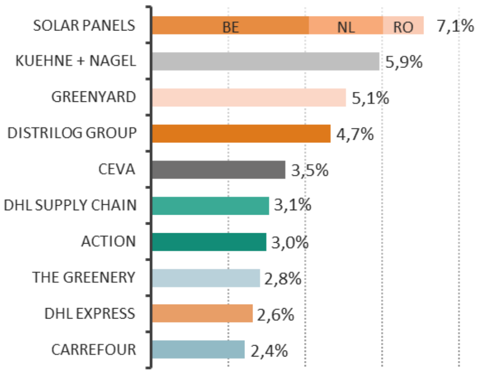
If income from solar panels is taken into account, the average remaining term to the final expiry date is 7.5 years. When the first termination date is taken into account, the average remaining term is 6.0 years.

[37] Excluding solar panels, the occupancy rate is 97.1%.

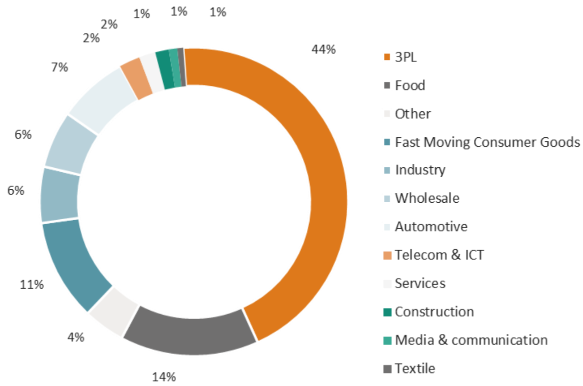
LEASE EXPIRY DATES (UNTIL EARLIEST TERMINATION DATE)



TOP-10 TENANTS



RENTAL INCOME AS AT 30 JUNE 2018 BY TENANT CATEGORY



WAREHOUSES WITH BRAINS

5.1.5 Overview of projects under development[38]

	Country	Type	Lettable area (en m²)	Projected delivery	Pre-leased	Tenant	Investment budget (in million euros)[1]	Projected yield
Heppignies, rue de Capilône 6	BE	Development	15.000	4Q18	100%	Trafic	8	
Tongeren, Heersterveldweg 17	BE	Development	5.000	4Q19	100%	GLS	8	
BE			20.000				16	
Bettembourg (Eurohub Sud)	LU	Development	25.000	4Q18	100%	Auchan, Innovation First	11	
LU			25.000				11	
Amsterdam, Kaapstadweg	NL	Development	14.000	4Q18	100%	DHL	14	
Arnhem, Bedrijvenpark Ijsseloord 2	NL	Development	20.250	1Q19	100%	Bunzl	18	
Barendrecht, Dierensteinweg 30 (C-D)	NL	Development	23.700	1Q19	100%	The Greenery	10	
Bleiswijk, Maansteenweg/Spectrumlaan	NL	Development	25.000	3Q18	100%	Mediq	13	
Bleiswijk, Maansteenweg/Spectrumlaan	NL	Development	11.900	3Q18	100%	Toolstation	9	
Bleiswijk, Maansteenweg/Spectrumlaan	NL	Development	8.000	1Q19	100%	Konings-Zuivel	6	
Bleiswijk, Maansteenweg/Spectrumlaan	NL	Development	8.000	2Q19	100%	Hoogsteder	7	
Heerlen, Earl Bakkenstraat (2)	NL	Development	13.000	4Q18	100%	Ceva Logistics	6	
Heinenoord, Bedrijvenpark Hoekse Waar	NL	Development	22.075	4Q18	100%	VCKG Holding, New Corp Logistics	18	
Rotterdam, Bedrijvenpark Oudeland	NL	Development	6.675	4Q19	100%	Synergy foods	7	
Schiphol Logistics Park	NL	Development	17.000	4Q18	100%	Rapid Logistics	24	
Solar	NL	n.r.	10 MWp	4Q18	100%	Various	10	
Tiel, De Diepert 5	NL	Development	12.000	4Q18	100%	Kuehne + Nagel	16	
Veghel, Marshallweg 2	NL	Development	35.000	4Q18	100%	Kuehne + Nagel	26	
Zwolle	NL	Development	25.000	4Q18	100%	wehkamp	24	
NL			241.600				206	
Brasov (3)	RO	Development	3.000	3Q18	100%	Inter Cars	2	
Bucharest (4)	RO	Development	24.000	3Q18	100%	Aquila Part Prod Com	15	
Bucharest (5)	RO	Development	10.000	4Q18	100%	Sarantis Romania	6	
Bucharest (6)	RO	Development	2.500	2Q19	100%	Kitchen Shop	2	
Cluj-Napoca (3)	RO	Development	11.000	3Q18	100%	Profi	10	
Constanta	RO	Development	2.300	3Q18	100%	Vestas ceu Romania	1	
Oarja (4)	RO	Development	18.000	3Q18	100%	Ceva Logistics IV	5	
Oradea (2)	RO	Development	16.000	3Q18	100%	Inteva Products Salonta	8	
Paulesti (2)	RO	Development	8.800	3Q18	100%	Production company	7	
Sibiu (3)	RO	Development	4.000	2Q19	100%	Aeronamic Eastern Europe	4	
Timisoara (5)	RO	Development	15.000	3Q18	100%	360 Co-Packing	8	
RO			114.600				68	
Total			401.200		100%		301	6,9%

[1] For the redevelopment projects, this does not factor in the value of the redevelopment projects before the start of the renovation. Taking into account the proportionate share of WDP in the portfolio of WDP Luxembourg (55%).

The anticipated out-of-pocket cost for completion of these projects is estimated at approx. 301 million euros, approx. 147 million euros[39] of which had already been spent as at 30 June 2018. WDP expects to generate a weighted average return on the total investment of around 6.9%.

[38] See also *3.4.7 Interim management report – Transactions and realisations – Projects under development*.

[39] The indicated amount differs from the previously reported amount of 168 million euros due to a number of projects that will be sold and the value of the existing sites before the start of their redevelopment.

5.2 Review of the logistics property market in Belgium, Luxemburg, the Netherlands, France and Romania

Belgium and Luxembourg

The logistics property market got off to a slow start in 2018. The epicentres for take-up were the Antwerp-Brussels corridor and the Wallonia region – e.g. Trilogiport in Liège, primarily driven by e-commerce activities. The leasing rate is in line with the five-year average, with a higher vacancy rate for the Antwerp-Brussels axis. If we look at the properties themselves, two striking trends are increased ceiling height (12.2 m) and automation.

The Netherlands

The Dutch logistics sector is one of the most active, mature and extensive in Europe, supported by the region's role as a logistics gateway and its high-quality infrastructure. In line with past years, most sites are pre-leased custom-developments, which entails further modernisation of the market. In general, existing properties enjoy a high occupancy rate, with outliers in the logistics hubs around Amsterdam and Schiphol. The investment volume in industrial properties has increased significantly in recent years.

France

The first half of 2018 got off to a slower start than past years, though still beating the historical average. It is mainly class-A buildings that are popular, along with a series of newly delivered buildings. The number of newly developed sites will likely increase, given the demand for more specialised sites, including prescriptions for specific types of buildings, their environmental impact, etc. New properties are mostly purchased by logistics service providers and retailers (e-commerce). Economic growth, diversified demand from clients, new challenges driven by e-commerce and supply chain optimisation are pushing companies to switch to new large-scale platforms. The average rent for class-A buildings is stable, from 38 euros per m² in the Lille region to 53 euros per m² in Île-de-France. Yields have dropped off slightly.

Romania

Growth in the industrial sector in Romania and the increase in the number of property developments come on the heels of sustained economic growth in this region. Further expansion of roads and infrastructure offers an additional stimulus. The new buildings are clustered around large cities like Bucharest, Timisoara, Brasov, Sibiu, Cluj, etc. Most new property developments are pre-leased from the start by logistics service providers, retailers and producers. The limited supply of space that is immediately available will continue to stimulate construction of new warehouses in the future, and may result in more frequent speculative projects.

Sources: CBRE, BNP Paribas Real Estate, Cushman & Wakefield and JLL

5.3 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 2018.

WDP appointed us as independent property experts to determine the investment value and fair value of its property portfolio. 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 in standard IAS 40 as the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. 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 transaction costs must be adjusted to the actual situation on the market. The fair value is calculated by adjusting the investment value based on customary transaction costs.

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 valuated 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 above statements, we can confirm that the fair value of the property portfolio of WDP (excluding solar panels but including assets held for sale) on 30 June

2018 amounted to 2,874,784,552 euros (two billion, eight hundred and seventy-four million, seven hundred and eighty-four thousand, five hundred and fifty-two euros)[40].

Yours faithfully,

PHILIPPE JANSSENS

CEO | Stadim

ROD SCRIVENER

National Director | Jones Lang LaSalle

HERO KNOL

Director | CBRE Valuation & Advisory Services

FRANK ADEMA

International Partner | Head of Valuation & Advisory - the Netherlands | Cushman & Wakefield

JEAN-CLAUDE DUBOIS

Director of the International Department | BNP Paribas Real Estate

FRANK WEYERS

Associate Director - Valuation & Advisory | JLL Luxembourg

OVIDIU ION

Head of Valuation | CBRE Romania

[40] We obtain this value by adding up the values confirmed by the individual property experts.

6. Condensed consolidated financial statements for the first half of 2018

6.1 Condensed consolidated profit and loss account

in euros (x 1 000)	H1 2018	FY 2017	H1 2017
Rental income	84.061	145.661	70.817
Costs related to leases	-371	-1.286	-405
Net rental result	83.690	144.375	70.412
Recovery of property costs	0	0	0
Recovery of rental charges an taxes normally paid by the tenant on let properties	8.207	9.239	6.936
Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	0	0
Rental charges and taxes normally paid by the tenant on let properties	-10.098	-11.635	-9.421
Other income and charges related to leases	8.300	12.513	6.610
Property result	90.100	154.493	74.536
Technical costs	-2.011	-3.345	-1.496
Commercial costs	-458	-683	-294
Property management costs	-657	-930	-601
Property charges	-3.127	-4.959	-2.391
Property operating results	86.973	149.534	72.145
General company expenses	-4.486	-6.695	-3.082
Other operating income and expenses (depreciation and write-down on solar panels)	-2.709	-3.904	-2.003
Operating result (before the result on the portfolio)	79.777	138.935	67.061
Result on disposals of investment properties	-348	929	-114
Changes in the fair value of investment properties	36.550	94.763	64.592
Operating result	115.979	234.627	131.539
Financial income	184	3.268	1.037
Net interest charges	-15.420	-28.504	-13.967
Other financial charges	-306	-498	-240
Changes in the fair value of financial assets and liabilities	-3.482	16.470	15.638
Financial result	-19.025	-9.264	2.468
Share in the results of associated companies and joint ventures	699	10.803	3.594
Result before taxes	97.653	236.166	137.600
Taxes	-1.915	-1.010	-616
Net result	95.738	235.156	136.985
Attributable to:			
Minority interests	1.546	0	0
Shareholders of the Group	94.192	235.156	136.985
Weighted average number of shares	22.116.435	21.687.261	21.439.828
Net result per share (in euros)	4,26	10,84	6,39
Diluted net result per share (in euros)	4,26	10,84	6,39

6.2 Condensed consolidated statement of overall income

in euros (x 1 000)	H1 2018	H1 2017
I. Net result	95.738	136.985
II. Other elements of the overall result (recoverable through profit and loss)	1.424	863
Revaluation on solar panels	1.424	917
Revaluation on solar panels in joint ventures	0	-54
Overall result	97.162	137.848
Attributable to:		
Minority interests	-1.546	0
Shareholders of the Group	95.616	137.848

6.3 Other components of comprehensive income

in euros (x 1 000)	H1 2018	H1 2017
EPRA Earnings	65.063	57.244
Result on the portfolio (including share joint ventures) - Group share [1]	35.255	66.266
Changes in the fair value of the financial instruments - Group share	-3.482	15.638
Depreciation and write-down on solar panels (including share joint ventures) - Group share	-2.643	-2.163
Net result (IFRS) - Group share	94.192	136.985

in euros per share [2]	H1 2018	H1 2017
EPRA Earnings	2,94	2,67
Result on the portfolio (including share joint ventures) - Group share [1]	1,59	3,09
Changes in the fair value of the financial instruments - Group share	-0,16	0,73
Depreciation and write-down on solar panels (including share joint ventures) - Group share	-0,12	-0,10
Net result (IFRS) - Group share	4,26	6,39

[1] Including deferred taxes on portfolio result.

[2] Calculated on the weighted average number of shares.

6.4 Condensed consolidated balance sheet as at 30 June 2018

Balance sheet - Assets (in euros x 1 000)	30.06.2018	31.12.2017	30.06.2017
Fixed assets	2.973.428	2.632.554	2.354.489
Intangible fixed assets	182	146	134
Investment properties	2.823.785	2.404.027	2.188.879
Other tangible fixed assets (including solar panels)	115.737	95.876	92.287
Financial fixed assets	17.324	97.469	51.653
Trade receivables and other non-current assets	5.302	3.411	3.640
Deferred taxes - assets	0	0	0
Participations in associated companies and joint ventures - equity method	11.098	31.626	17.896
Current assets	60.196	42.745	45.401
Assets held for sale	17.862	7.525	11.658
Trade receivables	17.019	9.042	14.546
Tax receivables and other current assets	16.606	22.830	14.954
Cash and cash equivalents	1.320	1.231	550
Accruals and deferrals	7.389	2.116	3.693
Total assets	3.033.624	2.675.299	2.399.890

Balance sheet - Liabilities (in euros x 1 000)	30.06.2018	31.12.2017	30.06.2017
Shareholder's equity	1.307.929	1.238.439	1.120.153
I. Shareholder's equity attributable to the parent company's shareholders	1.281.228	1.238.439	1.120.153
Capital	172.680	168.873	167.515
Issue premiums	588.163	545.154	529.313
Reserves	426.193	289.256	286.340
Net result for the financial year	94.192	235.156	136.985
II. Minority interests	26.701	0	0
Liabilities	1.725.695	1.436.860	1.279.738
I. Non-current liabilities	1.430.043	1.158.293	953.686
Provisions	351	655	669
Non-current financial liabilities	1.377.891	1.108.966	902.583
Other non-current financial liabilities	51.190	48.673	50.434
Trade payables and other non-current debts	0	0	0
Deferred tax liabilities	610	0	0
II. Current liabilities	295.652	278.566	326.052
Current financial liabilities	223.995	240.849	266.364
Other current financial liabilities	0	0	0
Trade payables and other current debts	52.511	22.774	45.481
Other current liabilities	6.117	1.549	1.797
Accruals and deferrals	13.029	13.394	12.410
Total liabilities	3.033.624	2.675.299	2.399.890

6.5 Condensed consolidated cash flow statement

in euros (x 1 000)	H1 2018	H1 2017
Cash and cash equivalents, opening balance	1.231	340
Net cash flows concerning operating activities	111.365	66.777
1. Cash flows concerning operations	111.410	68.877
Profit/loss from operating activities	112.889	150.531
Profit for the year	95.738	136.985
Interest charges	15.420	13.967
Interest received	-184	-1.037
Income tax	1.915	616
Adjustments to non-monetary items	-26.774	-75.456
Write-downs	3.139	2.348
Depreciations	-209	-30
Carried interest charges	2.482	3.268
Interest capitalised during construction	2.007	805
Carried interest income	132	-690
Increase (+)/decrease (-) in provisions	-303	-376
Changes in the fair value of investment properties	-36.550	-64.592
Increase (+)/decrease (-) in deferred taxes	92	3.211
Changes in fair value of financial derivatives	3.482	-15.638
Share in the result of associated companies and joint ventures	-699	-3.648
Increase(+)/decrease (-) in disposals	-348	-114
Increase (+)/decrease (-) in working capital requirements	25.295	-6.198
2. Cash flows concerning other operating activities	-45	-2.100
Interest received classified by operating activities	52	1.727
Income tax paid/received	-97	-3.827
Net cash flows concerning investment activities	-153.205	-121.493
1. Acquisitions	-224.069	-99.197
Payments regarding purchases of real estate investments	-144.594	-90.964
Payments regarding purchases of shares of real estate companies	-75.397	-126
Acquisitions of other tangible and intangible fixed assets	-4.077	-8.107
2. Transfers	8.135	2.048
Receipts from sale of investment properties	8.135	2.048
Receipts from sale of shares of real estate companies	0	0
3. Financing provided to joint ventures	62.729	-24.344
Financing provided to joint ventures	-10.271	-24.344
Repayment of financing provided to joint ventures	73.000	0
Net cash flows concerning financing activities	41.929	54.926
1. Loan acquisition	411.678	303.259
2. Loan repayment	-297.613	-180.247
3. Interest paid	-19.910	-18.040
4. Dividends paid[1]	-52.226	-50.046
Net increase (+) or decrease (-) in cash and cash equivalents	89	210
Cash and cash equivalents, closing balance	1.320	550

[1] This only relates to cash-out, because of the optional dividend that was offered in 2018 and 2017, with 68% and 65% of the shareholders respectively opting for distribution in shares rather than cash.

6.6 Condensed statement of changes in the consolidated equity

in euro (x 1 000)

	01 JAN. 18	Toewijzing resultaat 2017	Nettoresultaat van het eerste halfjaar	Minderheids-belangen [1]	Variaties in de reële waarde van zonnepanelen	Kapitaal-verhogingen[2]	Uitgekeerde dividenden	Overige	30 JUN. 18
Totaal eigen vermogen	1.238.439	0	95.738	24.654	1.424	46.815	-99.042	-99	1.307.929
Minderheidsbelangen	0		1.546	25.141	8			6	26.701
Totaal eigen vermogen toerekenbaar aan aandeelhouders van de Groep	1.238.439	0	94.192	-487	1.416	46.815	-99.042	-105	1.281.228
Geplaatst kapitaal	168.873					3.807			172.680
Uitgiftepremies	545.154					43.009			588.163
Reserves	289.256	235.156		-487	1.416		-99.042	-105	426.193
Nettoresultaat van de periode	235.156	-235.156	94.192						94.192

[1] Het betreft het ontstaan van een minderheidsbelang als gevolg van de integrale consolidatie van WDP Development RO.

[2] Het betreft hier de kapitaalverhoging naar aanleiding van het keuzedividend.

in euro (x 1000)

	01 JAN. 17	Toewijzing resultaat 2016	Nettoresultaat van het eerste halfjaar	Minderheids-belangen	Variaties in de reële waarde van zonnepanelen	Kapitaal-verhogingen[1]	Uitgekeerde dividenden	Overige	30 JUN. 17
Totaal eigen vermogen	1.032.352	0	136.985	0	863	40.746	-90.792	-1	1.120.153
Minderheidsbelangen	0								0
Totaal eigen vermogen toerekenbaar aan aandeelhouders van de Groep	1.032.352	0	136.985	0	863	40.746	-90.792	-1	1.120.153
Geplaatst kapitaal	163.752					3.763			167.515
Uitgiftepremies	492.330					36.983			529.313
Reserves	246.038	130.232			863		-90.792	-1	286.340
Nettoresultaat van de periode	130.232	-130.232	136.985						136.985

[1] Het betreft hier de kapitaalverhoging naar aanleiding van het keuzedividend.

6.7 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 (partnership limited by shares) under Belgian law. Its registered office is at Blakebergen 15, 1861 Meise (Wolvertem) in Belgium. The telephone number is +32 (0)52 338 400.

The consolidated financial statements of the company as of 30 June 2018 include the company and its subsidiaries.

WDP is listed on Euronext Brussels and Amsterdam.

II. Basis of presentation

The consolidated financial statements are drawn up in accordance with the IFRS (International Financial Reporting Standards) as adopted in the European Union and with the legal and administrative regulations applicable in Belgium. 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) insofar as they apply to the activities of the group and are effective for financial years commencing on or after 1 January 2018.

The consolidated financial statements are presented in thousands of euros, rounded to the nearest thousand. The 2017 and 2018 financial years are presented here. For the historical financial information for the 2016 financial year, please refer to the annual reports for 2017 and 2016. Accounting methods were consistently applied for the financial years presented.

Standards and interpretations effective for the financial year beginning on 1 January 2018 (all applicable to financial years starting from 1 January 2018)

- Amendment to IAS 40 *Transfers of investment property*
- Amendment to IFRS 2 *Classification and measurement of share-based payment transactions*
- Amendment to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts*
- Annual improvements to IFRS 2014-2016 cycle: Amendments to IFRS 1 and IAS 28
- IFRIC 22 *Foreign currency transactions and advance consideration*
- IFRS 9 *Financial instruments and associated amendments*

- IFRS 15 *Revenue from contracts with customers*

The new standards, amendments and interpretations have no effect on the consolidated financial statements for 2018. With regard to amended standard IFRS 9, please refer to Note *IX. Financial instruments*.

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 2018, but they can be adopted prior to their effective dates. WDP has not yet adopted these. The impact of their adoption – insofar as these new standards, revised versions or existing standards and interpretations are relevant to WDP – on the consolidated financial statements for 2018 and the following years is presented below.

- Amendment to IAS 19 *Plan amendment, curtailment or settlement* (applicable to financial years beginning on or after 1 January 2019, but not yet adopted in the European Union)
- Amendment to IAS 28 *Long-term investments in associates and joint ventures* (applicable to financial years beginning on or after 1 January 2019, but not yet adopted in the European Union)
- Amendment of IFRS 9 *Prepayment features with negative compensation* (applicable to financial years starting from 1 January 2019)
- Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and its associate or joint venture* (the date of entry into force has been deferred indefinitely and, consequently, EU approval has been postponed as well)
- Annual improvements to IFRS 2015-2017 cycle (applicable to financial years beginning on or after 1 January 2019, but not yet adopted by the European Union)
- IFRIC 23 *Uncertainty over income tax treatments* (applicable to financial years beginning on or after 1 January 2019, 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 16 *Leases* (applicable to financial years beginning on or after 1 January 2019)

  IFRS 16 introduces significant changes in accounting for leases for the lessee, removing the distinction between operational and financial leases and recognising assets and liabilities for all leases (aside from exemptions for short-term leases or low-value assets). Unlike accounting for leases by the lessee, IFRS 16 keeps almost all provisions from IAS 17 Leases regarding accounting for leases by the lessor. This means that lessors must continue to classify leases as operational or financial leases.

Given that WDP acts almost exclusively as a lessor (and has not opted to reassess whether a contract is or contains a lease in comparison to IAS 17), the impact for WDP is limited to the contracts with WDP acting as lessee. In cases where WDP is the lessee in leases classified as operational leases under IAS 17 and these leases do not fall under the exemptions provided for in IFRS 16 (for instance, for investment properties for which WDP does not retain bare ownership, but, rather, only the usufruct through a concession, leasehold, or similar arrangement), this shall result in recognition of a right of use and additional liability in the consolidated annual financial statements, given that full ownership shall apply to the asset.

- IFRS 17 *Insurance contracts* (applicable to financial years beginning on or after 1 January 2021, but not yet adopted by the European Union)

III. Significant accounting estimates and key uncertainties affecting estimates

Significant estimates in the drawing up of financial statements

Determining whether an entity that owns a portfolio of investment properties constitutes a *business*, and therefore assessing whether obtaining control of that entity is a *business combination* in the scope of IFRS 3, is a significant judgement.

Through the step acquisition of WDP Development RO, whereby WDP increased its ownership from 51% to 80% as from January 2018, WDP obtained control over WDP Development RO, leading to the consolidation of this entity. Considering the current definition of a *business* in IFRS 3 and the related guidance, namely with respect to the existence of substantive processes, management concluded that WDP Development Romania does not constitute a *business*. This judgement is also consistent with the latest expected developments in the definition of a *business* whereby in case substantially all of the fair value of gross assets acquired are concentrated in one portfolio of similar assets, these assets are not considered as a *business*. For the step acquisition of a subsidiary that is not a *business*, the consideration paid is allocated to the identifiable assets acquired and as such, fully to the investment properties acquired.

IV. Segmented information – Operational result

en euros (x 1 000)	H1 2018							
	Belgique	Pays-Bas	France	Roumanie	Montants non affectés	Total IFRS	Luxembourg[3]	Autres joint ventures[3]
I. Revenus locatifs[1]	33.720	39.863	3.404	7.074	0	84.061	467	
III. Charges relatives à la location	-670	234	64	0	0	-371	-29	
Résultat locatif, moins les charges liées à la location	33.051	40.097	3.468	7.074	0	83.690	438	
IV. Récupération des charges immobilières	0	0	0	0	0	0	0	
V. Récupération des charges locatives et des taxes normalement assumées par le locataire sur immeubles loués	5.691	996	1.100	421	0	8.207	12	
VI. Frais incombant aux locataires et assumés par le propriétaire sur dégâts locatifs et remises en état au terme du bail	0	0	0	0	0	0	0	
VII. Charges locatives et taxes normalement assumées par le locataire sur immeubles loués	-6.123	-2.309	-1.096	-570	0	-10.098	-12	
VIII. Autres revenus et dépenses liés à la location[2]	5.459	1.557	64	1.220	0	8.300	7	
Résultat immobilier	38.078	40.341	3.535	8.145	0	90.100	445	
IX. Frais techniques	-881	-753	-110	-267	0	-2.011	-11	
X. Frais commerciaux	-318	-74	-68	1	0	-458	-4	
XII. Frais de gestion immobilière	-696	47	-2	-7	0	-657	0	
Charges immobilières	-1.894	-780	-180	-272	0	-3.127	-15	
Résultat d'exploitation des immeubles	36.184	39.561	3.355	7.873	0	86.973	430	
XIV. Frais généraux de la société	0	0	0	0	-4.486	-4.486	-145	
XV. Autres produits/charges opérationnels (amortissement et réduction de valeur panneaux solaires)	-1.323	-1.058	0	-329	0	-2.709	0	
Résultat d'exploitation (avant le résultat sur le portefeuille)	34.861	38.503	3.355	7.544	-4.486	79.777	285	
XVI. Résultat sur vente d'immeubles de	-348	0	0	0	0	-348	0	
XVIII. Variations de la juste valeur des immeubles de placement	10.946	19.612	2.569	3.423	0	36.550	1.122	
Résultat d'exploitation	45.459	58.115	5.924	10.966	-4.486	115.979	1.407	

(in euros x 1 000)		H1 2017						
		Belgium	The Netherlands	France	Unallocated amounts	Total IFRS	Romania[3]	Luxembourg[3]
I.	Rental income[1]	32.546	35.294	2.978	0	70.817	1.917	0
III.	Rental charges	-288	-69	-48	0	-405	0	0
Rental income, net of rental-related expenses		32.258	35.225	2.930	0	70.412	1.917	0
IV.	Recovery of property costs	0	0	0	0	0	0	0
V.	Recovery of rental charges normally paid by the tenant on let properties	5.531	439	966	0	6.936	283	0
VI.	Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	0	0	0	0	0	0
VII.	Rental charges and taxes normally paid by the tenant on let properties	-6.211	-2.158	-1.052	0	-9.421	-318	0
VIII.	Other income and charges related to leases[2]	5.439	1.093	78	0	6.610	743	0
Property result		37.017	34.599	2.921	0	74.537	2.625	0
IX.	Technical costs	-725	-649	-123	0	-1.496	-226	0
X.	Commercial costs	-299	27	-22	0	-294	-19	0
XII.	Property management costs	-746	141	3	0	-601	-5	0
Property charges		-1.770	-480	-141	0	-2.391	-250	0
Property operating results		35.247	34.118	2.780	0	72.145	2.375	0
XIV.	General company expenses	0	0	0	-3.082	-3.082	-445	n.r.
XV.	Other operating income and expenses (depreciation and write-down on solar panels)	-1.710	-293	0	0	-2.003	-160	0
Operating result (before result on portfolio)		33.537	33.825	2.780	-3.082	67.061	1.770	0
XVI.	Result on disposals of investment properties	-114	0	0	0	-114	0	0
XVIII.	Changes in the fair value of investment properties	18.355	44.770	1.467	0	64.592	2.330	0
Operating result		51.779	78.596	4.246	-3.082	131.539	4.100	0

[1] The maximum tenant risk within the WDP portfolio was 10% and the maximum risk per site 5%. See also *5.1. Property Report - Review on the consolidated property portfolio*.

[2] In the first half year 2018, income from solar energy totalled 7.227 million euros against 6.237 million euros in the first half year 2017. This income was generated in Belgium (4.470 million euros), the Netherlands (1.538 million euros) and Romania (1.220 million euros). They belong to *Other income and charges related to leases*.

[3] The joint venture WDP Luxembourg is recognised using the equity method in accordance with IFRS 11 Joint arrangements. Table shows the operating result (before general costs and according to the 55% share of WDP) and makes the reconciliation with the 55% share. In 2017, WDP Development RO was a joint venture as well.

The basis for reporting by segment within WDP is the geographical region. This segmentation basis reflects the geographical markets in Europe in which WDP is active. WDP's business is subdivided into five regions.

This segmentation is important for WDP since the nature of its business, its customers, etc., exhibit 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.

A second segmenting basis is not considered relevant by WDP as the business mainly focuses on the leasing of logistics sites.

WDP WAREHOUSES WITH BRAINS

V. Segmented information – Assets[41]

in euros (x 1 000)	30.06.2018					
	Belgium	The Netherlands	France	Romania	Total IFRS	Luxembourg
Investment porperties	1.005.135	1.365.907	114.994	337.749	2.823.785	16.398
Existing buildings	982.016	1.223.899	114.470	231.531	2.551.916	11.772
Investment properties under development for own account for the purpose of being rented out	7.425	92.580	0	59.487	159.492	4.626
Land reserves	15.694	49.427	524	46.731	112.376	0
Assets held for sale	8.962	0	8.900	0	17.862	0
Other tangible fixed assets	65.976	32.678	-56	17.139	115.737	0
Tangible fixed assets for own use	2.298	228	-56	554	3.024	0
Other: solar panels	63.678	32.450	0	16.585	112.713	0

in euros (x 1 000)	31.12.2017					
	Belgium	The Netherlands	France	Total IFRS	Romania	Luxembourg
Investment porperties	1.000.694	1.282.310	121.022	2.404.027	134.772	12.324
Existing buildings	975.344	1.150.470	120.498	2.246.312	75.668	11.798
Investment properties under development for own account for the purpose of being rented out	7.940	70.881	0	78.821	34.389	526
Land reserves	174.100	60.960	524	235.584	24.715	0
Assets held for sale	7.525	0	0	7.525	0	0
Other tangible fixed assets	66.566	29.366	-56	95.876	8.885	0
Tangible fixed assets for own use	1.876	257	-56	2.077	279	0
Other: solar panels	64.690	29.109	0	93.799	8.606	0

[41] Includes property developments in compliance with the IAS 40 standard.

VI. Information on subsidiaries

Share of equity	30 JUN. 18	30 JUN. 17
Fully consolidated companies		
Name and full address of the registered offices		
WDP France SARL - rue Cantrelle 28 - 36000 Châteauroux - Frankrijk	100%	100%
WDP Nederland N.V. - Hoge Mosten 2 - 4822 NH Breda - Netherlands with participation in WDP Development NL N.V. - Hoge Mosten 2 - 4822 NH Breda - Netherlands[1]	100%	100%
WDP Development RO SRL – 1 Baia de Arama Street, Building C, 1st floor, office no. 19, district 2 - Bucharest - Romania[2]	80%	51%
Eurologistik 1 Freehold BVBA - Blakebergen 15 - 1861 Wolvertem - Belgium[3]	100%	100%
Colfridis Real Estate BVBA - Blakebergen 15 - 1861 Wolvertem - Belgium[5]	100%	100%
Joint ventures		
I Love Hungaria NV - Mechelsesteenweg 64, Bus 401 - 2018 Antwerp - Belgium[4]	50%	50%
BST-Logistics NV - Nijverheidsstraat 13 - 2260 Westerlo - Belgium[6]	50%	50%
WDP Luxembourg SA - Parc Logistique Eurohub Sud - 3434 Dudelange - Luxembourg[7]	55%	

[1] WDP Development NL N.V. was founded in August 2011 as a permanent development company for own account of WDP Nederland N.V.

[2] As from January 2018, the participation in WDP Development RO SRL between the two shareholders (WDP/Jeroen Biermans) has changed from 51/49 to 80/20. As at 1 January 2018, WDP fully consolidated this activity in its IFRS statements rather than using the equity method as in the past. For more information regarding the impact on the consolidated balance sheet and the consolidated profit and loss account, we refer to *Condensed financial information (according to IFRS 12)* in the *Annual financial report 2017* .

[3] 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.

[4] This joint venture was established in May 2015 between WDP Comm. VA and project developer L.I.F.E. NV for the redevelopment of the Hungaria building in Leuven.

[5] On 30 September 2016, WDP acquired 100% of the shares in Colfridis Real Estate BVBA, which owned the rights to three sites of 35,000 m² in total on the industrial estate in Londerzeel. This transaction is not deemed to be a business combination. On 6 October 2017, WDP merged with its wholly owned subsidiary Colfridis Real Estate BVBA.

[6] This joint venture was established in April 2017 between WDP Comm. VA and project developer Thys Bouwprojecten for the development of the building in Westerlo, Nijverheidsstraat 13.

[7] This concerns a joint venture that has the rights to the Eurohub Sud site of which the Luxembourg government owns 45% and of which WDP acquired 55% of the share on 13 October 2017 with further development of the site in mind. With the acquisition of this company, in addition to the investment properties, an external financing arrangement was also acquired for an amount of 9.9 million euros in total.

VII. Overview of future income

in euros (x 1 000)	30 JUN. 18	30 JUN. 17
Future rental income (including income from solar energy)		
with final expiry date within		
one year	171.002	142.000
more than one but less than five years	442.377	385.321
more than five years	567.683	567.642
Total	1.181.061	1.094.963

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

VIII. Investment property[42]

in euros (x 1 000)	30 JUN. 18						
	Belgium	Netherlands	France	Romania	Total IFRS	Romania	Luxemburg
Level according to IFRS	3	3	3	3		3	3
at 01/01	1.000.694	1.282.310	121.022	0	2.404.027	134.772	12.324
Investments	2.073	63.985	303	43.990	110.350	0	2.952
New acquisitions	965	0	0	26.079	27.044	0	0
Acquisition of investment properties by means of share-based payment transactions	0	0	0	264.259	264.259	-134.772	0
Transfers to fixed assets held for sale	-9.544	0	-8.900	0	-18.444	0	0
Sales and disposals	0	0	0	0	0	0	0
Variations in the fair value	10.947	19.612	2.569	3.422	36.550	0	1.122
at 30/06	1.005.135	1.365.907	114.994	337.749	2.823.785	0	16.398

in euros (x 1 000)	31 DEC. 17						
	Belgium	Netherlands	France		Total IFRS	Romania	Luxemburg
Level according to IFRS	3	3	3			3	3
at 01/01	938.356	1.010.231	88.136		2.036.722	70.151	0
Investments	30.139	115.926	2.121		148.366	46.128	0
New acquisitions	0	101.503	26.435		127.937	9.964	12.814
Acquisition of investment properties by means of share-based payment transactions	17.393	0	0		17.393	0	0
Transfers to fixed assets held for sale	-14.029	-6.032	0		-20.061	0	0
Sales and disposals	-1.095	0	0		-1.095	0	0
Variations in the fair value	29.750	60.683	4.331		94.763	8.529	-490
at 31/12	1.000.694	1.282.310	121.022		2.404.027	134.772	12.324

[42] Includes property developments in compliance with the IAS 40 standard.

IX. Statement of financial debt

in euros (x 1 000)	Included as of		< 1 year		1-5 years		> 5 years	
	30 JUN. 18	31 DEC. 17	30 JUN. 18	31 DEC. 17	30 JUN. 18	31 DEC. 17	30 JUN. 18	31 DEC. 17
Commercial paper	193.000	186.100	193.000	186.100	0	-	0	-
Straight loans	12.381	52.190	12.381	52.190	0	-	0	-
Roll over loans	16.619	613	16.619	613	0	-	0	-
Leasing debt	1.994	1.946	1.994	1.946	0	-	0	-
Current financial liabilities	223.994	240.849	223.994	240.849	0	-	0	-
Roll over loans	947.297	776.871	0	-	592.958	450.649	354.339	326.223
Bond	425.828	326.187	0	-	266.343	266.452	159.485	59.735
Leasing debt	4.766	5.907	0	-	4.352	5.427	415	480
Non-current financial liabilities	1.377.891	1.108.966	0	-	863.653	722.527	514.238	386.438
TOTAL	1.601.886	1.349.815	223.994	240.849	863.653	722.527	514.238	386.438

X. Financial instruments

in euros (x 1.000)	30 JUN. 18					
	IFRS balance sheet section	Level (IFRS)	Amortised cost of hedging instruments	Amortised cost of loans, receivables and financial obligations	Amortised cost price	Fair value
Financial fixed assets						
Assets at fair value through result – Permitted hedging instruments	I. E.	2				
- Interest Rate Swap			4.799		4.799	4.799
Financial assets at amortised costs	I. E.	2		12.525	12.525	12.525
Long-term receivables				0	0	0
- Trade receivables and other non-current assets	I. G.	2		5.302	5.302	5.302
Short-term receivables				0	0	0
- Trade receivables	II. D.	2		17.019	17.019	17.019
- Cash and cash equivalents	II. F.	2		1.320	1.320	1.320
Accruals and deferrals on the assets: interest charges on loans and permitted hedging instruments						
Interest charges on loans				79	79	79
Interest charges on permitted hedging instruments				0	0	0
Total			4.799	36.245	41.044	41.044
Financial liabilities						
Non-current financial liabilities						
- Bond loan: private placement	I. B.	2		300.931	300.931	303.624
- Bond loan: retail bond	I. B.	1		124.916	124.916	131.603
- Bank debt	I. B.	2		947.278	947.278	947.278
- Financial leasing	I. B.	2		5.907	4.766	4.766
Other non-current financial liabilities – Permitted hedging instruments	I.C.					
- Interest Rate Swaps			50.224		50.224	50.224
- Interest Rate Swaps (forward start)			967		967	967
Current financial liabilities						
- Commercial paper	II. B.	2		192.599	192.599	192.599
- Bank debt	II. B.	2		29.402	29.402	29.402
- Financial leasing	I. B. and II. B.	2		1.994	1.994	1.994
- Trade payables and other current debts	II. D.	2		52.511	52.511	52.511
Other current financial liabilities – Permitted hedging instruments	II.C.	2				
- Interest Rate Swaps						
- Interest Rate Swaps (forward start)			0		0	0
			0		0	0
Accruals and deferrals on the liabilities: interest charges on loans and permitted hedging instruments						
Interest charges on loans				4.298	4.298	4.298
Interest charges on permitted hedging instruments			523		523	523
Total			51.713	1.659.836	1.710.408	1.719.788

in euros (x 1.000)	31 DEC. 17					
	IFRS balance sheet section	Level (IFRS)	Amortised cost of hedging instruments	Amortised cost of loans, receivables and financial obligations	Amortised cost price	Fair value
Financial fixed assets						
Assets at fair value through result – Permitted hedging instruments	I. E.	2				
- Interest Rate Swap			5.764		5.764	5.764
Financial assets at amortised costs	I. E.	2		91.705	91.705	91.705
Long-term receivables						
- Trade receivables and other non-current assets	I. G.	2		3.411	3.411	3.411
Short-term receivables						
- Trade receivables	II. D.	2		9.042	9.042	9.042
- Cash and cash equivalents	II. F.	2		1.231	1.231	1.231
Accruals and deferrals on the assets: interest charges on loans and permitted hedging instruments						
Interest charges on loans				70	70	70
Interest charges on permitted hedging instruments			0		0	0
Total			5.764	105.459	111.223	111.223
Financial liabilities						
Non-current financial liabilities						
- Bond loan: private placement	I. B.	2		201.287	201.287	203.624
- Bond loan: retail bond	I. B.	1		124.900	124.900	131.605
- Bank debt	I. B.	2		776.872	776.872	776.872
- Financial leasing	I. B.	2		5.907	5.907	5.907
Other non-current financial liabilities – Permitted hedging instruments	I.C.					
- Interest Rate Swaps			48.279		48.279	48.279
- Interest Rate Swaps (forward start)			394		394	394
Current financial liabilities						
- Commercial paper	II. B.	2		186.100	186.100	186.100
- Bank debt	II. B.	2		52.803	52.803	52.803
- Financial leasing	I. B. and II. B.	2		1.946	1.946	1.946
- Trade payables and other current debts	II. D.	2		22.774	22.774	22.774
Other current financial liabilities – Permitted hedging instruments	II.C.	2				
- Interest Rate Swaps			0		0	0
- Interest Rate Swaps (forward start)			0		0	0
Accruals and deferrals on the liabilities: interest charges on loans and permitted hedging instruments						
Interest charges on loans				6.736	6.736	6.736
Interest charges on permitted hedging instruments			558		558	558
Total			49.231	1.379.325	1.428.556	1.437.598

The entirety of the financial instruments of the group corresponds to levels 1 and 2 in the hierarchy of the fair values. The valuation against fair value occurs regularly.

In the event of bankruptcy of one of both contracting parties, the net position of the derivatives shall be considered for the counterparty.

Level 1 in the hierarchy of the fair values prevents money investments, funds and cash equivalents whose fair value is based on the share price.

Level 2 in the hierarchy of the fair values concerns the other financial assets and liabilities whose fair value is based on observable inputs and other data that can be determined, directly or indirectly, for the assets or liabilities concerned. The valuation techniques concerning the fair value of the financial instruments at level 2 are the following: the fair value of the above financial assets and liabilities are valued at the book value except for bond loans whose fair value is determined based on a discounted cash flow model using market interest rates, 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.

Level 3 in the hierarchy of the fair values is for a property portfolio whose fair value is determined based on non-observable inputs.

Financial instruments at fair value (as per IFRS 9)

Based on an analysis of WDP's situation as at 30 June 2018, IFRS 9 does not have any significant impact on the consolidated financial statements. The table below shows the financial instruments as per IFRS 9, in comparison with the previous IFRS standard (IAS 39) which was applicable until 31 December 2017.

in euros (x 1.000)	IAS 39		IFRS 9	
	Carrying amount	IAS 39 category	Carrying amount (includes the impact of remeasurement due to impairment if any)	IFRS 9 category
Financial fixed assets				
Assets at fair value through profit or loss - permitted hedging instruments				
- Interest Rate Swap	5.764	FA/FL mandatorily measured at FVTPL	5.764	FA/FL mandatorily measured at FVTPL
Loans and receivables - Other	91.705	L&R		
Financial assets measured at amortised cost - Other			91.705	AC
Long-term receivables				
- Trade receivables and other non-current assets	3.411	L&R	3.411	AC
Short-term receivables				
Trade receivables	9.042	L&R	9.042	AC
Cash and cash equivalents	1.231	L&R	1.231	AC
Accruals and deferrals on the assets: interest charges on loans and permitted hedging instruments				
- Interest charges on loans	70	L&R	70	AC
- Interest charges on permitted hedging instruments	0	FA/FL mandatorily measured at FVTPL	0	FA/FL mandatorily measured at FVTPL
Total	111.223		111.223	
Financial liabilities				
Non-current financial liabilities				
- Bond loan: private placement	201.287	FLMatAC	201.287	AC
- Bond loan: retail bond	124.900	FLMatAC	124.900	AC
- Bank debt	776.872	FLMatAC	776.872	AC
- Financial leasing	5.907	FLMatAC	5.907	AC
Other non-current financial liabilities - permitted hedging instruments				
- Interest Rate Swaps	48.279	FA/FL mandatorily measured at FVTPL	48.279	FA/FL mandatorily measured at FVTPL
- Interest Rate Swaps (forward start)	394	FA/FL mandatorily measured at FVTPL	394	FA/FL mandatorily measured at FVTPL
Current financial liabilities				
- Commercial paper	186.100	FLMatAC	186.100	AC
- Bank debt	52.803	FLMatAC	52.803	AC
- Financial leasing	1.946	FLMatAC	1.946	AC
- Trade payables and other current debts	22.774	FLMatAC	22.774	AC
Other current financial liabilities - permitted hedging instruments				
- Interest Rate Swaps	0	FA/FL mandatorily measured at FVTPL	0	FA/FL mandatorily measured at FVTPL
- Interest Rate Swaps (forward start)	0	FA/FL mandatorily measured at FVTPL	0	FA/FL mandatorily measured at FVTPL
Accruals and deferrals on the liabilities: interest charges on loans and permitted hedging instruments				
- Interest charges on loans	6.736	FLMatAC	6.736	AC
- Interest charges on permitted hedging instruments	558	FA/FL mandatorily measured at FVTPL	558	FA/FL mandatorily measured at FVTPL
Total	########		1.428.556	

Classification according to IFRS	30 JUN. 18			
	Level (IFRS)	Notional amount in euros (x 1 000)	Interest rate (in %)	Duration (in year)
Interest Rate Swap	2	975.693	1,21	7,2
Interest Rate Swap (forward start)	2	25.000	0,97	10,2
Total		1.025.693	1,20	7,3

Classification according to IFRS	30 JUN. 17			
	Level (IFRS)	Notional amount in euros (x 1 000)	Interest rate (in %)	Duration (in year)
Interest Rate Swap	2	826.768	1,26	7,2
Interest Rate Swap (forward start)	2	50.000	0,92	10,3
Totaal		876.768	1,24	7,3

The group uses derivatives to hedge the interest rate risk on its financial liabilities in order to reduce the volatility of the EPRA earnings (which constitutes the basis for the dividend), which minimises 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 as per IFRS 9 on the balance sheet date. This information is received from the various financial institutions and verified by WDP by discounting the future contractual cash flows based on the corresponding interest rate curves.

Fair value is based on observable inputs, and as such, the IRS contracts fall under level 2 in the fair value hierarchy as defined in IFRS.

The fair value is calculated based on a discounted cash flow model using the relevant market interest rates indicated in the forward interest curve on the balance sheet date.

No changes in the fair-value hierarchy level took place in the first half of 2018. During this period, no hedging instruments were arranged prior to the expiry date. Several new hedging instruments were acquired.

XI. Calculation of the gearing ratio and notes regarding changes in gearing

in euros (x 1 000)		30.06.2018 (IFRS)	30.06.2018 (proportional)	31.12.2017 (IFRS)	31.12.2017 (proportional)
Non-current and current liabilities		1.725.695	1.746.794	1.436.860	1.530.038
To be excluded:					
- I. Non-current liabilities - A. Provisions		351	351	655	656
- I. Non-current liabilities - C. Other non-current financial liabilities - Permitted hedging instruments		51.190	51.190	48.673	48.673
- I. Non-current liabilities - F. Deferred taxes - Liabilities		610	1.905	0	894
- II. Current liabilities - A. Provisions		0	0	0	0
- II. Current liabilities - E. Other current liabilities - Other: Hedging instruments Hedging instruments		0	0	0	0
- II. Current liabilities - F. Accruals and deferred income		13.029	13.347	13.394	13.677
Total debt	A	1.660.514	1.680.000	1.374.139	1.466.138
Total assets	B	3.033.624	3.054.723	2.675.299	2.768.444
To be excluded:					
- E. Financial fixed assets - Financial instruments at fair value through profit and loss - Permitted hedging instruments		4.799	4.799	5.764	5.764
Total assets	B	3.028.825	3.049.924	2.669.535	2.762.681
Gearing ratio	A/B	54,8%	55,1%	51,5%	53,1%

Additional notes on changes in the gearing ratio

As stipulated in the GVV/SIR legislation, notably in Article 24 of the Belgian Royal Decree on GVVs/SIRs, when the (proportionate) consolidated gearing ratio of a GVV/SIR exceeds 50%, the GVV/SIR should draw up a financial plan with an implementation schedule describing 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 Regulated Property Company. The interim and annual financial reports should give an account of how the financial plan was implemented during the relevant period and how the GVV/SIR will implement the plan in the future.

1. Changes in gearing ratio

In the first half of 2018, WDP's consolidated gearing ratio (proportionate) rose from 53.1% on 31 December 2017 to 55.1% on 30 June 2018. This takes into account a total investment volume of approx. 240 million euros and the dividend pay-out. This was made possible because the new investments were financed with a combination of both equity capital and borrowed capital. After all, the shareholders' equity was reinforced with approximately 48 million euros through the capital increase following the optional dividend. In addition, the property portfolio also enjoyed value growth, as estimated by the independent experts.

On the basis of the current gearing ratio of 55.1% as of 30 June 2018, WDP still had an additional investment potential of at least 860 million euros, without exceeding the maximum gearing ratio of 65%. The potential for further investment amounts to at least 375 million euros before the 60% gearing ratio is exceeded.

On the other hand, the valuations of the portfolio also have an impact on the gearing ratio. Taking the current capital base into account, the maximum gearing ratio of 65% would only be exceeded in the case of a decrease in the value of the investment properties of approx. 475 million euros, or a 17% loss in a property portfolio on the order of 2,875 million euros. 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 appraisal of the independent property experts in 2011-14 indicates stabilisation in the fair value of the portfolio, and since 2015-18 an upward trend has been identified.

2. Expected changes in the gearing ratio in 2018

In the course of 2018, WDP's gearing ratio is likely to change from 55.1% (54.8%) as at 30 June 2018 to approximately 54% (54%) as at 31 December 2018. This takes the following items into account:

- Implementation of the current investment programme and scheduled divestments[43].
- The retained earnings, taking into account the profit forecast for 2018 of approx. 134 million euros, 65.1 million euros of which were already generated in H1 2018.

Over the medium-term, WDP intends to achieve a gearing ratio of between 55% and 60%, with the targets set based on an unchanged capital structure.

3. 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 require adjustment of the company policy, this will happen without delay and the shareholders will be informed accordingly by the company in its periodic reports.

[43] See also *3.4. Interim management report – Transactions and realisations* and *6.4. Condensed consolidated balance sheet as at 30 June 2018*.

XII. Transactions between affiliates

For 2018, the Manager, De Pauw NV, set the management fee for WDP Comm. VA to 1,675,000 euros. This amount corresponds to the total fee, in line with market rates, for the Board of Directors in 2018, including the bonus scheme for the executive management and the management of the GVV/SIR (see also *6.7. Management report – Corporate governance* in the *Annual financial report 2017*).

XIII. Rights and obligations not included in the balance sheet

WDP Comm. VA and its subsidiaries had established bank guarantees on 30 June 2018 for a total amount of 2,395,133 euros, of which the beneficiaries were classified into the following categories for the following amounts:

in euros	30 JUN. 18
Environmental	1.412.211
Rent and concession	974.943
Legal	-
Services	7.979
Execution of works	-

WDP Nederland N.V. has committed to purchasing building land intended for the construction of business premises at Nieuwegein, Bleiswijk and Schiphol by the end of 2018, the end of 2019 and early 2020, respectively at a total cost of 30 million euros.

WDP has entered into various commitments within the framework of its ongoing investment programme related to projects and acquisitions, as indicated in the management report.

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

- A security for the commitments of WDP Nederland N.V. for an amount of 25 million euros in favour of ABN AMRO (short-term amounts financed through a straight loan of max. 25 million euros), 15.0 million euros of which has been used.
- A security for the commitments of WDP Development RO SRL for an amount of 75 million euros in favour of EIB, 60 million euros of which has been used.
- A security for the commitments of WDP Luxembourg SA for a maximum amount of 6 million euros in favour of the Banque et Caisse d'Epargne de l'Etat.

WDP has entered into the following commitments with financiers[44]:

- A commitment to various financiers to refrain from burdening the fixed assets with mortgages or any other real securities (negative pledge). WDP confirms that as at

[44] The term 'financiers' means credit institutions as well as financiers through the debt capital markets.

30 June 2018, the property portfolio and other assets are not encumbered by any outstanding mortgages or other assets.

- WDP has committed to various financiers that it will continue to qualify as a GVV/SIR. For the conditions on this, please see the Belgian Act of 12 May 2014 and the Royal Decree of 13 July 2014. For further information, see the *Annual financial report 2017* available at www.wdp.eu.
- For the financing of operations in the Netherlands, WDP has entered into a commitment with one bank in order to continue to qualify as an 'FBI' ('Fiscale Beleggingsinstelling').
- For most financial institutions, WDP has committed to maintaining a minimum interest coverage ratio of 1.5x. For the first half of 2018, this ratio is 4.7x.
- For some financiers, WDP has agreed repay the credit if a change of control occurs and the financier consequently asks for repayment.
- For some financiers, WDP has committed to limiting projects that are not yet pre-leased (project developments not pre-let) to 15% of the book value of the portfolio[45]. As at 30 June 2018, this ratio is 0%.

As of 30 June 2018, all covenants with regard to credit institutions and bondholders entered into by WDP had been complied with.

XIV. Significant events after the balance sheet date

No significant events have occurred after the balance sheet date.

[45] Except for one loan, for which this ratio is a maximum of 10%.

7. Statutory auditor's report

Report on review of the consolidated interim financial information for the six-month period ending on 30 June 2018

To the Board of Directors

In the context of our appointment as the company's statutory auditor, we are hereby reporting to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed balance sheet as at 30 June 2018, 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 WDP Comm. VA (the company) and its subsidiaries (jointly the group), prepared in accordance with international standard IAS 34 *Interim financial reporting* as adopted by the European Union.

The consolidated condensed balance sheet shows total assets of 3,033,624 (,000) euros and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 94,192 (,000) euros.

The Board of Directors is responsible for the preparation and fair presentation of this consolidated interim financial informaion in accordance with international standard IAS 34 *Interim financial reporting* as adopted by the European Union. Our responsibility is to issue a conclusion on this consolidated interim financial information based on our review.

Scope of the review

We conducted our review in accordance with international standard ISRE 2410 *Review of interim financial information*, performed by the independent auditor of the entity. This 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. The scope of a review is considerably less than that of an audit conducted in accordance with the International Standards on Auditing. For this reason, the review does not provide us with certainty that we will be aware of all matters of significance that could be detected in an audit. Accordingly, we are not issuing 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 WDP 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, 31 July 2018
THE STATUTORY AUDITOR
DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA
Represented by Kathleen De Brabander

8. EPRA Performance measures[46]

8.1 EPRA Earnings

in euros (x 1 000)

		H1 2018	H1 2017
Earnings per IFRS income statement		94.192	136.985
Adjustments to calculate the EPRA Earnings, exclude:			
I.	Changes in value of investment properties, development properties held for investment and other interests	-33.840	-62.589
	- Changes in the value of the real estate portfolio	-36.550	-64.592
	- Depreciation and write-down on solar panels	2.709	2.003
II.	Profit or losses on disposal of investment properties, development properties held for investment and other interests	348	114
VI.	Changes in fair value of financial instruments and associated close-out costs	3.482	-15.638
VIII.	Deferred tax in respect of EPRA adjustments	933	21
IX.	Adjustments (i) to (viii) to the above in respect of joint ventures	-485	-1.648
X.	Minority interests in respect of the above	432	0
EPRA Earnings		65.063	57.244
Weighted average number of shares		22.116.435	21.439.828
EPRA Earnings per share (EPS) (in euros)		2,94	2,67

8.2 EPRA NAV

in euros (x 1 000)

	30.06.2018	31.12.2017
IFRS NAV	1.281.228	1.238.439
IFRS NAV/share (in euros)	56,9	56,3
Diluted NAV, after the exercise of options, convertibles and other equity interests	1.281.228	1.238.439
Includes (+/-):		
(iv) Fair value of financial instruments	46.391	42.909
(v.a) Deferred tax	6.098	2.631
EPRA NAV	1.333.717	1.283.979
Number of shares	22.506.602	22.009.277
EPRA NAV per share (in euros)	59,3	58,3
EPRA NAV	1.333.717	1.283.979
Includes:		
i. Fair value of financial instruments	-46.391	-42.909
ii. Fair value of debt	-8.921	-9.039
iii. Deferred tax	-6.098	-2.631
EPRA NNNAV	1.272.307	1.229.400
Number of shares	22.506.602	22.009.277
EPRA NNNAV per share (in euros)	56,5	55,9

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

8.3 EPRA cost ratio

in euros (x 1 000)		H1 2018	H1 2017
Include:			
I. Administrative/operating expenses (IFRS)		8.309	7.105
III. Management fees less actual/estimated profit element		-492	-497
IV. Other operation income/recharges, intended to cover overhead expenses less any related profits		-209	-30
V. Administrative/operating expenses of joint ventures expense		8	205
Exclude (if part of the above):			
VI. Investment Property Depreciation		-429	-345
EPRA costs (including direct vacancy costs)	A	7.186	6.438
IX. Direct vacancy costs		-396	-364
EPRA costs (excluding direct vacancy costs)	B	6.790	6.074
X. Gross rental income less ground rent costs (IFRS)		83.269	69.949
X. Gross rental income less ground rent costs of joint ventures		464	1.887
Gross rental income	C	83.733	71.836
EPRA cost ratio (including direct vacancy costs)	A/C	8,6%	9,0%
EPRA cost ratio (excluding direct vacancy costs)	B/C	8,1%	8,5%

8.4 EPRA NIY and EPRA TOPPED-UP NIY

in euros (x 1 000)		30.06.2018	31.12.2017
Investment property - wholly owned		2.823.785	2.404.027
Investment property - share of joint ventures		33.137	155.863
Assets held for sale		17.862	7.525
Less developments and land reserves		-297.002	-232.209
Completed property portfolio		2.577.783	2.335.206
Allowance for estimated purchasers' costs		114.838	98.054
Gross up completed property portfolio valuations	B	2.692.621	2.433.260
Annualised cash passing rental income		176.649	161.366
Property outgoings		-5.951	-5.621
Annualised net rent	A	170.698	155.745
Notional rent expiration of rent free period or other lease incentives		0	0
Topped-up net annualised rent	C	170.698	155.745
EPRA NIY	A/B	6,3%	6,4%
EPRA TOPPED-UP NIY	C/B	6,3%	6,4%

9. Detailed calculation of the Alternative Performance Measures applied by WDP[47]

9.1 Result on the portfolio (including portion for joint ventures)

in euros (x 1 000)	H1 2018	H1 2017
Movement in the fair value of investment property	36.550	64.592
Result on disposal of investment property	-348	-114
Deferred taxation on result on the portfolio	-933	-21
Participation in the result of associated companies and joint ventures	485	1.808
Result on the portfolio	**35.753**	**66.266**
Minority interests	-498	0
Result on the portfolio - Group share	35.255	66.266

9.2 Changes in the gross rental income based on an unchanged portfolio

in euros (x 1 000)	H1 2018	H1 2017
Properties owned throughout the two years	68.160	66.809
Development property	10.452	5.076
Acquisitions	5.767	32
Disposals	162	818
Total	84.541	72.735
To be excluded		
Rental income of joint ventures	-479	-1.917
Rental income (IFRS)	84.062	70.818

9.3 Operating margin

in euros (x 1 000)	H1 2018	H1 2017
Property result (IFRS)	90.100	74.536
Operating result (before the portfolio result) (excluding depreciation and write-downs on solar panels)	82.486	69.064
Operating margin	91,6%	92,7%

[47] Excluding EPRA metrics, some of which are regarded as APMs and reconciled under Chapter *8. EPRA Performance measures*.

9.4 Average cost of debt

in euros (x 1 000)	H1 2018	FY 2017
Financial result (IFRS)	-19.025	-9.264
To be excluded:		
Financial income	-184	-3.268
Changes in fair value of financial assets and liabilities	3.482	-16.470
Interest capitalised during construction	-2.007	-1.859
To be included		
Interest expenses of joint ventures	-63	-857
Effective financial expenses (proportional) (A)	-17.797	-31.718
Average outstanding financial liabilities (IFRS)	1.486.872	1.168.489
Average outstanding financial liabilities of joint ventures	28.486	64.487
Average outstanding financial liabilities (proportional) (B)	1.515.357	1.232.976
Annualised Average cost of debt (A/B)	2,3%	2,6%

9.5 Financial result (excluding changes in the fair value of the financial instruments)

in euros (x 1 000)	H1 2018	H1 2017
Financial result	-19.025	2.468
To be excluded:		
Changes in fair value of financial assets and liabilities	3.482	-15.638
Financial result (excluding the changes in fair value of financial instruments)	-15.542	-13.170

9.6 Hedge ratio

in euros (x 1 000)	30.06.2018	31.12.2017
Notional amount of Interest Rate Swaps	1.025.693	1.026.768
Fixed-interest financial liabilities	7.181	7.532
Fixed-interest bonds	366.500	266.500
Fixed-interest financial liabilities at balance sheet date and hedging instruments (A)	1.399.374	1.300.800
Current and non-current financial liabilities (IFRS)	1.601.886	1.349.815
Proportional share in joint ventures in current and non-current financial liabilities	11.336	81.091
Financial liabilities at balance sheet date (B)	1.613.222	1.430.906
Hedge ratio (A/B)	87%	91%

9.7 Gearing ratio

in euros (x 1 000)		30.06.2018 (IFRS)	30.06.2018 (proportional)	31.12.2017 (IFRS)	31.12.2017 (proportional)
Non-current and current liabilities		1.725.695	1.746.794	1.436.860	1.530.038
To be excluded:					
- I. Non-current liabilities - A. Provisions		351	351	655	656
- I. Non-current liabilities - C. Other non-current financial liabilities - Permitted hedging instruments		51.190	51.190	48.673	48.673
- I. Non-current liabilities - F. Deferred taxes - Liabilities		610	1.905	0	894
- II. Current liabilities - A. Provisions		0	0	0	0
- II. Current liabilities - E. Other current liabilities - Other: Hedging instruments Hedging instruments		0	0	0	0
- II. Current liabilities - F. Accruals and deferred income		13.029	13.347	13.394	13.677
Total debt	A	1.660.514	1.680.000	1.374.139	1.466.138
Total assets	B	3.033.624	3.054.723	2.675.299	2.768.444
To be excluded:					
- E. Financial fixed assets - Financial instruments at fair value through profit and loss - Permitted hedging instruments		4.799	4.799	5.764	5.764
Total assets	B	3.028.825	3.049.924	2.669.535	2.762.681
Gearing ratio	A/B	54,8%	55,1%	51,5%	53,1%

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MORE INFORMATION

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WDP develops and invests in logistics property (warehouses and offices). WDP's property portfolio amounts to around 4 million m². This international portfolio of semi-industrial and logistics buildings is spread over more than 180 sites at prime logistics locations for storage and distribution in Belgium, France, the Netherlands, Luxembourg and Romania. More information about WDP can be found on www.wdp.eu.

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Company number 0417.199.869 (Brussels Trade Register)

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