WDP
WAREHOUSES WITH BRAINS

2016

Annual financial report


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Risk factors | 1

The strategy of WDP is aimed at maximising stability for investors, both in terms of dividends and in terms of long-term income. The management and Board of Directors of WDP are aware of the specific risks associated with the management of a property portfolio and do their utmost to keep them under control and they try to minimise risk as much as possible.

Here is an overview of the main risks facing the company, including their potential impact and the strategy used to reduce this potential impact.[1]

The steps taken and the financial impact of these risks are further described in the separate chapters of the annual financial report.

1 The numbering for *Limiting factors* and control refers to the *Potential impact* in the next column.

Risk management

MARKET RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Economic situation Substantial deterioration of the economic situation.	1. Fall in the demand for storage and distribution facilities. 2. Higher vacancy rates and/or lower rents when re-let. 3. Reduction in fair value of the property and liquidity and consequently also the NAV. 4. Potential tenant bankruptcies.	Long-term: lease terms averaging 6.3 years[2] until first lease expiry.	1/2/3
		Sector diversification of clients and a low average contractual rent.	4
		Quality of the tenant portfolio with primarily reputable national and international companies and a limited annual provision for doubious debt (average of approximately 0.30% of the rent per year over the last five years).	1
		Excellent location of WDP properties, primarily in the strategic Amsterdam-Rotterdam-Breda-Antwerp-Brussels-Lille logistics axis, offering easy accessibility, nearby consumers, and high logistics activity levels due to their location in the hinterland of the ports serving as import and export gateways for Europe.	2/3
Rental market for logistics and semi-industrial property Lower demand for logistics and semi-industrial property, oversupply, deterioration in tenants' financial situation.	1. Rental income and cash flow affected by an increase in vacancy rates and costs related to re-letting. 2. Decrease in solvency in tenant portfolio and increase in the number of dubious debts, causing a decline in the rental income collection rate. 3. Decline in fair value of property portfolio, and thus also in the NAV. 4. Impossibility of pre-letting properties and of further developing the potential of land in the portfolio and improving its profitability.	Diversified client base with a limit on the maximum exposure to any single tenant and a good spread of tenants across sectors (as well as tenants' clients, especially if they are third-party logistics service providers).	1/2
		Thorough integration in the market thanks to years of experience and in-house sales teams.	1/4
		Only sites in strategic logistics hubs or secondary locations with growth potential.	1/3/4
		High degree of structural quality and durability and compliance with statutory regulations and standards, promoting versatility and mixed use.	1/3
		Flexible real estate player that strives to meet the changing needs of clients.	1
		Land reserves account for only ca. 53 million euros in a portfolio of ca. 2.2 billion euros (including solar panels). This offers potential over the medium-term to flexibly anticipate the needs of clients. Normally, speculative development is not practiced.	4

2 Including solar panels.

MARKET RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Investment market for logistics and semi-industrial properties Reduced investor demand for property.	1. Fall in the fair value of property. 2. As a result, decline in the NAV and increase in gearing.	Investment strategy aimed at high-quality buildings that generate stable long-term income, based on relatively low rents.	1/2
		Prudent management of the capital structure, to cope with any potential decline in the fair value of the property. The gearing ratio (proportionate) comes to 50.5%, well below the legal limit of 65%.	2
		Geographic diversification of the portfolio, with over 95% of the portfolio (according to fair value) located in the stable and mature Western European markets.	1
		High percentage of land in the valuation of the property portfolio (37%), which has in the past been able to withstand decreases in value.	1
Interest rate volatility Sharp future fluctuations in the main short-term and/or long-term interest rates in the international financial markets.	1. Negative impact on expenses and consequently on cash flow in the event of a rise in the interest rate. 2. Sharp fluctuations in the value of the financial instruments that serve to hedge the debt. 3. Potentially negative impact on the NAV.	High degree of hedging against interest rate fluctuations with 93% of the debt covered by fixed-interest financial debts and floating rate and subsequently hedged against fluctuations in the interest rate by derivative financial products and via derivative financial instruments (e.g. Interest Rate Swaps).	1
		Day-to-day monitoring of the interest rate trend and its impact on the effectiveness of the hedges.	1
		The fluctuations in fair value of the hedging instruments are a non-realised non-cash item (if the products are held until maturity and not settled prematurely).	2/3
Deflation A reduction in economic activity resulting in an overall drop in prices.	1. Decline in rental income, due among other things to downward pressure on market rent levels and lower or negative indexing.	Clause in most leases that sets a lower limit on the level of the base rent or that states that no negative indexing can take place.	1
Financial markets Extreme volatility and uncertainty in international markets.	1. More difficult access to share markets to retrieve new capital/shareholders' equity and limitations in the availability of debt financing with regard to existing and/or new credit facilities. 2. Sharp fluctuations in the share price. 3. Less liquidity available in debt capital markets with regard to refinancing of outstanding commercial paper and/or outstanding bonds.	Extensive and frequent dialogue with capital markets and financial counterparties and transparent communication with clear targets.	1/2/3
		Strict monitoring and control of any risk which could negatively affect perceptions of the company by investors and financiers.	1/3
		Aim to build long-term relationships with financial partners and investors.	1/3
		Availability of unused credit facilities to cover the commercial paper programme.[3]	3

3 For further information, please see chapter *6.4.2. Management report – Management of the financial resources – Debt structure* on page 65.

OPERATIONAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Strategy Unsuitable policy decisions.	1. Failure to achieve projected returns. 2. Threat to the stability of revenue flow (as a result of visibility due to long lease terms and interest rate hedges). 3. Property portfolio not adujsted to market demand for logistics and semi-industrial property.	Defining a clear investment strategy with a long-term vision and consistent management of the capital structure.	1/2/3
		Continuous monitoring of changes in economic, real estate and regulatory trends (with regard to tax law, company law, GVV/SIR regulations, etc.).	2/3
		Experience of the management and supervision by the Board of Directors.	3
Investments Economic, tax and legal aspects relating to acquisitions.	1. Inaccurate assessment of economic, tax and legal consequences of complex transactions, transfer of certain hidden liabilities in acquisitions and inadequately hedged contractual obligations. 2. Acquisition of buildings that do not meet the quality requirements of WDP. 3. Failure to achieve projected returns.	Extensive economic, strategic and property analysis by the investment committee for every acquisition proposal.	2/3
		Extensive due diligence process covering property, economic, tax, legal, accounting and administrative aspects for every acquisition – combined with the use of specialised external consultants.	1/2/3
		Valuation of properties by an independent property expert, prior to acquisition.	3
Projects under development Risk specifically related to developments such as contractor solvency, obtaining required permits, etc.	1. Inability to secure the required permits returns. 2. Significant delays resulting in loss of potential income. 3. Substantial overrun of investment budgets. 4. In the event of speculative developments: long periods of vacancy. 5. Failure to achieve the projected returns on developments.	Specialised in-house property development team and use of external consultants in order to hedge all risks.	1/2/3/5
		Strict monitoring of projects under development with the implementation of penalty clauses in the event of non-compliance with contracts by third parties.	2/3/5
		Use of well-established contractors with good solvency, who submit the required guarantees.	3/5
		Community engagement to maintain a constructive dialogue with local decision-makers.	1
		In normal circumstances, no speculative (unlet) developments are initiated, which means that projects are launched only if they are pre-let and fully financed and the required permits have been obtained.	4/5
Non-renewal or early termination of leases Termination of leases earlier than initially expected.	1. Higher vacancy rate, defrayment of costs typically recharged to tenants (witholding tax, management costs, etc.) and commercial costs related to re-letting and/or downward adjustment of rents. 2. Decrease in revenues and cash flows.	Specialised in-house teams responsible for commercial management and facility management.	1
		Very extensive network in the logistics property market.	1
		Contractually required indemnity in the event of early termination of the lease.	1/2
		Preference for realistic rental levels and long-term leases.	1
Vacancy Unexpected circumstances such as bankruptcies, relocations, etc., resulting in vacancies.	1. Higher vacancy rate, assumption of costs that are typically recharged to tenants (withholding tax, management costs, etc.) and commercial costs associated with re-letting. 2. Decline in the fair value of property, resulting in a lower NAV.	Proactive internal property management and marketing.	1
		Quality and versatility of buildings, which increases reletting potential.	1/2
		Preference for realistic rent levels and long-term contracts with tenants, as reflected by the fact that more than 90% of leases which expired In the last five years were renewed by the existing tenant.	1

OPERATIONAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Negative variations in the fair value of buildings Negative revaluation of the property portfolio.	1. Negative influence of the net result and NAV. 2. Negative change in gearing ratio. 3. Partial or total inability to dividend distribution if the cumulative variations of the fair value exceed the payable reserves.	The property portfolio is valued on a quarterly basis by independent experts to ensure developing trends can be quickly identified and proactive measures taken.	1/2
		Investment policy iruebted to high-quality property in strategic logistics hubs or secondary locations with growth potential.	1
		Good portfolio diversity with a maximum risk per building of less than 5%.	1
		Prudent, clearly defined management of capital structures.	2
		Sufficient distributable reserves in the amount of 79 million euros (after payment of the proposed dividend for 2016).	3
Industry-specific risks Concentration of activities in the tenant portfolio.	1. Loss of income if a specific industry is affected by an economic downturn.	Strong sectorial diversification of the tenant base.[4]	1
Maintenance and repair Unexpected volatility in maintenance costs.	1. Decline in results and cash flows. 2. Unexpected fluctuations in results.	Continuous inspection of the buildings by facility managers and commercial teams in their day-to-day interaction with clients.	1/2
		Stringent periodic maintenance policy that is managed within the company.	1
Obsolescence and building quality Risk of structural and technical deterioration in the building's life.	1. Obsolescence of buildings reducing their commercial appeal. 2. Loss of income and long periods during which the invested capital does not generate a profit.	Regular update of investment plans for the portfolio, with the objective of maintaining the highest quality levels.	1/2
		Ad-hoc redevelopment and renovation of obsolete properties in addition to regular investments in quality and sustainability.	1
Destruction of buildings Destruction by fire, natural disasters, accidents, terrorism, etc.	1. Discontinuity in the use of the building. 2. Loss of rental income and possible client turnover.	The insured value of the portfolio is based on the new build value, i.e. the cost of restoring the building to its original state, including architects' fees and any non-recoverable value-added tax.	1
		Loss of rental income due to temporary full or partial vacancy is also insured (loss of rental income for a maximum period of two years).	2
Concentration risk Risk of concentration of tenants or concentration of investments in one or more buildings.	1. Sharp decline in income and cash flows in the event of departure of a tenant. 2. Increased effect of a decline in the fair value of the property and consequently the NAV if investments are concentrated in one or more buildings. 3. Dependence on green energy certificates with regard to solar energy.	Highly diversified tenant base, where 8% of the revenue consists of revenue from solar panels, but are distributed over multiple sites and the regulatory regimes of three countries (Belgium, the Netherlands and Romania).	1
		Furthermore, the largest tenants (7 of the top 10) are spread over several buildings, various countries and different activities.	1
		Good property portfolio spread over more than hundred and fifty sites, with the largest property representing less than 5% of the fair value of the portfolio.	2
		Constant monitoring of political decisions regarding green energy certificates at various legislative levels with a view to anticipating, reducing or avoiding a possible impact.	3
		Social importance of green energy as a mitigating factor.	3

4 More information is available in chapter *8.1.4. Property report – Review of the consolidated property portfolio – Rental situation of the available buildings* on page 135.

OPERATIONAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Tenant solvency Risk of partial default of payment or bankruptcy of clients.	1. Sudden unexpected decrease in rental income due to a decline in collection or occupancy rates. 2. Commercial costs of re-letting for vacancies due to tenant insolvency.	Extensive tenant solvency check by external rating agency prior to inclusion in portfolio.	1
		Target for portfolio development through long-term contracts with first-rate stable, solvent tenants.	1
		Rent is payable in advance on a monthly, quarterly or (in exceptional cases) annual basis.	1
		Standard rent deposit covering at least three months, which is at the disposal of WDP (as owner).	1/2
Sustainability Requirement of energy efficient buildings.	1. High rate of client departure if buildings do not meet energy and CO_2 intensity limits and potential impact on rents. 2. High premiums by investments. If poor or restricted disclosure regarding environmental performance and CO_2 footprint of the portfolio and the company in its totality.	Strong in-house know-how in technology and building development and redevelopment.	1
		Continuous investment in energy efficiency and renewable energy to reduce the group's CO_2 footprint.	1/2
		Continuous dialogue with investors and other stakeholders and reporting on sustainability.	2
		Qualitative and quantitative reporting regarding environmental performance indicators in sustainability report.	2

FINANCIAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Counterparty risk Insolvency/credit risk for financial partners.	1. Loss of deposits (WDP as creditor). 2. Cancellation of existing credit lines, costs of restructuring facilities if these are taken over by another financial party and risk of higher charges for new credit (WDP as debtor).	Diversification of financing sources among different instruments and counterparties.	1/2
		Optimised financial position, with any cash surplus used to reduce financial liabilities, insofar as this surplus is not used for new investments.	1
Liquidity risk Unavailability of financing or term of financing options.	1. Inability to finance acquisitions or projects (with shareholder's equity or debt) or increased costs that reduce profitability. 2. Unavailability of financial resources (via cash flow or available credit facilities) for the payment of interest and operational costs and for repayment on the expiry date of the outstanding capital of loans and/or bonds 3. Increased cost of debt due to higher bank margins, with an impact on results and cash flows. 4. Increased refinancing risk for part of the short-term debts (17% of the total), primarily commercial paper.	Conservative and prudent financing strategy with a balanced spread of maturity dates for debts maturing between 2017 and 2026, diversification of financing sources (57% through traditional loans and 43% via the debt capital market) and a large group of stable banking partners, with whom longstanding banking relationships exist.	1/3
		Maintenance of sufficient lines of credit to finance operating costs and planned investments. At 31 December 2016 total undrawn confirmed long-term credit lines amounted to 300 million euros.	1
		Continuous dialogue with investors and banking partners to build solid long-term relationships.	1/2/3
		The commercial paper is fully covered by the backup lines and unused credit facilities that serve as a guarantee for refinancing if the full placement or extension of the commercial paper proves impossible. Backup lines and unused credit facilities also need to be renewed periodically.	4

FINANCIAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Cost of capital Combination of unfavourable interest rate movements, increased risk premium in equity markets and/or increase in the cost of debt.	1. Material increase in weighted average cost of capital for the company (shareholder's equity and debt). 2. Impact on profitability of the company as a whole and on new investments.	Protection from interest rate rises through the use of hedging instruments, with 93% of the debt hedged.[5] If the rise in interest rates is the result of higher inflation, the indexation of rental income is also a mitigating factor.	1/2
		Continuous dialogue with investors and banking partners in order to build solid long-term relationships.	1/2
Budget Risk that financial results will deviate from predefined budget and statutory requirements.	1. Impact on company performance and non-compliance with certain obligations.	Quarterly update of the financial model with testing of assumptions and method of preparation and daily monitoring of parameters (economic, real estate, etc.) which may affect the result.	1
Use of derivatives Risks of using derivatives to hedge interest rate risk.	1. Complexity and volatility of the fair value of hedging instruments and thus also of the NAV published in accordance with IFRS. 2. Counterparty risk with respect to partners with whom derivatives contracts have been signed.	Fluctuations in the fair value of the hedging instruments relate to a non-realised non-cash item (if the products are held until the maturity date and not terminated prematurely) and are displayed separately in the analytical profit and loss account in order to improve readability.	1
		All derivatives are used solely for hedging purposes. No instruments are held for speculative use.	1
		Cooperation with leading financial institutions.	2
Covenants and statutory financial parameters Risk of non-compliance with requirements to meet specific financial parameters under credit agreements and the statutory regimes to which the company is subject.	1. Sanctions and/or increased supervision by the regulator if certain statutory financial parameters are not met (such as compliance with the gearing ratio as laid down in the GVV/SIR Royal Decree) . 2. Possible cancellation of credit facilities and diminished confidence among investors and bankers in the event of non-compliance with contractual covenants.	Prudent financial policy, including continuous monitoring in order to meet financial parameters such as a maximum gearing ratio of 65% and a minimum Interest Coverage Ratio of 1.5x.	1/2
		Pursuant to Article 24 of the GVV/SIR Royal Decree of 13 July 2014, WDP draws up a financial plan (in which gearing at 31 December 2016 was approximately 50.5%).[6]	1
Foreign currency risk Risk of currency fluctuations with respect to operations conducted outside the euro zone.	1. Decline in revenues and cash flows. 2. Decline in value of investments.	WDP operates primarily in the euro zone.	1/2
		The euro is the functional currency for the company's limited operations outside the euro zone (Romania), and any impact of exchange rate fluctuations (either realised or through conversion effects) is not substantial.	1/2

5 For the description of the hedging policy in general and during the relevant period, we refer to *6.4. Management of financial resources on* page 64 *as well as explanatory note XIV. Financial instruments* on page 217.

6 For more details on the expected development of the gearing and the financial plan, we refer to note *XXI. Calculation of the gearing and notes regarding changes in gearing* on page 228.

REGULATORY RISKS AND OTHER RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Regulatory framework for GVV/SIR[7] Non-compliance or amendment of the rules required by the tax-transparent regime used for the Belgian operations.	1. Loss of tax status and compulsory repayment of specific credit facilities in the event of non-compliance with the rules. 2. Negative impact on the results or NAV in the event of any changes in the regime.	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2
		Intensive dialogue with the regulator as part of the prudential regulation of GVVs/SIRs.	1/2
		Representation of the company in organisations that represent the GVV/SIR industry.	1/2
		Intensive dialogue and further expansion of long-term relationships with financial counterparties for the credit supply.	1/2
Regulatory framework for FBI[7] Non-compliance or amendment of the rules required by the fiscally transparent regime used for the Dutch operations.	1. Loss of tax status[8] and compulsory repayment of specific credit facilities in the event of non-compliance with the rules. 2. Negative impact on the results or NAV in the event of any changes in the regime.	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2
		Intensive dialogue and further expansion of long-term relationships with financial counterparties for the credit supply.	1/2
Regulatory framework for SIIC[7] Non-compliance or amendment of the rules required by the tax-transparent regime used for the French operations.	1. Loss of tax status in the event of non-compliance with the rules. 2. Negative impact on the results or NAV in the event of any changes in the regime.	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2
		Intensive dialogue and further expansion of long-term relationships with financial counterparties for the credit supply.	1/2
Changes in the regulatory framework within which the company operates Possible negative impact of translating new EU regulations in Belgian law.	1. Negative impact on business, result, profitability, financial wellbeing and prospects. 2. Negative impact on the current operating model.	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2
Changes in international accounting rules Changes to international financial reporting standards (IFRS).	1. Potential impact on reporting, capital requirements, use of derivatives andorganisation of the company. 2. Resulting impact on transparency, returns and possibly the valuation.	Continuous assessment of changes to statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industry organisations.	1/2

7 For further information, please see chapter *12. General information on REIT status* on page 267.

8 See *6.3.8. Management report – Transactions and realisations – Changes in policy regarding Dutch REIT status* on page 63.

REGULATORY RISKS AND OTHER RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Urban planning legislation Regulatory changes implemented by public and/or administrative authorities.	1. Negative impact on opportunities to lease the buildings, having an impact on rental income and ability to re-let the properties, along with the increased costs of maintaining the operational condition. 2. Fall in the fair value of property portfolio, and consequently the NAV. 3. Delay in new build and/or renovation projects.	Continuous assessment and possibly anticipation of changes to statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industry organisations.	1/2/3
Environmental law Regulatory changes implemented by public and/or administrative authorities.	1. Negative impact on opportunities to lease the buildings, having an impact on rental income and ability to re-let the properties, along with the increased costs of maintaining the operational condition. 2. Fall in the fair value of the property and consequently the NAV. 3. Delay in new build and/or renovation projects.	Continuous assessment and possibly anticipation of changes to statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industry organisations.	1/2/3
Expropriation risk Expropriation as part of public expropriations by competent government agencies.	1. Loss of investment value and forced sale at a loss. 2. Loss of income due to lack of reinvestment opportunities.	Continuous evaluation of zoning plans, assisted by specialist external consultants and, in this case, dialogue with the government in order to develop constructive solutions in the interest of all stakeholders.	1/2
Transactions Complexity of acquisitions and divestments.	1. Taking over certain inaccurately assessed risks, affecting the company's profitability or financial situation.	Extensive due diligence process covering property, economic, tax, legal, accounting and administration aspects as part of all acquisitions – combined with the use of specialised external consultants.	1
Human resources Turnover of key employees.	1. Negative impact on existing business relations. 2. Reputational damage in relation to stakeholders. 3. Loss of decisiveness and efficiency during the management decision process.	Competitive pay package for employees.	1
		Clear and consistent procedures in order to ensure continuity.	1/2/3
		Working in teams to ensure that individuals are not solely responsible for important and strategic tasks.	1/2/3

REGULATORY RISKS AND OTHER RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Politics Various decisions made by regional, national or European political governments, for example with regard to taxation or subsidy laws.	1. Dependent on the field in which any decision is taken, it can negatively impact the company's results (e.g. its tax situation), planned investments, strategy or targets. 2. Changes in the regulatory framework for solar energy subsidies and/or new levies on renewable energy. 3. Potential impact of the expected Brexit on WDP's customers and on the demand or storage.	Continous monitoring of the political decisions made at the various regulatory levels, making it possible to anticipate, reduce or avoid a possible impact.	1/2
		Importance of realising climate objectives.	2
		Activities by WDP's customers are directed especially at local consumption, national delivers and/or pan-European distribution, with only a limited exposure to the UK.	3
Potential changes to regulations New legislation and regulations could come into force or changes could be made to existing legislation and regulations[9] or they could be reinterpreted and applied by agencies (including the tax authorities) or courts.	1. Negative impact of business, result, profitability, financial wellbeing and prospects.	Constant monitoring of existing and future legislation, regulations and requirements and related compliance, assisted by specialised external advisors.	1

9 Such as existing practices of the tax authorities, such as those referred to in Circular Ci.RH.423/567.729 of 23 December 2004 of the Belgian Ministry of Finance on calculation of the exit tax, which states that the actual/fair value of immovable goods involved in calculation of the exit tax base shall be determined by applying the registration fees or VAT that would have applied to the sale of the immovable goods in question. This may differ from (and even be less than) the fair value of these assets as determined for IFRS purposes in the financial statements.

Readers should note that these risks are constantly reassessed and that new risks may be identified. Consequently, this is a non-exhaustive list based on information known when this report was published.

Please also note that risk management is not performed with a specific frequency, but rather constitutes an integral part of the company's business operations. This ranges from day-to-day financial and operational management, the analysis of new investment cases and the formulation of the strategy and objectives to the implementation of tight decision-making procedures. Understanding and hedging risks ensuing from internal and external factors is vital to achieving stable long-term returns.


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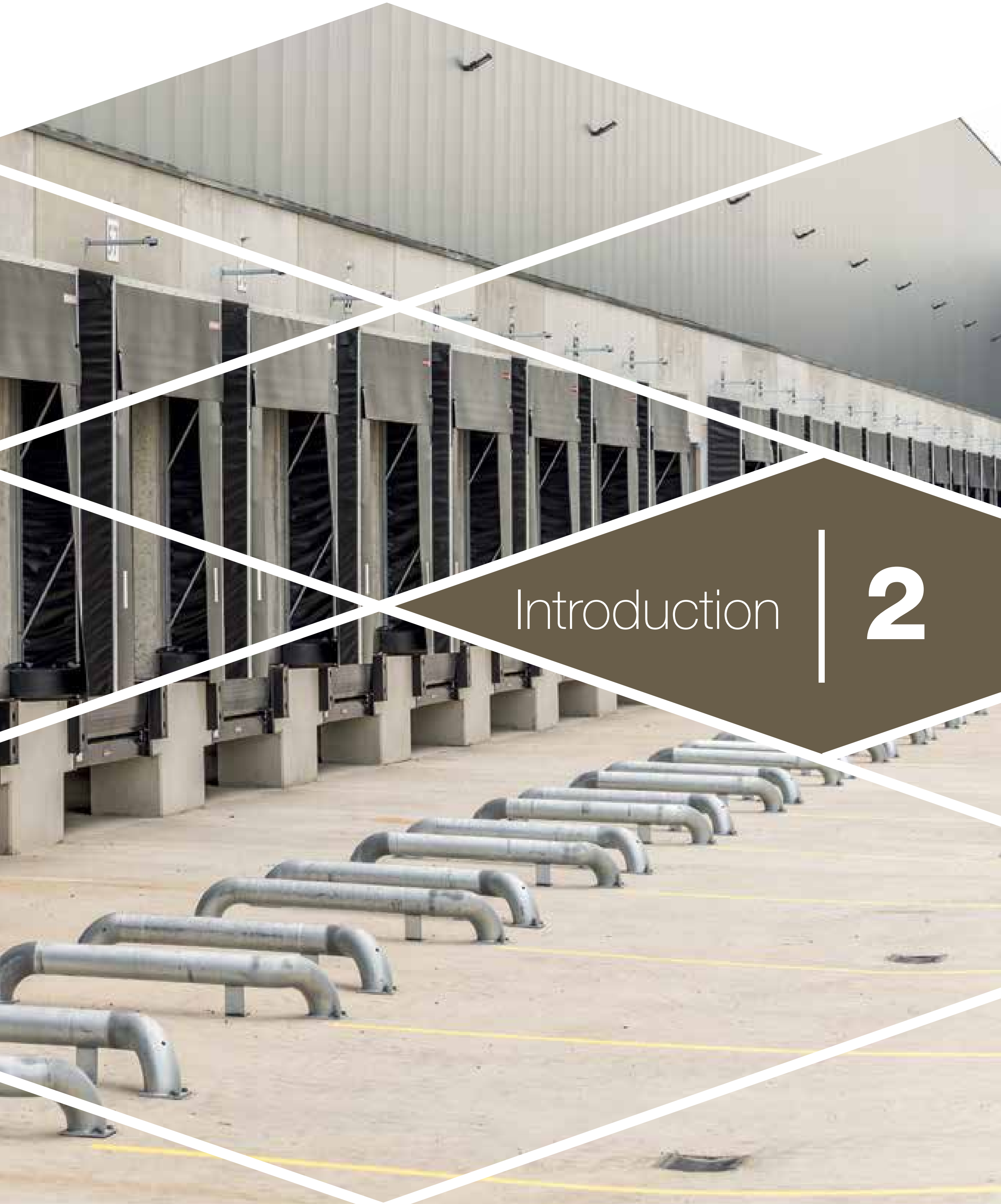


Introduction | 2

2 Introduction

1. Language of this annual financial report

Only the Dutch version of the annual financial report is approved by the FSMA and legally valid. This document is also available in a translation into French and English. The annual financial report is published and translated under the responsibility of the statutory manager of WDP Comm. VA.

2. Availability of the annual financial report

The annual financial report is available at the registered office of the company:

WDP
Blakebergen 15, 1861 Wolvertem
Belgium
+32 52 338 400
info@wdp.eu

and may be viewed, by way of guidance only, at the www.wdp.eu website.

3. Statutory Auditor

DELOITTE Bedrijfsrevisoren has been appointed statutory auditor of WDP Comm. VA. For more specific information regarding the address details and the period of appointment, please refer to *11.4. Permanent document – Statutory auditor (Article 20 of the coordinated Articles of Association)* on page 262. The reports of the statutory auditor with regard to this annual financial report are available via chapter *6.6.7. Management report – Outlook – Report by the supervisory auditor* on page 90 and chapter *10.3. Financial statements – Report of the statutory auditor* on page 236.

4. Responsible for the content of the annual financial report

WDP's statutory manager, De Pauw NV, represented by its current representative, Tony De Pauw, with its registered office at B-1861 Meise (Wolvertem), Blakebergen 15, declares that no government interventions, lawsuits or arbitrations exist that could influence – or that recently influenced – WDP's financial position or its results. It also declares that, to its knowledge, no circumstances or facts exist that could lead to such government interventions, lawsuits or arbitrations.

Furthermore, the manager declares that, to its knowledge:

- the financial statements, which have been drawn up in accordance with the applicable standards for financial statements, give a true and fair view of the group's equity, financial position and of the results of the issuer and of the companies taken up into the consolidation;

- the annual financial report gives a true and fair view of the development and results of the company and of the issuer's position and of the companies taken up into the consolidation, along with a description of the main risks and uncertainties they face.

This annual financial report contains statements referring to the future. Such statements involve unknown risks, uncertainties and other factors that could result in the current results, financial position, performance and realisations differing from any future results, financial position, performance and realisations expressed or implicated by such statements referring to the future. Given these uncertain factors, such statements referring to the future do not offer any guarantees.

WDP's statutory manager is responsible for the information provided in this annual financial report. The statutory manager has made all reasonable efforts to verify this information. He declares that, to his knowledge, the data in this annual financial report are a fair presentation of reality, and that no information has been omitted which would, if reported, alter the effect of this annual report.

For confidentiality reasons, the full report of the property experts has not been included and cannot be consulted. The statutory manager of WDP declares that there have been no significant changes in the financial or commercial positions of the group since 31 December 2016.

5. Information from third parties

WDP declares that the information provided by the experts and the statutory auditor has been faithfully reproduced. To its knowledge, and based on what it has been able to deduce from the information published by the experts and the statutory auditor, no facts were omitted that would render the information provided incorrect or misleading.

WDP's statutory manager also reports that the statutory auditor and the property experts have approved the inclusion of the content of their respective reports and conclusions in the annual financial report, and that they have approved the content and form in which this section is included in the annual financial report.

In accordance with the applicable regulations on GVVs/SIRs, the expert values all buildings of the GVV/SIR and its subsidiaries at the end of each financial year. The property experts appointed by WDP Comm. VA are Stadim CVBA, Cushman & Wakefield VOF, DTZ Zadelhoff and BNP Paribas Real Estate. For more specific information, please refer to *11.6. Permanent document – Property expert* on page 263). The conclusions of the property experts are available via chapter *8.3. Property report – Conclusions of the property experts* on page 144.

6. Required components of the annual report

In accordance with Sections 96 and 119 of the Companies Code, the required components of the WDP annual report appear in the following chapters:
1. Risk factors, 6.1. Management report – Consolidated key figures, 6.2. Management report – Notes to the consolidated results 2016, 6.3. Management report – Transactions and realisations, 6.4. Management report – Management of financial assets, 6.6. Management report – Outlook, 6.7. Management – Corporate governance and *10. Financial statements.*

3 History and milestones

VALUE OF THE PORTFOLIO

1977-1998 and earlier

Formation of Rederij De Pauw NV to which the property assets of the Jos De Pauw family group were transferred. // Start of development into specialised semi-industrial property company.

1999

Formation of Warehousing & Distribution De Pauw Comm. VA. // Company status: vastgoedbevak/sicafi. // IPO with increase in capital to support growth. // Formation of WDP Italia SRL and WDP CZ SRO.

2000

Formation of WDP France SARL.

2001

Name changed to Warehouses De Pauw. // Formation of WDP Nederland B.V.

2003

Successful capital increase.

2004

Free float to 70% after sale of 20% stake of reference shareholder the Jos De Pauw family.

2005

Sale of WDP Italia SRL // Focus on two core regions: the Breda-Antwerp-Brussels-Lille logistics corridor, and the Czech Republic.

2006

Strategic plan for 2006-09: doubling of portfolio value to 700 million euros over four years. // Capital increase after partial acquisition of the property of Massive NV in sale and rent back transaction.

2007

Acquisition of shares in Royvelden NV. // Acquisition of Univeg's property portfolio. // Formation of WDP Development RO.

2008

Launch of the solar energy project, which is expected to lead to a total installed power of 30 MWp and a carbon-neutral property portfolio.

2009

Acquisition through payment in shares of DHL premises in Meer, Willebroek and Mechelen. // Successful capital increase.

2010

First BREEAM certificate for a logistics property in the Netherlands. // WDP Nederland BV becomes WDP Nederland N.V. and gains FBI status (Fiscale Beleggingsinstelling). // Financing package agreed with the European Investment Bank (EIB) to enlarge the portfolio in Romania.

2011

Strategic growth plan 2011-13 defining three growth markets: leases (within the existing portfolio, in ongoing projects and in projects on own land reserves), further implementation of the carbon-neutral portfolio and acquisitions. // Acquisition of the portfolio of Wereldhave NL. // WDP is the first vastgoedbevak/Sicafi to offer an optional dividend.

2012

Strategic expansion in the Netherlands by acquisition of the Lake Side Portfolio. // Completion of new construction project at a prime location at Schiphol airport // Sale of WDP CZ SRO.

2013

Strategic plan for 2013-16: ambition to grow the portfolio by 50% to 1.8 billion euros over four years and achieve a cumulative growth in net current result per share of 20-25% to 4.40-4.60 euros per share. // First bond issue. // Innovative optimisation in Londerzeel for four clients. // Logistics of tomorrow: multimodal locations in Vilvoorde, WDPort of Ghent and Meerhout. // Diversification of the portfolio: two sites in Geel on the Antwerp-Limburg logistics axis. // Completion of two solar farms in Romania.

2014

Change in company status to Regulated Real Estate Company (GVV/SIR). // Further internal professionalisation in response to the growth of the company. // Acceleration in the rhythm of investment with various new strategic acquisitions. // Issue of a retail bond. // (Indirect) contribution in kind of the Tiel site in the Netherlands. // Upgrade of the ambitions in the strategic growth plan for 2013-16.

2015

Contribution in kind of the FMCG campus in Bornem. // WDP and The Greenery conclude a long-term partnership. // Launch of a 30 MWp solar park project in the Dutch property portfolio. // Private bond placement. // Accelerated investment pace through several new acquisitions and projects in the core markets. // Doubling of portfolio in Romania to a total of ca. 100,000 m² of lettable space. // Kick-off WDPort of Ghent. // Dual listing: WDP shares now listed on Euronext Amsterdam. // WDP achieves its 2013-16 growth targets one year earlier than planned, with a portfolio valued at around 2 billion euros[1] and a net current result per share of 5.00 euros. // Implementation of a new growth plan for 2016-20 with the ambitious target of growing the portfolio by 1 billion euros to 3 billion euros and a cumulative 25% increase in earnings per share.

2016

Implementation of the 2016-20 growth plan via several investment projects in the Netherlands, Belgium, France and Romania. // WDP listed in the Euronext Amsterdam AMX index. // Private placement of bonds. // Luxembourg as a new core market. // WDP takes over Colfridis property in Londerzeel. // First development of Liège – Trilogiport. // Successful capital increase for financing the strong pre-let project development pipeline.

more than 2 billion euros

1 Including projects under development.

“2016 got off to a flying start for WDP with implementation of the new 2016-20 Growth plan, laying a solid foundation for future value creation for shareholders.”

MARK DUYCK CHAIRMAN OF THE BOARD OF DIRECTORS

4

Chairman's letter to the shareholders

After a year of major growth in 2015, WDP successfully affirmed and continued its growth strategy in 2016.

Within the context of the new 2016-20 growth plan, after just one year we have managed to identify 350 million euros of the 1 billion euros of planned portfolio growth in our core markets, against the backdrop of higher property prices due to extremely low interest rates. After all, WDP has been able to continue investing at attractive returns thanks to its strong commercial platform in the Benelux region and Romania and its positioning as a developer and long-term investor.

Through this fully integrated approach and long-term engagement, WDP has once again successfully created high-quality logistics property solutions for its clients. For instance, in 2016 WDP delivered over 200,000 m² in new storage space, with another 300,000 m² in the pipeline slated for delivery over the course of 2017. It is noteworthy that we have projects under development in all countries where WDP is active – a sign of a growing economy. In addition, we also added Luxembourg to our range, so we now have operations throughout the Benelux region, where we are a market leader, as well as in France and a growth market in Romania. Our technical employees are ready and able to deliver this impressive number of development projects correctly.

This growth also presents some impressive figures, with a portfolio that had reached over 2 billion euros by 2016 year-end and EPRA Earnings of ca. 100 million euros for 2016. The group is indeed focused on the creation of shareholder value via growth in earnings and dividends per share, but these milestones also say something about WDP's scale compared to a few years ago and the manner in which the growth has played out. Within a period of 10 years, the asset value has quadrupled and prophets have risen by a factor of almost 5. The EPRA Earnings per share also rose in 2016 by 9%, thereby achieving a value of 5.30 euros.

In addition to this, the strength of the sales machine and the quality and location of our sites also played a role. For instance, after the bankruptcy of a major tenant in the Netherlands who departed from the site in Nieuwegein in early May 2016, within the same year, we were able to (partially) re-lease this building to an international logistics firm that wants to expand a new hub there. In addition, almost all leases up for renewal in 2016 were renewed by the existing clients – a testament to our long-term partnerships. All told, this resulted once again in a high occupancy rate of 97% at 2016 year-end.

In line with the strategy of strict capital discipline, this healthy operational dynamics came hand-in-hand with reinforcement of the group's financial position. First and foremost, we boosted our shareholders' equity with an innovative cap-

"Thanks to the identification of attractive investments combined with reinforcement of our balance sheet, investors in WDP will get the same company in 2017 with the same profit per share, but with a robust potential for growth."

ital increase of ca. 180 million euros to finance the strong pre-leased project development pipeline. This also brought the gearing ratio down to around 50%. Moreover, we issued our first bond with a term of 10 years, for 60 million euros, and expanded our strong cash position with 300 million euros in untapped credit lines. And last but not least, we took advantage of very low interest rates in the summer to further hedge our debts against interest rate increases, for over 90%. With all of these measures, we have firmly anchored the financial base of the company, creating potential for future growth.

Within a context of increasing demand for logistics properties – driven by a number of structural trends such as the need for infrastructure, specialisation and automation in the supply chain, and e-commerce – as a pure player, we look to the future with confidence. In addition, we believe that the group is robust and well positioned to weather any shocks due to the fragile (geo)political landscape and possibly a more volatile climate in terms of macro-economics and/or interest rates. Political uncertainty has never been as great as recently, but such a climate also contains opportunities.

Furthermore, the increased market capitalisation will result in an increasingly diversified and international group of shareholders, in addition to our highly valued and loyal home investor base in Belgium. This is also reflected in an improved liquidity of the share. For instance, in early 2016, shortly after our second listing in Amsterdam, we were included on this market in the AMX index, which is the index for midcaps in the Netherlands.

We are also pleased that the financial world rewarded our efforts for constant improvement with regard to reporting and wide-ranging transparency with the *Best Financial Communication Award* of 2016.

The confidence that shareholders and clients show in WDP has earned from its shareholders and clients is only possible thanks to the tireless dedication of all of our employees, members of the management team and outside service providers. For this, I would like to extend our sincere thanks to all. I am very grateful to my colleagues, the members of the Board of Directors, for their valuable collaboration.

MARK DUYCK
Chairman of the Board of Directors


tempo one
TIME ORGANIZER
WDP

Strategy 5

Investment segments

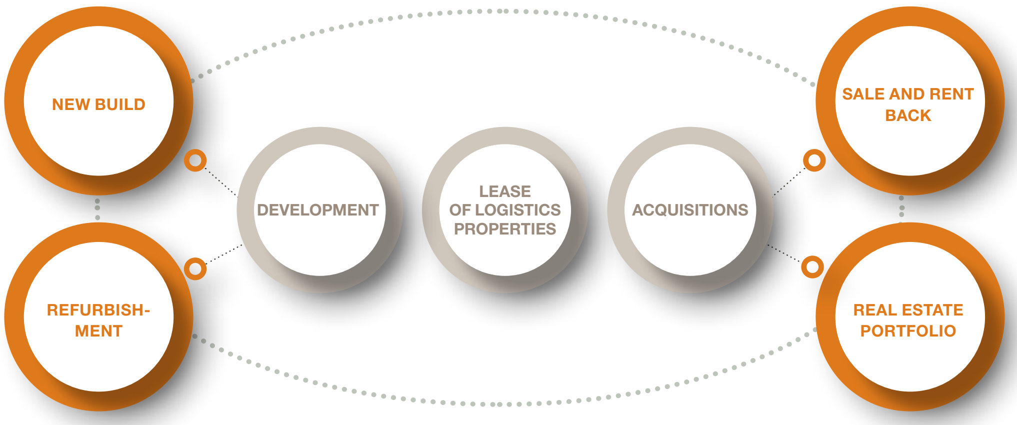
The cornerstone of WDP is its consistent pure player strategy pursued for decades, with a clear focus on investments in, development and long-term leasing of high-grade sustainable logistics and semi-industrial property.

WDP is the market leader in the Benelux region[1] and a respected European player, also active in France and Romania.

WPD has been steadily enlarging its property portfolio by developing self-financed storage and distribution facilities, based on client demand and requirements and with due consideration for the highest industry standards. In addition, the GVV/SIR[2] also invests directly in existing quality sites, always with a view to long-term letting.

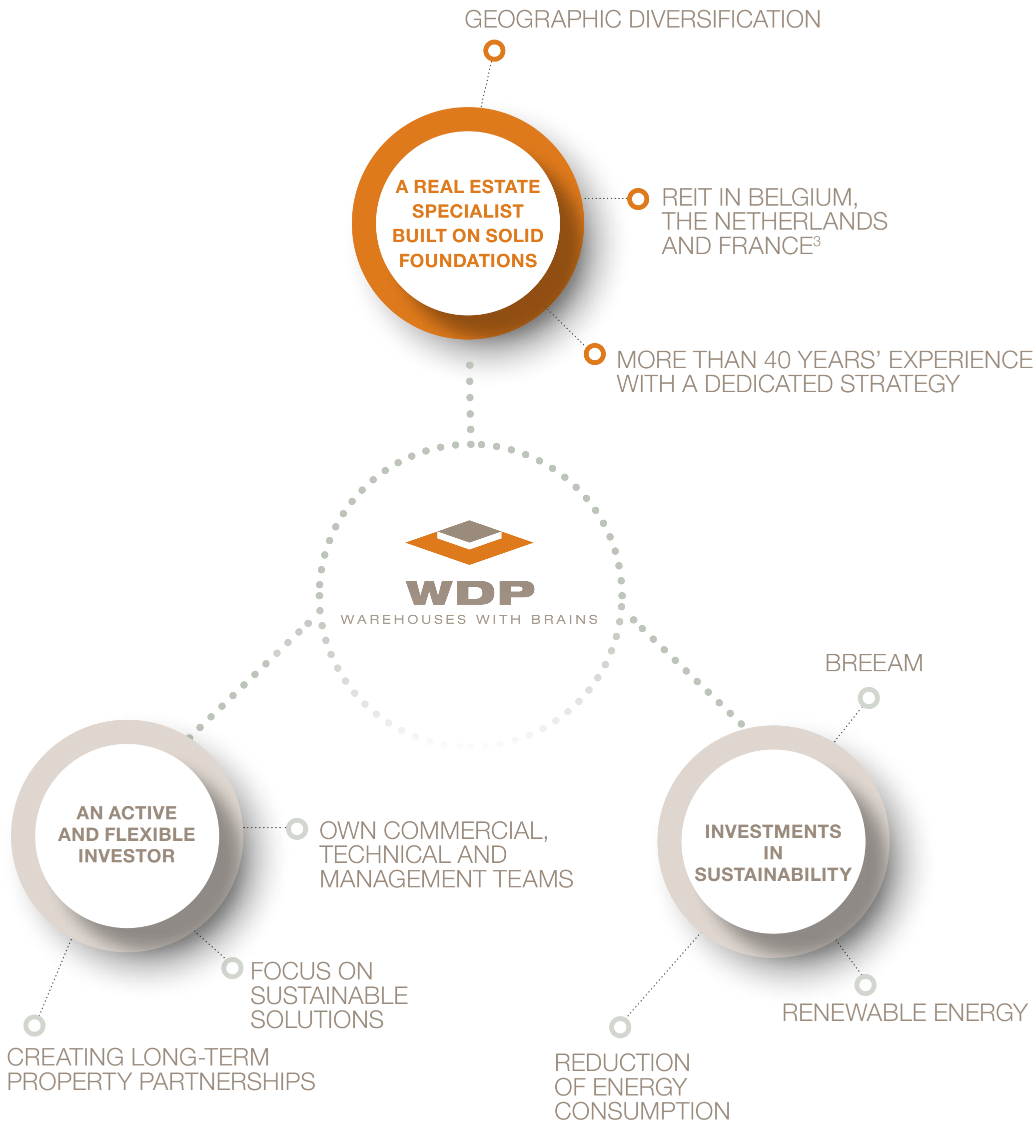
Warehouses with Brains

The backbone of WDP's policy is the high occupancy rate, the result of long-term leases with tenants, who are first and foremost regarded as partners. WDP wants to be a real estate partner that thinks together with its clients. Hence our slogan: *WDP – Warehouses with Brains*.



1 This statement is based on a comparative calculation of the number of square metres of lettable surface area in buildings in the portfolio.
2 A GVV/SIR is a regulated real estate company under Belgian Law. All information on this can be found in chapter *12. General information on REIT status* on page 267.

A pure player focused on the logistics sector



3 REIT (Real Estate Investment Trust) is an international name for listed property companies with a long-term investment policy and a fiscally transparent status. In Belgium: GVV/SIR, in the Netherlands: FBI and in France: SIIC.

As a GVV/SIR, WDP is not a passive fund but, rather, a commercial company offering tailor-made premises and property solutions. Furthermore, WDP is a self-managed company, with management taking place within the company and entirely at the service of the shareholders and other stakeholders. By maintaining projects in the portfolio following completion or acquisition, any additional profits achieved at WDP remain in the company.

As the market leader in logistics and semi-industrial property, WDP closely monitors trends in the industry so we can always offer tenants state-of-the-art properties and solutions. By developing and managing projects using in-house teams with many years of experience, WDP can always guarantee high-quality solutions.

WDP

A DYNAMIC AND SPECIALISED PROPERTY COMPANY OFFERING CREATIVE AND SUSTAINABLE SOLUTIONS

CREATING A SUSTAINABLE AND GROWING INCOME STREAM AND FOCUS ON ASSETS WITH STRONG RESIDIUAL VALUE

BUILDING SCALE AND FINANCIAL STRENGTH TO DIVERSIFY RISKS AND DRIVE PERFORMANCE

LEAN AND MEAN POSITIONING WITHIN ITS CORE MARKETS SO AS TO MAINTAIN FLEXIBILITY.

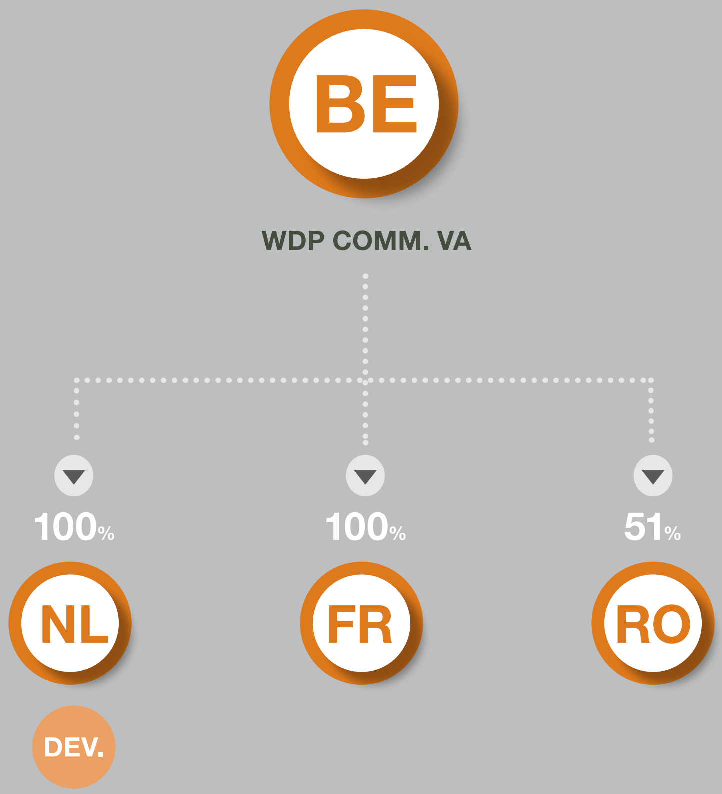
Another key concept in WDP's strategy is flexibility. Through its detailed knowledge of its tenants and their operating areas, combined with a diversified portfolio, WDP is able to quickly respond to changing customer needs. By working with a relatively small but committed team, WDP can also guarantee tenants fast and flexible solutions, while the high operating margin benefits our shareholders.

That brings us to another key concept in WDP's strategy: in-house knowhow. At WDP, we not only have our own sales team focused on achieving the highest possible occupancy. At the same time, property in the portfolio is developed and managed under the care of our own project and facility managers. The development projects are under the control of the project managers under the lead of the technical director. The facility managers take care of the management of the existing warehouses, namely maintenance, modification and refurbishment works. It is important to manage all critical property functions in-house so that any problems can be dealt with speedily and efficiently and the company's long-term wellbeing can be protected. WDP also maintains firm control over its financial, accounting and legal affairs.

This operational model has no impact on the cost structure, which remains competitive.

Lastly, WDP pursues a strategy in which the growth achieved by the company is clearly defined and generates added value for clients and shareholders alike, so that growth is controlled and sustainable.

The WDP group



the Netherlands

WDP Nederland N.V.
Hoge Mosten 2
4822 NH Breda

WDP Development NL N.V.
Hoge Mosten 2
4822 NH Breda

France

WDP France SARL
rue Cantrelle 28
36000 Châteauroux

Romania

WDP Development RO SRL
1 Baia de Arama Street,
building C1, 1st floor,
office no. 19, district 2,
Bucharest

A 51-49% joint venture with entrepreneur and Romania specialist Jeroen Biermans.

Market leader in the Benelux region

WDP is a market leader in the Benelux logistics and semi-industrial property market.

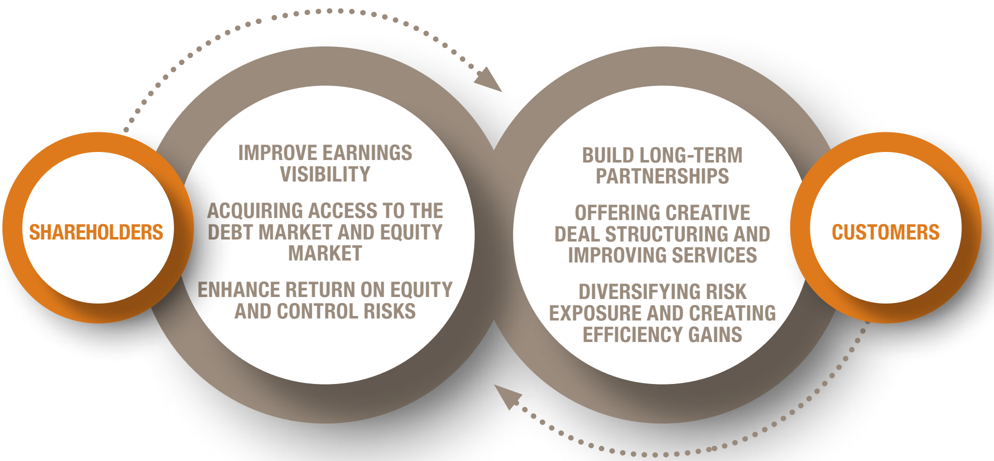
Priority markets are Belgium, the Netherlands, Luxembourg4 and France, supplemented by the growing logistics market Romania.

Site selection is based on proximity to strategic storage and distribution hubs. More than 95% of the WDP portfolio is situated in prime locations on the Amsterdam-Rotterdam-Breda-Antwerp-Brussels-Lille logistics axis.

The properties in the portfolio are located in the economic heart of Western Europe, which is home to a large concentration of consumers with disposable income. They are also situated in the strategic hinterland of the ports of Antwerp and Rotterdam, which serve as import and export gateways for Europe.

Investment criteria

In launching new projects and acquiring new properties, we always apply a number of strict criteria. The basic requirements include an adjusted market return and the positive outcome of a thorough screening process check-



WIN-WIN FOR ALL STAKEHOLDERS, GENERATING SUSTAINABLE GROWTH IN EARNINGS PER SHARE

4 In the diagram on the previous page regarding WDP as a group, the publication of this annual financial report did not include the Luxembourg portfolio segment, given the final closing of the transaction in this region is predicted for the spring of 2017.

ing for all potential technical, financial, commercial, and property-related risks.

In addition, with regard to financing, efforts are made to match property investments closely to the synchronous issue of new equity and debt. This provides for a healthy mix of own capital and external funding. Furthermore, the basic philosophy of the company – sustainable earnings per share – can be put into practice through capital increases backed by immediately yielding assets.

WDP invests in a new or existing property only when it is convinced of the re-letting potential after the current tenant has left. The buildings must also have high residual value – i.e. a lasting high value of the sites even at the end of the commercial lifespan of the buildings.

Any buildings or land in which the company invests must contribute to the total portfolio value and to earnings per share. They must be in line with the modern, efficient portfolio and so also the network WDP wishes to build in the logistics market.

Sustainability

As a long-term investor in logistics property WDP is aware of the important role it plays with regard to the environment and community life, and accordingly feels it is critical to enlarge its portfolio in a sustainable and responsible way. For instance, WDP focuses on the energy efficiency of its buildings, always with the intention of amply fulfilling all legal obligations. Innovative projects are implemented to reduce customer energy bills.

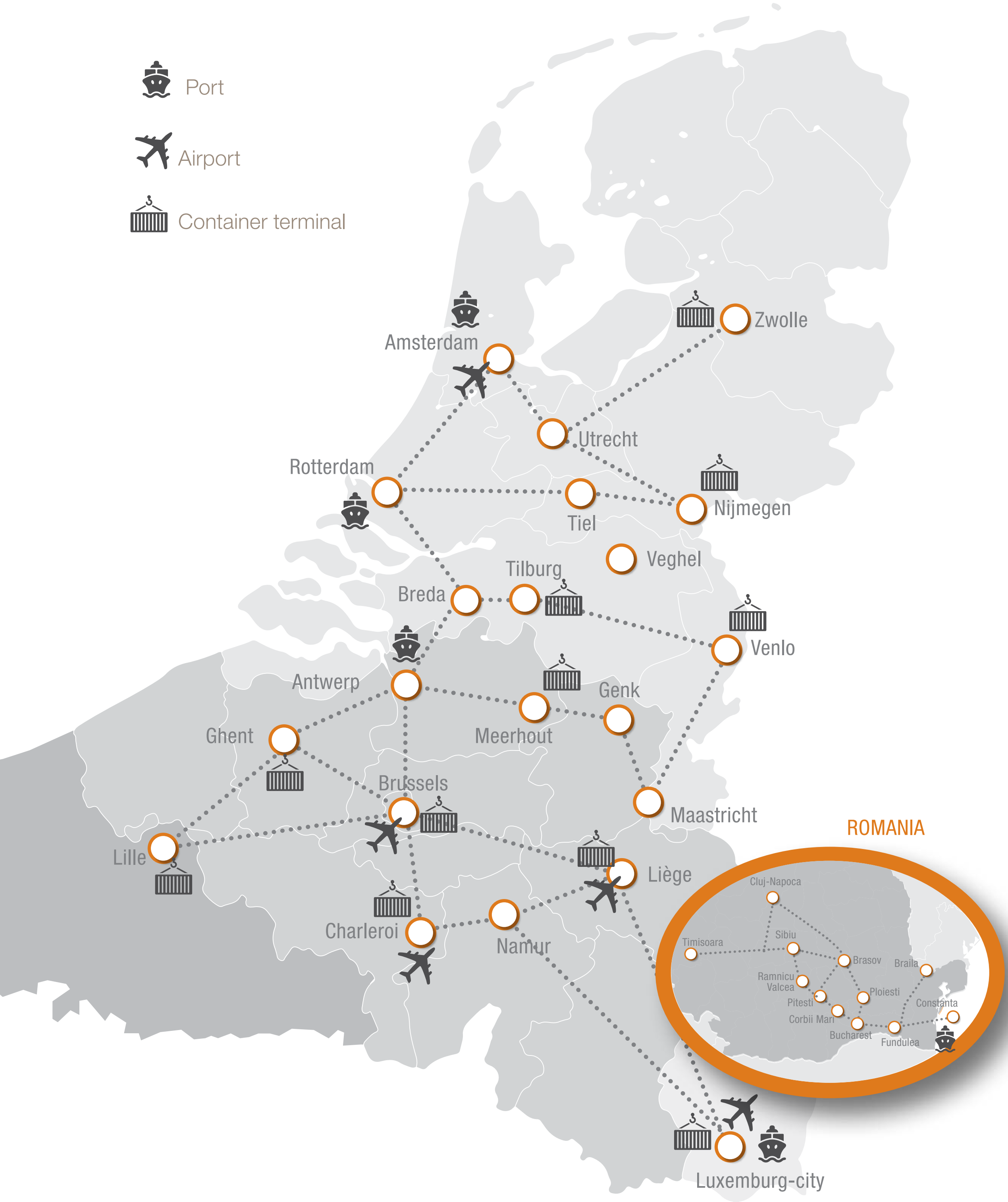
This is always based on a win/win approach benefiting all stakeholders. Furthermore, WDP has also made investments in green energy, installing solar panels on the roof of some of its portfolio properties. In Romania solar farms have been set up at a number of available sites.

Financial policy

Our financial policy is also based on a number of fixed conditions. The first is high occupancy based on long-term leases with tenants who are also partners. Secondly, all stakeholders (shareholders, clients, financiers, employees and suppliers) must benefit from strict cost control together with a sound debt structure and interest rate hedges.

Appropriate financing is a sine qua non for a solid, profitable business model, given the capital-intensive nature of the property sector. The target is to maintain a gearing ratio of between 55% and 60%, with a high debt coverage ratio. By continuously upscaling, WDP aims to achieve a competitive debt and capital costs.

Our sustainable prudent but attractive dividend policy generates a consistently high, steadily increasing dividend per share. A financial buffer can also be built in by retaining part of the earnings.


Port
Airport
Container terminal
Amsterdam
Zwolle
Utrecht
Rotterdam
Tiel
Nijmegen
Veghel
Tilburg
Breda
Venlo
Antwerp
Genk
Ghent
Meerhout
Brussels
Maastricht
Lille
Liège
Charleroi
Namur
Luxemburg-city
ROMANIA
Cluj-Napoca
Sibiu
Timisoara
Brasov
Braila
Ramnicu Valcea
Ploiesti
Pitesti
Constanta
Corbii Mari
Bucharest
Fundulea

Advantages of the GVV/SIR structure

In Belgium, WDP is structured as a public GVV/SIR (Regulated Real Estate Company), also subject to the prudential supervision of the FSMA. In the Netherlands and France the company has the status of a Fiscale Beleggingsinstelling (FBI) and a Société d'Investissement Immobilier Côtée (SIIC), respectively. This enables WDP to operate in its core markets using the defensive Real Estate Investment Trust model (REIT). As a consequence, WDP reaps the benefits of a number of attractive features of this form of investment.

The GVV/SIR is, as a defensive investment vehicle, subject to strict regulations designed to protect shareholders and financiers. The GVV/SIR status gives financiers and investors alike the opportunity to access a diversified property portfolio in a balanced, cost-effective and tax-transparent way.

By emphasising the creation of long-term cash flows, in conjunction with the high earnings distribution obligation, a GVV/SIR like WDP provides a full-fledged, profitable, liquid alternative to direct property. Due to the scale of the portfolio, WDP provides investors with immediate substantial economies of scale in specific regions as well as healthy diversification.

Operating as a GVV/SIR, FBI and SIIC in Belgium, the Netherlands and France respectively, internationally WDP can position itself consistently with clients, suppliers, banks and investors.


BOER

Management report | 6

1. Consolidated key figures

	2007	2008
OPERATIONAL		
Fair value of the property portfolio (including solar panels) (in million euros)	616.6	777.8
Total surface area (in m²) (including land in concession)	2,799,000	3,767,000
Lettable area (in m²)	952,819	1,123,754
Gross initial yield (including vacancies)[1] (in %)	7.2	7.8
Average lease term (until first break)[2] (in years)	N/A	N/A
Occupancy rate[3] (in %)	98.5	98.7
Operating margin[4] (in %)	91.8	90.1
RESULTS (IN MILLION EUROS)		
Property result	37.3	46.9
Operating result (before result on the portfolio)	34.2	42.2
Financial result (excluding change in the fair value of the financial instruments)[5]	-7.7	-12.8
EPRA Earnings[6]	26.2	28.7
Result on the portfolio (including participation in joint ventures)[7]	26.1	-15.7
Changes in the fair value of financial instruments	0.8	-28.8
Write-down and depreciation of solar panels (including participation in joint ventures)	N/R	N/R
Net result (IFRS)	53.2	-15.8
FINANCIAL		
Balance sheet total (in million euros)	663.5	802.7
Shareholders' equity (excluding the fair value of financial instruments) (in million euros)	304.2	282.3
Net financial debt (in million euros)	313.5	475.8
Debt and liabilities included in the gearing ratio (in million euros)	334.8	506.1
Gearing ratio (IFRS)[8] (in %)	50.5	63.0
Gearing ratio (proportionate) (in accordance with GVV/SIR Royal Decree) (in %)	50.5	63.0
Average cost of debt[9] (in %)	N/A	N/A
Interest Coverage Ratio[10] (in x)	4.5	3.0
FIGURES PER SHARE (in euros)		
Gross dividend	2.72	2.94
EPRA Earnings[11]	3.05	3.34
Result on the portfolio (including participation in joint ventures)[12]	3.04	-1.83
Changes in the fair value of financial instruments	0.10	-3.35
Depreciation and write-down on solar panels	N/R	N/R
Net result (IFRS)	6.19	-1.84
EPRA NAV[13]	35.5	33.2
IFRS NAV[14]	36.1	30.4
Share price	45.50	30.15

1 Calculated by dividing the annualised gross (cash) rents by fair value. The fair value is the value of the investment properties after deduction of transaction costs (mainly transfer tax).
2 Including solar panels that are taken into account at the remaining weighted average duration of green energy certificates.
3 Calculated based on the rental values of leased properties and the non-leased surfaces, including the income from solar panels. Projects under development and/or renovation projects are not considered.
4 ◤The operating margin is obtained by dividing the operating result (before result on the portfolio) by the property result.
5 ◤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
6 ◤EPRA earnings: this 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. Please see www.epra.com.
7 ◤Result on the portfolio (including participation in joint ventures): realised and unrealised capital gains/loss with respect to the latest valuation by the 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.
8 ◤The gearing ratio (IFRS) is calculated in the same manner as the gearing ratio (proportionate) in accordance with the GVV/SIR Royal Decree, but based on a consolidated balance sheet

Some figures are rounded up or down, so totals in some tables may not represent exact arithmetical totals of the figures preceding them.

2009	2010	2011	2012 restated[15]	2013 restated[15]	2014	2015	2016
883.7	889.2	989.4	1,163.1	1,273.1	1,567.3	1,930.0	2,203.8
3,975,000	3,969,000	4,281,504	4,793,766	4,849,454	5,701,562	6,613,567	7,309,128
1,302,670	1,356,407	1,659,621	2,018,150	2,137,602	2,432,230	3,081,943	3,375,482
8.3	8.3	8.3	8.0	8.2	8.0	7.6	7.5
N/A	6.1	7.2	7.2	7.3	7.1	6.5	6.3
91.7	95.7	96.7	97.3	97.4	97.6	97.5	97.0
92.4	91.8	91.7	91.3	91.8	91.8	92.1	93.3
57.8	62.7	69.1	81.3	89.0	101.8	129.1	139.7
53.4	57.5	63.3	74.3	81.8	93.5	119.0	130.2
-18.1	-18.5	-18.9	-21.3	-21.4	-25.4	-27.1	-30.3
34.0	39.0	44.3	52.1	59.6	67.3	90.9	100.8
-22.7	-4.2	2.7	1.7	-0.7	19.7	47.4	31.2
-10.9	-2.3	-17.3	-18.5	20.8	-19.4	7.8	1.8
N/R	N/R	N/R	N/R	N/R	-2.9	-3.4	-3.5
0.4	32.6	29.7	35.3	79.7	64.7	142.7	130.2
916.1	922.4	1,018.9	1,181.1	1,283.1	1,570.3	1,907.3	2,182.6
399.3	406.0	453.3	520.6	576.7	682.5	829.4	1,091.7
492.8	499.2	547.0	644.1	686.8	863.6	1,041.8	1,045.6
506.1	509.1	561.3	655.7	701.1	876.8	1,062.9	1,071.7
55.3	55.2	55.1	55.1	54.6	55.8	55.7	49.2
55.3	55.2	55.1	56.1	55.1	56.7	56.8	50.5
N/A	4.3	4.0	3.6	3.6	3.5	2.9	2.8
2.5	2.9	3.1	3.4	3.6	3.3	4.2	4.1
2.94	2.94	2.94	3.11	3.25	3.40	4.00	4.25
3.14	3.11	3.42	3.67	3.85	4.10	5.00	5.30
-2.29	-0.33	0.21	0.12	-0.05	1.20	2.60	1.64
-1.01	-0.18	-1.34	-1.30	1.35	-1.18	0.43	0.09
N/R	N/R	N/R	N/R	N/R	-0.18	-0.19	-0.18
-0.21	2.60	2.29	2.49	5.15	3.94	7.85	6.86
32.0	32.5	33.4	34.6	35.9	39.2	44.9	51.2
29.3	29.6	29.4	29.9	32.8	35.2	41.5	48.4
33.93	36.65	37.06	47.24	52.70	62.68	81.24	84.89

in accordance with IFRS that incorporates joint ventures using the equity method.

9 ◤Average cost of debt: this is the weighted average annual interest rate for the reporting period, taking into account the average outstanding debt and hedging instruments over this period.

10 Defined as operating result (before result on the portfolio), divided by interest charges, minus interest income and dividends, minus income from financial leases and similar.

11 ◤The EPRA Earnings per share is the EPRA Earnings based on the weighted average number of shares.

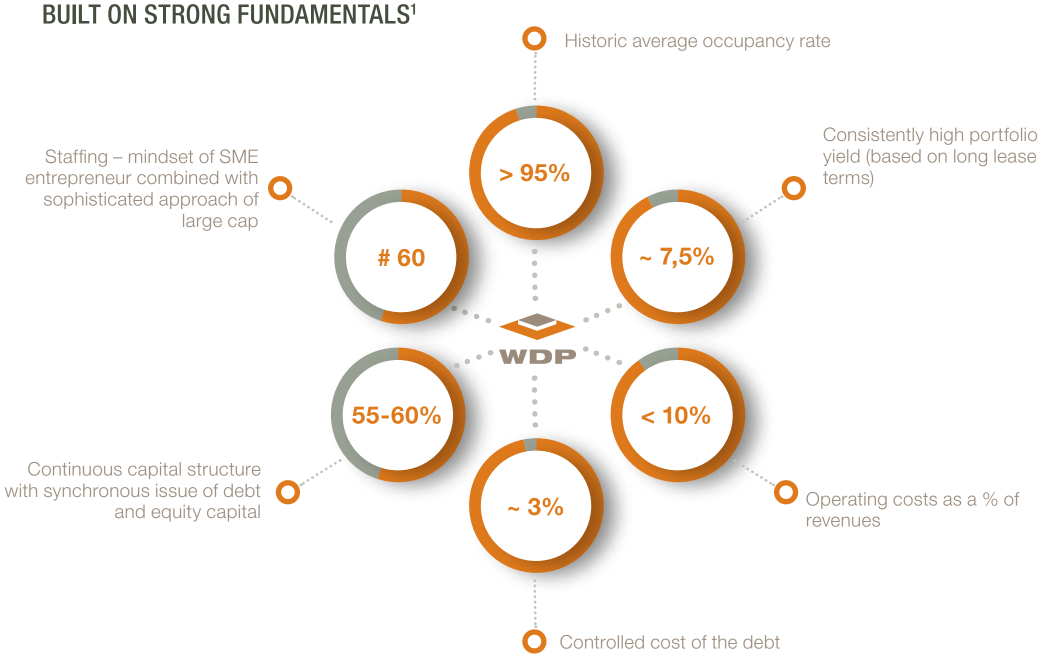
12 ◤Result on the portfolio (including participation in joint ventures): this is the result on the portfolio based on the weighted average number of shares.

13 ◤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. Please see www.epra.com.

14 The IFRS NAV is calculated as shareholder equity as per IFRS divided by the total number of dividend-entitled shares on the balance sheet date. This concerns the net value in accordance with the GVV/SIR legislation.

15 As a result of the IFRS 11 *Joint agreement* coming into effect in 2014, comparable relevant historical figures are displayed with regard to previous periods. WDP's share in the portfolio of WDP Development RO (51%) still appeared as part of the statistics in the reporting on the portfolio.

BUILT ON STRONG FUNDAMENTALS[1]



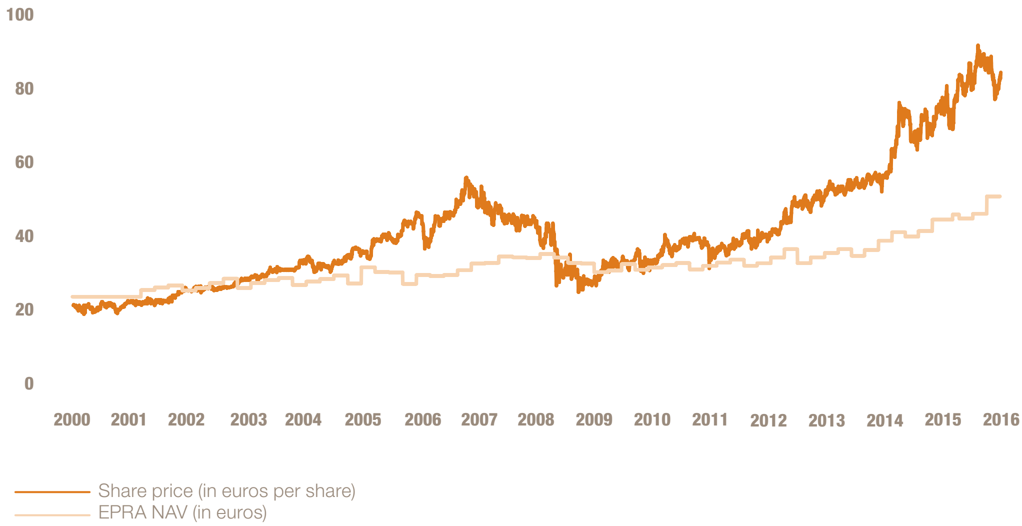
EPRA KEY PERFORMANCE INDICATORS[2]

	31.12.2016	31.12.2015
EPRA Earnings (in euros per share)[1]	5.30	5.00
EPRA NAV (in euros per share)[2]	51.2	44.9
EPRA NNNAV (in euros per share)[3]	47.9	41.0
EPRA Net Initial Yield (in %)	6.8	6.9
EPRA Topped-up Net Initial Yield (in %)	6.8	6.9
EPRA vacancy rate (in %)	3.3	2.6
EPRA cost ratio (including direct vacancy costs) (in %)[4]	9.0	10.0
EPRA cost ratio (including direct vacancy costs) (in %)[4]	8.4	9.7

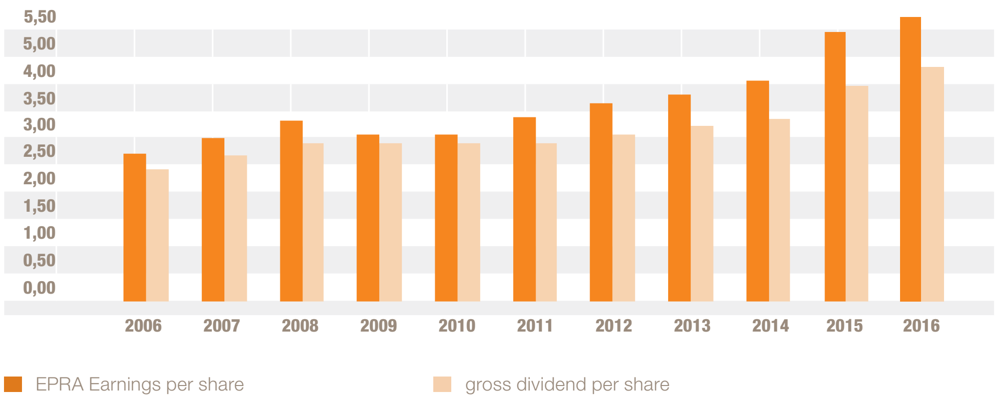
1 ◤EPRA Earnings: this is the underlying result of the core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the change in the fair value of financial instruments and depreciation and write-down on solar panels. The EPRA Earnings per share is the EPRA Earnings based on the weighted average number of shares. Please see www.epra.com.
2 ◤EPRA NAV: 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. Please see www.epra.com.
3 ◤EPRA NNNAV: this is the EPRA NAV that is adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred tax as well. Please see www.epra.com.
4 ◤EPRA cost ratio: this concerns the administrative and operating costs (including and excluding direct vacancy costs), divided by the gross rental income. Please see www.epra.com.

1 Based on parameters throughout the cycle.
2 Financial performance indicators calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. See also www.epra.com as well as this annual financial report on page 73.

SHARE PRICE VERSUS EPRA NAV



EVOLUTION OF EPRA EARNINGS AND GROSS DIVIDEND PER SHARE



2. Notes to the consolidated results of 2016

1. Summary

- The EPRA Earnings[1] for 2016 amounts to 100.8 million euros, marking an increase of 10.8% over 2015 (90.9 million euros). EPRA Earnings per share for 2016 rose to 5.30 euros, an increase of 6% over the figure of 5.00 euros from 2015. The underlying increase is 9% over 2015 exclusive of 0.15 euros in one-time lease termination fees in 2015, which is in line with projections updated at the time of the capital increase in late 2016.

- The net result (IFRS) for 2016 is 130.2 million euros, compared to 142.7 million euros in 2015. The net result (IFRS) per share for 2016 is 6.86 euros, compared to 7.85 euros in 2015.

- Proposed dividend increase of 6% to 4.25 euros gross per share over 2016 (with the possibility of an optional dividend) based on a low payout rate.

- The occupancy rate[2] amounted to 97.0% on 31 December 2016. As a result, the occupancy rate is rising back towards its level in late 2015 (97.5%) after the partial reletting of the V&D site in Nieuwegein, the Netherlands, in late December 2016. The average duration (until the first termination date) of the lease contracts in the WDP portfolio is 6.3 years (including solar panels).

- On 31 December 2016, the gearing ratio (IFRS[3] respectively proportional) was 49.2% (50.5%) compared to 55.7% (56.8%) as at 31 December 2015, a sharp decrease after the successful capital increase in the autumn of 2016.

- The EPRA NAV[4] was 51.2 euros on 31 December 2016, compared to 44.9 euros on 31 December 2015. The IFRS NAV was 48.4 euros on 31 December 2016, compared to 41.5 euros on 31 December 2015.

- The total investment volume identified within the framework of the 2016-20 growth plan currently amounts to ca. 350 million euros. This is a package of complementary acquisitions (ca. one third) and

In accordance with the guidelines issued by ESMA (European Securities and Market Authority) that came into force on 3 July 2016, the definition and function of the Alternative Performance Measures (APM) applied by WDP will be explained in a footnote the first time they appear in this annual financial report. The reconciliation of APMs can be found in chapter *10.5. Financial statements* – Detailed calculation of the Alternative Performance Measures applied by WDP on page 252. This definition will also be accompanied by a symbol (◤) to inform the reader that it is an APM definition.

1 ◤EPRA profit: refers to the underlying result of the core businesses and indicates to what extent current dividend payments are supported by profit. The result is calculated as the net result (IFRS) excluding the result on portfolio, movements in the fair value of financial instruments, and write-down and depreciation of solar panels. See www.epra.com.

2 The occupancy rate is calculated according to the rental value of the leased buildings and non-leased areas including income from solar panels. Projects under development and/or renovation are not taken into account.

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 investment properties over the long-term. Please see www.epra.com.

4 ◤EPRA NAV: refers to NAV that has been adjusted to include property and other investments at their fair value and exclude specific items that are not expected to take shape in a business model with long-term property investments. See www.epra.com.

pre-leased new developments for new and existing clients (ca. two thirds), due to a strong commercial platform in the Benelux region and Romania and WDP's position as both a developer and long-term final investor. At 31 December 2016, the value of the portfolio rose towards more than 2 billion euros.

- WDP enjoys a strong financial position, based on the successful capital increase in the autumn of 2016 (resulting in a decrease of the gearing ratio up to around 50%), active management of hedges (more than 90% of the credit facilities are hedged against increased interest rates) and a strong liquidity buffer (namely 300 million euros of undrawn credit facilities for financing the further growth).
- For 2017, WDP projects EPRA Earnings of at least 5.35 euros per share, stable with respect to 2016, despite an increase of 14% of the expected number of outstanding shares[5], mainly due to the recent capital increase. Based on the strong project development pipeline, which will pay off in full in 2018, and the envisaged portfolio growth, WDP strives towards EPRA Earnings per share of 5.85 euros in 2018.[6]
- Based on this outlook, WDP intends to set a gross dividend of 4.45 euros for 2017 and 4.70 euros for 2018, i.e. an increase of 5% per year.

2. Notes to the consolidated profit and loss account 2016 (analytical schedule)

Property result

The property result for 2016 amounts to 139.7 million euros, an increase of 8.2% compared to last year (129.1 million euros). This increase was driven by the continued growth of the portfolio in 2015-16, primarily in Belgium and the Netherlands, through acquisitions and the completion of pre-leased projects. Based on an unchanged portfolio the gross rental income decreased by -2.1%[7]. The impact of the departure of tenant V&D in Nieuwegein (the Netherlands) in early May 2016 accounts for -1.8% of this. This result also includes 8.4 million euros in income from solar panels (compared to 8.2 million euros in the same period last year, when the installed capacity was smaller). The property result in 2015 included two lease termination fees under the category *Early lease termination fees* for a total of 3.7 million euros.

5 Including the expected optional dividend of 2017.
6 This profit forecast is based on the current situation, barring presently unforeseen circumstances (such as a material deterioration of the economic and financial climate), and assuming a normal number of hours of sunshine.

7 Like-for-like rental growth: this is the organic growth in gross rental income year-on-year exclusive of project developments, acquisitions and sales during these two comparison periods.

Operating property result (before the result on the portfolio)

The operating result (before the result on the portfolio) amounts to 130.2 million euros in 2016, an increase of 9.5% compared to the same period last year (119.0 million euros). Property and other general expenses come to 9.4 million euros for the 2016 financial year, a decrease of 0.7 million euros compared to 2015. WDP succeeded in continuing to keep costs under control, with the operating margin[8] for 2016 coming to 93.3% – comparable to 2015 (92.1%).

8 The operating margin is calculated by dividing the operational result (before results on portfolio) by the property result.

CONSOLIDATED RESULTS (in euros x 1,000)	31 DEC. 16	31 DEC. 15
Rental income, net of rental-related expenses	131,654	117,185
Indemnification for early termination of lease	55	3,750
Income from solar energy	8,379	8,200
Other operating income/costs	-427	-50
Property result	**139,661**	**129,086**
Property charges	-4,044	-3,921
General company expenses	-5,376	-6,213
Operating result (before the result on the portfolio)	**130,242**	**118,952**
Financial result (excluding change in the fair value of the financial instruments)	-30,284	-27,147
Tax on EPRA Earnings	-124	-450
Deferred taxes on EPRA Earnings	-751	-719
Participation in the result of associates and joint ventures	1,677	302
EPRA EARNINGS	**100,760**	**90,938**
RESULT ON THE PORTFOLIO		
Movement in the fair value of investment property (+/-)	34,046	47,690
Result on disposal of investment property (+/-)	-41	-76
Deferred taxes on portfolio results (+/-)	-1,057	0
Participation in the result of associates and joint ventures	-1,755	-259
Result on the portfolio	**31,193**	**47,355**
CHANGES IN THE FAIR VALUE OF FINANCIAL INSTRUMENTS		
Changes in the fair value of financial instruments	1,787	7,839
Changes in the fair value of financial instruments	**1,787**	**7,839**
DEPRECIATION AND AMORTIZATION OF SOLAR PANELS		
Depreciation of solar panels	-3,066	3,010
Participation in the result of associates and joint ventures	-441	-425
Depreciation and amortization of solar panels	**-3,507**	**-3,435**
NET RESULT (IFRS)	**130,232**	**142,698**

KEY RATIOS (in euros)	31 DEC. 16	31 DEC. 15
EPRA Earnings/share[1]	5.30	5.00
Result on the portfolio/share[1]	1.64	2.60
Changes in the fair value of financial instruments/share[1]	0.09	0.43
Depreciation and amortization of solar panels/share[1]	-0.18	-0.19
Net result (IFRS)/share[1]	6.86	7.85
EPRA Earnings/share[2]	4.72	4.91
Proposed payment	90,635,683	74,029,040
Dividend payout ratio (versus EPRA Earnings)[3]	90.0%	81.4%
Gross dividend/share	4.25	4.00
Net dividend/share	2.98	2.92
Weighted number of shares	18,997,071	18,181,244
Number of outstanding shares at the end of the period	21,326,043	18,507,260

1 Calculated 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 in absolute terms based on the consolidated result. The effective payout of the dividend is distributed on a statutory basis by WDP Comm. VA.

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

The financial result (excluding change in the fair value of the financial instruments)[9] amounts to -30.3 million euros for 2016, an increase over last year (-27.1 million euros) due to average higher outstanding financial debt.

Total financial debt amounted to 1,045.9 million euros on 31 December 2016, compared to 1,042.3 million euros at the start of the year. The average cost of interest comes to 2.8% for 2016, compared to 2.9% in 2015. This decrease stems partially from the extension of existing hedging instruments, which increased visibility over earnings and enabled immediate savings, and partially by the inclusion of new debts at a lower cost than the average cost of debt[10].

EPRA Earnings

The EPRA Earnings of WDP for 2016 amounts to 100.8 million euros. This result marks an increase of 10.8% over the result of 90.9 million euros in 2015. This entails an increase of 6% per share (from 5.00 euros to 5.30 euros). The underlying increase amounts to 9%, excluding two lease termination fees of 0.15 euros per share in 2015.

9 ◤Financial result (excluding 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.

10 ◤Average cost of debt: this is the weighted average annual interest rate for the reporting period, taking into account the average outstanding debt and hedging instruments over this period.

Result on the portfolio (including participation joint ventures)

The result on the portfolio (including participation joint ventures)[11] for the financial year amounts to +31.2 million euros or +1.64 euros per share[12]. For the same period last year, this result amounted to +47.4 million euros, or +2.60 euros per share. This breaks down as follows by country for 2016: Belgium (+10.6 million euros), the Netherlands (+19.5 million euros), France (+2.9 million euros) and Romania (-1.8 million euros).

Changes in the fair value of financial instruments[13]

The change in the fair value of financial assets and liabilities amounts to +1.8 million euros or +0.09 euros per share for 2016 (compared to +7.8 million euros or +0.43 euros per share in 2015). This positive impact stems from fluctuations in the fair value of the interest rate hedges entered into (Interest Rate Swaps) on 31 December 2016 due to the increase in long-term interest rates in the course of 2016.

The change in the fair value of these interest rate hedges is recognised in full in profit and loss rather than in shareholder's equity. Since this 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 income statement.

Depreciation and amortization of solar panels

The solar panels are valued on the balance sheet at fair value on the basis of the revaluation model in accordance with IAS 16 *Tangible fixed assets*. In compliance with IAS 16, WDP has to include a depreciation component in its IFRS accounts according to the residual life of the PV installations. The depreciation is calculated based on the fair value from the previous balance sheet date. Then this net carrying value is revaluated once again towards fair value. This revaluation is booked directly in the shareholders' equity if it is still greater than the historical cost-price minus cumulative depreciations. In which case the depreciation is recognised in the income statement. The depreciation component comes to -3.5 million euros for 2016. 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 income statement.

Net result (IFRS)

The EPRA Earnings along with the result on the portfolio (including participation joint ventures), the change in the fair value of financial instruments and the depreciation and amortization of solar panels result in a net result (IFRS) of 130.2 million euros in 2016 (compared to 142.7 million euros in 2015).

11 ◤Result on the portfolio (including participation joint ventures): 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 associated companies and joint ventures.

12 ◤Result on the portfolio (including participation joint ventures): this is the result on the portfolio (including participation joint ventures) based on the weighted average number of shares.

13 Changes in the fair value of financial instruments (non-cash item) are calculated based on the mark-to-market (M-t-M) value of the interest rate hedges entered into.

BALANCE SHEET
(in euros x 1,000)

	31 DEC. 16	31 DEC. 15
Fixed assets	**2,166,060**	**1,893,137**
Intangible fixed assets	160	96
Investment property	2,036,723	1,796,888
Other tangible fixed assets (including solar panels)	86,218	74,708
Financial fixed assets	24,805	14,084
Trade receivables and other fixed assets	3,796	4,088
Participation in the result of associates and joint ventures, equity method	14,357	3,273
Current assets	**16,549**	**14,143**
Assets held for sale	1,367	823
Trade receivables	10,662	5,792
Tax benefits and other current assets	2,902	5,395
Cash and cash equivalents	340	551
Deferrals and accruals	1,277	1,582
TOTAL ASSETS	**2,182,608**	**1,907,281**
Shareholder's equity	**1,032,352**	**768,273**
Capital	163,752	143,568
Issue premiums	492,330	304,426
Reserves	246,051	177,581
Net result for the financial year	130,232	142,698
Liabilities	**1,150,256**	**1,139,008**
Non-current liabilities	931,075	980,884
Non-current financial liabilities	866,463	916,010
Other non-current financial liabilities	64,613	64,874
Current liabilities	219,180	158,125
Current financial liabilities	179,473	126,313
Other current liabilities	39,708	31,812
TOTAL LIABILITIES	**2,182,608**	**1,907,281**

KEY RATIOS
(in euros)

	31 DEC. 16	31 DEC. 15
EPRA NAV/share	51.2	44.9
IFRS NAV/share	48.4	41.5
Share price	84.8	81.2
Premium/Discount with regard to EPRA NAV	65.6%	81.0%

Fair value of the portfolio (including solar panels)[1]	2,203.8	1,930.0
Debts and liabilities included in the gearing ratio	1,071.7	1,062.9
Balance total	2,182.6	1,907.3
Gearing ratio (IFRS)	49.2%	55.7%
Gearing ratio (proportionate)[2]	50.5%	56.8%

1 Including the proportional share of WDP in the portfolio of WDP Development RO (51%).
2 Including the proportional part of the assets and liabilities of the joint ventures that must be incorporated according to the equity method in IFRS. For the method used in the calculation of the gearing ratio, refer to the RD of 13 July 2014 on the GVV/SIR.

The difference between the net result (IFRS) of 130.2 million euros and the EPRA Earnings of 100.8 million euros is attributable to the positive change in the fair value of the interest hedging instruments, the positive fluctuation in the value of the portfolio and the depreciation and write-down of the solar panels.

3. Notes to the consolidated balance sheet 2016

Property portfolio[14]

According to independent property experts Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate, the fair value[15] of the WDP property portfolio according to IAS 40 amounted to 2,110.0 million euros on 31 December 2016, compared to 1,844.0 million euros at the start of the financial year (including *Assets held for sale*). Together with the valuation at fair value of the investments in solar panels[16], the total portfolio value grew to 2,203.8 million euros compared to 1,930.0 million euros at 2015 year-end.

This value of 2,203.8 million euros includes 1,995.3 million euros in completed properties (standing portfolio). The projects under development account for 61.8 million euros, including a Belgian project in Zellik, Dutch projects in Barendrecht, Oosterhout, Heerlen, Bleiswijk, Veghel and Venlo, and Romanian projects in Bucharest, Cluj-Napoca, Oarja and Timisoara. In addition, there are the land reserves in Sint-Niklaas, Courcelles, Heppignies, Tiel and the land bank in Romania with a fair value of 52.9 million euros.

At 31 December 2016, the implemented investments in solar panels were valuated at a fair value of 93.9 million euros.

The overall portfolio is currently valuated at a gross rental yield of 7.3%[17]. The gross rental yield after addition of the estimated market rental value for the unleased parts is 7.5%.

Shareholder's equity

At 31 December 2016, the group's shareholders' equity (IFRS) amounted to 1,032.4 million euros, compared to 768.3 million euros at the end of the previous financial year. The shareholders' equity, leaving aside the fair value of financial assets and liabilities (that is being recognised in the IFRS shareholders' equity), amounted to 1,091.7 million euros on 31 December 2016, compared to 829.4 million euros at the end of 2015. This increase is driven by the growth of the capital base throughout 2016, the payout of the dividend for the 2015 financial year and the capital increase in 2016 as a result of the optional dividend and the capital increase at the end of 2016. There was a value growth in the property portfolio as estimated by the independent experts. The shareholders' equity of the group (EPRA), excluding the (negative) mark-to-market

14 Under IFRS 11 *Joint arrangements*, the joint ventures (mainly WDP Development RO, in which WDP retains 51%) are incorporated according to the equity method. WDP's share in the portfolio of WDP Development RO (51%) appeared as part of the statistics in the reporting on the portfolio.

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

16 The investments in solar panels are valued in compliance with IAS 16 by applying the revaluation model.

17 Calculated by dividing the annualised contractual gross (cash) rents by the fair value. The fair value is the value of the investment properties after deduction of transaction costs (mainly transfer tax).

(M-t-M) value of the interest rate hedges entered into (excluding the fair value of the assets and liabilities), amounted to 1,092.6 million euros on 31 December 2016.

NAV per share

The EPRA NAV per share came to 51.2 euros as on 31 December 2016. This marks an increase of 6.3 euros compared to an EPRA NAV per share of 44.9 euros on 31 December 2015. The IFRS NAV per share[18] came to 48.4 euros on 31 December 2016, compared to 41.5 euros on 31 December 2015.

Debts

In 2016, the total long-term and short-term financial debts (proportionate) remained relatively stable at 1,042.3 million euros on 31 December 2015, compared to 1,045.9 million euros at the end of December 2016. At the same time, the balance sheet total rose from 1,958.4 million euros as on 31 December 2016 to 2,237.1 million euros by late December 2016. Due to the capital increase, the gearing ratio (proportionate) decreased drastically from 56.8% at the end of December 2015 to 50.5% at the end of December 2016. The gearing ratio (IFRS) fell from 55.7% at the end of December 2015 to 49.2% at the end of December 2016.

The weighted average term of WDP's outstanding financial debts on 31 December 2016 was 4.2 years[19]. If only the total drawn and undrawn long-term credits are taken into account, the weighted average term amounts to at least 4.8 years[20]. On 31 December 2016, the total amount of undrawn and confirmed long-term credit facilities was 300 million euros[21]. There were no maturity dates for long-term debts in 2016. The average cost of debt was 2.8% in 2016. The Interest Coverage Ratio[22] is equal to 4.1x for 2016, compared to 4.2x in 2015. The hedge ratio[23], which measures the percentage of financial debts with a fixed-rate or variable interest rate and subsequently hedged by means of Interest Rate Swaps (IRSs), was 93%, with a weighted average hedged term of 7.2 years.

18 The IFRS NAV is calculated as shareholder equity as per IFRS divided by the total number of dividend-entitled shares on the balance sheet date. This applies to the net values pursuant to the Belgian GVV/SIR Law.

19 Including the short-term debts, consisting mainly of the commercial paper programme, which is fully covered by backup facilities.

20 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 to be executed, the weighted average term of the long-term credits is 5.1 years.

21 This does not include the credit facilities at the European Investment Bank for financing pre-leased projects in Romania, and the credit facilities for hedging the commercial paper programme.

22 Defined as operating result (before result on the portfolio), divided by interest costs, minus interest income and dividends, minus income from financial leases and similar.

23 ◤Hedge ratio: percentage of fixed-rate and floating-rate debts hedged against interest rate fluctuations by means of derivatives. This economic parameter is not a mandatory parameter under the Belgian GVV/SIR Law.

4. Contribution to the treasury

In 2016 WDP and its subsidiaries together paid 33.5 million euros in social, fiscal and sector-specific taxes to the treasury.

CONTRIBUTIONS TO THE TREASURY

(in euros x 1,000)

Corporate tax	220
Exit tax	2,832
Advance levy	20,359
Subscription fee	921
Social security contribution (employers' contribution)	637
Non-recoverable VAT	1,659
Property tax and other taxes related to immovable goods borne by the owner	2,589
Registration fees	4,028
Other taxes	240
TOTAL	**33,485**

3. Transactions and realisations

1. Introduction

The investment volume identified within the framework of the 2016-20 growth plan currently amounts to about 350 million euros. The growth plan covers a wide range of investments in several core markets, in particular a combination of acquisitions, pre-leased new-build projects with new and existing customers and further expansion of the solar park. WDP is on track to achieve the objectives as formulated in the 2016-20 growth plan.

On 31 December 2016, the portfolio's occupancy rate is at 97.0%. This is after the partial reletting of the V&D site in Nieuwegein, the Netherlands, at the end of December 2016, to Fiege. Out of the 13% lease agreements reaching their first expiry date in 2016, 97% are being extended. The remaining 3% has been included as vacancy in the published occupancy rate of 97.0%. This reaffirms the trust that customers have in WDP.

2. Acquisitions and disposals

2.1. Acquisitions

The indicated purchases amounted to a sum total of approximately 130 million euros, at prices in line with the fair value as determined in the valuation reports from the independent property experts. These acquisitions generated a gross overall rental yield of ca. 7.25%.

Belgium

Londerzeel: WDP, already the owner of two properties leased to Colfridis in Londerzeel and Bornem, added three sites totalling 35,000 m² at the industrial park in Londerzeel to its portfolio in late September of 2016. This sale-and-rent-back operation took place through the acquisition of 100% of the shares of Colfridis Real Estate BVBA and represents an investment budget of around 22 million euros. The newly acquired package of buildings includes two sites (one refrigerated warehouse and one deep-freeze warehouse) that are leased by Distrilog Group for a fixed term of ten years. The third site is a location for redevelopment of around 4 hectares, still under lease until the end of Q3 2017. WDP anticipates an annual rental income of ca. 2 million euros, which will however decrease to 1.3 million euros starting in Q4 2017 when the aforementioned redevelopment begins. Distrilog Group is also taking over the Colfridis lease agreements for the WDP properties in Londerzeel and Bornem.

Puurs, Schoonmansveld

A building of approximately

35,000 m²

Sale and (partial) rent-back transaction of the site for Neovia Logistics Services, specialised in providing logistics services to the automotive sector (including spare parts). This location incudes a building of approximately 35,000 m², strategically located at the crossroad of the A12 and the Rijksweg. The investment budget amounts to 17 million euros. The building was acquired at the end of November 2016.

The Netherlands

At the beginning of March 2016, WDP announced the acquisition of four new sites in the Netherlands, representing a global investment budget on behalf of WDP of approximately 37 million euros:

Duiven, Typograaf 2

High-security building of approximately

1,100 m²

High-security building totalling 1,100 m² leased to the Cash Solutions department of G4S for a term of more than twelve years.

Amsterdam, Maroastraat 81

High-security property of approximately

2,300 m²

Another high-security property of approximately 2,300 m² in total also leased to the Cash Solutions and Cash Management division of G4S for the same period.

Bleiswijk, Maansteenweg/ Spectrumlaan

An area of approximately

70,000 m²

An area of ca. 7 hectares of land resources bordering the existing WDP site for tenant MRC Transmark in the Prisma business park, a logistics hotspot in the Netherlands and centrally located in the Randstad area. WDP managed to fully commercialise this development potential within the year.[1]

1 The various projects are described under *6.3.4. Transactions and realisations – Projects under development – Netherlands.*

Schiphol, Folkstoneweg 65

Air freight building of approximately

8,300 m^2

Air freight building of approximately 8,300 m^2, located in the second line at Schiphol airport. The building is leased to international logistics service provider Kuehne + Nagel on the basis of a fixed lease contract of more than five years; one of the services provided by this company is the transport of flowers for large horticultural traders – a strategic logistics niche at Schiphol – who are located on this site.

Alphen aan den Rijn, Antonie van Leeuwenhoekweg

Warehouse, with offices, of over

14,000 m^2

Purchase of an existing warehouse with offices of over 14,000 m^2 in mid-September 2016. The site is located next to the building owned by WDP that is leased to Iron Mountain. The investment budget for this transaction is 7 million euros. The space is leased by the Hoogvliet supermarket chain for its e-commerce activities.

In addition, 2016 also saw the following acquisitions:

Barendrecht, Dierensteinweg 30

A surface of

47,000 m^2

Purchase of building C-D at the end of March 2016, located in the extension of the projects under development on this site[2], instantly strengthening the partnership between WDP and The Greenery. The investment budget amounts to around 11 million euros.

Oud-Beijerland, A. Flemingstraat 2

A surface of approximately

14,000 m^2

In mid-December 2016, a sale and rent-back transaction for an existing site for Mediq with an area of 14,000 m^2. Mediq signed on to a two-year lease agreement for this. The investment budget for WDP for this purchase amounts to ca. 6 million euros.

2 See also *6.3.4.Transactions and realisations – Projects under development – Netherlands'.*

De Lier, Jorghem van der Houtweg

A warehouse of around

21,000 m²

In the context of its partnership with The Greenery, WDP has acquired a plot of land with 21,000m² of warehouse space previously owned by The Greenery and let to De Jong, which used it for packaging operations. De Jong has signed an 8-year lease for the existing buildings. In conjunction with De Jong, WDP is now looking at how the site can be developed. The final closing of the purchase, constituting an investment of approximately 9 million euros, is expected in the course of Q1 2017. Located in the Hoek van Holland, this site represents - after Barendrecht - a second important hub for the AGF sector[3].

Luxembourg

In the middle of 2016 WDP added a new core market to its property portfolio, namely the Grand Duchy of Luxembourg.

WDP became joint owner of a company that owns an existing building of ca. 26.000 m² owned by the joint venture S.O.L.E.I.L. SA. The site is leased to Ampacet, a global producer of colour masterbatches for plastics. Ampacet's production activities are housed in the Eurohub Sud zone for logistics companies in Bettembourg-Dudelange. Ampacet handles its deliveries to the EMEA region from the leased building. The S.O.L.E.I.L. site which is located in the *Eurohub Sud* logistics business zone, moreover offers an immediate expansion potential of an additional 26,000 m² (in terms of future rentals). The total investment (based on 100% of the investment) amounts to approximately 22 million euros. Ampacet rents the existing space with a lease that ends in three years. The acquisition will take place through the purchasing of 55% of the shares in the joint venture S.O.L.E.I.L. SA. The remaining 45% belongs to the Grand Duchy of Luxembourg which will remain as joint venture partner. The closing of the transaction is scheduled for the end of the first quarter of 2017 and is subject to a number of usual suspensive conditions. S.O.L.E.I.L. SA operates in the *Eurohub Sud* logistics business zone in Bettembourg-Dudelange. The logistics zone has a multimode terminal (rail/road) for the handling of containers, interchangeable load bodies and semi-trailers from rail to road and vice versa.

In the immediate vicinity of the Luxembourg freight airport, WDP has also taken out an option on a concession basis with development potential for a building of approximately 50,000 m² dependent on pre-letting. The plot of approximately 9 ha is the property of the Grand Duchy of Luxembourg, and is located in the *Eurohub Centre* logistics zone in Contern. The marketing of this site is under way.

3 *AGF* stands for *Aardappelen, Groenten en Fruit* (potatoes, vegetables and fruit).

Romania[4]

Cluj-Napoca (1)

New-build warehouse of

5,000 m²

New-build warehouse of 5,000 m² for logistics service company KLG, with a fixed lease of five years. The total investment amounts to 2.5 million euros.

Cluj-Napoca (2)

A surface area of

2,400 m²

New-build project for Gebrüder-Weiss with a surface area of 2,400 m² (and further expansion in the future). The tenant has signed a fixed five-year lease. The total investment amounts to 2.0 million euros.

2.2. Disposals

The disposals indicated were realised at prices that correspond to the fair value as determined in the independent property experts' estimate reports.

Leuven, Vaart 25-35: responding to the demand for more housing in this part of the city, WDP signed a cooperation agreement with the property promoter L.I.F.E., to transform the existing Hungaria building into a residential high-rise. Delivery of I love Hungaria is expected at the end of 2018. In the scope of the project, the site is sold in phases by WDP in cooperation with L.I.F.E. 36% of the surface area has already been sold.

In addition, two plots in Nivelles were sold in 2016, as well as three plots in Wieze and part of the land in Paulesti, Romania. For the plots in Wieze, a limited loss of 0.07 million euros was registered due to necessary demolition that was planned.

Currently, 1.4 million euros worth of *Assets held for sale* is indicated in the balance sheet. This pertains to a building in Estaimpuis, rue du Pont Bleu 21, for which the deed will be executed at the beginning of 2017.

4 Based on 100% of the investment value.

3. Projects completed in 2016

In the course of 2016, as announced, WDP was able to deliver a number of pre-leased projects. The gross rental income of these completed projects amounts to ca. 7.5% for a total investment budget for WDP of ca. 110 million euros.

Belgium

Willebroek, Victor Dumonlaan 32

A total surface area of

25,000 m²

Realisation of a second phase of this logistics site for the tenant Damco, as well as a third phase subject to pre-lease with a total area of 25,000 m². The investment budget is ca. 14 million euros.

WDPort of Ghent

A new-build warehouse of more than

20,000 m²

The first project at this multimode location in cooperation with the partner Havenbedrijf Gent is a new-build warehouse of more than 20,000 m² for Distrilog Group (an investment of ca. 10 million euros).

Heppignies, rue de Capilône 6

Realisation of more than

21,000 m²

Completion of a warehouse, with offices, of over 21,000 m² on the existing plots near Charleroi airport for the retailer Trafic, based on a long-term contract of eighteen years with an option to terminate once every three years after the first nine years. The investment budget amounts to ca. 10 million euros.

Nivelles, chaussée de Namur 66

Refurbishment of

4,000 m²

In line with the activities of the new tenant Dockx Rental, part of the existing building was modified (over 4,000 m² with additional outdoor storage). The space is leased on the basis of a 3-6-9 lease contract. The investment budget amounts to approximately 0.5 million euros.

Zellik, Z4 Broekooi 290

A logistic premises of approximately

2,000 m²

The existing production hall for tenant Antalis was converted into a logistic premises of ca. 2,000 m². Antalis is signing on to a 3-6-9 lease agreement. The investment budget amounts to ca. 2 million euros.

Aalst, Wijngaardveld 3-5

A surface of approximately

4,000 m²

The existing site was modified and expanded to include the new mail centre for bpost. The warehouse covers an area of approximately 4,000 m² with anticipated completion in the second quarter of 2016. The space is leased on the basis of a 3-6-9 lease contract. The investment budget amounts to ca. 2 million euros.

Liege, Trilogiport

A distribution centre of approximately

17,000 m²

On concession land at the port of Liege, logistics service provider Tempo Log Belgium, a subsidiary of the France-based Tempo One group, moved into a distribution centre of ca. 17,000 m² under a nine-year lease agreement, with the first option to terminate after six years. From Liege, Tempo Log Belgium shall ensure the storage and distribution of Havaianas brand thongs, put on the market by the Brazilian group Alpargatas, throughout North-West Europe. The investment budget amounts to around 8 million euros for WDP.

Sint-Katelijne-Waver, Fortsesteenweg 27

Refrigerated warehouse of approximately

10,000 m²

Redevelopment of the existing site into a new refrigerated warehouse, with offices, of ca. 10,000 m² for storage and distribution by Greenyard (based on a twenty-year lease agreement) with an investment budget of 11 million euros.

The Netherlands

Barendrecht, Dierensteinweg 30

A site totalling

40,000 m²

A new construction for the expansion of The Greenery's existing Retail DC. The new construction will accommodate the logistics activities of Hagé International, the import department of The Greenery. A second new construction is being realised for the existing Euro Pool System container washing plant, where The Greenery's crates are washed. The B building was delivered, as scheduled, in the third quarter of 2016. The delivery of the A building will be phased, with completion projected for the course of the second quarter of 2017. Together, this is a total of 40,000 m². The investment budget for the complete project amounts to around 18 million euros.

Breda, IABC

New development site of of approximately

12,000 m²

New development site of ca. 12,000 m². The site has been set up as the Soft fruit DC for The Greenery. The tenant has signed on to a ten-year agreement. The investment budget amounts to ca. 9 million euros.

France

Lille – Libercourt, Zone Industrielle – le Parc à stock

A logistics warehouse space of ca.

24,000 m²

Completion of the remaining 24,000 m² of logistics warehouse space, 6,000 m² of which is leased over the long term by ID Logistics (which is expanding its existing space at this location) and 18,000 m² by Simastock. The investment budget is approximately 9 million euros. After delivery of this expansion, this site holds a total surface of 60,000 m².

Romania[5]

Ramnicu Valcea (1)

New warehouse of approximately

12,000 m²

Strategically located along pan-European Corridor IV – one of the pan-European corridors that are vital to the transport sector – Faurecia, a global player in the development and supply of car parts, has moved into a new warehouse measuring ca. 12,000 m² under a fixed ten-year lease agreement. The investment budget amounts to approximately 8 million euros.

Sibiu (1)

Logistics warehouse of approximately

8,000 m²

A logistics warehouse of some 8,000 m² for deliveries to the rail sector by tenant Siemens, located along pan-European Corridor IV and in the immediate vicinity of Sibiu's international airport. For this purpose, Siemens is entering into a 10-year rental commitment. The investment budget amounts to around 5 million euros.

Sibiu (2)

Warehouse of approximately

4,500 m²

A strategic hub for DPD, already a tenant in Courcelles, Belgium, consisting of a warehouse, with offices, of ca. 4,500 m² and ample parking under a fixed fifteen-year lease agreement. The investment budget amounts to around 3 million euros.

Brasov

Warehouse of approximately

2,000 m²

A new development project of ca. 2,000 m² has been completed for eMAG on the existing site. The tenant signed a contract for five years, with a one-time termination option after three years. The investment budget amounts to around 1 million euros.

5 Based on 100% of the investment value.

Braila (fase 2)

An expansion of approximately

26,000 m²

Yazaki has expanded its existing area with a new section of around 26,000 m² under a fifteen-year lease agreement with a one-time termination option after ten years. The investment budget amounts to around 14 million euros. The lease period for phase 1 is renewed for the same period as phase two. In total, Yazaki has an area of over 42,000 m².

Ramnicu Valcea (2)

Warehouse of approximately

7,000 m²

A warehouse, with offices, of over 7,000 m², completed for Bekaert Deslee. The lease contract is for fifteen years and three months with a first termination date after ten years. The investment budget amounts to around 3 million euros.

4. Projects under development

WDP expects the total of projects under development of approximately 175 million euros to generate an initial gross rental return of around 6.80%.

In the fourth quarter of 2016 WDP realised a capital increase of 178 million euro to finance this development pipeline project. The funds from the increase in capital were used temporarily to phase out the credit lines, and these will now be used according to expenditure for the realisation of these projects. As at 31 December 2016 the total untapped credit lines amounted to 300 million euros.

Belgium

Zellik, Z4 Broekooi 290

A surface area of

30,000 m²

After tenant Antalis had pulled out and moved into a smaller, more customised building[6], the surface area that became available is being redeveloped into a service centre tailored to the needs of Euro Pool System. In total, an area of 30,000 m² (ground floor and mezzanine) will be developed under a fixed fifteen-year lease agreement. Completion of this project is planned for the autumn of 2017. The investment for this redevelopment amounts to approximately 14 million euros for WDP.[7]

6 See also *6.3.3. Transactions and realisations – Projects completed in 2016 – Belgium.*
7 See press release dated 24 May 2016.

The Nederlands

Barendrecht, Dierensteinweg 30

A site measuring a total of

40,000 m²

A new construction for the expansion of The Greenery's existing Retail DC. The new development will also accommodate the logistics activities of Hagé International, the import department of The Greenery. A second new development is underway for the existing Euro Pool System container washing plant, where The Greenery's crates are washed. Building B was delivered during Q3 2016 as planned. Building A is being delivered in phases in late 2016 and in the spring of 2017. Altogether these amount to 40,000 m². The investment budget amounts to ca. 18 million euros.

Barendrecht, Dierensteinweg 30

A surface area of approximately

23,700 m²

In line with the purchase of building C-D[8], this site will be redeveloped with a future gross floor area of ca. 23,700 m², customised for tenant The Greenery, based on a lease term of at least fifteen years (completion slated for the fourth quarter of 2017 and the fourth quarter of 2018, respectively). The investment budget amounts to ca. 10 million euros.

Oosterhout, Denariusstraat

New construction site of approximately

10,000 m²

New construction site of ca. 10,000 m² for Brand Masters, specialised in the development and distribution of chocolate and confectionery, under an eleven-year lease agreement. Delivery is scheduled for Q2 2017. The investment budget amounts to ca. 7 million euros.

8 See the *Interim Financial report 2016*.

Bleiswijk, Maansteenweg/ Spectrumlaan

A land position of approximately

70,000 m²

In early 2016, WDP purchased a land position of ca. 7 hectares at this site. For Mediq, a distribution centre of around 25,000 m² is being set up, with delivery slated for Q2 2018. Moreover, for Total Exotics, a tailored warehouse measuring 6,000 m² is being erected, with delivery slated for Q1 2018, based on a lease agreement of twelve years (with a first termination option after six years). The total investment budget for both projects amounts to ca. 17 million euros.

Veghel, Marshallweg 2

Distribution centre totalling about

35,000 m²

Partial redevelopment of a strategic FMCG[10] campus for Kuehne + Nagel, already owned by WDP. This phased redevelopment involves replacing 31,000 m² in old storage space with a brand-new, state-of-the-art distribution centre totalling around 35,000 m². WDP expects final delivery of this site during Q2 2018. The investment budget amounts to ca. 22 million euros.

Heerlen, Earl Bakkenstraat

A surface area of more than

33,000 m²

In Heerlen, near Maastricht, logistics service provider CEVA Logistics, along with WDP, will develop a pharma hub with additional growth potential. CEVA organises logistics for medical devices for Medtronic. The new development, fully GDP-compliant[9], covers an area of over 33,000 m² in the first phase, with completion slated for Q3 2017. CEVA is signing on to a basic five-year lease agreement. The investment budget for WDP amounts to ca. 32 million euros.

Venlo, Trade Port Noord

Multi-user warehouse totalling some

50,000 m²

On a newly acquired land resource, WDP welcomes logistics service provider DB Schenker, already a WDP tenant in France, which plans to use this site to expand its operations within the Dutch Limburg region. WDP is fitting out its tenant with a new multi-user warehouse totalling some 50,000 m², with delivery slated in the course of Q3 2017. The investment budget for this project amounts to ca. 30 million euros.

9 Good Distribution Practice or GDP refers to the guidelines for the proper distribution of medicinal and related products for human use.

10 *FMCG* stands for *Fast Moving Consumer Goods*.

Romania[11]

Bucharest (1)

Warehouse of approximately

22,000 m²

A distribution centre is being erected for Decathlon on a newly purchased parcel to the north of Bucharest. This warehouse holds a surface of around 22,000 m² and features a mezzanine of another 6,000 m² as well as a planned expansion for 10,000 m². Decathlon will provision its shops from this site and has signed a thirty-year lease agreement (with the first option to terminate after seven years). Delivery is slated for the first half of 2017. The investment budget amounts to ca. 15 million euros.

Bucharest (2)

Distribution centre of approximately

11,000 m²

A second project on this site is underway for a retailer who, after delivery (scheduled for Q4 2017), will move into a distribution centre of around 11,000 m² with an expansion to 16,000 m² under a ten-year lease agreement. WDP projects an investment budget of some 8 million euros.

Timisoara

Distribution centre of approximately

5,000 m²

International logistics service provider Kuehne + Nagel will move into a newly developed distribution centre of ca. 5,000 m² and will sign on to a five-year lease agreement. The new site is being developed in Timisoara, a new region in western Romania where WDP wants to offer storage space. WDP projects an investment budget of ca. 2 million euros for this new development project. Delivery of this project is slated for the third quarter of 2017.

Cluj-Napoca (3)

Distribution centre of approximately

11,000 m²

At this site, the supermarket chain Profi is centralising its retail service for fruit and vegetables for the Transylvania region. In phases, WDP will custom-develop a refrigerated distribution centre, with offices, totalling over 11,000 m², with delivery slated for Q1 2018. Profi is signing on to a long-term ten-year lease agreement. The investment budget amounts to ca. 10 million euros.

Cluj-Napoca (4)

Warehouse of approximately

4,700 m²

New development project for Arcese. After delivery, slated for Q3 2017, this logistics service provider will lease a surface of 4,700 m² under a five-year lease agreement. WDP projects an investment budget of some 2 million euros.

Oarja

Distribution centre of more than

7,700 m²

The existing tenant, Röchling, wishes to double its current warehouse space. By Q4 2017, WDP will therefore deliver over 7,700 m² of distribution space under a long-term ten-year lease agreement. The investment budget amounts to ca. 3 million euros.

11 Based on 100% of the investment value.

5. Future potential

WDP has an additional number of projects in stock within its own portfolio for which the necessary permits have been applied, so that realisation can commence based on commercialisation.

Belgium

Ghent, Amerigo Vespuccistraat 2

160,000 m²

The WDPort of Ghent not only offers a superb location, but also exceptional multimodal characteristics unique to Flanders, an ideal combination of container terminal and maritime, inland waterway, rail and road transport facilities. After finishing the first project[12], a further 160,000 m² remains available for development, subject to pre-letting agreements.

Heppignies, rue de Capilône 6

60,000 m²

This terrain is very strategically located near Charleroi airport in the heart of economic activities surrounding the airport and close to the intersection of motorways. After finishing the first project[12], a further 60,000 m² remains available for development, subject to pre-letting agreements.

Liege, Trilogiport

35,000 m²

WDP has a concession at Trilogiport Liège. After finishing the first project[12], a further 35,000 m² remains available for development, subject to pre-letting agreements.

Meerhout, Nikelaan 1

23,000 m²

In cooperation with BCTN, WDP is further developing the trimodal terminal of Meerhout: it entails the strategic view location along the E313, the immediate vicinity of the largest inland container terminal in Belgium, the excellent railway connection and the waterway connection via the Albert Canal. On a pre-letting basis, WDP can provide a customised development of approximately 23,000 m² for the tenant of a warehouse.

Sint-Niklaas, Prins Boudewijnlaan

60,000 m²

A project site with a surface area of 4,000 m² on a site of approximately 11,000 m², at a perfect location along the E17 motorway.

Courcelles, rue de Liège 6

10,000 m²

At this site there is still room for a third phase for the construction of 10,000 m² additional storage spaces.

12 See *6.3.3. Management Report – Transactions and realisations – Projects completed in 2016 – Belgium* on page 49.

The Netherlands

Tiel, Medel 1A

30,000 m²

On this site there is still room for the development of a second phase of approximately 30,000 m² of storage space, likewise subject to pre-letting agreements.

Luxembourg

Eurohub Sud

26,000 m²

An expansion potential of 26,000 m² (subject to future pre-letting agreements) located in the zone for logistics companies *Eurohub Sud*.

Eurohub Centre

50,000 m²

Development potential for a building of some 50,000 m² subject to pre-letting agreements in the immediate vicinity of the cargo airport of Luxembourg. This is a parcel on concession land of 9 hectares, owned by the Grand Duchy of Luxembourg and located in the *Eurohub Centre* logistics zone in Contern.

Romania

There's still a great deal of potential in Romania. In the future too, WDP will continue to focus on building pre-let properties. These projects will be carried out via WDP Development RO in a 51-49% joint venture with entrepreneur and Romania expert Jeroen Biermans.

6. Sustainability

30 MWp solar panel programme in the Dutch property portfolio

Within the framework of WDP's strategy to improve the sustainability of its portfolio, WDP has launched a green energy programme by installing solar panels in the Netherlands, with a total capacity of approximately 30 MWp. Project execution is in full swing in cooperation with the clients. Installation is currently underway on the roofs at thirteen sites, bringing the total installed capacity to 15 MWp. In addition to this, installation of 10 MWp in capacity is also underway, with staggered deliveries by mid-2017.

7. Changes in policy regarding Dutch REIT status

In the Netherlands, WDP, through its subsidiary WDP Nederland N.V., has the fiscally transparent status of an FBI (Fiscale Beleggingsinstelling). The conditions for this depend on factors such as activities and shareholder structure. The Dutch tax authority has indicated to WDP that as a shareholder in WDP Nederland N.V., it is subject to a new shareholder test, and more specifically WDP itself could be designated as an FBI. In this context, the company is currently in talks with the Dutch tax authority to examine the details of the situation.[13]

13 For the reader's information, WDP estimates the difference between the fiscally transparent status of a Fiscale Beleggingsinstellling (FBI) and the normal taxation regime (pro forma) to be no more than 0.15 euros per share of EPRA Earnings (approximately 3%). This maximum theoretical impact was calculated for the scenario in which talks with the Netherlands tax administration do not end in a reasonable agreement, which in the view of the company is unlikely.

4. Management of financial resources

1. Financing policy

WDP group's financing policy is designed to ensure that the company is well funded, with a balanced mix of debt and equity, and that there are sufficient resources available to complete current projects and seize any potential opportunities that may arise.

The main objectives in this context are as follows:
- proactive management of the capital structure;
- a good balance between equity and debt;
- a good diversification of the various sources of financing;
- a good spread of the maturity dates of the liabilities;
- a satisfactory liquidity position;
- sustainable long-term relationships with all financing partners;
- active management of financial risks, including interest rate risks, liquidity risks and counterparty risks.

KEY FINANCIAL FIGURES	31 DEC. 16	31 DEC. 15
Net financial debt (in million euros)	1,045.6	1,041.8
Debt and liabilities included in gearing (in million euros)	1,071.7	1,062.9
Balance sheet total (in million euros)	2,182.6	1,907.3
Gearing ratio (IFRS)[1] (in %)	49.2	55.7
Gearing ratio (proportional) (in %)	50.5	56.8
Interest Coverage Ratio[2] (in x)	4.1	4.2
Average cost of debt[3] (in %)	2.8	2.9
Average remaining term of outstanding debts (in years)	4.3	4.2
Average remaining term of long-term credit facilities (in years)	4.8	4.6
Hedge ratio[4] (in %)	93	77
Average remaining term of interest rate hedges[5] (in years)	7.2	6.8

1 ◤The gearing ratio (IFRS) is calculated in the same manner as the gearing ratio (proportional) in accordance with the Belgian Royal Decree on GVV/SIR, but based on a consolidated balance sheet in accordance with IFRS that incorporates joint ventures using the equity accounting method.

2 Defined as operating result (before the result in the portfolio) divided by interest charges minus interest income and dividends minus income from financial leases and similar. This ratio indicates the extent to which the company is able to meet its annual interest payments.

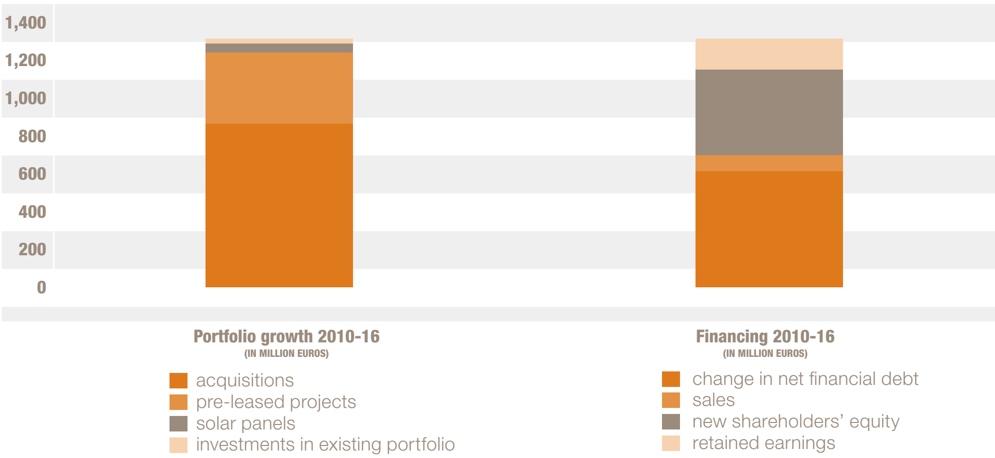
3 ◤Average cost of the debt: this is the weighted average annual interest rate for the reporting period, taking into account the average outstanding debt and hedging instruments over this period.

4 ◤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 GVV/SIR Law.

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

WDP has a competitive edge when looking for appropriate sources of financing due to the scale at which it manages its business operations, the stringent regulations with which GVV/SIR must comply and the high level of rent flow transparency. This is exceptionally important in the ever-evolving financing environment, in which high creditworthiness and diversification are key.

SOURCES OF FINANCING 2010-16: MATCHING WDP'S ASSETS AND LIABILITIES



2. Debt structure

As far as possible WDP endeavours to guarantee a matching of its assets and liabilities throughout the cycle. From that point of view the portfolio generates a gross return of around 7.5%, based on very high visibility with an average lease agreement of 6.3 years until the first maturity and 7.8 years until the expiry date). These are then financed with debts which today bear an average cost of under 3%, based on a very high hedge ratio with long-term hedging instruments, at an average of 7.2 years.

This high margin between return and costs, ensures an adequate support to meet the financial burden, which translates into an interest Coverage Ratio of 4.1x. Moreover, the visibility on both the income and expenses results in a robust revenue flow.

Gearing ratio

The use of debt is restricted by law under the GVV/SIR Royal Decree. For example, the maximum gearing is set at 65% (at both consolidated and statutory level) and distribution to shareholders is not possible if this exceeds the legal limit, as the resources must be used to reduce the gearing below 65% in that case. Debts are used to maximise shareholder return, but must be used prudently, taking into account a set of factors, such as access to refinancing capital, the capacity to bear interest charges, the quality of the portfolio, the term of the leases and the share of projects under development. WDP prefers a financial policy based on a gearing between 55% and 60%.

At the end of 2016, WDP's consolidated gearing ratio (IFRS, respectively proportional) amounted to 49.2% (50.5%) as opposed to 55.7% (56.8%) at the end of 2015[1].

Breakdown

On 31 December 2016, the total consolidated net financial debt amounted to 1,045.9 million euros. This amount is broken down as follows:

- 533.2 million euros in traditional bilateral medium and long-term bank loans, spread over twelve banks;
- 138.0 million euros in commercial paper[2];
- 325.9 million euros in bond loans;
- 38.6 million euros in straight loans;
- 10.1 million euros in lease debts.

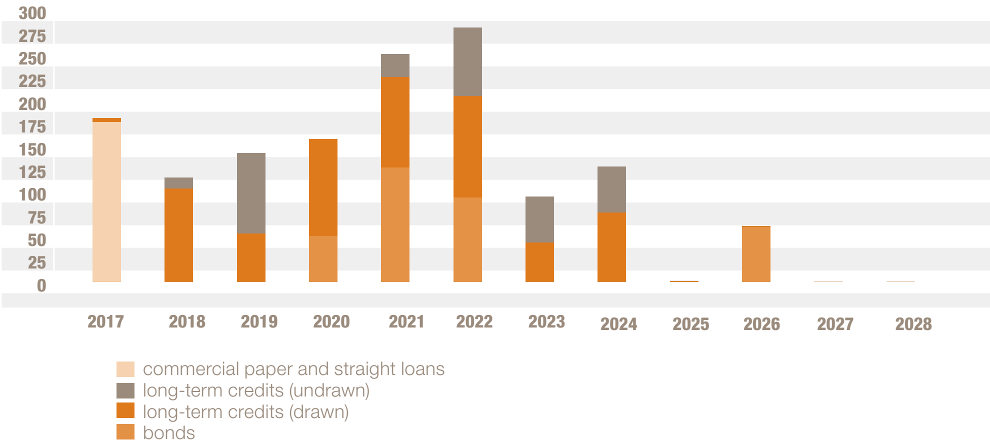
Maturity dates

The bulk of the debt instruments applied are bullet instruments, which means that interest charges are payable on the principal drawn down during the term and the capital must be fully repaid on the final maturity date. 17% of the debts are short-term debts (mainly straight loans and commercial paper), while 46% have a term of more than one year and 37% expire after more than five years. Regarding the maturity dates of the long-term debts in 2017, these respective credit facilities had already been extended in full.

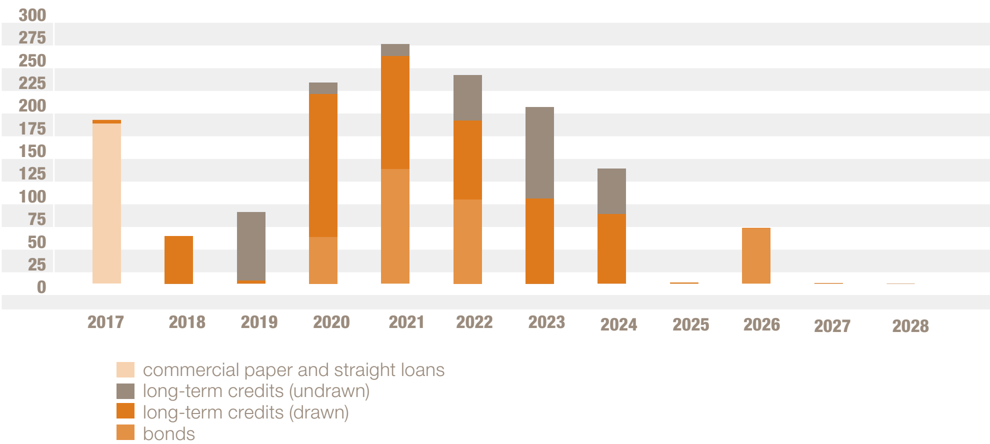
1 See also explanatory notes *XXI. Calculation of the gearing and notes regarding changes in gearing* on page 228 for the application of Article 24 of the Belgian Royal Decree on GVV/SIR.

2 The commercial paper is covered with backup lines and untapped credit lines to serve as collateral for financing, if subscription or extension of commercial paper appears to be impossible or only possible to a limited degree.

CREDIT MATURITY DATES (MINIMAL TERM)[3]



CREDIT MATURITY DATES (MAXIMUM TERM)[3]



3 For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. In the event of a minimum term, it is assumed that these extension options would not be executed; in the event of a maximum term, it is assumed that they are always executed.

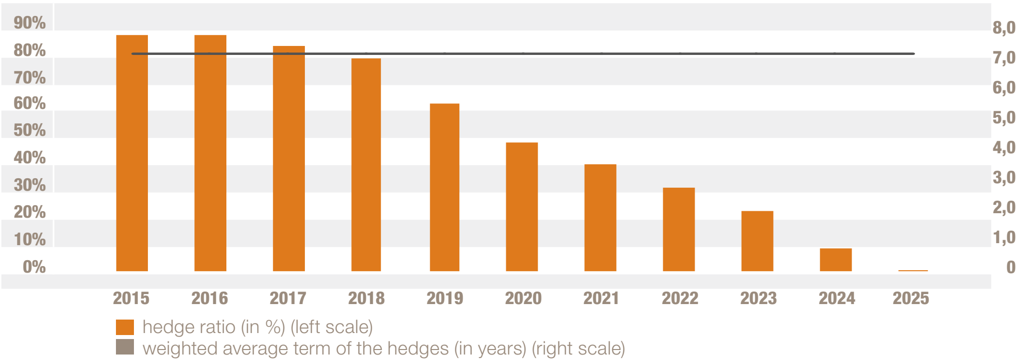
The weighted average term of WDP's outstanding financial debts on 31 December 2016 was 4.3 years[4]. If only the total drawn and undrawn long-term credit facilities are included, the weighted average term is 4.8 years[5]. At year-end 2015, this was 4.2 and 4.6 years respectively.

At 31 December 2016, the total amount of undrawn and confirmed long-term credit facilities amounted to ca. 300 million euros[6]. There were no maturity dates for long-term debts in 2016.

The graphs above show the maturity dates of the loans WDP intends to spread debt as evenly as possible over time, which also involves finding a balance between term, cost, and diversification of the debt instruments used. As the lender for some loans can exercise an extension option (at the request of WDP), the graphs above take into account the minimum and maximum term of the loans. With regard to the maximum term, it was assumed that extension options were always exercised by the bank. In 2017, a total of 179.5 million euros in debts will reach maturity, of which 138.0 million euros is related to the commercial paper which, by definition, has a term of less than one year. As noted before, this commercial paper is fully covered by available, unused credit facilities if they cannot be placed with investors in whole or in part.

4 Including the short-term debts, consisting mainly of the commercial paper programme, which is fully covered by backup facilities.
5 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 5.1 years.
6 Excluding the credit facilities at the European Investment Bank for financing pre-leased projects in Romania, and credit facilities covering the commercial paper programme.

EVOLUTION OF THE HEDGE RATIO



Hedges

The goal of WDP's risk policy with regard to interest rates is to offset fluctuations in interest rates as much as possible and optimise the cost of the debt. This occurs on the basis of a centralised macro hedging policy in which interest rate derivatives are only used to hedge financial debts. On 31 December 2016, the hedge ratio, which measures the percentage of financial debt at fixed and floating interest rates hedged primarily with Interest Rate Swaps (IRS) was 93%[7]. Based on a constant debt level, this hedging ratio will evolve to 93% in 2018 and to 84% in 2020. WDP's result, however, remains subject to fluctuations (see page 228 for a detailed list of financial derivatives, and page 89 for a sensitivity analysis of short-term interest rates).

3. Covenants and securities

The contractual provisions of the credit facilities generally stipulate that WDP remains qualified as a Regulated Real Estate Company (GVV/SIR) in Belgium and as a Fiscale Beleggingsinstelling (FBI) in the Netherlands for the financing of WDP Nederland, that there is a minimum interest coverage ratio of 1.5x and that the value of speculative development projects must not exceed 15% of the book value of the portfolio. WDP confirms that all these conditions were satisfied during the whole of the 2016 financial year. The Interest Coverage Ratio amounted to 4.1x while the percentage for speculative developments at year-end 2016 was 0%.

WDP's financing policy is also aimed at not providing any mortgages or any other securities to creditors, with the exception of those stated on page 135.

7 In the GVV/SIR's hedging policy, the long term of the existing interest rate hedges is implicitly based on the condition that the absolute level of outstanding debts is sustained. See also *1. Risk factors* on page 2 and explanatory note *XIV. Financial instruments* on page 217.

4. Implementation of the financing strategy during 2016

Financing policy in 2016

In 2016 a significant net investment volume of approximately 250 million euros was realised. An appropriate financing strategy was developed in advance in order to be able to comply with the investment obligations and to maintain the company's solid capital structure.

For instance, net capital expenditures were financed almost entirely with new equity for an amount of 238 million euros (through the optional dividend, the retained earnings and the capital increase in cash with irreducible allocation rights at the end of 2016) and the balance through new debts and the private placement of bonds, which could also be used to maintain a buffer of unused credit facilities of about 300 million euros. In addition, this also anticipated the due dates for loans in 2017-18. The gearing ratio (IFRS and proportional, respectively) has decreased to 49.2% (50.5%) as at 31 December 2016.

The company boosted its financial resourcess over 2016 as follows:

- **Increased ABN AMRO credit package by 25 million euros**
  WDP successfully increased its credit package with ABN AMRO by 25 million euros in financing with a term of 2+2 years.

- **Private placement of bonds with ten-year term for a total amount of 60 million euros**
  37.1 million euros of the bonds, or 62% of the total issuance, were placed at a fixed interest rate, and 22.9 million euros or 38% at a floating interest rate. The bonds issued at the fixed interest rate offer a gross annual return of 2.50%. The bonds issued at the variable interest rate offer a variable gross annual return based on 3-month Euribor plus credit margin.

- **Optional dividend to an amount of approximately 33 million euros**
  WDP's shareholders opted for over 60% of their shares to contribute their dividend rights in exchange for new shares in lieu of payment of the dividend in cash. This result led to a capital increase for WDP of about 33 million euros, of which more that 3.6 million euros in authorised capital and about 29.2 million euros in issue premiums, through the creation of 449,223 new shares, taking into account an issue price of 73.00 euros.

- **Refinancing ABN AMRO credit facilities for 62.5 million euros**
  WDP successfully extended an existing loan of 62.5 million euros with ABN AMRO which

matures in early April 2017. The extension is for two years, with a further two-year extension option.

- **Refinancing BNP Paribas Fortis credit facilities for 25 million euros**
  WDP successfully extended the refinancing of an existing loan of 25 million euros with BNP Paribas Fortis that matures in early April 2017. The existing loan will be replaced by a new credit facility with a term of seven years.

- **Refinancing Belfius Bank credit facilities for 25 million euros**
  WDP successfully extended the refinancing of an existing loan of 25 million euros with Belfius Bank that matures at the end of September 2017. The existing loan will be replaced by a new credit facility with a term of seven years.

- **Approval of new loan of 25 million euros by BNP Paribas Fortis**
  Through WDP Development RO, WDP successfully secured a loan with BNP Paribas Fortis to finance its Romanian activities. This was a bullet loan of 25 million euros with a six-year term.

- **Approval of new 50 million euros credit package by Natixis**
  WDP has entered into a collaboration with Natixis that provides for a credit package of 50 million euros, consisting of two loans of 25 million euros each and a term of seven years (5+1+1). This partnership follows a previous collaboration for 25 million euros with Caisse d'Epargne, a fellow subsidiary of Natixis belonging to the French-based BPCE Group.

- **Capital increase in cash with irreducible allocation rights of ca. 178 million euros**
  On 16 November 2016, WDP launched a capital increase in cash within the authorised capital with irreducible allocation rights by issuing 2,369,560 new shares. The public offer was preceded by a private placement subject to a full claw-back by existing shareholders in an accelerated book building (an accelerated private placement with creation of an order book) in which the issue price was set to 75.00 euros per share, resulting in a total gross capital increase of ca. 178 million euros, in particular ca. 19 million euros of authorised capital and ca. 159 million euros in issue premiums. The yield from this capital increase was used to strengthen equity within the framework of the implementation of the 2016-20 growth plan, more specifically to finance the investment pipeline.

- **Refinancing of KBC credit facilities for 50 million euros**
  WDP successfully extended an existing loan of 50 million euros with KBC which matures in Q1 2018. The extension is for six years.

In addition, the company was able to lower its cost of debt.

WDP has made use of the very low interest rates in 2016 to reassess its existing hedging instruments. In this context, a number of existing Interest Rate Swaps were extended by smoothing these over time in a cash-neutral manner. This resulted in better visibility on earnings, on the one hand, and in organic savings, on the other. Moreover, in the course of July and August 2016, WDP concluded various new interest rate hedges for a total notional amount of 150 million euros by means of Interest Rate Swaps with a ten-year term at an average interest rate of 0.1%. Thanks to these additional hedges, and in part to the reduction in the debt position resulting from the capital increase, the hedge ratio[8] stood at 93% as at 31 December 2016, compared to 77% at 2015 year-end. At the end of 2016, the cost of debt amounted to 2.8%, as is the case for the average cost of debt[9] during the year, which likewise amounted to 2.8%.

Financial risks

WDP continued to closely monitor the potential impact of the financial risks in 2016 and implemented the necessary measures to manage these risks. These risks include counterparty risk (insolvency or credit risk affecting financial partners), liquidity risk (non-availability of funding or very expensive funding options) and risks related to interest, budget, covenants and exchange rates.

For a detailed overview of financial and other risks, their mitigating factors and management, see chapter *1. Risk factors* on page 2.

8 ◤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 Law (Wet betreffende de gereglementeerde vastgoedvennootschappen or GVV-Wet).

9 ◤Average cost of the debt: This is the weighted average annual interest rate for the reporting period, taking into account the average outstanding debts and hedging instruments over this period.

5. EPRA stats

EPRA key performance indicators

The statutory auditor confirms that the EPRA key performance indicators have been calculated in accordance with the definitions of the EPRA Best Practices Recommendations and/or that the financial data used to calculate those ratios complies with the accounts as stated in the consolidated financial statements.

Publication of this information is not mandatory according to the rules governing the GVV/SIRs.

TABLE	EPRA PERFORMANCE MEASURE	DEFINITION	PURPOSE	IN EUROS (X 1,000)	IN EUROS PER SHARE
I.	EPRA Earnings	Recurring earnings from the core operational activities.	A key measure of a company's underlying operating results from its property rental business and an indicator of the extent to which current dividend payments are supported by earnings.	100,760	5.30
II.	EPRA NAV[1]	NAV adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystalise in a long-term investment property business model.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the current fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.	1,092,599	51.2
II.	EPRA NNNAV[2]	EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all assets and liabilities within a real estate entity.	1,021,666	47.9
III.	EPRA NIY[3]	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	A comparable measure around Europe for portfolio valuations. In the past, there has been debate about portfolio valuations across Europe. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.	N/R	N/R
III.	EPRA TOPPED-UP NIY[3]	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	WDP provides detail on the calculation of the measure and reconciliation between the EPRA NIY and EPRA TOPPED-UP NIY.	N/R	N/R
IV.	EPRA vacancy rate percentage	Estimated Market Rental Value (ERV) of vacant spaces, divided by ERV of the whole portfolio.	A pure (in %) measure of investment property space that is vacant, based on ERV.	N/R	N/R

1 NAV = Net Asset Value.
2 NNNAV = Triple Net Asset Value.
3 NIY = Net Initial Yield.

I. EPRA EARNINGS

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Earnings per IFRS income statement	**130,232**	**142,698**
To be excluded:		
I. changes in the value of the investment properties and development properties held for investment and other interests	-30,577	-44,680
- changes in the value of the property portfolio	-34,046	-47,690
- depreciation on solar panels	3,066	3,010
II. profit or loss on disposal of investment properties and development properties held for investment and other interests	41	76
VI. changes in fair value of financial instruments and associated close-out costs	-1,787	-7,839
VIII. deferred taxes in respect of EPRA adjustments	1,057	0
X. minority interests in respect of the above	0	0
IX. adjustments to the above (i) to (viii) relating to the joint ventures (unless already included in the proportional consolidation)	2,196	684
EPRA-Earnings	**100,760**	**90,938**
Weighted average number of shares	18,997,071	18,181,244
EPRA EARNINGS PER SHARE (in euros)	**5.30**	**5.00**

II. EPRA NET ASSET VALUE

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
IFRS NAV	**1,032,352**	**768,273**
IFRS NAV/share (in euros)	48.4	41.5
Diluted NAV, after exercise of options, convertibles and other equity interests	**1,032,352**	**768,241**
Excludes:		
(iv) fair value of financial instruments	59,379	61,166
(v) deferred tax	867	957
EPRA NAV	**1,092,599**	**830,364**
Number of shares	21,326,043	18,507,260
EPRA NAV per share (in euros)	**51.2**	**44.9**
EPRA NAV		
Includes:	**1,092,599**	**830,364**
i. fair value of financial instruments	-59,379	-61,166
ii. fair value of financial debts	-10,687	-9,982
iii. deferred taxes	-867	-957
EPRA NNNAV	**1,021,666**	**758,259**
Number of shares	21,326,043	18,507,260
EPRA NNNAV/share (in euros)	**47.9**	**41.0**

III. EPRA NIY AND TOPPED-UP NIY

(in euros x 1,000)		31 DEC. 16	31 DEC. 15
Investment properties – wholly owned		2,036,723	1,797,711
Investment properties – share of joint ventures		71,408	46,308
Assets held for sale		1,367	823
Less developments and land reserves		-126,415	-85,416
Completed property portfolio		1,983,121	1,759,426
Allowance for estimated purchasers' costs		83,767	61,443
Gross up completed property portfolio	**B**	**2,066,850**	**1,820,868**
Annualised cash passing rental income		144,748	129,686
Property outgoings		-4,545	-4,236
Annualised net rent	**A**	**140,203**	**125,451**
Notional rent expiration of rent free period or other lease incentives		0	0
Topped-up net annualised rent	**C**	**140,203**	**125,451**
EPRA NIY	**A/B**	**6.8%**	**6.9%**
EPRA TOPPED-UP NIY	**C/B**	**6.8%**	**6.9%**

IV. INVESTMENT PROPERTY – RENTAL DATA AND VACANCY RATE (EPRA)

	Gross rental income 2016 (in euros x 1,000)	Net rental income 2016 (in euros x 1,000)
Belgium	60,741	58,064
the Netherlands	67,486	64,082
France	5,040	4,796
Romania	2,215	1,885
Total properties available for lease	**135,482**	**128,827**
Reconciliation to the consolidated IFRS income statement		
Rental income related to:		
- investment properties held for sale	138	141
- previously sold investment property		-3
- investment properties under development for own account with the purpose of being rented out		14
- income from solar energy		8,379
- Romania	-2,215	-1,885
- other adjustments	-1,914	-1,741
Total	**133,705**	**135,617**

Lettable space at 31 DEC. 16 (in m²)	Annualised gross rental income (in euros x 1,000)	Expected rental value for vacant space at 31 DEC. 16 (in euros x 1,000)	Total expected rental value (in euros x 1,000)	Vacancy rate (in %)
1,643,435	63,337	3,109	66,345	4.7
1,482,176	71,320	1,351	70,173	2.0
169,965	6,373	364	7,005	5.2
79,906	3,717	0	3,509	0.0
3,375,482	**144,748**	**4,823**	**147,032**	**3.3**
-79,906	-3,717	0	-3,509	
0	0	0	0	
3,295,576	**141,031**	**4,823**	**143,523**	

V. EPRA COST RATIO

(in euros x 1,000)		31 DEC. 16	31 DEC. 15
Include:			
I. operational costs (IFRS)		11,678	12,202
III. management fees less actual/estimated profit element		-821	-511
IV. other operation income/recharges, intended to cover overhead expenses less any related profits		904	350
V. operational costs of joint ventures		1,098	475
Exclude (if part of the above):			
VI. depreciation		-688	-678
EPRA costs (including direct vacancy costs)	**A**	**12,171**	**11,829**
IX. Direct vacancy costs		-821	-340
EPRA costs (including direct vacancy rate costs)	**B**	**11,359**	**11,489**
X. Gross rental income less rent payable on leased land (IFRS)		132,558	117,535
XII. Gross rental income less rent payable on leased land of joint ventures		2,215	548
Gross rental income less rent payable on leased land	**C**	**134,772**	**118,083**
EPRA cost ratio (including direct vacancy costs)	**A/C**	**9.0%**	**10.0%**
EPRA cost ratio (excluding direct vacancy costs)	**B/C**	**8.4%**	**9.7%**

VI. INVESTMENT PROPERTIES – LIKE-FOR-LIKE NET RENTAL INCOME

(in euros x 1,000)	31 DEC. 16 Properties owned throughout the two years	 Acquisitions
Belgium	47,420	1,440
the Netherlands	36,791	13,754
France	4,778	
Romania	1,279	258
Properties available for lease	**90,268**	**15,452**
Reconciliation to the consolidated IFRS income statement		
Net rental income property investments sold at an earlier date	-3	
Unassigned	-99	
Income from solar energy	6,593	1,049
Other adjustments: Romania	-1,193	-258
Operating result on portfolio in the IFRS consolidated profit and loss account	**95,566**	**16,243**

31 DEC. 16			31 DEC. 15	
Disposals	Projects	Total net rental income	Properties owned throughout the two years	Organic growth net rental income 2016 (in %)
6	9,810	58,676	46,671	1.6%
	13,255	63,800	38,935	-5.8%
		4,778	4,960	-3.8%
	1,613	3,150	1,288	-0.7%
6	**24,678**	**130,404**	**91,854**	**-1.8%**
		-3		
		-99		
	737	8,379		
	-1,613	-3,064		
6	**23,802**	**135,617**	**91,854**	

VII. INVESTMENT PROPERTY – VALUATION DATA

(in euros x 1,000)	Fair value	Fair value movements in the year	Net initial yield EPRA (in %)
Belgium	894,389	11,629	6.7
the Netherlands	969,635	19,517	6.7
France	87,607	2,903	6.9
Romania	43,690	-1,997	9.2
Total property available for lease	**1,995,321**	**32,051**	**6.8**
Reconciliation to the consolidated IFRS income statement			
- Investment properties under construction for own account for lease	61,754		
- Land reserves	52,914		
- Investment properties held for sale	-1,364		
- Other adjustments: joint ventures	-71,901		
- Owned property	-43,690		
- Investment properties under construction for own account for lease	-9,690		
- Land reserves	-18,522		
Investment properties in the consolidated IFRS balance sheet	**2,036,723**		

VIII. INVESTMENT PROPERTIES – DETAILS REGARDING LEASES

	Average lease term	
SEGMENT	till break (in years)	till expiry (in years)
Belgium	4.4	7.5
the Netherlands	7.0	7.4
France	2.1	5.2
Romania	9.3	11.8
TOTAL	**5.7**	**7.5**

Lease next break data Passing rent of leases with next break in (in euros x 1,000)			Details of final expiry date of lease agreements Passing rental of lease agreements on final expiry date (in euros x 1,000)		
year 1	year 2	year 3-5	year 1	year 2	year 3-5
6,487	11,416	27,989	2,469	1,557	18,589
7,072	6,645	14,872	6,276	6,678	14,432
691	2,729	2,954	469	1,043	932
0	0	284	0	0	284
14,250	**20,790**	**46,098**	**9,214**	**9,278**	**34,237**

6. Outlook

The outlook described below includes expectations for the financial year 2017 with regard to the consolidated EPRA Earnings and WDP's consolidated balance sheet.

This outlook was prepared based on information available at 31 December 2016.

The projections with regard to the consolidated balance sheet and the EPRA Earnings[1] represent a forecast of which the actual realisation depends on changes in the economy, the financial markets and property markets. These forward-looking information, forecasts, opinions and estimates prepared by WDP relating to its currently expected future performance and the market in which WDP operates, do not constitute a commitment for the company. By their very nature, forward-looking statements imply inherent risks, uncertainties and assumptions, both general and specifically, and there is a risk that the forward-looking statements will not prove to be accurate.

1 ◤ EPRA Earnings: this 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) excluding the result in the portfolio, the changes in fair value of financial instruments, and depreciation and write-downs on solar panels. See also www.epra.com.

1. Assumptions

Accounting methods used

- The accounting basis used for these forecasts is in conformity with the accounting methods used by WDP in the context of preparations of its consolidated accounts as at 31 December 2016 in compliance with IFRS as applied by the European Union and implemented by the Belgian Royal Decree on GVV/SIR.

Assumptions regarding elements that are beyond WDP's direct control

- For changes in the rental income, a weighted average inflation level of 1.0% is taken into account which relates to the indexation of lease agreements in 2017, based on the economic consensus expectations as at 31 December 2016.

- The calculation of interest rates has been based on an average level of the Euribor interest rates for one, three and six months of -0.35%, -0.30% and -0.20% respectively.

- The financial hedging instruments (mainly Interest Rate Swaps) are valued in conformity with IFRS (IAS 39) at market value in the consolidated financial statements. In view of the volatility in international financial markets, variations in these market values were taken into account. These variations are also not relevant for prospects in connection with the EPRA Earnings on which the dividend payment is based.

- In line with IFRS, the property portfolio (IAS 40) and solar panels (IAS 16) are stated at fair value. However, no forecasts are made regarding changes in the fair value relating to the property portfolio and solar panels, because this would be unreliable and subject to a variety of external factors beyond the company's control. These changes are also irrelevant for the outlook with regard to the EPRA Earnings on which the dividend payment is based.
- It is assumed that no material changes occur in the (geo)political and/or economic climate which could have a material impact on the group.
- It is assumed that no material changes take place in the tax laws or regulatory requirements that would have an impact on the results of the group or the accounting methods that it uses.
- The outlook can also be affected by market, operational, financial and regulatory risks as described in chapter *1. Risk factors* on page 2.

Assumptions regarding elements that are within WDP's direct control

Net rental result

- This result is estimated on the basis of current contracts, with due consideration for the assumptions used for the indexation of the leases (see above), where indexation is applied to individual contracts based on the anniversary of the lease.
- In 2017, 13% of the contracts will reach their next expiry date, and more than 70% of these had already been renewed by the time of publication of the results, meaning that their actual rent is known. For the 30% that has not yet been renewed, account is kept of lease extensions/lease renewals: an analysis was drawn up on an individual basis of the vacancy period, increased expenses and taxes normally payable by the tenant, any renovation costs, marketing expenses and a new rent level on reletting which is comparable to the current level. Based on information currently available and the existing rental market situation, WDP projects a minimum average occupancy rate of 96% for 2017, in line with 97% at the end of 2016.
- The net investment volume of approximately 250 million euros achieved in 2016, will contribute fully to the result of the 2017 financial year. In addition as announced, there are already various pre-leased new build projects under development and acquisitions to be completed or closing

in 2017. The increase in rental income is mainly driven by this external growth.

Other operating income/expenses

- This item mainly contains revenues from the production of solar energy. These are estimated at 10.9 million euros[2], taking into consideration a slightly higher organic based income – due to less sunshine in 2016 – and a contribution by the new solar energy projects under construction which gradually extends the capacity in the Netherlands to 25 MWp.
- In addition, this item includes the net effect of costs charged to tenants, including the management fee for the property that WDP charges to tenants.

Property charges

- These costs mainly include net costs, i.e. after any charges recharged to tenants, for maintenance and repair, utilities, taxes, insurance contracts and commissions. For 2017, the charges were estimated on the basis of the current portfolio, expected investments and changes in the results for previous financial years.

General company expenses

- In general, the growth in general company expenses is in line with the growth of the portfolio. Further work is being done on the operational platform to maintain cost efficiency, i.e. maintaining the high operating margin (which is maintained at a level of approximately 93%).

- These costs include WDP's internal operating costs, i.e. the remuneration of WDP's statutory manager (particularly the remuneration for executive management and the independent executives) and the costs of administrative staff. This also includes the contractual rents payable for the WDP offices in Meise (Wolvertem) and Breda, and administrative costs.

- The overhead costs also include a heading consisting of estimated fees payable to external advisers or experts, such as property experts, lawyers, tax experts, accounting and computing costs, consultancy contracts, and the remuneration of the auditor for statutory audits.

- As WDP is a listed company, its overhead costs also include the annual tax on Belgian Regulated Real Estate Companies, fees payable to the financial agent and liquidity provider, fees for the Euronext listing, costs relating to the prudential supervision of GVV/SIRs, and the company's budget for financial and commercial communication.

Financial result

- The estimate of interest charges is based on changes in the financial debts, starting from the current situation as at 31 December 2016 and with an estimate of the additional debts to fund the investment programme being implemented in 2017. In this a debt

2 See also explanatory note *IV. Significant accounting reviews and key uncertainties affecting estimates* for the prediction of cash flows of the PV installations.

ratio (IFRS, proportional) of around 51% (52%) is expected.

- Taking into account changes in short-term interest rates (see page 220) and a hedge ratio of 93% based on the situation as at 31 December 2016, an overall funding cost of 2.8% is assumed for 2017. This overall funding cost includes a weighted average credit margin, as well as the cost for non-utilisation of existing credit lines, and the cost of interest rate hedging instruments. The assumptions were based on no loans being repaid prematurely, nor that current IRS contracts will be terminated prematurely.

- Total financial costs were then decreased by an estimated amount of capitalised interest based on existing property developments and the opportunity to capitalise interest[3]. In this way, the capitalised borrowing costs are neutralised in the profit and loss account and included in the investment cost of projects. The capitalisation rate used for the capitalised borrowing costs is an equivalent of the estimated overall financing costs.

- As regards the financial income, account is kept of the reimbursement of the inter-company loans provided to the Romanian joint venture.

3 See also chapter *6.3.4. Management Report – Transactions and realisations – Projects under development* on page 49 and chapter *8.1.5. Property report – Discussion on the consolidated property portfolio – Projects under development* on page 137.

Taxes

- These include the annual corporate tax. WDP's tax base in Belgium, the Netherlands and France is virtually nil, due to the company's tax transparency in these countries (not including the effect on disallowed expenses and unusual benefits in Belgium).

- For the other companies that are part of the WDP group, an estimate was made based on projected local results.

Participation in the result of joint ventures

- On the one hand this result contains the Romanian joint venture WDP Development RO, in which WDP holds 51%. The interest which WDP receives from the joint venture on inter-company loans are incorporated in the interest earnings in the financial result (excluding variations in the fair value of financial instruments) (see table). On the other hand this result contains the expected result of the Luxembourg joint venture S.O.L.E.I.L., in which WDP expects to acquire a participation of 55% at the end of Q1 2017.

2. Projected consolidated profit and loss account (analytical schedule)

Based on the current outlook and abovementioned assumptions, for 2017 WDP projects an EPRA Earning of at least 5.35 euros per share

CONSOLIDATED RESULTS
(in euros x 1,000)

	2016 Actual	2017 Budget
Rental income, net of rental-related expenses	131,654	141,804
Indemnification for early termination of leases	55	496
Income from solar energy	8,379	10,874
Other operating income/costs	-427	-1,402
Property result	**139,661**	**151,772**
Property charges	-4,044	-4,510
General company expenses	-5,376	-6,218
Operating result (before the result on the portfolio)	**130,242**	**141,044**
Financial result (excluding changes in the fair value on financial instruments)	-30,284	-28,373
Tax on EPRA Earnings	-124	-285
Deferred taxes on EPRA Earnings	-751	-700
Participation in the result of joint ventures	1,677	3,810
EPRA EARNINGS	**100,760**	**115,496**
Number of shares (weighted average)	18,997,071	21,608,021
EPRA EARNINGS (per share)	**5.30**	**5.35**

CONSOLIDATED BALANCE SHEET
(in euros x 1,000)

	31 DEC. 16 Actual	31 DEC. 17 Budget
Fixed assets	**2,166,098**	**2,337,669**
Investment properties	2,036,761	2,160,244
Other tangible fixed assets (including solar panels)	86,218	98,242
Other fixed assets	43,119	79,182
Current assets	**16,549**	**13,245**
Assets held for sale	1,367	0
Cash and cash equivalents	340	340
Other current assets	14,841	12,904
TOTAL ASSETS	**2,182,646**	**2,350,914**
Shareholders' equity	**1,032,391**	**1,085,213**
Non-current liabilities	**931,075**	**1,044,840**
Non-current financial liabilities	866,463	980,228
Other non-current liabilities	64,613	64,613
Current liabilities	**219,180**	**220,860**
Current financial liabilities	179,473	180,453
Other current liabilities	39,708	40,408
TOTAL LIABILITIES	**2,182,646**	**2,350,914**
Gearing ratio (IFRS)	49.2%	50.6%

(ca. 115 million euros)[4], compared to 5.30 euros in 2016, despite an increase of 14% of the expected average number of outstanding shares, mainly as a result of the capital increase realised at the end of 2016. Due to this capital increase, the gearing ratio (IFRS) dropped to 49.2% at the end of 2016 and the untapped credit lines amount to ca. 300 million euros. Therefore, WDP plans to achieve at least the same results, while the balance sheet and cash positions have enjoyed a considerable boost. The driving force behind this is the strong growth in the portfolio in 2016 thanks to the acquisitions, pre-leased new construction projects and solar power projects which will yield fully in 2017.

3. Expected dividend

Dividend policy is set by the Board of Directors of the statutory manager of WDP and proposed to the Annual General Meeting of Shareholders at the end of each financial year. For 2017, WDP expects a further increase in EPRA Earnings, (under the current circumstances) of at least 5.35 euros per share. On the basis of these expectations and barring unforeseen circumstances, for the 2017 financial year (payable in 2018) WDP expects to pay a dividend per share of 4.45 euros gross, representing an increase of 5% compared to 4.25 euros in 2016, also based on a low payout rate.

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

4. Projected consolidated balance sheet

The projected balance sheet takes into account any factors that could reasonably be estimated. Due consideration was given to the following assumptions:

- As regards changes in the property portfolio, account was taken of the investments mentioned above, consisting of a combination of mainly the development of new construction projects being carried out as well as a few direct property acquisitions.
- The solar panels are reflected at fair value using the same assumptions that were maintained as at 31 December 2016, subject to a roll-over of the valuation model by one year[5]. This adjustment will be recognised directly in the shareholders' equity in accordance with IAS 16.
- For the development in shareholders' equity, account was taken of a strengthening of the shareholders' equity by way of the dividend payment for 2016 in the form of an optional dividend on the assumption of a 50% take-up in shares, the changes in profit during the 2017 financial year, and revaluation of the solar panels. With regard to the profit generation, account was only kept of the EPRA Earnings and, as indicated earlier, abstraction was made of the revaluation of financial instruments as well as the impact of market fluctuations in the portfolio.

5 See also explanatory note *XIII. Other tangible fixed assets* on page 214.

- The forecast for the financial debts was drawn up based on the expected investment volume and the portion which is expected to be financed through shareholders' equity (inter alia via the retained earnings and the optional dividend). As at 31 December 2016 WDP has a buffer of 300 million euros of unused long-term credit facilities, that can be used to cover all existing investments commitments.

5. 2016-20 growth plan update

At the beginning of 2016 a new growth plan was implemented, through which WDP aims to continue growing in size and profitability in its existing markets through sustainability of the current rate of growth. WDP envisages extending the portfolio by 1 billion euros to 3 billion euros. This is based on a number of structural trends such as e-commerce, changing consumption and distribution networks, technological evolutions, sustainability and the shortage of qualitative infrastructure, which translates into an increased demand for modern logistics premises. Here WDP envisages to maintain a debt ratio of 55-60%[6].

To realise this targeted growth, the creation of shareholder value is of prime importance. The new strategic growth plan for 2016-20 aims to accomplish a cumulative growth in the EPRA Earnings per share of a minimum of 25% to at least 6.25 euros over this five-year period.

Since the start of the growth plan at the beginning of 2016, WDP had already announced new investments for a total amount of 350 million euros. These are investments for which WDP has already entered into commitments and which are either already incorporated into the balance sheet as at 31 December 2016, or which are under development. Thus, WDP is well on track in the execution of its growth plan and the company therefore reaffirms its 2016-20 targets set for profit growth per share. Moreover, the current investment pipeline will yield a full return in 2018 and the expected debt ratio will allow further investments in accordance with the growth plan. Based on this, in 2018 WDP will strive to achieve EPRA Earnings of 5.85 euros per share, which reflects a cumulative increase of 10% for 2017-18. This puts WDP on track to reach the 2016-20 growth plan objective of an annual increase in EPRA Earnings per share of 5%. Based on this outlook, WDP intends to set a dividend of 4.45 euros for 2017 and 4.70 euros for 2018, i.e. an increase of 5% per annum.

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

WDP believes that it can achieve this growth based in part on the current strong fundamentals of the company, such as the high occupancy rate, long terms of lease contracts, sustainable average rental levels, an experienced and motivated staff, a cost of debt that remains under control, and a capital structure that remains equated through its applied strategy of combining invest-

6 In financing the plan for growth based on a consistent capital structure for strengthening the shareholders' equity, in principle account is kept of the retained earnings, the optional dividend and a contribution in kind. As regards the debt component, account is kept of traditional credit lines and the issue of bonds.

ment properties with concurrent issues of new debts and loan capital.

6. Sensitivity

The following table provides a non-exhaustive list of external and internal factors that affect the main parameters of the company, i.e. EPRA Earnings, gearing and shareholders' equity

Sensitivity analysis based on the consolidated figures as at 31 DEC. 16

Δ Inflation (in %)	**-1.0%**	**-0.5%**	**0.0%**	**0.5%**	**1.0%**
Δ EPRA Earnings (in million euros)	-1.4	-0.7	0.0	0.7	1.4
Δ Occupancy rate (in %)	**-1.0%**	**-0.5%**	**0.0%**	**0.5%**	**1.0%**
Δ EPRA Earnings (in million euros)	-1.6	-0.8	0.0	0.8	1.6
Δ Euribor (in %)	**-1.0%**	**-0.5%**	**0.0%**	**0.5%**	**1.0%**
Δ EPRA Earnings (in million euros)	-	-	0.0	-0.4	-0.8
Δ Fair value of investment properties (in %)	**-5.0%**	**-2.5%**	**0.0%**	**2.5%**	**5.0%**
Δ Gearing ratio (IFRS) (in %)	2.5%	1.2%	0.0%	-1.2%	-2.3%
Δ Investments (in million euros)	**-50.0**	**25.0**	**0.0**	**25.0**	**50.0**
Δ Gearing ratio (IFRS) (in %)	-1.1%	0.5%	0.0%	0.5%	1.1%
Δ Fair value of investment properties (in %)	**-5.0%**	**-2.5%**	**0.0%**	**2.5%**	**5.0%**
Δ Fair value of investment properties and shareholders' equity (in million euros)	105.5	-52.8	0.0	52.8	105.5
Δ Interest rates (in %)	**-0.5%**	**-0.25%**	**0.0%**	**0.25%**	**0.5%**
Δ Fair value of hedging instruments and shareholders' equity (in million euros)	-28.3	-14.0	0.0	13.7	27.1

7. Report of the Statutory Auditor

Dear Sirs,

We report on the forecasted EPRA Earnings as defined in August 2011 (and last updated in November 2016) in Best Practices Recommendations Guidelines of the European Public Real estate Association) of WDP Comm. VA (the company) and its subsidiaries (collectively, the group), for the 12-month period ending 31 December 2017 (the Forecast). The Forecast and the main assumptions on which it is based are set out in sections 6.1. and 6.2. of the 2016 Annual Financial Report of the Group, dated 20 March 2017 (the 2016 Annual Financial Report, the Registration Document). We do not, however, report on other elements of the net result, nor on the dividend expectations, the forecast of the consolidated balance sheet and the update of the 2016-20 growth plan as mentioned respectively in sections 6.3., 6.4. and 6.5. of the 2016 Annual Financial Report.

This report is required pursuant to Annex I item 13.2 of Commission Regulation (EC) No. 809/2004 (the Prospectus Directive Regulation) and is provided for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the company (collectively, the Directors) to prepare the Profit Forecast in accordance with the requirements of the Prospectus Directive Regulation.

It is our responsibility to form an opinion as required by the Prospectus Directive Regulation as to the proper compilation of the Forecast and to report that opinion to you.

Save for any responsibility arising under art. 61 of the Law of 16 June 2006 to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the registration document.

Basis of Preparation of the Forecast

The Forecast has been prepared on the basis of assessments stated in sections 6.1. and 6.2. of the Registration Document and is based on a projection for the 12 months to 31 December 2017. The basic principles of the Forecast should be in accordance with the Group's principles of financial reporting.

Basis for our declaration

We conducted our work in accordance with the International Standard on Assurance Engagement 3400, the Examination of Prospective

Financial Information as published by the IAASB (International Auditing and Assurance Standards Board). Our work was focused evaluating the basis of the historical financial information and to assess whether the Forecast has been constituted accurately based upon the disclosed assumptions and the accounting policies of the group. Whilst the assumptions upon which the Forecast are based are solely the responsibility of the directors, we have considered whether anything came to our attention to indicate that any of the assumptions adopted by the directors and which, in our opinion, are necessary for a proper understanding of the Forecast, have not been disclosed or if any main assumption made by the directors appears to be unrealistic to us.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Forecast has been properly compiled on the basis stated.

Given that the Forecast and the underlying assumptions pertain to the future and therefore could be affected by unforeseen events, we cannot issue any statements on the fact whether the actual results reported will correspond to those mentioned in the Forecast. Any differences may be substantial.

Our work was not conducted in accordance with any auditing or other standards or practices generally accepted in jurisdictions outside of Belgium, including in the United States of America. Therefore, the reader should not rely on our work as if it had been prepared according to these standards and practices.

Opinion

In our opinion, the Forecast has been properly compiled on the basis stated by the directors and the basis of accounting used is consistent with the accounting policies of the group.

Declaration

For the purposes of art. 61 of the Law of 16 June 2006 we are responsible for this report as part of the registration document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the registration document in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Antwerp, 20 March 2017

THE STATUTORY AUDITOR

DELOITTE Bedrijfsrevisoren BV in the legal form of a CVBA

Represented by
Kathleen De Brabander

7. Corporate governance

1. Corporate governance

Pursuant to Section 96, §2 (1) of the Belgian Companies Code (amended by the Law of 6 April 2010 to strengthen good governance at listed companies) and the Royal Decree of 6 June 2010 designating the good governance to be complied with by listed companies, WDP Comm. VA is required to comply with the Belgian Corporate Governance Code of 12 March 2009. The Belgian Corporate Governance Code is available online at www.corporategovernance-committee.be.

WDP does its utmost at all times to comply with the principles of good governance contained in the Belgian Corporate Governance Code and uses this as its reference code. The corporate governance principles are primarily relevant to the specific management structure of WDP, discussed in greater detail – in *2. Some background information: the Commanditaire Vennootschap (partnership limited by shares) and its statutory manager.*

Integrity and correctness in business conduct have been a priority since formation. In addition, WDP is committed to creating a balance between the interests of its shareholders (and the holders of bonds) and other parties directly or indirectly involved in the company (the stakeholders).

The Corporate Governance Code mandates the comply or explain principle, whereby departures from the recommendations must be justified. The WDP Corporate Governance Charter departs from the recommendations of the Corporate Governance Code only on a few points. These departures relate to the company's activities and the accompanying limited size of the Board of Directors of WDP's statutory manager.

- the Corporate Governance Code recommends that the Board of Directors should be chaired by a non-executive director. WDP has departed from this rule, as the chairman of the Board of Directors, Mark Duyck, holds the position of executive director without, however, being part of the executive management. WDP has chosen to assign a particularly active role to the chairman, who serves as a sounding board for the executive management and provides advice in this capacity. However, he does not participate in the management's decision-making process. His executive duties also include preparing strategic initiatives for discussion (and decision making) by the Board of Directors. WDP believes this role improves the communication between the Board of Directors and the executive management and, more generally, the company's operations. In order to be able to properly perform these duties, Mark Duyck is present at the company's offices an average of three days a week. Under the Corporate Governance Code, the chairman is permitted to be allocated specific responsibilities other than chairing the Board of Directors and its meetings;

- Annex D. 5.3./1 of the Corporate Governance Code recommends that the majority of the Nomination Committee comprises independent non-executive directors. Given the small size of the Board of Directors, the nomination committee of WDP must comprise all members of the Board of Directors and must be presided over by the chairman of the Board of Directors. The Nomination Committee consists of six members, half of which – i.e. not a majority, as recommended by the Corporate Governance Code – must be independent non-executive directors. The chairman of the Board of Directors (who has some executive tasks) presides over the Nomination Committee, whereas the Corporate Governance Code recommends a non-executive director for this. Given that the chairman of the Board of Directors, despite having some executive tasks, is not the CEO, the Board of Directors believes that the chairman of the Board of Directors can be assigned a chairman of the nomination committee;

- Principle 2.9. of the Corporate Governance Code recommends that the Board of Directors appoint a secretary to provide advice on all governance matters. Given the small size of the Board of Directors and the efficiency of its decision-making process, formal appointment of a secretary is not necessary for the time being. In principle, the CFO is present at all meetings of the Board of Directors and handles these tasks, with necessary support from the corporate lawyer.

The Board of Directors must devote a separate section of its annual financial report to corporate governance, detailing the company's practices in this area during the relevant financial year, including the specific information required under the applicable laws and the Corporate Governance Code.

This chapter of the Annual financial report 2016 provides the contents of WDP's Corporate Governance Charter and describes the situation as at 31 December 2016.

The Corporate Governance Charter and the Dealing Code Is also available on the website at www.wdp.eu.

2. Some background information: the Commanditaire Vennootschap (partnership limited by shares) and its statutory manager

WDP is a Regulated Real Estate Company that has assumed the legal status of a Commanditaire Vennootschap op Aandelen (Comm. VA: a type of partnership limited by shares). A Commanditaire Vennootschap op Aandelen has two types of partners. The first is the general partner who has unlimited liability and is jointly and severally liable for the commitments the company makes. WDP Comm. VA's general partner is De Pauw NV, with registered office at Blakebergen 15, 1861 Meise (Wolvertem). There are also commanditaire or silent partners, who are shareholders and whose liability is limited to the sum of their investment.

Characteristic of a Commanditaire Vennootschap op Aandelen is that it is managed by a (statutory) manager, who must be a managing partner, who has the right to veto all major resolutions of the General Meeting and who it is virtually impossible to dismiss.

The manager is appointed by an Extraordinary General Meeting with due regard for the requirements for an amendment to the articles of association. The manager is free to resign at any time. However, the duties of the manager can only be withdrawn by a decision of the court called upon for this purpose by the General Meeting of Shareholders, based on valid reasons. The manager cannot vote on this resolution of the General Meeting.

The General Meeting can only deliberate and pass resolutions if the manager is in attendance. The manager must approve any amendment to the articles of association and the resolutions of the General Meeting with regard to actions concerning the company's interests vis-à-vis third parties, such as the distribution of dividends and any resolution that has an impact on the company's capital.

The company is represented by its statutory manager, De Pauw NV, represented by its permanent representative. In addition, based on the four-eyes principle, a second director of the manager generally must always take part in major actions. The company may also be represented by the holder of a special power of attorney.

The manager De Pauw NV has been appointed for an indefinite period. On 1 September 2002, Tony De Pauw was appointed as permanent representative of De Pauw NV as part of its appointment as statutory manager.

WDP (and/or WDP's Manager, De Pauw NV) meets Article 17 of the Belgian GVV/SIR Law, and specifically features its own policy structure, an administrative, bookkeeping, financial and technical organisation that enables the organisation to carry out its activities, as well as suitable internal auditing (see *6.7.9. Management report – Corporate governance – Internal control* on page 114).

3. The shareholders

The company will treat all WDP shareholders that are in the same circumstances equally and respect their rights. Shareholders have access to the investors section of the website, where they are provided with all the information they need to act expertly. They can also download from the website any documents required to take part in the voting at the Annual General Meeting. This part of the website also includes the most recent version of the articles of association and the Corporate Governance Charter.

At 31 December 2016, WDP's capital amounts to 171,034,254.51 euros, represented by 21,326,043 fully paid-up ordinary shares without par value. There are no preference shares. Each of these shares grants one voting right at the General Meeting, so these shares represent the denominator for purposes of notifications within the framework of transparency regulations (i.e. notifications in the event that the thresholds set down by the articles of association or by law are reached, exceeded or not reached).

In accordance with the conditions and terms stipulated in sections 6 to 13 of the Law of 2 May 2007, on the disclosure of major stakes in issuers whose shares may be traded on a regulated market specifying various stipulations, any natural person or legal entity that, either directly or indirectly, purchases or transfers shares granting voting rights of the company, is obliged to inform the company and the FSMA of the number and the percentage of the existing voting rights they hold as a consequence of the purchase/transfer, if the voting rights associated with these shares granting voting rights exceeds or becomes inferior to the above thresholds. There is a threshold of 3% under the articles of association and thresholds set by law for each increment of five percentage points of the total existing voting rights.

No special control rights are granted to any specific shareholder categories. WDP currently has only one reference shareholder, which has one representative on the Board of Directors (see below *4.3.1. Current constitution of the Board of Directors* in *6.7.4. The Board of Directors of the statutory manager De Pauw NV*).

The obligations of the company and the rights of the shareholders with regard to the General Meeting are published in the Investor relations section of WDP's website at www.wdp.eu from the convening notice until participation and voting in extenso. This information will remain accessible on the company website for a period of at least five years, calculated from the date of the General Meeting to which it refers.

The Extraordinary General Meeting can only adopt a resolution on an amendment to the articles of association in a legally valid manner if the proposed amendments are clearly stated in the convening notice and if those attending the meeting represent at least half of the company's authorised capital, and provided that the manager is attending. If this quorum is not met or if the manager is not present, a new meeting must be convened.

The second meeting deliberates and passes resolutions in a legally valid manner, irrespective of the portion of the capital that is absent or represented and irrespective of the absence of the manager.

Amendments to the articles of association will only be adopted if they have been approved by the FSMA and three-quarters of the votes associated with the absent or represented shares are in favour of the amendment and the present or represented manager agrees.

4. The Board of Directors of the statutory manager De Pauw NV

4.1. Duties of the Board of Directors

The Board of Directors has various duties with respect to the GVV/SIR. It:

- defines the strategy and policy of the company;
- approves all significant transactions with the aim of achieving the goals of WDP;
- monitors the quality of the management, among other things based on a thorough check and detailed discussion of the annual financial statements, as well as by an annual assessment of its operations;
- ensures that management is conducted in accordance with the strategy;
- handles the company's financial communications with the media and analysts.

4.2. Functioning of the Board of Directors

The Board of Directors of the manager meets at least four times a year, on the invitation of the chairman. One of these meetings is devoted to the discussion of the company's strategy. The dates of the meetings are established in advance for the entire year, in order to prevent absences as much as possible. Additional meetings must also be convened whenever so required in the interests of the GVV/SIR or when two directors so request it.

The chairman is responsible for presiding over and monitoring the progress of the meeting of the Board of Directors and determines the meeting agenda in consultation with both CEOs. The agenda contains a fixed list of items to be discussed, which are thoroughly prepared and documented, so that all directors have the same information in good time.

At least three days before the scheduled date for the meeting of the Board of Directors, these documents must be provided to every member of the Board of Directors, so that they can prepare accordingly.

The same person cannot hold the position of chairman of the Board of Directors and CEO.

The person chairing the meeting may appoint a secretary (who is not necessarily a director).

Only the members of the Board of Directors can take part in the deliberations and cast their votes. Normally, the Board's vote is only valid if the majority of its members are present or represented. Resolutions of the Board are passed by a simple majority of votes. If there is a tie no decision is taken.

At the invitation of the chairman, members of the executive management who are not Board members or specialists in a particular field may attend Board meetings in order to inform or advise the Board. For matters concerning financial information or accounting procedures, the chairman can call upon the accounts department and/or statutory auditor directly.

4.3. Remit of the director

4.3.1. Current constitution of the Board of Directors

The statutory manager's Board of Directors is made up in such a way that WDP may be managed in accordance with its articles of association and pursue its permitted activities (as described in Article 4 of the GVV/SIR Law). The manager's Board of Directors comprises at least three independent directors who each comply with the criteria of Section 526ter of the Companies Code.

Furthermore, compliance with the criteria referred to in Section 526ter of the Companies Code is also assessed as though the relevant independent member of the Board of Directors of De Pauw NV were a director of WDP.

The following provisions apply to the composition of the Board of Directors of the manager:

- the Board of Directors is constituted by no fewer than three members;
- one or more directors, accounting for no more than half of the total number, can be executive directors. In other words they can exercise an operational function within WDP;
- the individual competencies and experience of the Board members must be complementary;
- the individual contribution of each directors guarantees that no individual or group of directors can influence the decision-making;
- directors should bear in mind the company's interests and forge an opinion and contribute to the decision-making process in an independent way;
- any independent director who ceases to comply with the independence requirements of Section 526ter of the Companies Code (supplemented by the Board of Directors as necessary) is obliged to inform the Board accordingly.

The directors of the manager De Pauw NV comply with sections 14 and 15 of the GVV/SIR Law (a fit-and-proper test of the directors, advice provided by the FSMA for appointments and reappointments, and rules regarding disqualification from professional practice).

At present, only one representative of the reference shareholder (the Jos De Pauw family) sits on the Board of Directors of the Manager, namely Tony De Pauw.

The manager's Board of Directors currently comprises six directors, including three independent non-executive directors and three executive directors.
The members of the Board of Directors must satisfy the applicable regulations laid down in the GVV/SIR Law. The members of the Board of Directors must be exclusively natural persons

On 31 December 2016, the Board of Directors comprised the following six members:

- **Mark Duyck**
  (Lindekensweg 73, 1652 Alsemberg) has been a director since 1999, chairman of the Board of Directors since 2003 and executive chairman since 2006. He is an economist and holds an MBA. After serving in various roles in a number of European and US companies, he was affiliated with the Brussels Airport for fifteen years in various supervisory positions. His operational knowledge and expertise in the area of transport complements the other directors on the Board of Directors well. He is also the manager for Coconsult and chairman of the Board of Directors at Steylearts.

- **Frank Meysman**
  has been an independent non-executive director since 2006 (from 2006 to 2016 he fulfilled his mandate under M.O.S.T. BVBA, as their permanent representative). Frank Meysman brings to the table ample knowledge and international experience (such as in the Netherlands) in marketing, to further reinforce WDP's customer focus. He has held top positions in international enterprises such as Procter & Gamble, Douwe

Egberts and Sara Lee. For the past five years he was also a director at Picanol[1], Spadel, Betafence[1] and Grontmij[1]. Moreover, he serves as chairman of the Board of Directors of the Thomas Cook Group and JBC.

- **Anne Leclercq**
(Herhout 62, 1570 Tollembeek)
has been an independent non-executive director since April 2015. She studied law at the University of Leuven and also attained a diploma from the Kellogg School of Management and an MBA from the Vlerick Business School. After a career at various banks, she has been affiliated with the Belgian Debt Agency since 1998, where she is currently Director of Treasury and Capital Markets. In this capacity, she has gained valuable knowledge and expertise in efficient financial management, combined with general management experience. In addition, she has also served in various roles in supranational institutions such as the IMF, the World Bank and the OECD. For the last five years, she has been a director at the University of Leuven and a member of the audit committee at the University of Leuven and University Hospitals of Leuven.

- **Cynthia Van Hulle**
(Heikant 22, 9190 Stekene)
has been an independent non-executive director since February 2015. She earned her doctorate in Applied Economic Science at the University of Leuven, where she is currently a professor at the Faculty of Economics and Business. Key areas of expertise in her academic work include corporate finance, restructuring and governance issues. She had previously studied at Yale University and at the University of Chicago and taught at the University of Columbia. In addition, she has held the Francqui chairman at the University of Ghent. Over the past five years, she has served as an independent director at Argen-Co and Miko and as a non-executive director at Argenta Bank- en Verzekeringsgroep, Argenta Assuranties, Argenta Spaarbank and KBC Ancora[1].

- **Tony De Pauw**
(Ganzenbos 5, 1730 Asse)
has been an executive director and CEO since 1999 and represents the reference shareholder, namely the Jos De Pauw family (via the family company structure[2] RTKA) and along with Joost Uwents, handles the executive management of WDP. For the past five years he also served as a director at Ensemble Leporello VZW and Concert Olympique.

- **Joost Uwents**
(Hillarestraat 4A, 9160 Lokeren, Belgium)
has been a director since 2002 and executive director and CEO since 2010 and along with Tony De Pauw, handles executive management of WDP. He is a commercial engineer and holds an MBA. He is also an independent non-executive director at Xior Student Housing.

1 These appointments are now ended.

2 For further information on the corporate structure, please refer to *7.3. Shares and bonds – Structure of the shareholding of the company* on page 126.

There are no family ties between the members of the Board of Directors.

4.3.2. Appointment – term – end

Directors are appointed by the General Meeting of Shareholders of De Pauw NV, following a recommendation from the nomination committee of the Board of Directors, which assesses all the candidates. The selection of a new director is based on a professional, objective selection process. Care is taken with all appointments so that the complementarity of capacities and know-how within the Board of Directors are guaranteed. A new director is appointed as soon as a director's seat becomes vacant and/or as soon as this is required.

The General Meeting of De Pauw NV – Manager of the company – may dismiss directors at any time.

Whereas in the past, directors and the members of the executive management were appointed-for a term of six years. Effective 2011 they are appointed for a period of four years. Independent directors may not serve as non-executive directors on the Board of Directors for more than three successive terms or more than twelve years. The appointment of other, non-independent directors can be renewed indefinitely.

The above rules apply subject to the defined age limit of seventy years, in that the term of a director shall end on conclusion of the annual meeting in the year in which the director turns sixty-five years of age, unless the Board of Directors decides otherwise on the recommendation of the nomination committee.

Directors are permitted to hold additional directorships at other listed and unlisted companies. They must inform the chairman of the Board of Directors of any such directorship. Under the Corporate Governance Code, non-executive directors are not permitted to hold more than five directorships at listed companies without the consent of the Board of Directors (subject to the comply-or-explain principle). Any changes in their other relevant commitments and new commitments outside the company must be reported to the chairman of the Board of Directors in a timely manner.

The directors must respect agreements relating to discretion and mutual confidentiality. They must also strictly comply with all the legal and applicable principles relating to conflicts of interest, insider information, etc.

When a transaction is considered where a director has a potential conflict of interest, the corresponding provisions of the Companies Code and GVV/SIR Law apply. With regard to WDP share transactions conducted by directors on their own behalf, WDP's rules of procedure must be observed (see also *9.3.1.I. Code of conduct regarding financial transaction*s under *6.7.9. Management report – Corporate governance – Internal control* on page 114).

The WDP Board of Directors is made up of one-third of members of a different gender to the other directors, in line with Article 518bis of the Belgian Companies Code.

The Board of Directors strives to strike a proper balance between knowledge and experience, based on the requirements of efficient business conduct on our markets. It also strives to remain a flexible and practicable entity.

Developments in the composition of the Board of Directors during the 2017 financial year:

Mark Duyck's current term will come to an end at the 2017 General Meeting. The Board of Directors will propose Mark Duyck as executive director for a new term of two years, ending after the 2019 General Meeting. In addition, the Board of Directors will propose appointment of Mark Duyck as chairman of the Board of Directors for the same term.

4.3.3. Evaluation

Directors are evaluated on a permanent basis (as members of the Board of Directors and as members of a committee), in particular by their colleagues. If a director has any doubts concerning the contribution of one of their colleagues, they can propose that this be included as an agenda item of a meeting of the Board of Directors or the relevant committee, or notify the chairman, who may then take any necessary steps he or she sees fit.

In addition, all directors are individually evaluated by the Board of Directors on an annual basis and more frequently as the case may be, with due consideration for such aspects as attendance record, how often they speak at meetings, suggestions expressed outside of meetings, proposal of new ideas based on their experience on other Boards or Committees and their sense for identifying and controlling risks.

Given the limited constitution of the Board of Directors, continual interaction between the members is the most advisable way for WDP to efficiently and continually adjust and improve the administration process rather than the formal questionnaire or box-ticking method.

4.4. Declarations regarding directors

WDP's statutory manager, based on the information at its disposal, states that:

- at least in the past five years neither it nor its directors (including the executive management) – if companies act as a director, their permanent representatives:

  - have been convicted of fraud;

  - have been the subject of official and public allegations and/or penalties imposed by a statutory or supervisory authority (including a recognised professional association), or have ever been declared by a court to be unfit to act as a member of managerial, supervisory or regulatory bodies of a company or to act within the framework of the management or performance of the activities of a company;

  - have held a managerial position as a senior manager or member of a company's administrative, managerial or supervisory bodies at the time of its bankruptcy, curatorship or liquidation.

- at present, there are no ongoing employment contracts or service contracts with the directors, through the GVV/SIR or the statutory manager, that provide for special payments upon termination of employment;

- the employment contracts or service agreements concluded between the statutory manager and members of the executive management do not provide for any special payments on termination of employment.

4.5. Issue or purchase of shares

The company may acquire its own fully paid-up shares and hold these in pledge pursuant to a resolution of the General Meeting adopted in accordance with the provisions of the Belgian Companies Code. The same meeting may decide the conditions for sale of these shares.

In addition to this, for a period of five years after holding the Extraordinary General Meeting of 8 April 2016, the manager may acquire shares in the company, receive these as pledges and resell them (including outside of the stock exchange), at the expense of the company, at a unit price of no less than 0.01 euros per share (acquisition, and holding in pledge) or 75% of the closing price on the trading day prior to the transaction date (resale) and that may be no greater than 125% of the closing price on the trading day prior to the transaction date (acquisition, and holding in pledge), provided that the company does not possess more than 10% of the total number of shares issued.

On 31 December 2016, WDP Comm. VA, nor its subsidiaries, held own shares. As regards the shares held by the statutory manager, we refer to chapter *7.3. Shares and bonds - Structure of the shareholding of the company* on page 126.

NAME CAPACITY	BEGIN OF DIREC-TORSHIP	MOST RECENT RE-APPOINT-MENT TO BOARD OF DIRECTORS	END OF TERM	ATTEND-ANCE	NUMBER OF SHARES 31 DEC. 2016
MARK DUYCK	June 1999	April 2015	April 2017		9,798
Chairman of the Board of Directors and executive director				21/21	
Chairman of the strategy committee				4/4	
Chairman of the nomination committee				2/2	
FRANK MEYSMAN[1]	April 2006	April 2016	April 2018		3,101
Independent non-executive director				21/21	
Member of the strategy committee				4/4	
Member of the audit committee				5/5	
Member of the nomination committee				2/2	
Chairman of the remuneration committee				2/2	
ANNE LECLERCQ	April 2015	N/A	April 2018		0
Independent non-executive director				21/21	
Member of the strategy committee				4/4	
Member of the audit committee				5/5	
Member of the nomination committee				2/2	
Member of the remuneration committee				2/2	
CYNTHIA VAN HULLE	February 2015	N/A	April 2018		0
Independent non-executive director				21/21	
Member of the strategy committee				4/4	
Chairman of the audit committee				5/5	
Member of the nomination committee				2/2	
Member of the remuneration committee				2/2	
TONY DE PAUW	May 1999	April 2015	April 2019		9,147
Executive director				21/21	
Member of the strategy committee				4/4	
Member of the nomination committee				2/2	
JOOST UWENTS	April 2002	April 2014	April 2018		16,875
Executive director				21/21	
Member of the strategy committee				4/4	
Member of the nomination committee				2/2	

1 From 2006-16, Frank Meysman fulfilled this role under M.O.S.T. BVBA, as their permanent representative.

5. Committees of the Board of Directors

With a view to the implementation of the Corporate Governance Code, WDP's Board of Directors set up four specialist committees in autumn 2004: a strategic committee, an audit committee, an nomination committee and a remuneration committee. The composition of these committees is in accordance with the Companies Code and the Corporate Governance Code, with the exception of the departures stated at the beginning of this section (see page 92).

All of these committees can invite people who are not committee members to attend their meetings. They can also request, on behalf of the company, external professional advice on subjects relating to the committee's specific competences. They are nevertheless required to inform the chairman of the Board of Directors beforehand.

After each committee meeting, all of the members of the Board of Directors receive a copy of the minutes of the meeting and its conclusions.

5.1. Strategic committee

The strategic committee deals with subjects that could potentially affect the company's strategy. Given the limited number of directors and the importance of strategic discussions, this is undertaken permanently by the entire Board of Directors. The chairman of the Board of Directors also chairs the strategy committee. In 2016, the strategy committee met four times.

5.2. Audit committee

The Board of Directors has appointed an audit committee from among its members. This committee is composed of the independent non-executive directors of the Board of Directors.

At least one member of the audit committee must possess the necessary expertise in the field of accountancy and audits and, as an independent director, must, satisfy the criteria specified in Section 526ter of the Companies Code. Cynthia Van Hulle currently satisfies the conditions with respect to expertise, as well as the required criteria.

The audit committee is now chaired by Cynthia Van Hulle, who organises committee proceedings and can invite members of the executive management, the chairman of the Board of Directors or the statutory auditor to take part in the meetings.

In 2016, the audit committee met five times.

The audit committee performs the following duties:

- monitoring the financial reporting process;
- monitoring the statutory audit of the financial statements and the consolidated financial statements, including following up questions and recommendations made by the auditor;
- assessing and monitoring the auditor's independence, in particular in relation to additional services provided to the company.

The audit committee reports to the Board of Directors on a regular basis on the performance of its duties, and in any case when the Board of Directors prepares the financial statements, the consolidated financial statements and the abridged financial overviews intended for publication. Prior to each half-yearly meeting of the Board of Directors, an interim report is drawn up that is presented to the audit committee by the statutory auditor.

5.3. Nomination Committee

The nomination committee was established to advise the Board of Directors on appointments proposed to the General Meeting of the manager. It also gives its opinion on recruitment for key posts at the manager and the GVV/SIR, even if this does not have to be approved by the General Meeting of the manager.

Given the limited size of the Board of Directors, the nomination committee is composed of the entire Board of Directors and is chaired by the chairman of the Board. The nomination committee consequently consists of six members, half of whom – i.e. not the majority (as recommended by the Corporate Governance Code) – are independent directors. The chairman of the Board of Directors (who has certain management duties) chairs the nomination committee, even though the Corporate Governance Code recommends that this should be an independent non-executive director. Since the chairman of the Board of Directors, despite having certain executive duties, is not the CEO, the Board of Directors believes that one of the specific, typical duties of the chairman, such as presiding over the nomination committee, can be assigned to the chairman of the Board of Directors.

However, the chairman of the nomination committee cannot preside over the meeting for the choice of his or her successor or for his or her re-appointment.

The nomination committee meets at least twice a year (as was the case in 2016). It also meets at other times if circumstances so require.

5.4. Remuneration Committee

The remuneration committee comprises non-executive members of the Board of Directors and therefore includees a majority of independent directors in the meaning of Section 526ter of the Belgian Companies Code and possesses the required expertise in the area of remuneration policy. The chairman of the Board of Directors (if a non-executive director) or another non-executive director is the chairman of this committee. Frank Meysman is the chairman of the remuneration committee.

The chairman of the Board of Directors is invited to all meetings of the remuneration committee, which he or she may attend without having membership or a vote in the committee. However, the chairman of the Board of Directors is not invited to meetings of the remuneration committee that will deliberate over the chairman's remuneration.

The remuneration committee is tasked with the following:

- submission of proposals to the Board of Directors on the remuneration policy for directors and members of the executive management as well as, where applicable, on the resulting proposals to be submitted to the shareholders by the Board of Directors;
- submission of proposals to the Board of Directors on the individual remuneration of the directors and members of the executive management, including variable remuneration and long-term performance bonuses, possibly associated with shares, in the form of share options or other financial instruments, and severance payments and, where applicable, on the resulting proposals to be submitted to the shareholders by the Board of Directors;
- preparation of the remuneration report that the Board of Directors attaches to the Corporate Governance Statement included in the annual financial report;
- explanation of the remuneration report at the ordinary General Meeting of shareholders.

The remuneration committee meets at least twice a year (which was also the case in 2016) and whenever it deems necessary in order to properly perform its duties. The remuneration committee regularly reports on the performance of its duties to the Board of Directors.

6. The executive management

WDP is a self-managed operational and commercial real estate company. That means it does not delegate the management of its property-related activities to a third party, but manages them within the company in consultation with the manager. The management is therefore not involved in any other property activity, but works exclusively for WDP's stakeholders.

WDP's executive management is the effective leadership body within the sense of the GVV/SIR Law.

6.1. Duties of the executive management

WDP's executive management is responsible for:

- preparing, proposing and implementing the strategic objectives and the group's general policy plan, as approved by the Board of Directors;
- defining the standards based on which the strategy must be implemented;
- implementing Board resolutions, monitoring performance and results;
- reporting to the Board of Directors.

6.2. Current constitution of the executive management

Duties are split among the executive management as follows:

Tony De Pauw is an executive director and CEO. He bears executive responsibility for:

- investment policy (i.e. finding, studying and negotiating potential new acquisitions in the regions where WDP is active, together with the country manager for Belgium, the Netherlands, France and Luxembourg respectively);
- management of the property portfolio, specifically, defining the policy for the management of existing properties (maintenance, renovation and improvement work) in consultation with the facility managers;
- project management, i.e. supervising current new build sites in conjunction with the project managers, and together with the technical director.

Joost Uwents is an executive director and CEO. He has ultimate responsibility for:

- general management (i.e. day-to-day management of the WDP team);
- Financial policy and internal reporting.
- This includes cash management, receivables and payables, management of loans and interest charges, and reporting to the various levels in consultation with the CFO;
- marketing, in particularly preparing commercial campaigns targeting current and potential clients, in conjunction with the marketing director;
- commercial policy, i.e. devising a strategies to increase long-term occupancy rates, focusing on both current and potential clients, in conjunction with the various commercial directors;
- investor relations, i.e. liaising with private and institutional investors through communications with financial analysts and journalists, as well as directly with the investors through road shows and other initiatives, together with the CFO.

The management team can also count on the support and professional experience of the chairman of the Board of Directors, who acts on a part-time basis (three days a week) as executive chairman.

6.3. Procedures of the executive management

The members of the executive management work together closely and in constant consultation. Where the company's day-to-day operations are concerned, resolutions are adopted by a majority of votes. Major decisions regarding day-to-day management are taken unanimously in accordance with the agreements made with the Board of Directors. If the executive management fails to reach an agreement regarding these major decisions, the decision is passed to the Board of Directors.

Twice a month, a management meeting is held, attended by both the members of the management team and the chairman of the Board of Directors in the capacity of executive chairman. The Board of Directors is entitled to see the agenda and minutes of these meetings. An agenda is drawn up before each meeting and is sent well in advance to all the management team members and the executive chairman so that they can prepare for the meeting appropriately. This agenda contains matters including operational decisions relating to day-to-day operations, the status of projects in progress and leases and the evaluation of new projects under consideration.

6.4. Accountability to the Board of Directors

The executive management submits all the relevant financial and business information to the Board of Directors of the manager every three months. Among other things, the following information is provided: key figures, an analytical presentation of the results compared to the budget, an overview of the changes in the property portfolio, and consolidated management accounts including notes.

The members of the executive management who are also executive directors are also accountable to their colleagues on the Board of Directors.

6.5. Term of the executive management

6.5.1. Appointments

The CEO (or both CEOs, if two CEOs are appointed) will be selected and appointed by the Board of Directors, also acting as a Nomination Committee.

The CEO (or both CEOs, if two CEOs are appointed) and the chairman of the Board of Directors jointly submit their selection and nominations for the executive management for approval by the Board of Directors, which also acts as a Nomination Committee.

6.5.2. Evaluation

The executive management is evaluated by the Board of Directors, based on performance and targets. The Board of Directors determines the targets on which the evaluation is based, at the proposal of the remuneration committee.

7. Remuneration report

This remuneration report complies with the provisions of the Corporate Governance Code 2009 and represents the implementation of Section 96, §3 (2) of the Companies Code, as implemented by the Law of 6 April 2010 and contains:

- procedures followed during the 2016 financial year to (a) develop a remuneration policy on behalf of the directors and the executive management and (b) determine the remuneration of individual directors and of individual members of the executive management;

- a report on the remuneration policy used during the 2016 financial year for the directors and executive management, providing the following information:
  - the principles on which the remuneration was based, indicating the relationship between remuneration and performance;
  - the relative significance of the various components of the remuneration;
  - the characteristics of performance bonuses in shares, options or other rights to acquire shares;
  - information on the remuneration policy for the next two financial years;

- the remuneration and any other benefits received by non-executive directors on an individual basis from the manager or from WDP; if the executive directors or members of the executive management are eligible for compensation based on WDP's performance, the criteria for evaluating performance against the targets, specification of the evaluation period, and a description of the methods used to determine whether these performance criteria were complied with;

- the amount of the remuneration and other benefits the WDP group awarded to the executive management. This information must be broken down into the following components:
  - basic salary;
  - variable remuneration: any additional compensation linked to performance criteria, specifying the form in which this variable remuneration was paid;
  - pension: the amounts paid during the 2016 financial year or the costs of the services provided during the 2016 financial year, according to the type of pension scheme, including details on the applicable pension scheme;
  - the other components of the remuneration, such as costs or value of the insurance policies and other benefits in kind, Includeing details on the particulars of the main components;

- the overall amount of the remuneration, broken down by category, of the executive directors and the members of the executive management;

- the potential or actual severance pay of the members of the executive management.

OVERVIEW OF INDIVIDUAL REMUNERATION FOR THE 2016 FINANCIAL YEAR

NON-EXECUTIVE DIRECTORS	FIXED[1] (IN EUROS)		VARIABLE (IN EUROS)
	REMUNERATION	OTHER BENEFITS[2]	
Frank Meysman	27,500	-	-
Cynthia Van Hulle	27,500	-	-
Anne Leclercq	27,500	-	-
EXECUTIVE DIRECTORS[2]			
Tony De Pauw	-	-	-
Joost Uwents	-	-	-
EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS[3]			
Mark Duyck	250,000	-	-

1 The fixed remuneration for non-executive directors is made up of compensation consisting of items such as fixed expense reimbursements of 3,500 euros per year plus a director's fee. The director's fee is increased by 2,500 euros per year compared to 2015, in line with the growth and size of the company.
2 Members of the executive management do not receive separate remuneration as executive directors.
3 The executive chairman's remuneration consists of a fixed pay that is increased due to the additional services for WDP in the scope of his or her partly executive task.

EXECUTIVE MANAGEMENT[1]	FIXED[2] (IN EUROS)		VARIABLE (IN EUROS)
	REMUNERATION	OTHER BENEFITS[3]	
Tony De Pauw	290,000	19,800	220,000[4]
Joost Uwents	325,000	3,400	220,000[4]

1 The basic salary is determined as a function of the individual responsibilities and skills of each member of the executive management, is independent of any results and is not indexed.
2 The fixed remuneration pertains to the fixed part of their salary package.
3 The other benefits consists of a company car for members of the executive management.
4 Amounts associated with 100% achievement of the objectives, 50% of which is payable over two and three years.

The remuneration committee regularly performs a benchmark against both the remuneration of non-executive directors and executive directors of comparable listed Belgian companies in order to make sure that the remuneration remains appropriate and complies with market practices, taking into account the company's size, financial situation and position in the Belgian economy, along with the directors' level of responsibility.

In addition, on an annual basis the remuneration committee analyses the remuneration policy that applies to the executive directors and determines whether any adjustments are needed to retain and motivate them, taking account of the size of the company. Overall remuneration levels, the spread of the various components of the remuneration and the conditions for obtaining the remuneration are all analysed. The remuneration committee also determines whether the process of setting the targets that specify the level of the variable remuneration in the short term is in line with the company's risk appetite.

The Board of Directors, on the proposal of the remuneration committee, does not intend to make any substantial changes to the remuneration policy applicable to directors and the executive management for the 2017 and 2018 financial years.

In 2016, the manager received remuneration of 1,425,000 euros. This amount corresponds to the total cost for the Board of Directors in 2016, including the bonus scheme for executive management and for management of the GVV/SIR and administrative costs.

The total remuneration for non-executive directors and the executive chairman in the 2016 financial year was 332,500 euros (100% fixed). The non-executive directors do not receive any performance-related pay.

The total remuneration for the executive management (excluding other benefits, namely a company car) in the 2016 financial year amounts to 1,055,000 euros (including 41.71% in variable pay).

The criteria and targets applied in awarding variable pay to executive management are expressly defined at the start of the financial year by the Board of Directors on the proposal of the remuneration committee. For the 2016 financial year, the following criteria were maintained, in order of priority: the EPRA Earnings per share and the occupancy rate (relating to the one-year objectives) (50%), and management of the gearing ratio (relating to two-year objectives) (25%), as well as a few qualitative criteria (relating to multi-year criteria) (25%). After the end of the financial year, an audit is conducted to determine the extent to which the financial criteria are met based on the bookkeeping and financial data analysed in the audit committee. The remuneration committee will then evaluate these and the other criteria. Based on the result achieved, the Board of Directors awards the variable remuneration to the members of the executive management, Tony De Pauw and Joost Uwents. In accordance with Article 35, §1 of the Belgian GVV/SIR Law, these criteria for awarding the variable remuneration or for the part of the variable remuneration that is dependent on results, only apply to the consolidated net result of WDP, excluding any fluctuations in the fair value of the assets and the hedging instruments, and no remuneration can be awarded based on a specific operation or transaction by WDP or its subsidiaries.

Variable remuneration may only be awarded if the criteria for payment determined by a member of executive management and WDP have been satisfied for the reference period. The following also applies: at least 25% of the variable remuneration paid to a member of executive management must be based on performance criteria measured over a period of at least two years, while (another) 25% must be based on performance criteria measured over a period of at least three years. WDP complies with these statutory rules relating to the distribution over time of the variable pay, a portion of which is awarded upon expiry of the relevant financial year and another portion of which is awarded subsequent to this period (i.e. after three years).

Executive directors may use their variable remuneration and the chairman his basic compensation to finance their group insurance in accordance with the cafeteria principle.

No shares, options or other benefits are provided for, with the exception of a company vehicle for members of the executive management.

No prevailing employment contracts or contracts for the provision of services have been signed with the executive directors (being all persons in accordance with Section 96 of the Companies Code for whom information must be provided) that provide for severance pay. Similarly, the contracts contain no claw-back clauses.

The ordinary Annual General Meeting, which decides on the Board of Directors' annual financial report, will also decide on the remuneration report by means of a separate vote.

8. Conflicts of interest

8.1. Conflicts of interest involving directors

The statutory regulation relating to conflicts of interest for directors (Section 523 of the Companies Code) applies to decisions or actions covered by the competence of the Board of Directors when:

- a director has a direct or indirect property interest, i.e. an interest with financial implications;
- this interest is contrary to the company's interest in this decision or transaction.

In accordance with this regulation, directors are obliged to point out any potential conflicting property interest to the Board of Directors before the decision is taken. They should leave the meeting during the discussion of the relevant agenda item and cannot take part in the debate or the decision taken on this agenda item.

To the company's knowledge, none of the directors currently have a conflict of interest within the meaning of Section 523 of the Companies Code. Other than potential conflicts relating to remuneration issues, the company does not foresee any other potential conflicts of interest in the immediate future.

8.2. Conflicts of interest involving transactions with affiliates

The GVV/SIR must comply with the procedure set out in Section 524 of the Companies Code if it takes a decision or performs an action that relates to: (a) the relations between the GVV/SIR and an affiliate, not including its subsidiaries, and (b) relations between a subsidiary of the GVV/SIR and its affiliate, with the exception of subsidiaries of that subsidiary.

Application of this procedure was not required during 2016. If such a conflict of interest arises, this will be communicated at the appropriate time.

8.3. Functional conflicts of interest

WDP is subject to the provisions of articles 37 and 38 of the GVV/SIR Law. Article 37 contains a provision regarding functional conflicts of interest due to which GVVs/SIRs must inform the FSMA if and when certain persons affiliated with the GVV/SIR (an exhaustive list of which is set out in the same Article, including the manager and its directors, the individuals responsible for supervising, affiliated with or holding a stake in the GVV/SIR, the promoter and the other shareholders of all the subsidiaries of the GVV/SIR) that act directly or indirectly as a counterparty in, or gain any financial benefit from, a transaction with the GVV/SIR or any of its subsidiaries. In its statement to the FSMA, WDP must demonstrate its interest in the planned transaction and the fact that the transaction concerned is within the scope of the investment policy of the GVV/SIR. Article 38 describes in situations in which the provisions of article 37 do not apply.

Transactions that involve a functional conflict of interest must be completed at normal market conditions. If such a transaction concerns property, the valuation of the property expert is binding as a minimum price (in the event of the sale of its subsidiaries by the public GVV/SIR) or a maximum price (in the event of acquisition of subsidiaries by the public GVV/SIR).

Such transactions, along with the data to be reported, are publicly disclosed without delay. They are explained in the annual financial report and in the report of the statutory auditor.

In addition to these stipulations of the GVV/SIR Law, WDP imposes the obligation on each member of the Board of Directors and of the executive management to wherever possible prevent conflicts of interest from arising and WDP also employs a stricter definition of functional conflict of interest with regard to a matter that falls under the powers of the Board of Directors or the executive management respectively.

Specifically, a member of the Board of Directors or the executive management has a functional conflict of interest if:

- the member or any of his or her close relations has an interest regarding proprietary rights that conflicts with a decision or transaction of the company;
- a company that does not form part of the group and in which the member or any of his or her close relations holds a director's or management position has an interest regarding proprietary rights that conflicts with a decision or transaction of the company.

If such a functional conflict of interest arises the director in question will notify his or her colleagues. They then decide whether the director in question is permitted to take part in the vote on the matter to which the conflict of interest relates and whether that colleague can be present during the debate on this matter.

Over the course of 2016, some potential conflicts of interests arose (both under the Belgian GVV/SIR Law and under the stricter definition applied by WDP), particularly in connection with the optional dividend that was offered to shareholders on 27 April 2016 and the capital increase in the autumn of 2016[1] and from which the Manager of WDP, certain directors of the Manager and the reference shareholder stood to gain material advantage in their capacity as shareholders of WDP.

The Board of Directors approved the optional dividend, in the knowledge that this transaction was in the interest of WDP (the capital increase accompanying the transaction boosted WDP equity capital and, consequently, reduced its (legally limited) gearing ratio). The transaction was likewise effected under normal market conditions, all shareholders being treated on an equal footing.

1 See also *6.4.4. Management report – Management of financial resources – Implementation of the financing strategy during 2016* on page 70.

9. Internal control

9.1. General

The internal control has three concrete pillars: internal audit (internal audit procedures and internal audit function), risk management (risk management policy and risk management function) and compliance (integrity policy and compliance function), whereby the internal audit should be regarded not only as a self-standing third pillar but also as having a transversal role with regard to the other two pillars. These three pillars are attended to by the person charged with, respectively, the internal audit function, the risk management function and the compliance function (the independent control functions). These functions are organised in a suitable and proportionate manner, always according to the nature, scale and complexity of the activities of WDP. The exercise of each of these functions, in cooperation with the responsibilities of the operational services, forms a line of defence against the risks that threaten the GVV/SIR. The primary characteristics of the objectives, principles, structure, organisation and responsibilities of the internal control and risk management systems of WDP are mapped out in what follows.

The effective leadership, Joost Uwents and Tony De Pauw, in their roles as co-CEO of WDP and executive director of the manager of WDP, attend to the organisation of internal control under the supervision of the Board of Directors of the Manager of WDP.

9.2. Internal control and risk management systems

9.2.1. Company organisation

WDP's internal organisation has expanded significantly in recent years through the growth of WDP. The number of employees has increased, as has the internal division of duties in order to ensure a clearer separation of functions. WDP ended 2015 with a symmetrical sales structure, with one general manager for the Netherlands and one for Belgium, France and Luxembourg. Both are supported in their day-to-day management activities by a respective business team made up of facility management, contracting, development and portfolio management, and an administrative team. In addition, such horizontal responsibilities as finance, legal, project management, marketing and investor relations are to be found at group level. Notwithstanding this further professionalisation, the size of the team remains limited, as an excessively heavy structure and bureaucracy would have an undermining effect, considering the nature of the company's activities. A certain flexibility, where some employees must sometimes serve as a backup for colleagues as necessary, remains vital. However, the responsibilities are clearly defined and daily meetings are held to discuss and follow up on current business.

9.2.2. Organisation of internal control – audit committee

Alongside the general organisation of internal control, the audit committee has a specific responsibility as regards WDP's internal control. The composition of the audit committee and its activities are described elsewhere in this annual report. (See *2. Audit committee* in *6.7.5. Management report – Corporate governance – Committees of the Board of Directors* on page 103).

9.2.3. Risk analysis and audits

The audit committee and the Board of Directors regularly assess the risks the company is exposed to and, based on the ncecessary assessments, make appropriate decisions (e.g. with regard to defining an interest rate-hedging strategy, assessing tenant risks, etc).

Risk analysis is described (in the form of an extensive list) in *1. Risk factors* of this annual financial report on page 2. This section also describes the measures WDP is implementing and the strategy it pursues to prevent these risks from happening, and to limit and control their potential impact if they occur.

9.2.4. Financial information and communications

The process of preparing financial information is structured on the basis of predefined responsibilities and the time schedules to be adhered to. WDP uses a checklist containing all the tasks to be performed as part of the annual, biannual and quarterly closing of the WDP accounts (at both the separate and consolidated levels). A person responsible within the financial department and a deadline are linked to each task. Based on this checklist, all employees in the financial department know exactly what tasks are to be performed, along with the deadline for completion. Once all accounting tasks have been completed, the person responsible in the financial department verifies the figures. This verification consists mainly of the following steps:

- an analysis of the discrepancies between the actual figures and the budgeted figures (the budgeted figures are drawn up once a year and are updated each quarter based on a forecast);
- an analysis of the discrepancies between actual figures and historical data;
- an ad hoc analysis of all material amounts and entries

Once these checks have been completed, the figures are submitted to WDP's executive management and set down by agreement with the CFO.

9.2.5. Parties involved in the assessment of internal control

Over the course of the financial year, the quality of the internal audit is also assessed by:

- the statutory auditor as part of (1) the audit of the biannual and annual figures, and (2) the annual check of the underlying processes and procedures. In the course of 2015, the IT environment was described and audited, with a specific focus on change management for financial applications, logical and physical IT access, and IT operations. Based on the recommendations of the statutory auditor, the process was adjusted where necessary;
- as stated above, the audit committee has a special responsibility when it comes to WDP's internal control and risk management (see *1. Risk factors* on page 2). The Board of Directors of the manager is responsible for ensuring that the duties of the audit committee are performed, including through reports submitted by the audit committee to the Board of Directors;
- internal audit: the company has appointed an external auditor as third-line function within the internal control structure (see *9.3.3. Appropriate independent internal audit function* in chapter *5.7.9. Management report – Corporate governance – Internal control)*.

9.3. Pillars of internal control

9.3.1. Appropriate independent compliance function and appropriate integrity policy

The independent compliance function is understood as an independent function within an organisation, directed towards the monitoring and encouragement of due observation by the company of the laws, regulations and codes of conduct applicable in respect of the company and, more particularly, the rules in relation to the integrity of the activities of the company. In other words it is a part of the corporate culture with the emphasis laid on honesty and integrity, the respect of high ethical standards in doing business, and observation of the rules that apply to the company.

The compliance function is executed by WDP Legal Counsel Ilse Fruytier, appointed for an undetermined period. The compliance officer reports directly to the CEO, Joost Uwents. The main aspects of the integration policy are listed below (non-exhaustive).

I. Code of conduct for financial transactions

The code of conduct for financial transactions was cast into a separate business code in 2016 (known as the Dealing Code). This provides and explains the main rules on market abuse, taking into account documents such as Regulation No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (along with its implementing regulations). This Dealing Code is intended to inform its readers of the regulations on market abuse and the resulting obligations on (i) WDP in its capacity as issuer of financial instruments and (ii) all persons carrying out activities within or for the WDP group who have access to sensitive information. With this policy, WDP strives to prevent market abuse by the persons in question.

The Dealing Code will be updated regularly and made available to and signed by any and all employees taking on new roles within or for WDP.

II. Conflicts of interest

See *5.7.8. Conflicts of interest* above.

III. Abuse of company property and bribery

As stated in article 492bis of the Criminal Code, WDP directors, executive management and staff are prohibited from using WDP's property or credit facilities for private purposes, either directly or indirectly. They can only do so if they have been duly authorised for this purpose. They also undertake not to accept any benefits in the form of gifts or entertainment from customers or suppliers, except where this is compatible with customary, admissible commercial practices.

If a director, executive manager or member of staff is unsure whether or not a specific act constitutes abuse of company property or bribery, they must request prior authorisation from the chairman of the Board of Directors. However, such authorisation clearly never exempts this person from criminal liability.

9.3.2. Appropriate risk management function and appropriate risk management policy

The tasks of the person in charge of the risk management function Includee drafting, development, monitoring, updating and implementing the risk management policy and procedures. At WDP, CFO Mickaël Van den Hauwe serves in the role of risk manager, appointed for an undetermined period. The risk manager reports directly to the audit committee.

The Risk Manager performs this role by, both at regular intervals as well as on an ad-hoc basis, analysing the identified risks with which the company is confronted (see also *1. Risk factors* on page 2). The risks are then evaluated and management of the risks can be implemented on that basis.

Risk management forms an integral part of the way in which the company is run. This ranges from daily financial and operational management, including the four-eyes principle, analysis of new investment files, formulating the strategy and objectives, to establishing tight procedures for the decision-making process. Risk management is therefore the responsibility of the entire WDP group, across all layers of the organisation, on any level with different responsibilities.

9.3.3. Appropriate independent internal audit function

The internal audit can be seen as an independent evaluation function, embedded in the organisation, directed towards examining and assessing the proper functioning, effectiveness and efficiency of the company's processes, procedures and activities. This can relate to, among other things, operational matters (quality and appropriateness of systems and procedures, organisational structures, policies and methods applied and resources compared to objectives), financial matters (reliability of accounting, annual financial statements and the financial reporting process, and compliance with the prevailing ((accounting) regulations), management matters (quality of the management function and staff in the context of the company's objectives), as well as the compliance and risk management functions.

WDP has outsourced its internal audit function to an external consultancy firm, Quiévreux Audit Services (Christophe Quiévreux SPRL), permanently represented by Christophe Quiévreux, an independent consultant. In the GVV/SIR, Mark Duyck is responsible for the supervision of the internal audit function the external auditor is in charge of.

Shares and bonds 7

1. The share

1. Share price

The value of WDP shares evolved in the first months of 2016 from 81.2 euros on 31 December 2015 to around 82 euros in May 2016 when the dividend was paid out, then rose further to a closing price of 84.9 euros on 31 December 2016.

In this respect, WDP was once again able to build on its reputation and traditional strengths. First of all, it is important that potential investors and shareholders appreciate the added value that WDP offers. This includes its position as market leader in logistic and semi-industrial property in the Benelux and the relatively stable nature of its generated profits, combined with its growth plan. Added to this is the fact that WDP is a self-managed company, with management performed in-house for the sole benefit of its shareholders and other stakeholders. In addition, the size of its property portfolio at once offers investors the benefit of scale in well defined regions, not to mention attractive dividends.

This keen interest from investors as well as their confidence in the strategic growth plan for 2016-20 were confirmed during the successful capital increase carried out in 2016, which created room for new investments.

2. Velocity and liquidity

Due to the capital increase as a result of the optional dividend and the offering of new shares in the autumn of 2016, as well as the strong return on shares in 2016, market capitalisation rose to approximately 1.8 billion euros.

The liquidity of WDP shares also continued to increase. The average daily volume in 2016 was 1,749,796 euros (compared to 1,521,272 euros in 2015). As a result, velocity – the number of shares traded per year, divided by the total number of shares at the end of the year – was 26%. WDP regularly takes part in roadshows and events for institutional as well as individual investors, in order to provide investors with continuous and transparent information and continue to broaden the investor base.

3. Long-term price and return

The total return[1] on WDP shares in 2016 was +6.8%.

Data provided by EPRA further show that WDP with a total annualised return of +11.2% over the past fifteen years – since the initial public offer at

1 The return of a share over a particular period of time is equal to the gross return. The gross return is the sum of the following components:
- the difference between the share price at the end and at the beginning of the period;
- the gross dividend (i.e. the dividend before deduction of the advance levy);
- the gross return of the obtained dividend when it is reinvested in the same share.

FIGURES PER SHARE	31 DEC. 16	31 DEC. 15	31 DEC. 14
Number of shares in circulation at closing date	21,326,043	18,507,260	17,438,644
Free float	74%	74%	73%
Market capitalisation (in euros)	1,810,367,790	1,503,529,802	1,039,054,205
Traded volume In shares per year	5,456,690	5,461,095	3,165,630
Average daily volume (in euros)	1,749,796	1,521,272	691,657
Velocity[1]	25.6%	29.5%	18.2%
Stock exchange price			
- high	93.87	81.24	64.15
- low	69.85	61.90	51.68
- closing	84.89	81.24	62.68
NAV[3] (EPRA) (in euros)	51.2	44.9	39.2
NAV[2] (EPRA) (in euros)	48.4	41.5	35.2
Dividend payout ratio	90%	81%	88%
EPRA Earnings/share[4] (in euros)	5.30	5.00	4.10
EPRA Earnings/share[5] (in euros)	4.72	4.91	3.87
Gross dividend/share (in euros)	4.25	4.00	3.40
Net dividend/share (in euros)	2.98	2.92	2.55
Advance levy	30%[6]	27%	25%

1 The number of shares traded per year, divided by the total number of shares at the end of the year.
2 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.
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 property investments over the long term. See also www.epra.com.
4 Based on the weighted average number of shares (18,997,071).
5 Based on the number of shares entitled to dividend.
6 According to article 93-95 of the Programme Law of 2017, the normal rate of withholding tax on movable assets and capitals rose from 27% to 30%.

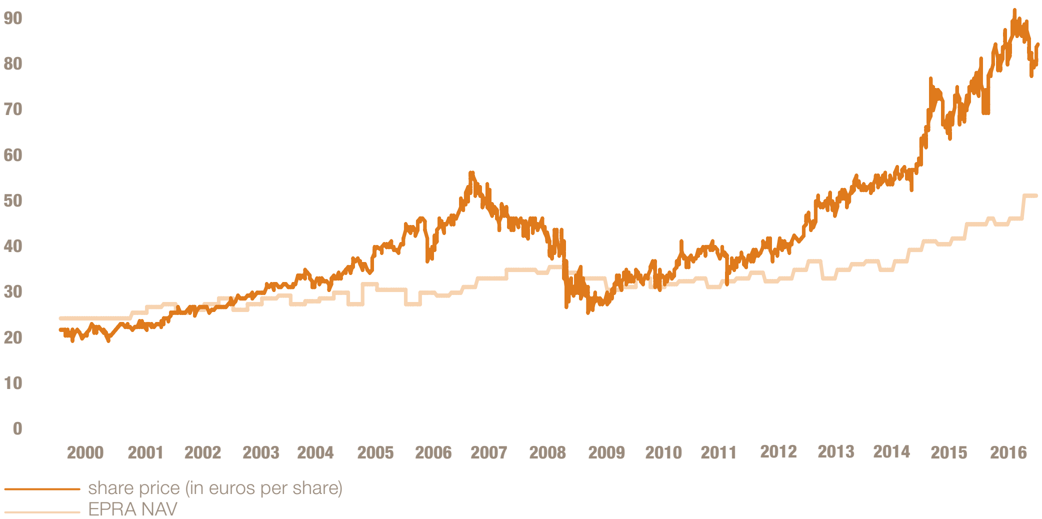
the end of June 1999 – continues to outperform European property indexes (+8.1%), investment properties in the euros zone (+9.8%) and Belgian property investments (+7.5%).

WDP remains committed to generating strong cash flow in order to create a basis for a high dividend. The company also firmly believes that the quality of the property portfolio and the tenants, plus the fact that a high dividend is paid every year, continues to point towards a strong future.

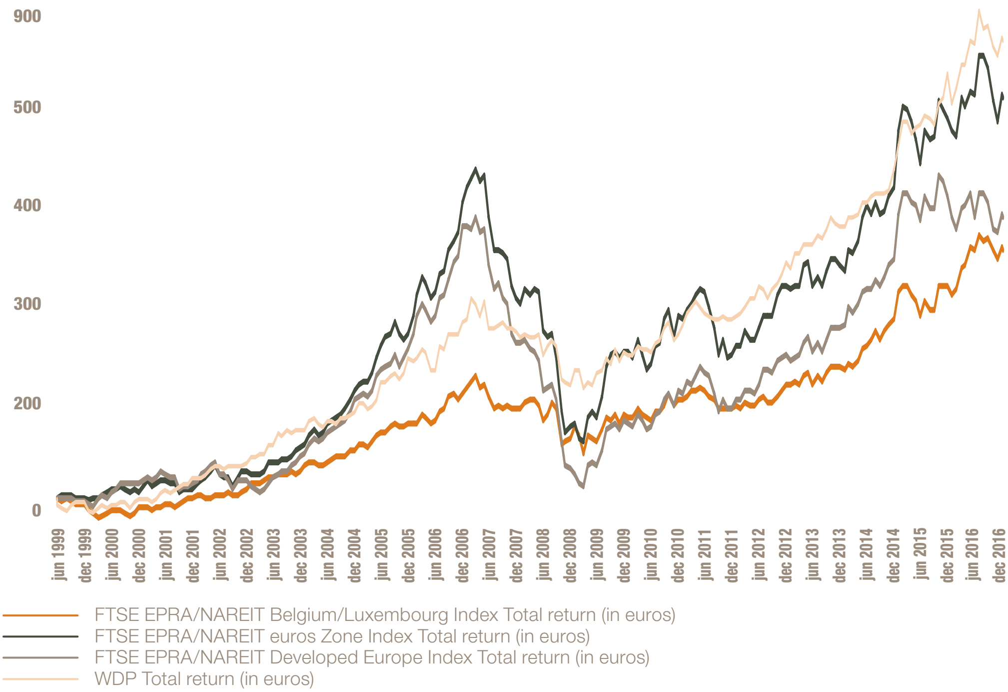
4. WDP included in the AMX index on Euronext Amsterdam

Following the additional share listing of the WDP share on Euronext Amsterdam, WDP became the first logistics property company in the AMX index on 21 March 2016. The Amsterdam Midcap Index (AMX) is the equity index of the Amsterdam stock market representing medium-sized shares.

SHARE PRICE VERSUS EPRA NAV



WDP SHARE RETURN VERSUS EPRA INDICES



2. Bonds

WDP also relies on the debt capital market to finance its investment projects. The table below shows the outstanding listed bonds as of 31 December 2016.

Issuer	ISIN-code	Nominal amount (in million euros)	Term (in years)	Maturity date	Coupon	Issue Price	Indicative price 31 DEC. 2016
WDP Comm. VA	BE0002248178	37.1	10	2 July 2022	2.50 %	100 %	**98.07 %**
WDP Comm. VA	BE0002249184	22.9	10	2 July 2022	Euribor 3M + 2.00%	100 %	**99.14 %**
WDP Comm. VA	BE0002234038	54.4	7	2 July 2022	2.50 %	99.36 %	**102.91 %**
WDP Comm. VA	BE0002235043	37.8	7	2 July 2022	Euribor 6M + 1.75%	100 %	**98.42 %**
WDP Comm. VA	BE0002216829	125	7	13 June 2021	3.38 %	101.88 %	**106.17 %**
WDP Comm. VA	BE0002192582	50	7	18 March 2020	3.80 %	99.86 %	**103.30 %**

3. Structure of the shareholding of thecompany[1]

SHAREHOLDING

	Number of shares (indicated)	Date of the statement	(in %)
Free float	15,817,939		74.17%
BlackRock-related businesses	659,847	29.12.2016	3.09%
BNP Paribas Investment Partners SA	640,390	23.02.2017	3.00%
Other shareholders under the statutory threshold[1]	14,517,702	23.02.2017	68.08%
Jos De Pauw family (reference shareholder)[2]	5,505,919	28.11.2016	25.82%
De Pauw NV[2]	2,185	28.11.2016	0.01%
TOTAL NUMBER OF SHARES	**21,326,043**	**32,051**	**100 %**

1 The number of publicly held shares was determined under the assumption that since the declarations of transparency, nothing has changed with regard to the composition of the share portfolio of the shareholders obligated to report major holdings by virtue of the Belgian Law 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.

2 On 26 October 2012, the reference shareholder, the Jos De Pauw family, assigned all of its shares, held in mutual concert, in joint ownership under the family company structure RTKA, which institutionalised the existing mutual concert. The holders of voting rights are the members of the Board of Directors of the management body, namely Robert, Tony, Kathleen and Anne De Pauw, with 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.

With regard to the capital increase[2] in cash within the authorised capital with irreducible allocation right that took place in November 2016, the reference shareholder in the company, the Jos De Pauw family, undertook to refrain from selling the shares it holds in the company via the management body RTKA on the offering completion date for a period of 90 calendar days starting from the admission of the new shares to trading (i.e. 28 November 2016).

1 Situation on the basis of the transparency reports received up to and including 31 December 2016. All reported changes can be consulted on www.wdp.eu.

2 For more information on this capital increase at the end of 2016, see *6.4.4. Management report – Management of financial resources – Implementation of the financing strategy during 2016* on page 70.

4. Financial calendar

12|04|2017	Final date for registering shares for participation in the General Meeting of Shareholders on 26/04/2017
20|04|2017	Final date for confirming participation in the General Meeting of Shareholders on 26I04I2017 (bank certificate/proxy)
26|04|2017	General Meeting of Shareholders
27|04|2017	Ex-dividend date 2016
28|04|2017	Dividend record date 2016
03|05|2017	Publication of Q1 2017 results
04|08|2017	Publication of 2017 interim results and publication of 2017 Interim financial report
08|11|2017	Publication of Q3 2017 results
02|02|2018	Publication of 2017 annual results
25|04|2018	General Meeting of Shareholders

Dates for subscription period for the optional dividend, Payment Date and trading of new shares will be determined at the Board of Directors meeting on 26 April 2017.

Please check the website www.wdp.eu
for any changes to the financial calendar.

www.wdp.eu.

WDP
LISTED
EURONEXT

Euronext
IPO: 28|06|1999
notering: continu
ISIN-code: BE0003763779

Liquidity provider:
Kempen & Co

Property Report

8

1. Review of the consolidated property portfolio

1. Description of the portfolio at 31 December 2016

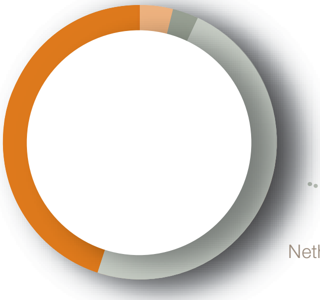
The independent property surveyors Stadim Cushman & Wakefield, DTZ and BNP Paribas Real Estate valued the WDP property portfolio (including *Assets held for sale* and excluding solar panels) pursuant to IAS 40 at a fair value[1] of 2,110.0 million euros at 31 December 2016. The equivalent value at the end of 2015 was 1,844.0 million euros.

The portfolio breaks down as follows:

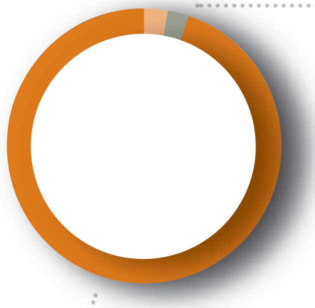
FAIR VALUE (in million euros)	Belgium	the Netherlands	France	Romania	Total
Existing buildings	893.0	969.6	87.6	43.7	**1,994.0**
Investment properties under development for own account with the prupose of being rented out	32.1	21.2	-	8.4	**61.8**
Land reserves	14.5	19.4	0.5	18.5	**52.9**
Assets held for sale	1.4	-	-	-	**1.4**
TOTAL	**941.0**	**1,010.2**	**88.1**	**70.6**	**2,110.0**

1 Impact on the fair value of estimated transaction costs on the hypothetical disposal of investment properties, i.e. the transfer fees to be paid for the hypothetical disposal of the investment. The fair value at which the investment properties are valued consists of the investment value minus transaction costs. The theoretical local registration fees are deducted from the investment value at the following average rates per country: Belgium: 2.5%, the Netherlands: 6.1%, France: 3.3% and Romania: 1.5%.

GEOGRAPHICAL BREAKDOWN OF THE PORTFOLIO'S FAIR VALUE



USAGE BREAKDOWN OF THE PORTFOLIO'S FAIR VALUE



PORTFOLIO STATISTICS BY COUNTRY

	Belgium	The Netherlands	France	Romania	Total
Number of lettable sites	77	67	9	9	**162**
Gross lettable area (in m²)	1,643,435	1,482,176	169,965	79,906	**3,375,482**
Land (in m²)	3,139,030	2,705,244	376,174	1,088,680	**7,309,128**
Fair value (in million euros)	941.0	1,010.2	88.1	70.6	**2,110.0**
% of total fair value	45%	48%	4%	3%	**100%**
% change in fair value over 2016	1.2%	1.9%	3.3%	-2.8%	**1.5%**
Vacancy rate (EPRA)[1,2]	4.7%	2.0%	5.2%	0.0%	**3.3%**
Average lease length till first break (in year)[2]	4.4	7.0	2.1	9.3	**5.7**
WDP gross initial yield[3]	7.5%	7.5%	7.7%	9.3%	**7.5%**
Effect of vacancies	-0.4%	-0.1%	-0.4%	0.0%	**-0.2%**
Adjustment gross to net rental income (EPRA)	-0.2%	-0.2%	-0.2%	0.0%	**-0.2%**
Adjustments for transfer taxes	-0.2%	-0.4%	0.2%	-0.1%	**-0.3%**
EPRA net initial yield[1]	6.7%	6.7%	6.9%	9.2%	**6.8%**

1 Financial performance indicator calculated according to EPRA (European Public Real Estate Association) Best Practice Recommendations. See also www.epra.com.
2 Excluding solar panels.
3 Calculated by dividing the annualised contractual gross (cash) rents by fair value. The fair value is the value of investment properties after deduction of transaction costs (mainly transfer tax).

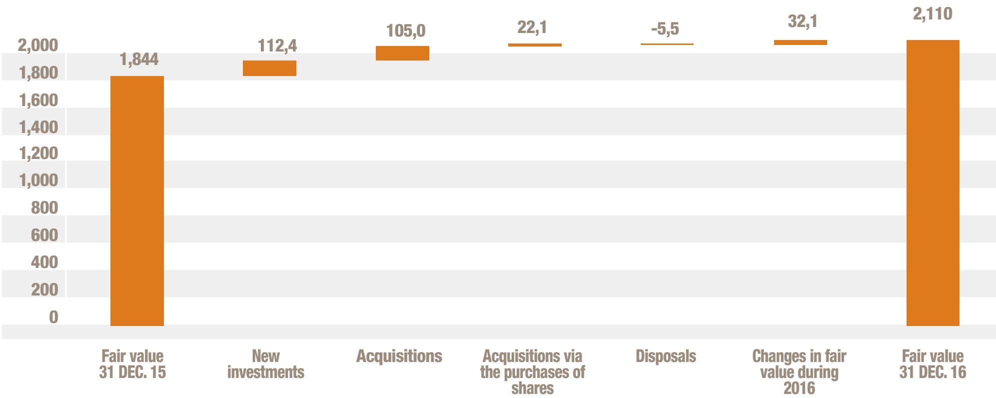
HISTORIC GROSS RENTAL YIELD OF THE WDP PORTFOLIO

2. Changes in fair value during 2016

In 2016, WDP invested a total of 127.0 million euros in new acquisitions, including 22.1 million euros for the purchase of property through the purchase of shares. An additional 112.4 million euros were invested for the completion of pre-leased projects for own account. Two plots of land were also sold in Nivelles, as well as three plots in Wieze and part of the land in Paulesti, Romania, for a total of 5.5 million euros.

The variation in the valuation of the investment properties amounted to an additional 32.1 million euros during 2016 on a portfolio of approximately 2.1 billion euros. The gross rental yield based on the contractual rents, after the addition of the estimated market rental value of the non-leased parts, is 7.5% as of 31 December 2016, down slightly from 7.6% at the end of 2015, due to the downward pressure on interests in the investment market.

DEVELOPMENT OF THE PROPERTY PORTFOLIO DURING 2016



3. Value and composition of the rental portfolio

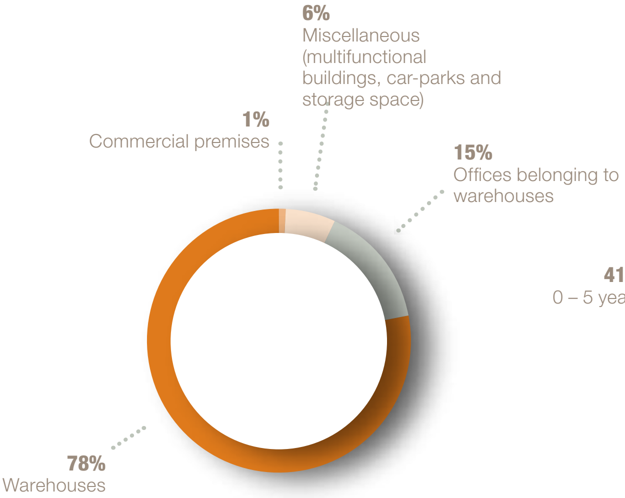
The total surface area comprises 730.9 hectares, including 55.8 hectares granted in concession. The balance of 675.1 hectares has a fair value of 787.3 million euros or 37% of the total fair value. This gives an average land value of 116.6 euros/m², excluding transaction costs. The land reserves are also comprised in this area, predominantly in Belgium and Romania.

The total leasable surface of the buildings is 3.4 million m², with a total estimated rental value of 147.0 million euros. The warehouses account for the lion's share (78%), with 2,700,519 m² and a joint rental value of 115.7 million euros. The average rental value per square meter amounts to 42.8 euros.

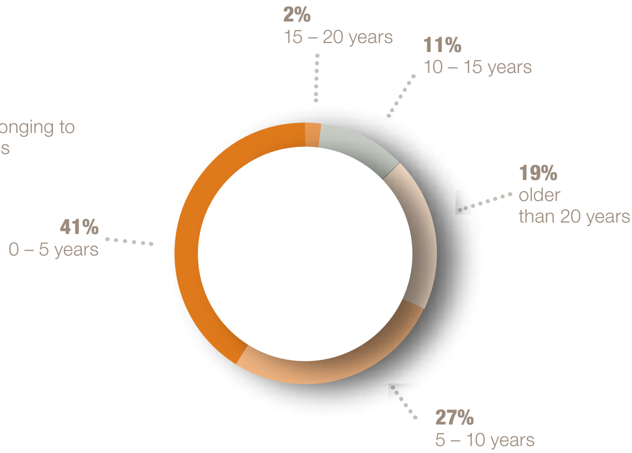
Office space, some of it independent and some of it attached to warehouses, represents 233,458 m² or 21.3 million euros in rental value. The average rental value per square metre amounts to 90.9 euros. Commercial premises take up 13,903 m² and represent 1.0 million euros in rent, with an average of 68.3 euros per m². Miscellaneous uses represent 427,601 m² or 9.1 million euros, with an average rent of 21.3 euros/m².

Designated use on 31 DEC. 16	Built surface (in m²)	Estimated rental value (in million euros)	Estimated average rental value per m² (in euros)	% of total rental value
Warehouses	2,700,519	115.7	42.8	**78%**
Offices at warehouses	233,458	21.3	90.9	**15%**
Commercial space	13,903	1.0	68.3	**1%**
Miscellaneous (mixed-use, parking and archive areas)	427,601	9.1	21.3	**6%**
TOTAL	**3,375,482**	**147.0**	**43.5**	**100%**

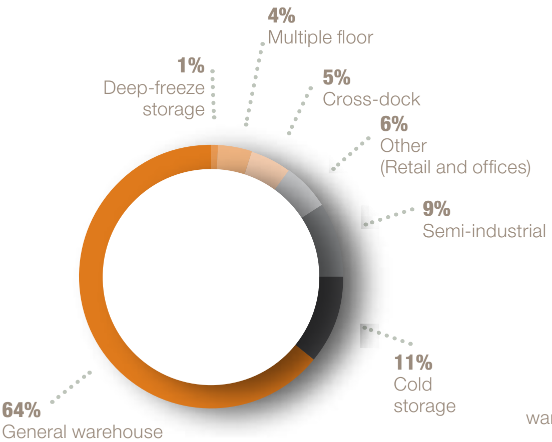
TOTAL RENTAL VALUE BREAKDOWN BY DESIGNATED USE



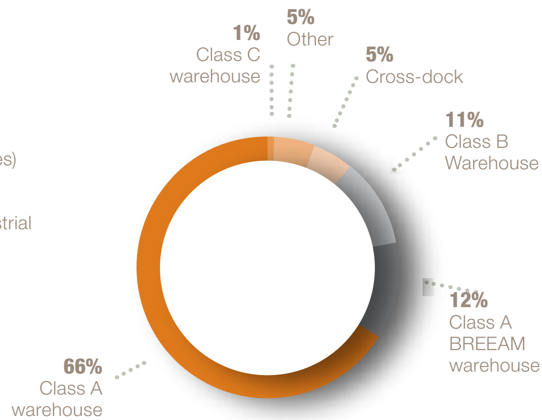
FAIR VALUE BREAKDOWN BY AGE OF PROPERTY[1]



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



PROPERTY PORTFOLIO BREAKDOWN (BASED ON FAIR VALUE) BY QUALITY CATEGORY



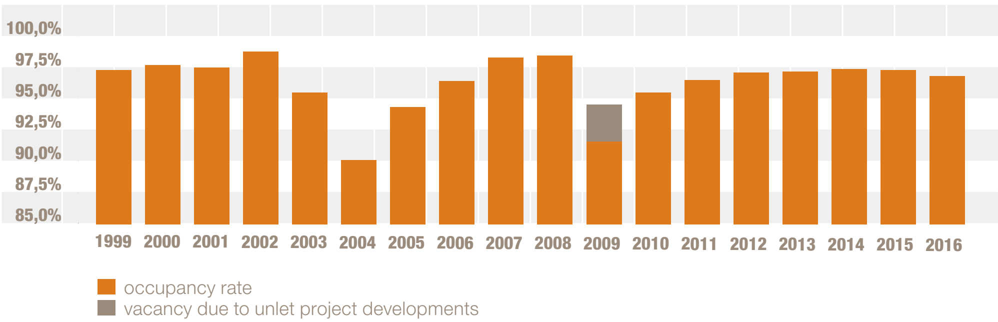
1 Buildings which have undergone major refurbishment are counted as new once refurbishment is completed.

4. Rental situation of the available buildings

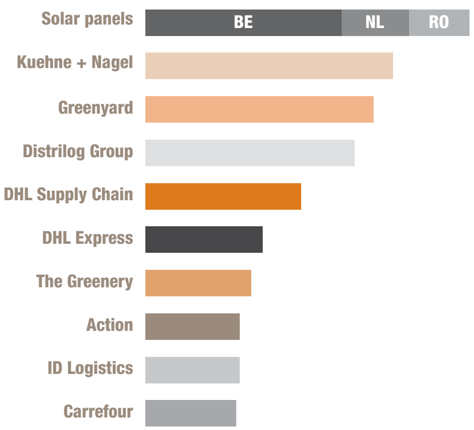
The occupancy rate of the WDP portfolio at year-end 2016 was 97.0% (including solar panels)[2]. This represents an implementation of WDP's commercial strategy, which is aimed at developing long-term relationships with clients and supports the company's performance through a high operating margin.

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 7.5 years. When the first termination date is taken into account, the average remaining term is 5.7 years.

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



TOP 10 TENANTS[3]



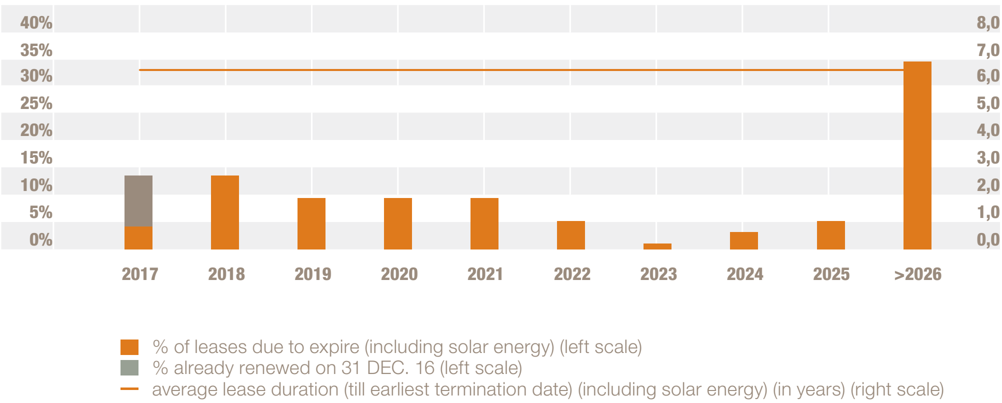
If income from solar panels[4] is taken into account, the average remaining term to final expiry date is 7.8 years. When the first termination date is taken into account, the average remaining term is 6.3 years.

The main tenants are: solar energy with a 8.5% share, Kuehne + Nagel (6.5%), Greenyard (6.0%), Distrilog Group (5.5%), DHL Supply Chain (4.1%), DHL Express (3.1%), The Greenery (2.8%), Action (2.5%), ID Logistics (2.5%) and Carrefour (2.4%). The share of the ten biggest tenants is 44%. The top 20 make up a share of 57%.

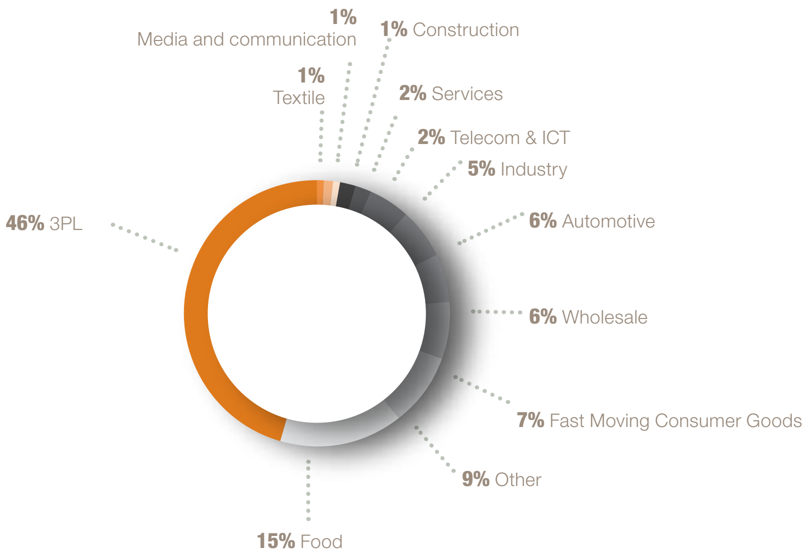
2 Excluding solar panels, the occupancy rate is 96.7%.
3 Seven of the ten largest tenants occupy various sites.

4 See note *XIII. Other tangible fixed assets* on page 214.

LEASE EXPIRY DATES (TILL EARLIEST TERMINATION DATE)



RENTAL INCOME FOR 2016 BY TENANTS' INDUSTRY



5. Projects under development[5]

Projects under development	Country	Type	Leasable surface (in m²)	Expected return	Pre-let	Tenant	Investment budget (in million euros)[1]	Expected return
Zellik	BE	New build	30,000	Q2 2017	100%	Euro Pool System	14	
Barendrecht – Dierenstein-weg (A)	NL	New build	21,000	Q2 2017	100%	The Greenery	4	
Barendrecht – Dierensteinweg (C-D)	NL	New build	23,700	Q4 2017/Q4 2018	100%	The Greenery	10	
Oosterhout	NL	New build	10,000	Q2 2017	100%	Brand Masters	7	
Bleiswijk	NL	New build	31,000	Q2 2018/Q1 2018	100%	Mediq, Total Exotics	20	
Heerlen	NL	New build	33,000	Q3 2017	100%	CEVA Logistics	32	
Veghel	NL	New build	35,000	Q2 2018	100%	Kuehne + Nagel	22	
Venlo	NL	New build	50,000	Q3 2017	100%	DB Schenker	30	
Bucharest (1)	RO	New build	22,000	Q1 2017	100%	Decathlon	8	
Bucharest (2)	RO	New build	11,000	Q2 2017	100%	tba	4	
Timisoara	RO	New build	5,000	Q2 2017	100%	Kuehne + Nagel	1	
Cluj-Napoca (3)	RO	New build	11,000	Q1 2018	100%	Profi	5	
Cluj-Napoca (4)	RO	New build	4,700	Q3 2017	100%	Arcese	1	
Oarja	RO	New build	7,700	Q4 2017/Q4 2018	100%	Röchling	2	
Investment in solar panels	NL	N/A	10 MWp	Q2 2017	100%	Miscellaneous	15	
Total			**295,100**		**100%**		**175**	**6.8%**

1 For redevelopment projects, the value as stated here does not include the value of the existing sites before the start of renovation. Taking into account the proportional share of WDP in the portfolio of WDP Development RO (51%).

The budgeted out-of-pocket cost for the completion of these projects is estimated at 175 million euros, ca. 40 million euros[6] of which had already been spent as of 31 December 2016. WDP expects a rental yield of 6.8% on its total investment.

5 See also *6.3.4. Management report – Transactions and realisations – Projects under development* on page 57.

6 Excluding the project in Leuven and redevelopment projects for existing sites before redevelopment starts.

6. Key data of the properties

The sites listed in this overview were all inspected by the independent surveyors Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate.

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Estimated rental value (ERV)[1]	Rental income in 2016	Occupancy rate[2] 31 DEC. 16
Belgium (fully owned by WDP)		**1,643,435**	**66,344,873**	**61,179,859**	**95.3%**
WDP Comm. VA					
Aalst, Tragel 47	1998-1999 (2013)	24,989	1,158,150	1,178,103	100%
Aalst, Wijngaardveld 3-5 – Dijkstraat 7	1992 (2005)	17,982	602,282	429,548	59%
Aalst, Wijngaardveld 5	2005	4,584	257,362	220,345	100%
Aarschot, Nieuwlandlaan B19	2009	8,602	400,806	403,843	100%
Anderlecht, Frans Van Kalkenlaan 9 – Biestebroekkaai 300 – Walcourtstraat	1969 (2007)	20,498	933,203	935,520	100%
Asse (Kobbegem), Breker 41	1989	12,100	433,504	428,386	100%
Asse (Mollem), Zone 5 no. 191, 192, 320, 321	1967 (2012)	31,026	1,552,529	1,588,235	99%
Asse (Mollem), Zone 5 no. 200	2011	3,287	327,312	327,601	100%
Asse (Mollem), Zone 5 no. 340	1989 (2005)	5,993	269,333	272,288	100%
Beersel (Lot), Heideveld 64	2001	7,275	311,610	222,230	94%
Beersel, Stationsstraat 230	2005	5,149	212,417	225,503	100%
Beringen (Paal), Industrieweg 135 – Rijsselstraat	2002 (2008)	10,189	426,124	354,539	100%
Boom, Langelei 114-116 – Industrieweg 1	2000-2001	37,246	1,666,181	1,495,631	87%
Boortmeerbeek, Industrieweg 16	1991 (2011)	28,605	697,747	538,337	72%
Boortmeerbeek, Leuvensesteenweg 238	2004	11,284	242,504	184,736	100%
Bornem, Rijksweg 17	1996 (2004)	11,911	562,440	554,522	71%
Bornem, Rijksweg 19	2004 (2013)	22,334	1,078,295	1,106,117	91%
Bornem, Sluisweg 32	2011	95,064	4,432,709	4,833,520	100%
Courcelles, rue de Liège 25	2007 (2009)	53,752	1,252,295	1,055,887	62%
Geel, Hagelberg 12	2012	13,465	561,510	572,071	100%
Geel, Hagelberg 14	2009	24,064	1,221,587	1,048,603	100%
Genk, Brikkenovenstraat 48	2008 (2010)	35,050	1,426,055	1,470,482	98%
Genk, Brikkenovenstraat 50	2009	19,180	774,800	776,885	100%
Ghent, Amerigo Vespuccistraat 2	2016	24,397	1,058,606	789,280	100%
Grimbergen, Eppegemsesteenweg 313	1978 (2013)	66,346	1,375,672	1,198,311	100%
Grimbergen, Industrieweg 16	2008	15,406	707,232	610,572	100%
Heppignies, rue de Capilône 6	2016	21,314	811,715	405,352	100%
Jumet, Zoning Industriel – 2ième	1995 (2005)	6,385	236,220	298,314	100%
Kontich, Satenrozen 11-13 – Elsbos	1985 (2006)	56,725	2,423,326	2,766,875	100%
Kortenberg, A. De Conincklaan 2-4	1997 (2012)	6,181	318,045	254,861	100%
Leuven (Wilsele), Kolonel Begaultlaan 9, 17-21, hoek Levèfrelaan	1935 (1985)	21,041	688,314	709,842	94%
Londerzeel, Nijverheidsstraat 13	2015	9,374	1,014,049	1,004,646	100%
Londerzeel, Nijverheidstraat 15	1989 (2013)	18,773	715,809	515,761	100%
Londerzeel, Weversstraat 2	2014	16,311	789,390	790,404	100%
Luik (Flémalle), rue de l'Arbre Saint-Michel 99	2011	7,881	362,796	405,220	100%
Luik, Trilogiport	2016	N/R	N/R	N/R	100%
Machelen, Rittwegerlaan 91-93 – Nieuwbrugstraat	2001 (2006)	17,282	1,323,400	1,339,462	100%
Mechelen, Zandvoortstraat 3	2005	32,816	1,304,663	1,148,903	97%
Meer, Seoelstraat 1	1998	19,049	554,139	464,075	100%
Merchtem, Wolvertemse Steenweg 1 – Bleukenweg 1	jaren '70 (2011)	5,375	380,895	373,449	99%
Nijvel, chaussée de Namur 66	1974 (2011)	11,197	488,146	101,519	38%
Nijvel, rue Buisson aux loups 8	2013	30,492	308,970	332,442	100%
Nijvel, rue de l'Industrie 30	1990 (2004)	27,692	1,207,280	1,114,145	92%
Nijvel, rue du Bosquet 12	2007	11,591	560,694	339,740	67%
Puurs, Lichterstraat 31	jaren '70 (2012)	15,693	586,317	423,376	70%
Puurs, Schoonmansveld 1	1994	35,322	553,670	57,249	100%

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Estimated rental value (ERV)[1]	Rental income in 2016	Occupancy rate[2] 31 DEC. 16
Rumst (Terhagen), Polder	jaren '50 (2007)	30,248	621,841	296,361	72%
Sint-Katelijne-Waver, Drevendaal 1 – Strijbroek 4	1991 (2007)	20,957	999,543	966,568	100%
Sint-Katelijne-Waver, Drevendaal 3	1996 (1997)	22,575	1,416,312	1,462,456	100%
Sint-Katelijne-Waver, Fortsesteenweg 19 and 27	1989	11,589	808,607	403,992	100%
Sint-Katelijne-Waver, Strijbroek 10	1989 (2007)	2,103	318,615	348,161	100%
Ternat, Industrielaan 23	2004	12,256	410,792	275,283	90%
Ternat, Industrielaan 24	1977 (2010)	26,125	850,705	681,291	70%
Vilvoorde, Havendoklaan 10	2015	8,200	380,487	322,539	94%
Vilvoorde, Havendoklaan 12	1977 (2001)	13,863	783,800	874,851	100%
Vilvoorde, Havendoklaan 13	2006	10,606	381,861	340,201	85%
Vilvoorde, Havendoklaan 18	1994 (2001)	76,399	3,602,765	3,799,296	100%
Vilvoorde, Havendoklaan 19	2002	11,649	593,191	540,857	98%
Vilvoorde, Jan Frans Willemsstraat 95	2004 (2006)	11,049	392,467	350,325	100%
Vilvoorde, Willem Elsschotstraat 5	1995 (2016)	21,207	986,209	793,229	100%
Willebroek, Koningin Astridlaan 14	2015	1,770	188,968	181,442	100%
Willebroek, Koningin Astridlaan 16	2008 (2015)	56,208	2,634,734	2,696,571	100%
Willebroek, Victor Dumonlaan 32	2015	31,195	1,492,730	1,333,071	100%
Willebroek, Victor Dumonlaan 4	1991	33,871	1,654,893	1,595,499	100%
Zaventem, Fabriekstraat 13	1984 (1993)	7,854	398,270	414,413	100%
Zaventem, Leuvensesteenweg 573	2001	19,929	1,114,965	1,038,319	80%
Zele, Lindestraat 7 – Baaikensstraat	2003 (2008)	41,246	1,573,324	1,316,805	98%
Zellik, Z4 Broekooi 290 (building 1)	(in uitvoering)	N/R	N/R	515,568	N/R
Zellik, Z4 Broekooi 290 (building 2)	1995	7,747	288,585	379,985	100%
Zwevegem, Deerlijkstraat 58A	1980	74,382	1,307,887	1,330,676	100%
Zwijndrecht, Vitshoekstraat 12	2006 (2013)	49,696	1,819,705	1,776,850	100%
Three properties with a rental income have a fair value of less than 2.5 million euros. These are the properties in Antwerp, Vrieskaai 59; and in Puurs (Breendonk), Koning Leopoldlaan and Estaimpuis, rue du Pont Blue 21.		21,259	1,031,009	966,490	N/R
Colfridis Real Estate BVBA					
Londerzeel, Weversstraat 15	2007	11,075	672,966	170,050	100%
Londerzeel, Weversstraat 17	2010	7,640	345,996	81,980	100%
Londerzeel, Weversstraat 21	1996	6,765	326,561	62,170	100%
Londerzeel, Weversstraat 27-29	2000	13,700	376,982	197,830	100%
The Netherlands (fully owned by WDP)		**1,482,176**	**70,173,179**	**67,485,828**	**98.0%**
WDP Nederland N.V.					
Alblasserdam, Nieuwland Parc 121	2015	8,707	840,532	823,159	100%
Alkmaar, Berenkoog 48	1990	7,692	462,656	409,927	100%
Alphen aan den Rijn, Antonie van Leeuwenhoekweg 35	2012	14,105	615,590	169,197	70%
Alphen aan den Rijn, Eikenlaan 32-34	2012	21,741	694,488	335,231	86%
Alphen aan den Rijn, H. Kamerlingh Onnesweg 3	1996	3,773	212,200	200,000	100%
Alphen aan den Rijn, J. Keplerweg 2	2005	15,742	847,340	938,204	100%
Amersfoort, Basicweg 1-3	1992	11,542	619,240	750,267	100%
Amsterdam, Hornweg 64	1992	12,518	781,414	774,462	100%
Amsterdam, Maroastraat 81	2008	2,597	834,650	715,377	100%
Barendrecht, Dierensteinweg 30/A	1995	36,195	1,053,286	872,656	100%
Barendrecht, Dierensteinweg 30/B	1995	18,859	1,130,758	706,469	100%
Barendrecht, Dierensteinweg 30/C1	1999	24,053	420,927	308,680	100%

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Estimated rental value (ERV)[1]	Rental income in 2016	Occupancy rate[2] 31 DEC. 16
Barendrecht, Dierensteinweg 30/C2	1999	10,600	280,830	205,942	100%
Barendrecht, Spoorwegemplacement 1	1995	27,720	874,020	752,090	100%
Barneveld, Nijverheidsweg 50-52	1981 (2013)	28,740	1,847,435	2,167,303	100%
Bleiswijk, Spectrumlaan 7-9	2014	11,281	658,680	656,620	100%
Bodegraven, Schumanweg 4	2003	6,379	242,350	205,704	100%
Breda, Hazeldonk 6462 and 6464	1996 (2006)	37,847	1,203,375	1,061,692	100%
Breda, IABC 5301	1995	78,282	2,261,387	1,352,228	100%
Duiven, Innovatie 1	2006	27,556	1,347,195	1,818,574	100%
Duiven, Typograaf 2	2008	3,558	543,080	449,392	100%
Echt (Susteren), Fahrenheitweg 1	2014	88,239	3,971,461	3,904,866	100%
Eindhoven, Achtseweg Noord 20	1994 (2008)	31,381	1,499,918	1,500,000	100%
Eindhoven, Park Forum 1129	2014	10,612	604,255	621,981	100%
Harderwijk, Archimedesstraat 9	2015	34,486	1,199,940	1,345,378	100%
Hasselt, Hanzeweg 21	2015	20,475	899,940	819,070	100%
Hasselt, Hanzeweg 29	2015	20,340	199,332	200,602	100%
Hasselt, Hanzeweg 31	2015	11,392	574,215	655,597	100%
Helmond, Sojadijk 2	2011	13,025	688,100	767,345	100%
Maastricht-Aachen (Beek), Engelandlaan 30	2011 (2012)	25,004	1,140,390	991,903	100%
Moerdijk, Transitoweg 5	2002	41,910	1,635,893	1,506,290	100%
Nieuwegein, Inundatiedok 34	2010 (2012)	49,733	2,237,750	903,947	52%
Oss, Keltenweg 70	2012	16,905	1,037,059	959,821	100%
Oss, Menhirweg 15	2010 (2012)	11,074	563,575	565,210	100%
Oud-Beijerland, A. Flemmingstraat 2	1992	14,761	723,217	21,580	100%
Papendrecht, Nieuwland Parc 140	2015	16,866	804,567	1,061,451	100%
Raamsdonksveer, Zalmweg 27	1980 (2011)	9,745	355,050	468,280	100%
Ridderkerk, Handelsweg 20 and 25	2005 (2009)	43,194	4,100,305	5,584,005	100%
Roosendaal, Aanwas 9	2012	9,551	819,300	897,813	100%
Roosendaal, Borchwerf 23	1994	15,834	745,065	766,173	100%
Schiphol Logistic Parc, Incheonweg 7	2012	12,574	1,156,299	1,199,974	100%
Schiphol Logistic Parc, Pudongweg 3	2015	16,887	1,621,873	1,409,573	100%
Schiphol, Folkstoneweg 65	2001	9,231	716,745	337,346	100%
Soesterberg, Centurionbaan	2015	7,419	526,854	498,426	100%
Tiel, Medel 1A	2014	38,272	2,047,110	2,190,984	100%
Tilburg, Hermesstraat 1	2007	47,187	2,364,603	2,362,853	100%
Tilburg, Marga Klompeweg 11	2011	20,000	855,724	850,000	100%
Tilburg, Siriusstraat 7-9	2009	17,762	934,040	1,188,573	100%
Utrecht, Rutherfordweg 1	1992 (2009)	12,600	768,450	762,167	100%
Veghel, Doornhoek 3765	2006 (2011)	9,820	512,675	663,489	100%
Veghel, Kennedylaan 19	2002	21,020	876,400	754,103	100%
Veghel, Marshallweg 1	1990 (in uitvoering)	81,227	3,130,168	2,897,233	100%
Venlo, Ampèrestraat 7-9	2011 (2012)	32,539	1,370,410	1,142,603	100%
Venlo, Edisonstraat 9	1990	26,135	798,790	577,406	100%
Venray, Newtonstraat 8	2013	17,440	700,690	697,566	100%
Venray, Wattstraat 2-6	2013	43,227	2,087,060	2,059,389	100%
Voorhout, Loosterweg 33	1987 (2007)	38,578	944,440	1,047,796	100%
Wijchen, Bijsterhuizen 2404	2010	15,619	1,028,818	1,438,412	100%
Zaltbommel, Heksenkamp 7-9	2012	10,275	631,392	680,118	100%
Zwolle, Lippestraat 15	2008	20,109	1,177,348	1,373,901	100%
Zwolle, Mindenstraat 7	2012	22,663	1,287,845	1,240,434	100%
Zwolle, Paderbornstraat 21	2015	47,996	2,475,825	2,464,446	100%
Five properties with a rental income have a fair value of less than 2.5 million euros. These are the properties in Bodegraven, Schumanweg 1C; Meppel, Oeverlandenweg 8; Drunen, Albert Einsteinweg 20; Breda, IABC 5375-5377 and Barendrecht, Dierensteinweg 30/D.		19,582	588,855	434,551	N/R

	Year of construction (last renovation/ expansion)	Lettable area (in m²)	Estimated rental value (ERV)[1]	Rental income in 2016	Occupancy rate[2] 31 DEC. 16
WDP Development NL N.V.					
Barendrecht, Dierensteinweg 30/A	(in uitvoering)	N/R	N/R	N/R	N/R
Barendrecht, Dierensteinweg 30/C1	(in uitvoering)	N/R	N/R	N/R	N/R
Barendrecht, Dierensteinweg 30/C2	(in uitvoering)	N/R	N/R	N/R	N/R
Bleiswijk, Micaweg (Kavel 2)	(in uitvoering)	N/R	N/R	N/R	N/R
Heerlen, Earl Bakkenstraat	(in uitvoering)	N/R	N/R	N/R	N/R
Oosterhout, Denariusstraat	(in uitvoering)	N/R	N/R	N/R	N/R
Venlo, Trade Port Noord	(in uitvoering)	N/R	N/R	N/R	N/R
France (fully owned by WDP)		**169,965**	**7,004,670**	**5,039,677**	**94.8%**
WDP France SARL					
Aix-en-Provence, rue Gustave Eiffel 205	2000	16,369	734,933	812,573	100%
Lille – Libercourt, Zone Industrielle – le Parc à stock	2008 (2016)	60,995	2,426,119	1,502.911	100%
Lille – Roncq, avenue de l'Europe 17	2003 (2006)	13,251	488,944	236,749	100%
Lille – Seclin, rue Marcel Dassault 16B	2008	13,229	554,432	609,661	100%
Neuville-en-Ferrain, rue de Reckem 33	2006	13,411	524,636	510,872	100%
Vendin-le-Vieil, rue Calmette – rue des frères Lumière	2004	28,995	1,256,502	769,708	81%
The property Lille-Templemars, rue de l'Épinoy 16B has a rental income, and a fair value of less than 2.5 million euros.	1990	4,526	236,580	262,965	100%
WDP Comm. VA					
Lille – Templemars, route d'Ennetières 40	1989 (2008)	19,189	782,524	334,239	84%
Romania (51% owned by WDP)[3]		**79,906**	**3,509,393**	**2,215,215**	**100%**
WDP Development RO SRL					
Aricestii Rahtivani	2014	10,945	555,373	488,175	100%
Boekarest	(in uitvoering)	N/R	N/R	N/R	N/R
Braila	2015	22,294	1,133,828	452,810	100%
Brasov	2013	8,335	333,805	271,504	100%
Clinceni	2015	6,225	207,869	255,162	100%
Cluj-Napoca	(in uitvoering)	N/R	N/R	N/R	N/R
Oarja	2012	8,292	426,883	394,629	100%
Ramnicu Valcea	2016	10,907	507,174	299,232	100%
Sibiu	2016	12,907	344,461	51,224	100%
Timisoara	(in uitvoering)	N/R	N/R	N/R	N/R
Seven properties have a fair value of less than 2.5 million euros. These are the land in Paulesti, Mihail Kogalceanu, Aigigea, Fundulea, Sarulesti, Cluj-Napoca and Sibiu.		N/R	N/R	2,479	N/R
TOTAL		**3,375,482**	**147,032,115**	**135,920,579**	**96.7%**

1 The estimated rental value is the rental value determined by the independent real estate expert. For the independent real estate expert's report and valuation method, please refer to chapter *8.3. Property report – Conclusions of the property experts* on page 144.

2 The occupancy rate is calculated on the basis of the rental values of the leased buildings and the unleased space and includes income from solar panels. Projects under construction and/or renovation are not taken into account. The site in Grimbergen is held in joint ownership together with another GVV/SIR, Montea Comm. VA, divided on a 50-50 basis. WDP Comm. VA is therefore a co-owner of this site.

4 This pertains to the sites development including land reserves.

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

1. Belgium

The logistics property market experienced a strong 2016. The demand for logistics warehouses remains at a healthy level, driven in particular by the rise of e-commerce, the continued centralisation of their business by large companies, and the strive towards greater efficiency in terms of supply chain in the retail sector. Pre-let projects continue to oust speculative developments. Users are looking for modern, high-quality warehouses, which is pushing real estate specialists towards sustainable custom design with an eye to the future. From an investor's angle, the interest in logistics property remains high, particularly with regard to large-scale projects and integral property portfolios. The viewpoint is that both users and investors will remain interested in this region. The shortage of large, modern premises however implies a decrease towards the future. Class A buildings that are furthermore customised continue to hold the upper hand.

2. The Netherlands

Confidence in the Dutch logistics property market was high, which led to great interest both from users and investors. In the consumer market, the logistics hotspot offer remains scarce. New logistics property therefore get leased fast. Rental prices has remained stable, but experienced upward pressure due to the dwindling offer. The strong demand is mainly driven by the growing interest in e-commerce and a more efficient supply chain used by shop distribution. Users now also have a preference for existing buildings and/or upcoming regions with a growing qualitative offer. Due to the high demand, available capital and advantageous building costs, speculative development is slowly increasing. For many users, built-to-scale premises remain the most attractive option. As for the investors' market, interest from international investors remains high, considering the table revenue. The strong competition in primary logistical items keeps initial return under pressure. The outlook for the logistics sector remains positive. The strong competition for primary user and investor locations will continue, whereby secondary locations will also benefit from the growing demand.

3. France

The French logistics market continued its healthy trend in 2016, creating a good base for further robust growth in 2017. During the third quarter of 2016, a take-up was recorded that was higher than the ten-year average. The logistics property market saw an increase with regard to smaller (5,000-10,000 m²) warehouses, although the number of XXL warehouses also went up. The development of these large sites will continue to have an impact in 2017. The number of square meters still available is comparable to that at the end of 2015, particularly in the logistical hub of Île-de France.

4. Romania

Bucharest remains the centre of gravity with regard to economic activity in Romania and the resulting demand for suitable storage premises, in line with their existing development potential. The growth in this region has seen a revival since 2015, driven in particular by the upsurge in the local retail market. Logistics service providers and retailers are boosting the demand for development projects, especially tailor-made projects (rather than speculative development). Other significant regions were those around the cities of Cluj-Napoca and Timisoara. Cluj-Napoca is characterised by a well developed industrial market that attracts new investments in terms of product and logistics warehouses. Timisoara is the second largest industrial market in Romania – after Bucharest. A determining factor is its strategic location next to the TEN-T European corridor and close to the Hungarian border.

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

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 at 31 December 2016.

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 IAS 40 as the amount for which an asset 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.

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

As independent property experts we have a relevant and recognised professional qualification as well as recent experience with properties of a similar category and location to the properties being valued in the property portfolio of WDP.

The estimate of the properties take account of both current rental agreements and all rights and obligations arising from these agreements. Each property was estimated separately. The estimates do not take account of any potential capital gain that might be realised by offering the portfolio as a whole on the market. 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.

On the basis of the statements in the preceding paragraphs, we can confirm that the fair value of WDP's property portfolio (excluding solar panels and Assets held for sale) as per 31 December 2016 amounted to 2,108,130,205 euros (two billion one hundred and eight million one hundred and thirty thousand two hundred and five euros).

Yours faithfully,

KOEN NEVENS
Managing Partner | Cushman & Wakefield

PHILIPPE JANSSENS
Managing Director | Stadim

LEOPOLD WILLEMS
Partner international valuations and advisory |
DTZ Zadelhoff

CAROLINE HUSSENOT
Director of the International department |
BNP Paribas Real Estate

Sustainability report

9

1. Introduction

Vision

Considering the challenges ahead to keep global temperatures under control, efficient logistics can be a powerful tool to reduce the burden on the planet.

As a leading logistics property partner, WDP has a strong sense of responsibility. The company lays emphasis on the environment and intends to reduce the footprint of its logistics property now and in the future.

WDP concentrates priorities where the largest difference can be made. Its medium-term ambition is to reduce achieve CO_2 neutrality. The company therefore believes that its actions for the future should be based on clearly defined information, such as energy consumption and its impact on CO_2 emissions of the warehouses in its portfolio. This will give WDP a clear view on the amount of CO_2 emissions that require offsetting. How and what type of energy is consumed, determines both the economic and the environmental impact of the company's activities. Based on these results, WDP can define a solid corporate social responsible strategy.

The company strives to continue improving its position as a responsible enterprise and lessor. We shall therefore continue to prioritise actions that balance the advantages for people, the planet and future prosperity. WDP believes that incorporating the principles of sustainable development into its strategy, is the best way to improve financial performance, strengthen its relationship with shareholders, manage risks, maximise business opportunities and create value. Reducing its CO_2 footprint goes hand-in-hand with this.

Governance

To ensure the implementation of the company's sustainability commitments, WDP has set up a *Sustainable Executive Committee*. The committee becomes effective in January 2017. Its objective is to continuously identify and assess all factors that might improve the company's sustainability strategy. This committee will consist of people with operational, commercial, technical and financial representation.

Each member of the Sustainable Executive Committee will be involved in WDP's sustainability actions and will contribute to making sustainability a part of the company's DNA.

About this report

WDP wishes to report in line with the standardization of non-financial reporting by subscribing to the indicators as published by EPRA's report on Best Practice Recommendations on Sustainability Reporting. The company reports separately on the environmental performance of its corporate offices (Belgium, the Netherlands, Romania) and its warehouse portfolio. Regarding the warehouse portfolio, the data collection focuses on information that WDP as lessor and manager of its property portfolio has its disposal. It is important to note that WDP has limited operational control over the energy consumption in its warehouses. In most cases the tenants themselves manage their utility contracts. Even for sites where WDP has direct control of the utility contracts and recharges utility consumption to its tenants, the latter remain responsible for their own utility consumption.

Warehouses included in the scope of the report represent a surface area of approximately 625,000 m² (i.e. 19% of the warehouse portfolio) and relate to properties for which WDP has access to the data because it has to re-bill the utility costs to the clients. Since the other 81% of the portfolio concerns data for a large number of clients who are in charge of their own utility contracts, obtaining the data is a genuine challenge.

In the future, WDP wants to monitor the energy performance of its complete portfolio automatically. The company has performed test cases within its client portfolio in order to reduce the total cost of ownership of buildings in due time.

The following chapters take a further look at WDP's ambitions and sustainability strategy. They also give a transparent view of the company's performance in 2016 in terms of EPRA's sustainability indicators.

Long-term principles and execution of a sustainability strategy

How WDP approaches sustainability

WDP's sustainability strategy must be rooted in a well organised, economically viable approach. The company has therefore opted for a People Planet Profit approach. This triple bottom line approach (also referred to as 3P) stands on three pillars: social, environmental and financial. At the intersection, sustainability is achieved. WDP has adopted the TBL framework to evaluate its performance in a broader perspective to create greater shared value. In the environmental pillar, value is created by reducing the environmental impact of the building. In the social pillar, value is created through optimization of the building users' comfort. Additionally, WDP aims to have a positive impact on local communities. In the economic pillar, WDP strategically aims to create a win-win situation for both WDP and all stakeholders.

WDP has set the medium-term goal to achieve CO_2 neutrality

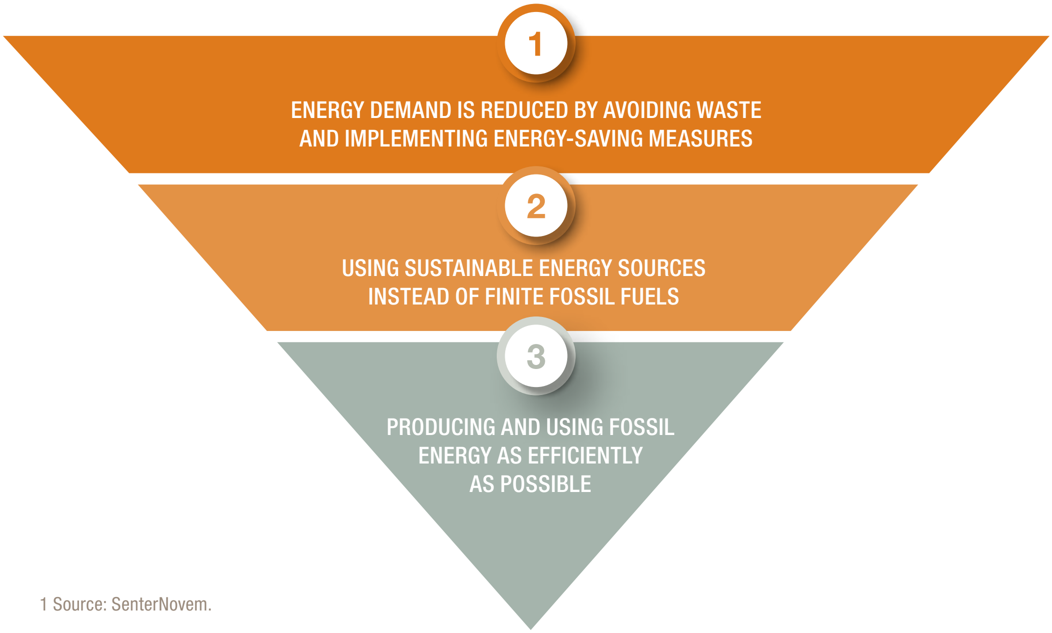
CO_2 neutrality is achieved by reducing emissions and offsetting residual emissions. Organisations striving for CO_2 neutrality must first of all reduce their CO_2 emissions so that only avoidable emissions need to be offset.

Companies that want to offset their emissions have two options:

- They can either counterbalance the CO_2 emissions when burning fossil fuels by investing in renewable sources that generate an equal amount of energy.
- Or they can offset CO_2 emissions by paying others to remove 100% of the emitted carbon dioxide from the atmosphere. This can be done by funding climate projects that will have to prevent greenhouse gas emissions in the future or by buying CO_2 credits to have CO_2 emissions reduced or avoided elsewhere.

The overall approach of avoiding, reducing and offsetting reduces the dependency on fossil fuels and at the same time boosts the percentage of renewable sources used. Trias Energetica is an established model that WDP uses to drive down energy consumption and make the transition to sustainable energy consumption.

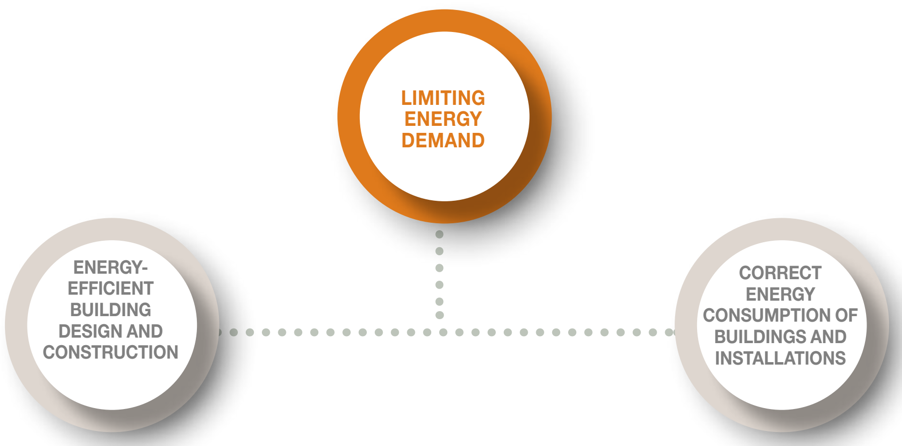
THE TRIAS ENERGETICA[1]-CONCEPT:
THE MOST SUSTAINABLE ENERGY IS THE ENERGY YOU SAVE



1 Source: SenterNovem.

Reducing demand

Minimising the energy demand of a building is accomplished through (1) energy-efficient design and construction, and (2) an adapted energy usage of the building and its installations.



Energy-efficient design and construction

Energy-efficient design and construction of a building is vital to reducing energy demands within the building. The key challenge in this matter is reconciling energy efficiency with stakeholders' financial interests. A low investment cost for building projects inevitably leads to compromises when choosing a design and technical facilities. Such choices also have an impact on the energy efficiency and comfort of users. The pursuit of short-term financial gains (economic pillar) therefore has a negative effect on the environmental and social pillar of triple bottom line sustainability.

The concept of Total Cost of Ownership (TCO) is a powerful approach to stimulate long-term thinking and sustainable development. If the cost of natural resource consumption and building user comfort is added to the equation, the apparent optimum of low investment cost buildings often turns out to have less value for stakeholders: tenants renting low-standard buildings suffer from higher utility costs and therefore a higher TCO. Reletting a low-standard building in the future can also be much more difficult. As an end-investor as well as developer, WDP therefore invests in sustainable warehouses. This emphasises the company's long-term vision.

In order to quantify the resource consumption aspect of TCO, WDP developed the Energy Efficiency Tool in collaboration with energy consulting firm 3E. This tool assesses energy costs and carbon emissions of various design and technology alternatives when developing new construction projects or when renovating existing warehouses. The increased awareness of TCO created by the Energy Efficiency Tool has proven to be a valuable input for decision makers. Projects designed and constructed with the goal of minimising TCO instead of only the initial investment generally perform significantly better in terms of resource efficiency and building user comfort. In other words, the concept of TCO has a positive impact on the environmental, social and financial pillars of TBL, a cornerstone of WDP's sustainability strategy.

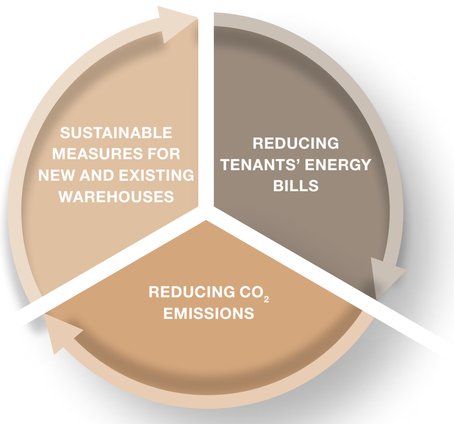
Prompted by the Energy Efficiency Tool and a growing awareness of TCO, stakeholders support WDP's choice to invest in technologies that reduce energy consumption. To reduce the property portfolio's energy consumption, WDP invests in new lighting technologies (including LEDs), insulation and efficient heating and cooling solutions.

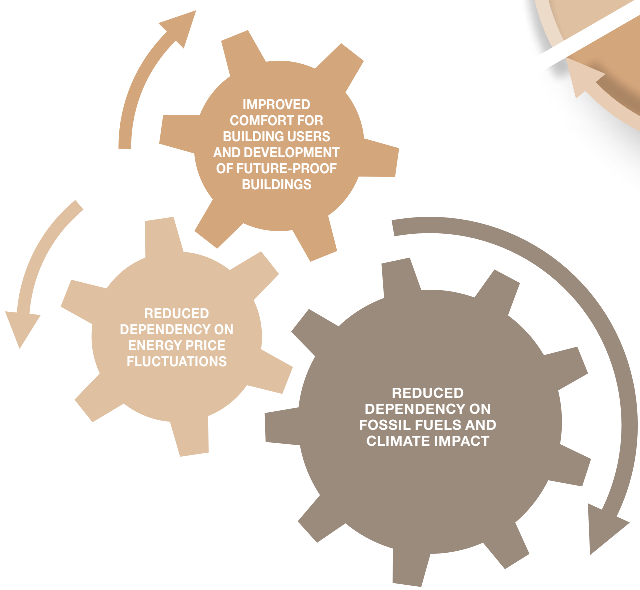
WDP continues its quest for new lighting solutions. The use of LED lighting in warehouses has for instance been found to be very useful. Besides the longer life and improved energy efficiency, LED lights also offer numerous other advantages over TL lights, including fewer start-up problems and lower heat emissions, especially in cooled storage space. When the lighting is linked to motion detectors via a dimmer, energy is used more efficiently.

WDP invests in full insulation of walls and roofs (by using a thermal resistance factor of at least 2.5 m^2 K/W and 3.2 m^2 K/W respectively). Furthermore, the company also chooses the most cost-effective, energy-efficient heating, ventilation and air conditioning options.

Thanks to these measures, our tenants' are less dependent on fossil fuels and less exposed to the price fluctuations of a turbulent energy market. The impact by WDP and its clients on both the planet and its people is reduced. Furthermore, this approach is also expected to increase the value of the property.

Sustainable power, heating and isolation projects are designed to reduce CO_2 emissions in our portfolio warehouses as well as reduce the tenant's energy bill. The emphasis on sustainability applies not only to new projects but also to old sites in the portfolio, which are being upgraded to efficient, sustainable, state-of-the-art properties.





Efficient energy usage

In recent years, the company's monitoring tests and pilot projects have shown that even the most sustainable designed buildings can still have sub-optimal energy performance if their users do not pay attention to energy efficiency. In addition to design, operational management and efficient energy usage is key to achieve optimal environmental performance.

For WDP, reducing demand through energy management is a genuine challenge. As a landlord, the company has limited operational control over the tenants' natural resource demands and building user behaviour. Nevertheless, the monitoring pilot projects revealed the enormous improvement opportunities in all three pillars of sustainability: improved building user comfort, increased resource efficiency, and cost reduction can all be achieved through energy monitoring and management. WDP therefore developed and launched the Energy with Brains scheme together with the Smart Energy Tool.

Energy with Brains aims to reduce energy consumption. It is based on a step-by-step approach to optimise a building's energy consumption and eventually increase its energy efficiency. It is a two-stage process: in the first stage, the focus lies on gaining insight in the energy demands of a specific building or tenant. The second stage is focused on achieving optimal performance based on the insights gained in the first stage. In support of the scheme, WDP developed Smart Energy, a web-based platform that enables users and other stakeholders to keep track of their energy consumption, costs and CO_2 emissions.

The first step in the understanding stage is acquiring overall resource cost and consumption data. The total energy (and water if applicable) consumption and cost is monitored with a 5 to 15 minutes granularity. The tenant's resource demand as well as seasonal variations are mapped annually to identify saving opportunities and assess the need for further investments in monitoring equipment. If a significant savings potential is identified, investments in monitoring infrastructure can be justified. The next step in the understanding stage is to install detailed monitoring infrastructure with the goal of gaining in-depth understanding of the previously identified savings areas. Additionally, utility costs can be incorporated in full detail to increase financial accuracy.

Insights from the first phase form the basis for the optimising phase. The results from the insight phase will indicate which approach would be the most useful for optimising energy efficiency. Depending on the results, one can invest in more advanced energy management for instance through remote control of building technologies or real-time follow up with automated notifications in case of anomalies. Investing in efficient technology is another option, for example relighting, a heat pump or energy storage. If investments were made in building control or storage technologies, one could opt for demand side management. Users could then receive compensation from the grid manager to reduce their energy consumption temporarily. Last but not least, a detailed insight in energy consumption and utility costs can be a valuable input for optimisation through procurement.

The Energy with Brains scheme helps to reduce energy demand and increase sustainability for various reasons. Firstly, it allows WDP to gain insight in the buildings' environmental performance of its warehouses. That way, the company can advise its tenants on how to reduce demand. Secondly, it creates awareness of the benefits of efficient energy usage. And thirdly, it is designed to be flexible so that it can be tailored to meet any building or tenant demand.

Renewable energy

Solar energy

Logistics warehouses are perfectly suited for the installation of solar panels, as they are equipped with large flat roofs upon which solar panels can easily be installed without imposing aesthetic damage to local communities. This reduces the "not in my backyard" (NIMBY) effect and even encourages local support where communities can have access to locally produced green energy. Thanks to their scale, solar panels are perfectly in line with decentralised energy production. This has two advantages. First of all it offers greater energy continuity and availability in a specific area, without overloading the grid. Secondly, clients can consume locally produced green energy.

This principle is in line with the social pillar of the triple bottom line approach. With respect to the ecological pillar, the production and supply of renewable energy lowers the environmental impact and avoids CO_2 emissions. The reduced energy costs are divided between the tenant and WDP. This creates a win-win situation for all the parties involved (financial pillar).

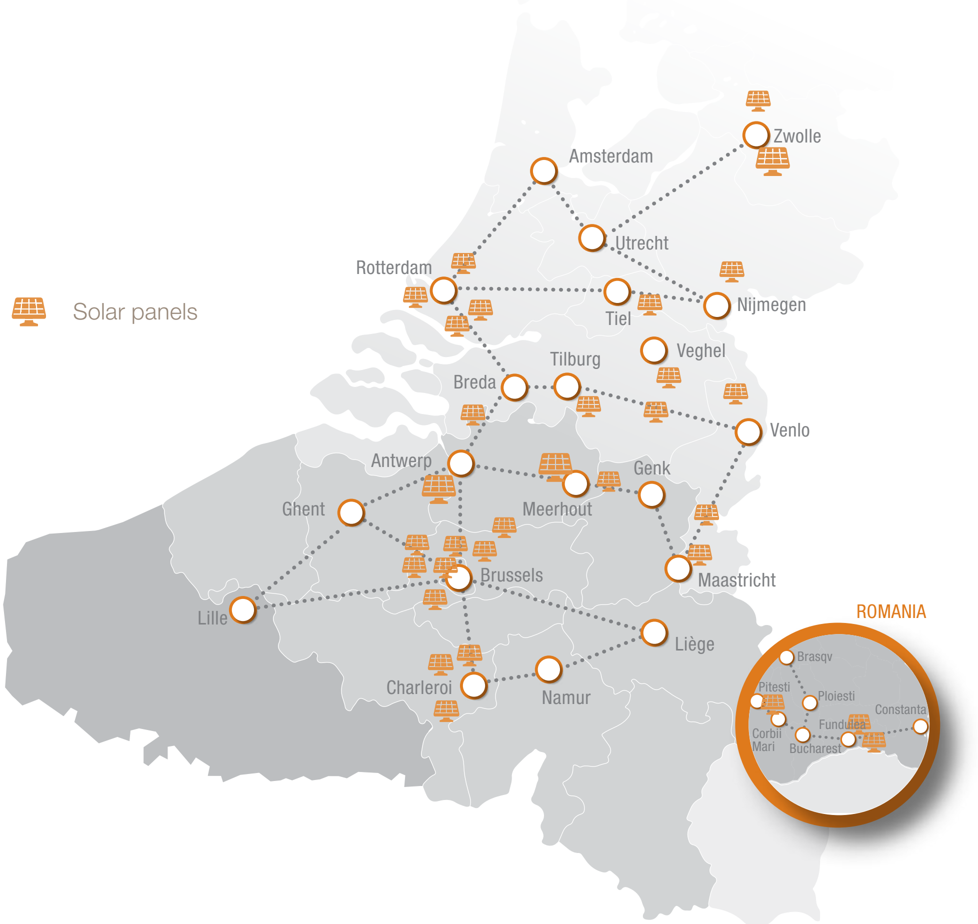
Investing in renewable energy is a specific branch of WDP's activity. Since 2007, through the roll-out of the solar energy project, the company has made significant progress. Today, some fifty warehouses have already been equipped with solar panels with installed green power of about 54 MWp.

The WDP solar panel programme

2007-12	2013-14	2015	2016 - ...
• 25 buildings in Flanders for 16 MWp	• 2 buildings and 2 solar farms for 14.5 MWp installed in Romania	• 2 buildings for 4 MWp in Flanders • 5 buildings for 2 MWp in Wallonia • one building for 2.5 MWp in the Netherlands	• Further deployment of solar panel programme in the Netherlands up to 30MWp

After the installation of around 40 MWp in Belgium, Romania and the Netherlands, WDP rolled out a 30 MWp solar panel program for its Dutch property portfolio. At the end of 2016, solar panels have been installed on the roofs of thirteen sites, resulting in a total capacity of 15 MWp.

Solar panels within the property portfolio



Green electricity

All WDP's electricitycontracts are green electricity contracts. This allowed WDP to avoid approximately 3,300 tCO_2[1] in 2016.

Heat pumps

Heat pumps are a technology that heats or cools buildings by extracting energy from the air (air source heat pumps) or the ground (geothermal heat pumps). The WDP standard for constructing warehouses is to install air source heat pumps in all adjoining offices to warehouse sites.

Additionally, geothermal heat pumps have been installed in the warehouses at Nieuwegein, Zwolle and Helmond in the Netherlands.

WDP has also initiated a thorough renovation project for the corporate offices in Meise (Wolvertem). Renovations will include the installation of a geothermal heat pump for heating and cooling purposes in the offices.

Producing and consuming fossil fuels as efficiently as possible

WDP does not produce fossil fuels and, in cases where this kind of consumption is necessary, the company assures to do so as efficiently as possible. As mentioned earlier, WDP strives to keep its energy consumption to a minimum. Technological progress in the field is monitored closely so that the company can install the best available technology in its warehouses.

EPRA sustainability metrics

The context in which WDP operates is dynamic and there is no "one size fits all" solution when working in logistics. However, one cannot manage what is not measured, WDP therefore aims to track and monitor energy consumption in its warehouses to the best of its ability.

As mentioned in the introduction, WDP reports in line with the standardising of non-financial reporting as published by the EPRA report on Best Practice Recommendations for Sustainability Reporting.

Warehouses within the reporting scope represent a surface area of ca. 625,000 m² (19% of the total WDP portfolio) and relate to properties where WDP has direct access to data in order to rebill energy costs to the clients.

1 tCO_2 stands for tonnes of CO_2 in reference to the amount of CO_2 emitted.

Below is an overview of the indicators and results for 2015 and 2016.

			WDP corporate offices Belgium, the Netherlands and Romania		WDP property portfolio	
EPRA Sustainability Performance measurement	GRI G4 (CRESSD) Indicator	Unit(s) of measurement	2015	2016	2015	2016
Elec-Abs	G4-EN3	kWh per year	135,848	171,987	17,389,998	15,650,165
Elec-LfL	G4-EN3	kWh per year	135,848	171,987	17,389,998	15,563,584
DH&C-Abs (normalised)	G4-EN3	kWh per year	16,091	14,291	not applicable	not applicable
DH&C-LfL (normalised)	G4-EN3	kWh per year	16,091	14,291	not applicable	not applicable
Fuels-Abs (normalised)	G4-EN3	kWh per year	271,908	252,357	24,186,414	22,368,513
Fuels-LfL (normalised)	G4-EN3	kWh per year	271,908	252,357	24,186,414	23,182,373
Energy-Int	G4-EN5, CRE1	kWh/m^2	285	293	64	59
GHG-Dir-Abs	G4-EN15	metric tonnes of CO_2 per year	62	55	4,549	4,108
GHG-Indir-Abs	G4-EN16	metric tonnes of CO_2 per year	1	1	0	0
GHG-Dir-LfL	G4-EN15	metric tonnes of CO_2 per year	62	55	4,549	4,258
GHG-Indir-LfL	G4-EN16	metric tonnes of CO_2 per year	1	1	0	0
	G4-EN18, CRE3	kgCO_2e/m^2	44	39	7	6
	G4-EN18, CRE3	tCO_2/FTE	1	1	not applicable	not applicable
Water-Abs	G4-EN8	cubic meters (m^3) per year	477	643	24,135	13,073
Water-LfL	G4-EN8	cubic meters (m^3) per year	477	643	24,135	31,085
Water-Int	CRE2	m^3/m^2	0.34	0.46	0.04	0.05
Waste-Abs	G4-EN23	metric tonnes of residual waste per year	20	26	not applicable	not applicable
		metric tonnes of PMD per year	0.10	0.24	not applicable	not applicable
		metric tonnes of paper per year	30	40	not applicable	not applicable
		metric tonnes of organic material per year	1	2	not applicable	not applicable
Cert-Tot	CRE8	total number of BREEAM certificates	-	-	3	3

2. Energy performance of the portfolio

Boundary evolution between 2015 and 2016

Regarding the environmental data management of the related warehouse portfolio, there were some changes between the two reporting years. These changes relate mainly to the availability of the data when drafting the report, especially with respect to water consumption. The differences in reporting boundary are translated into the results of the Like-for-Like indicators (see summary table). The description of the indicators below takes into account the variation in absolute figures only.

As mentioned before, the warehouses that are included within the reporting scope represent an area of ca. 625,000 m² (namely 19% of the total WDP portfolio) and relate to these properties where WDP has direct access to the data due to its responsibility for recharging energy costs to the clients.

Methodology used for our portfolio

Warehouse space falling within the scope of this report constitutes approx. 625,000 m² (or 19% of the total WDP portfolio in the Benelux and France) and relates to properties where WDP has direct access to the data through having to pass energy costs on to customers. They represent between 17% and 21% of our total warehouse portfolio. As we do not yet have data for the last quarter of the financial year, we have extrapolated the data of the first three quarters for the whole year. Finally, the like-for-like analysis uses 2015 as the base year. The performance indicators are converted to the number of square meters for which WDP has environmental figures for the base year.

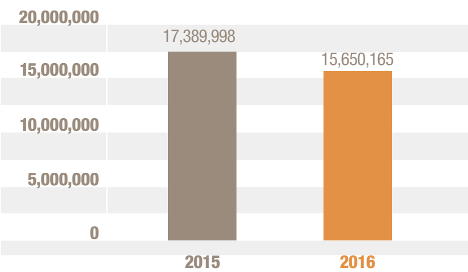
Indicator	Performance measure	Description	Coverage	Extrapolation	Unit	2016
Total surface area			100% – WDP's complete warehouse portfolio	N/A	m²	3,245,315
Electricity	Absolute Like-for-like	Gross total Constant perimeter	21%	We extrapolated the last quarter to achieve a full picture for 2016.	MWu MWu	15,650 15,564
Heating and cooling	Absolute gross Absolute normalised Like-for-like normalised	Gross total Normalised quantity / day Constant perimeter	Not applicable to the warehouse portfolio	We extrapolated the last quarter to achieve a full picture for 2016.	MWu nMWu MWu	N/A N/A N/A
Fuel	Absolute gross Absolute normalised Like-for-like normalised	Gross total Normalised quantity / day Constant perimeter	17%	We extrapolated the last quarter to achieve a full picture for 2016.	MWu nMWu nMWu	20,047 22,369 23,182
Energy intensity	Per m²		19%		MWu/m²	59,03
Direct GHG emissions	Absolute Like-for-like	Gross total Constant perimeter	17%	Based on the previously extrapolated consumption to achieve a full picture for 2016.	tCO_2e tCO_2e	4,108 4,258
Indirect GHG emissions	Absolute Like-for-like	Gross total Constant perimeter	21%	Based on the previously extrapolated consumption to achieve a full picture for 2016.	tCO_2e tCO_2e	0 0
GHG intensity	Per m²		21% for electricity 17% for fuel		$kgCO_2e/m^2$	6.02
Water	Absolute Like-for-like	Gross total fresh water Constant perimeter	7%	We extrapolated the last quarter to achieve a full picture for 2016.	m³ m³	13,073 31,085
Water intensity	Per m²		100%	We extrapolated the last quarter to achieve a full picture for 2016.	m³/m²	0.05
Waste	Absolute Like-for-like	Gross total Constant perimeter	Not yet applicable We do not monitor portfolio waste volumes	We extrapolated the last quarter to achieve a full picture for 2016.	m³ m³	N/A

Energy consumption

Power consumption
(Elec-Abs | Elec-Lfl)

The absolute data in the graph relate to electricity consumption purchased from utility companies for all rented warehouses and are invoiced back to the tenants. Although all the energy contracts are green, it is important to strive to reduce the electricity consumption. The electricity consumption of the warehouses fell from 17.3 GWh in 2015 to 15.6 GWh in 2016 (-10%).

WDP property portfolio
Electricity consumption (absolute) (kWh)



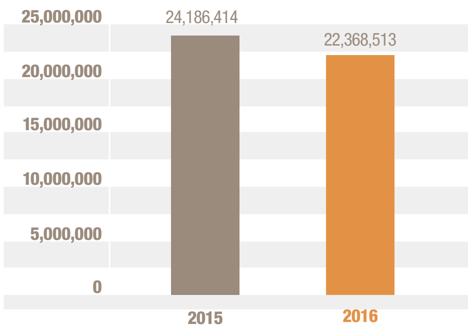
Heating and cooling consumption
(DH&C-Abs (normalised) | DH&C-Lfl (normalised))

This category of energy consumption only applies to corporate offices. None of the warehouses are connected to a district heating or cooling network. WDP is involved in an R&D project in Belgium to connect warehouses to a heating network using a waste processing plant.

Fuel consumption
(Fuel-Abs (normalised) | Fuel-Lfl (normalised))

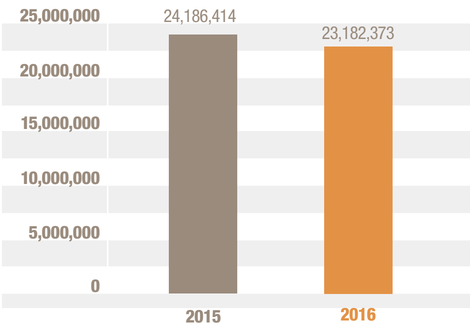
The only type of fuel used in the warehouses is natural gas. Regarding climate change, this has a positive impact on the portfolio's CO_2 footprint. Natural gas much less CO_2 intensive than other fossil fuels, such as gasoil.

WDP property portfolio
Fuel consumption (absolute) (kWh) – normalised



The absolute fuel consumption of the warehouses fell with 8% from 24.1 GWh in 2015 to 22.3 GWh in 2016. The Like-for-Like results show however a more conservative decrease of 4%.

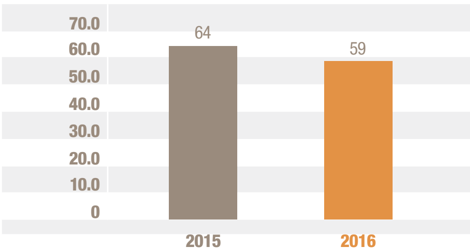
WDP property portfolio
Fuel consumption (like-for-like) (kWh) – normalised



Building energy intensity (Energy-Int)

The building energy intensity indicator shows an overall improvement of the energy intensity of WDP's warehouse portfolio.

WDP property portfolio
Energy intensity (kWh/m²)

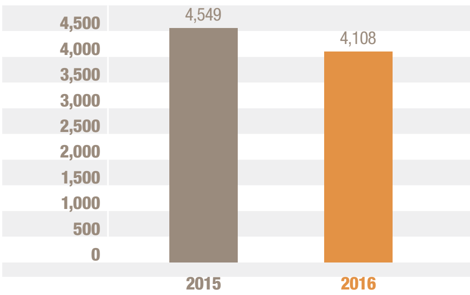


Greenhouse gases

Direct greenhouse gases
(GHG-Dir-Abs | GHG-Dir-Lfl)

The CO_2 emissions of warehouses fell from 4,548.54 tCO_2 in 2015 to 4,108.25 tCO_2 in 2016, which is a 9.7% decrease. These CO_2 emissions relate to the use of gas for heating purposes.

WDP property portfolio
Direct GHGs (absolute) (tCO_2)



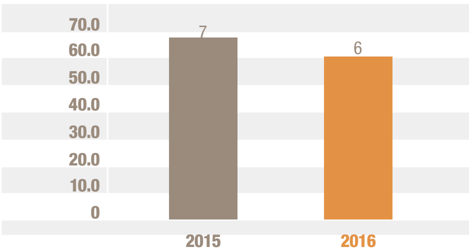
Indirect greenhouse gases
(GHG-Indir-Abs | GHG-Indir-Lfl)

All our warehouses use green power only. Hence, WDP does not have any CO_2 emissions related to its power consumption. The company thereby saved 3,283 tCO_2 in 2016.

Building greenhouse gas intensity (GHG-Int)

As a consequence of the reduced energy consumption, the CO_2 intensity of warehouses fell from 6.71 $kgCO_2$ e/m² in 2015 to 6.02 $kgCO_2$e/m² in 2016, i.e. a decrease of 10.2%.

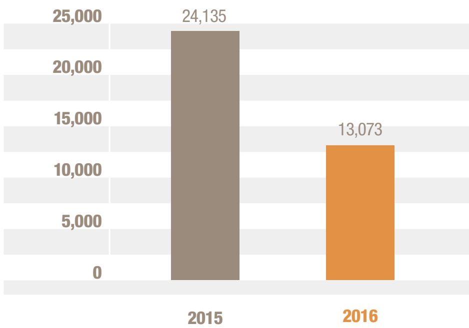
WDP property portfolio
GHG intensity ($kgCO_2/m^2$)



Water consumption

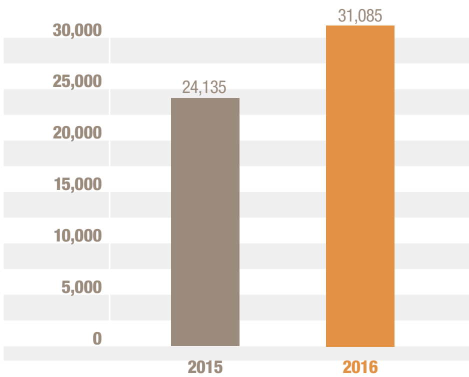
Although water consumption does not represent a material environmental impact in the context of a warehouse portfolio, its usage is being monitored in order to be able to provide a full environmental performance picture of the warehouses.

WDP property portfolio
Water consumption (absolute) (m^3)



Absolute water consumption in 2016 was down 46% compared to 2015, dropping from 24,134.51 m³ to 13,073.37 m³. However, when looking at the Like-for-Like analysis, the water consumption of the portfolio actually increased (29%).

WDP property portfolio
Water consumption (like-for-like) (m^3)



3. Energy performance of WDP corporate offices in Belgium, the Netherlands and Romania

Although the volumes of the offices represent only a negligible amount of the total building portfolio, it is essential to walk-the-talk. WDP owns it to its employees, its clients, the environment and itself.

Boundary evolution between 2015 and 2016

For the corporate offices, there are no changes between the related reporting years covered by the sustainability report. Hence, for the offices, it is not relevant to communicate the like-for-like performance.

Methodology used for our office space

The assessment perimeter for our office space corresponds to all our offices (100%). As we do not yet have data for the last quarter of the financial year, we have extrapolated the data of the first three quarters for the whole year. As regards the like-for-like analysis, the scope has remained unchanged between the two financial years. There is thus no need to provide like-for-like comparisons.

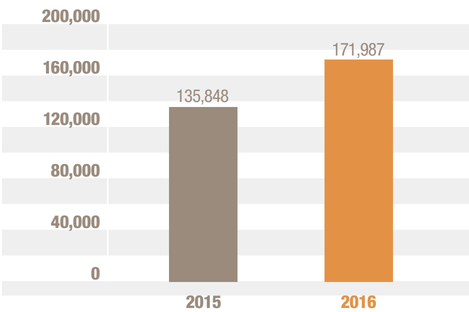
Indicator	Performance measure	Description	Coverage	Extrapolation	Unit	2016
Total surface area			Headquarters in Wolvertem, Breda and Bucharest	N/A	m^2	1,401.81
Electricity	Absolute	Gross total	100%	We extrapolated the last quarter to achieve a full picture for 2016.	MWu	172
Heating and cooling	Absolute gross Absolute normalised	Gross total Normalised quantity / day	15.6% only applies to our offices in Breda	We extrapolated the last quarter to achieve a full picture for 2016.	MWu nMWu	13 14
Fuel	Absolute gross Absolute normalised	Gross total Normalised quantity / day	100%	We extrapolated the last quarter to achieve a full picture for 2016.	MWu nMWu	226 252
Energy intensity	Per m^2		100%		MWu/m^2	293.17
Direct GHG emissions	Absolute	Gross total	100%	Based on the previously extrapolated consumption to achieve a full picture for 2016.	tCO_2e tCO_2e	55.05
Indirect GHG emissions	Absolute Like-for-like		100%	Based on the previously extrapolated consumption to achieve a full picture for 2016.	tCO_2e	0.95
GHG intensity	Per m^2 Per VTE		100%	We extrapolated the last quarter to achieve a full picture for 2016.	$kgCO_2e/m^2$ tCO_2/VTE	39.28 0.82
Water	Absolute	Gross total fresh water	100%	We extrapolated the last quarter to achieve a full picture for 2016.	m^3 m^3	643
Water intensity	Per m^2		100%	We extrapolated the last quarter to achieve a full picture for 2016.	m^3/m^2	0.46
Waste	Absolute	Tonnes remaining waste Tonnes recyclable waste Tonnes paper Tonnes organic material	100%	We extrapolated the last quarter to achieve a full picture for 2016.	tonne tonne tonne tonne	26.47 0.24 39.71 1.50

WDP find it crucial to lead by example. Consequently, the company continuously strives to increase the energy performance of the corporate offices. WDP has invested in LED relighting and charging points for electric vehicles (at headquarters in Meise (Wolvertem) and at the offices in Breda). For the expansion of the Belgian headquarters during 2017, the installation of a heat pump, additional insulation, floor heating and LED-lighting is being looked into. Thanks to these investments, WDP expects to achieve CO_2 neutrality in its Belgian headquarters by the end of 2018.

Energy consumption

Power consumption
(Elec-Abs | Elec-Lfl)

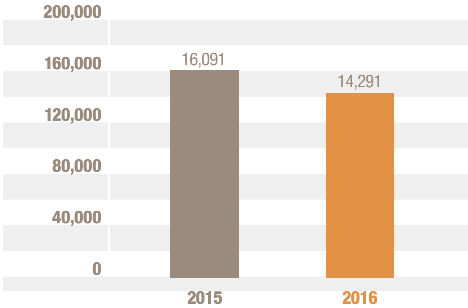
WDP's corporate offices
Electricity consumption (absolute and like-for-like) (kWH)



All of the corporate offices have green electricity contracts. Due to the increase in employees, the electricity consumption has increased by 27% from 135 MWh in 2015 to 172 MWh in 2016.

Heating and cooling consumption
(DH&C-Abs (normalised) | DH&C-Lfl (normalised))

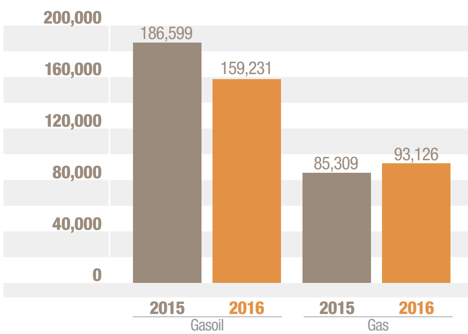
WDP's corporate offices
Heating and cooling consumption (absolute and like-for-like) (kWH)



District heating and cooling is used in the corporate office in Breda. This represents 3.8% of the total corporate consumption and has a positive impact on the CO_2 footprint due to the low CO_2 emissions related to district heating and cooling systems. The use of district heating in the Dutch offices decreased by 11% from 16 MWh in 2015 to 14 MWh in 2016.

Fuel consumption
(Fuel-Abs (normalised) | Fuel-Lfl (normalised))

WDP's corporate offices
Fuel consumption (absolute and like-for-like) (kWH)



Fossil fuel is used for heating in the Belgian and Romanian corporate offices using, respectively, gasoil and natural gas. The gasoil consumption of the Belgian headquarters dropped from 186 MWu in 2015 to 159 MWu in 2016 (-14%). At the same time, natural gas consumption in Romania rose from 85 MWu in 2015 to 93 MWu in 2016 (+9%). Following the foreseen implementation of a heat pump in Wolvertem, the company expects to be fossil fuel free in its Belgian headquarters by 2018.

Building energy intensity
(Energy-Int)

Despite a slight increase in the energy intensity of the offices related to the high energy usage in Romania, the objective is not only to reduce absolute energy consumption, but also reducing the building energy intensity of the corporate offices. The office in the Netherlands currently has an energy label A, which is the best rating.

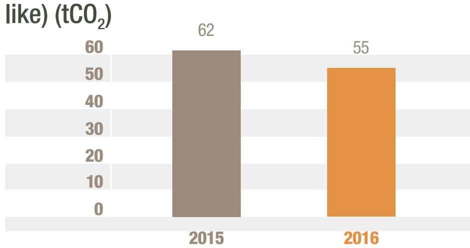
Greenhouse gases

The greenhouse gas emissions linked to WDP's corporate activities, i.e. the administrative activities of its staff, were evaluated according to the Greenhouse Gas Protocol[1] . The operational scope covers the use of energy (heating and electricity) used by the company's headquarters in Belgium, the Netherlands and Romania. Prompted by WDP's commitment to become a CO_2 neutral organisation, the company switched the electricity contracts of all its offices to green electricity contracts in 2007. This allowed WDP to avoid approximately 29 tCO_2 in 2016. By doing so, WDP managed to keep its CO_2 footprint stable despite the company's expansion. More importantly, this measure has been implemented not only to the offices but also to the warehouse portfolio (see page 132) for which WDP manages the energy bills.

Direct greenhouse gases
(GHG-Dir-Abs | GHG-Dir-Lfl)

Direct greenhouse gas emissions are the emissions related to the combustion of fossil fuels in the corporate offices. Hence, those represent the direct climate impact of burning natural gas and gasoil, and using district heating and electricity in the offices. The more a company uses fossil fuels, the more CO_2 it emits. The CO_2 emissions of offices fell from 61.58 tCO_2e in 2015 to 55.05 tCO_2e in 2016. This represents a 10.6% drop in the volume of CO_2 emissions thanks to the decrease in gasoil usage.

WDP's corporate offices
Direct GHG emissions (absolute and like-for-like) (tCO_2)

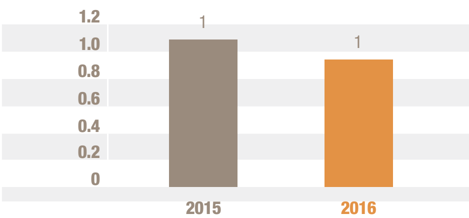


1 The Greenhouse Gas (BKG) Protocol was developed by the World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD). It forms the worldwide benchmark to measure, control and report greenhouse gas emissions. The same methodology has been applied for the CO_2 footprint of the warehouse portfolio.

Indirect greenhouse gases
(BKG-Onrech-Abs | BKG-Onrech-Lfl)

As mentioned before, all of the offices use exclusively green electricity. Hence, WDP does not have any CO_2 emissions related to its electricity consumption. The company thereby saved 29 tCO_2e in 2016. However, the company still uses district heating in the Netherlands. These emissions fell from 1.09 tCO_2e in 2015 tot 0.95 tCO_2e in 2016 due to the reduced use district heating in the Dutch corporate offices.

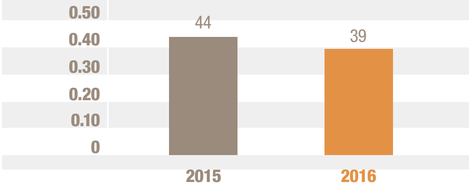
WDP's corporate offices
Indirect GHG emissions (absolute and like-for-like) (tCO_2)



Building greenhouse gas intensity
(BKG-Int)

Greenhouse gas intensity is an extremely useful performance indicator that helps to measure the performance of the office buildings per square meter. The CO_2 intensity of offices decreases slightly from 43.93 kg CO_2e/m^2 in 2015 to 39.28 kg CO_2e/m^2 in 2016, i.e. a 11% drop thanks to reduced gasoil consumption.

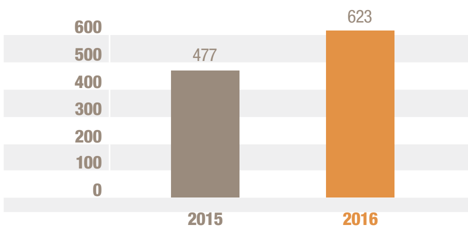
WDP's corporate offices
GHG intensity ($kgCO_2/m^2$)



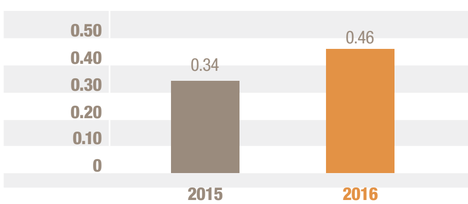
Water consumption (Water-Abs | Water-Lfl | Water-Int)

This section relates to the absolute consumption of water (m^3) in WDP's corporate offices. In 2016, absolute and relative water consumption (m^3 and m^3/m^2) rose by 30% compared to 2015, from 476.9 m^3 to 622.92 m^3 and from 0.34 m^3/m^2 to 0.46 m^3/m^2 respectively. This increase can be explained by the number of new colleagues in the offices (+28%).

WDP's corporate offices
Water consumption (absolute and like-for-like) (m^3)



WDP's corporate offices
Water intensity (m^3/m^2)



Waste (Waste-Abs)

Office waste is collected by the local municipalities. Waste streams are not monitored are present. All waste is however sorted. This helps to increase awareness among our colleagues. In addition, the (Meise) Wolvertem office uses organic waste as compost.

WASTE PRODUCTION IN 2016

Waste	2016			
(in tonne)	Remaining waste	Recyclable waste	Paper	Organic waste
Breda	4.16	0.04	6.24	0.52
Wolvertem	14.37	0.13	21.56	Compost
Bucharest	7.94	0.07	11.91	0.99
Total	26.47	0.24	39.71	1.50

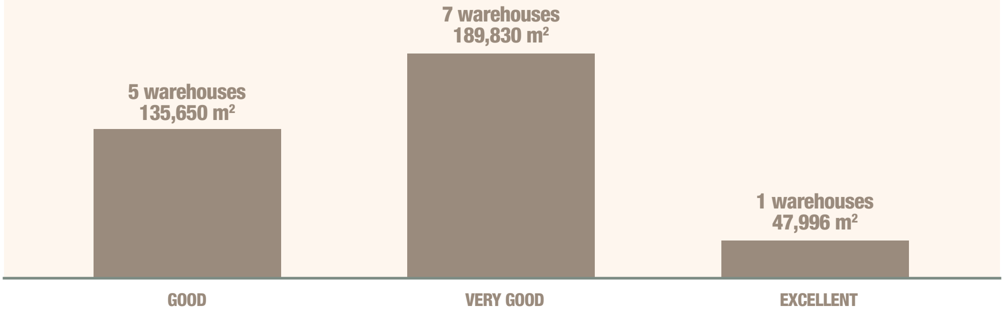
4. Further initiatives

Although energy remains the main focus point, WDP believes that sustainability is about more than just energy. Consequently, in addition to the above, the company implements other initiatives to minimize its environmental impact as much as possible, such as:

BREEAM (Cert-Tot)

BREEAM (Building Research Establishment Environmental Assessment Method) is a method for certifying the sustainability of buildings throughout their useful life. Its multi-criteria approach distinguishes BREEAM from other methods. The building certification process evaluates land use, environmental aspects, the building process, water consumption, waste, contaminations, transport, equipment and materials, health and comfort, alongside energy consumption.

BREEAM-scores whereby 6 warehouses are in the process of being certified



Water consumption

The core business of WDP, being in warehouse logistics, the activities have a marginal impact on water. In the majority of the warehouses, water is only being used for sanitary purposes. Nonetheless, to reduce water consumption in warehouses, WDP installs infra-red motion detectors on taps and urinals. Rainwater is collected and used to flush toilets. Leak detection systems also prevent unnecessary water loss.

Waste recycling

Tenants are encouraged to sort and reduce their waste but as of today WDP does not monitor the waste streams from the warehouse portfolio.

However, when building new warehouses, WDP pays attention to waste. Waste from properties built in accordance with BREEAM guidelines is sorted into four to six streams and processed by certified waste management companies.

In addition to using certified companies for waste collection, WDP also endeavours to recycle waste on the building site. The company has also opted for prefab structures to further reduce waste volumes on building sites.

Multi-modal logistics solutions

The environmental impact through natural resource consumption of buildings is only a small portion of supply chain and logistics environmental impact. With 3 billion new middle-class consumers by 2050, products will increasingly need to be transported. Logistics can be a powerful tool to reduce this burden on the planet as much as possible.

WDP is convinced of the fact that the future of logistics is multi-modal. The company wishes to generate added value by creating synergies between clients, regions, cities, ports, public services and others to achieve smart logistics (including tri-modality and bundling). WDP strategically locates its warehouses where a connection between road, ship, rail and air transportation can be established. Modes can compete or complement one another in terms of cost, speed, accessibility, frequency, safety and comfort.

Sustainable financing

The attention paid by WDP to sustainability also translates into its funding of energy efficiency and eco-friendly measures. For this type of financing, WDP entered into a partnership with Triodos Bank.

In the Netherlands in 2015, WDP was able to launch a joint project with the Province of Overijssel via the Energiefonds Overijssel. This agency provides specific financing for sustainable projects. A fifteen-year credit facility has been concluded for use in financing solar energy projects in Zwolle.

5. Reporting scorecard

INVESTMENT PROPERTY

SCOPE	TARGET	RESULTS	COMPLETION	ADVANCEMENT
Property investments	Recurring projects	In recent years WDP has conducted various test projects, including LED lighting, heat/cold storage, light dimming and heat recovery from coolers. In doing so, WDP has gained experience in new technologies, which, after positive evaluation, can be applied to several buildings WDP advocates test projects as part of warehouse studies in the future.	In progress	not applicable
	Environmental performance measurement of the portfolio (development of the tool)	To get a true picture of the environmental performance of the WDP portfolio, WDP developed a monitoring tool to map the environmental performance of Its buildings with a view to optimising it.	2016	100%
	Environmental performance measurement of the portfolio (roll-out of the tool)	To get a true picture of the environmental performance of the WDP portfolio, WDP developed a monitoring tool to map the environmental performance of Its buildings with a view to optimising it. Currently 19% of the portfolio is being monitored by the new monitoring tool.	In progress	19%
	Better energy performances than required by law	Since 2006 the EU directive on the energy performance of buildings has urged member states to introduce energy regulations. WDP is committed to complying with these regulations and to achieving a lower E level than laid down in law.	In progress	not applicable
Investments in property (new buildings)	BREEAM certification	Since 2010 part of WDP's policy is to obtain BREEAM certification for new builds and to include these criteria in the design process. WDP is committed to obtaining at least a Very Good rating for every building of more than 10,000 m².	In progress	not applicable
Investments in property (renewable energy)	Monitoring solar energy	Implementation of a solar panel monitoring tool, providing a fully automated overview of the solar panel output per site within the WDP property portfolio.	In progress	80%
	30 MWp solar panel programme in the Netherlands	Currently 15 MWp has been installed on 13 buildings in the Netherlands.	In progress	50%

CORPORATE OFFICES

SCOPE	TARGET	RESULTS	COMPLETION	ADVANCEMENT
Corporate offices	Sustainable working environment	In the context on expanding its headcount, the Meise (Wolvertem) offices are to be extended. The plans take account of the energy efficiency of the new offices, as well as optimising the working environment for the benefit of staff and visitors.	In progress	30%
	CO_2 neutrality for the offices in Belgium in 2018	For the expansion of the offices, the installation of a heat-pump, extra-insulation, floor heating and further roll-out of the LED relighting are being looked into.	In progress	10%
	Reducing paper consumption	WDP reduces paper consumption at its offices. WDP has changed the standard printer setting to duplex printing.	In progress	not applicable

MOBILITY

SCOPE	TARGET	RESULTS	COMPLETION	ADVANCEMENT
Investments in property	Reducing carbon emissions in logistics activities	WDP strives to reduce its logistics-related CO_2 emissions by introducing new mobility concepts like multi-modality and bundling. This is already applied at the new sites in Meerhout and Vilvoorde, and at the WDPort of Ghent Logistics Park and Liège – Trilogiport. The. The equipping of specific XXL platforms and FMCG campuses (like the sites in Tiel in the Netherlands and Bornem in Belgium) also enables the bundling of logistics flows to optimise the client's supply chain.	In progress	not applicable

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10. Financial statements

1. 2016 annual consolidated financial statements

Profit and loss accounts

(in euros x 1,000)	Note	31 DEC. 16	31 DEC. 15
I. Rental income		**133,761**	**122,285**
Rents	VIII	133,705	118,535
Indemnification for early termination of lease		55	3,750
III. Rental charges		**-2,051**	**-1,349**
Rent to be paid for leased premises		-1,147	-1,000
Provisions for doubtful debtors (additions)	XVI	-1,273	-708
Provisions for doubtful debtors (reversals)	XVI	370	358
NET RENTAL RESULT		**131,710**	**120,935**
IV. Recovery of property costs		**0**	**770**
V. Recovery of rental charges and taxes normally paid by the tenant on let properties		**7,620**	**7,322**
Re-invoicing rental charges paid out by the owner		2,703	2,502
Re-invoicing advance property levy and taxes on let buildings		4,917	4,820
VI. Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease		**-157**	**-1,318**
VII. Rental charges and taxes normally paid by the tenant on let properties		**-9,878**	**-9,390**
Rental charges paid out by the owner		-2,941	-2,628
Withholding levies and taxes on let properties		-6,938	-6,762
VIII. Other income and charges related to leases		**10,367**	**10,767**
Property management fees		854	726
Other operating income/costs		1,135	1,841
Income from solar energy	XIII	8,379	8,200
PROPERTY RESULT	**V**	**139,661**	**129,086**
IX. Technical costs		**-2,757**	**-2,789**
Recurrent technical costs		-2,825	-2,763
- Repairs		-2,014	-1,918
- Insurance premiums		-812	-845
Non-recurrent technical costs		68	-26
- Accidents		68	-26
X. Commercial costs		**-466**	**-621**
Agency commissions		-166	-226
Advertising		-109	-142
Lawyers' fees and legal charges		-192	-252
XII. Property management costs		**-821**	**-511**
Fees paid to external managers		-47	0
(Internal) property management costs		-774	-511
PROPERTY CHARGES		**-4,044**	**-3,921**

(in euros x 1,000)	Note	31 DEC. 16	31 DEC. 15
PROPERTY OPERATING RESULTS		**135,617**	**125,165**
XIV. General company expenses		**-5,376**	**-6,213**
XV. Other operating income and expenses (depreciation and amortization of solar panels)		**-3,066**	**-3,010**
OPERATING RESULT (BEFORE RESULT ON PORTFOLIO)		**127,176**	**115,942**
XVI. Result on disposals of investment properties	**IX**	**-41**	**-76**
Net property sales (sales price – transaction costs)		5,024	3,266
Book value of properties sold		-5,065	-3,342
XVIII. Changes in the fair value of investment properties	**XII**	**34,046**	**47,690**
Positive changes in the fair value of investment properties		45,286	67,857
Negative changes in the fair value of investment properties		-11,241	-20,166
OPERATING RESULT		**161,180**	**163,556**
XX. Financial income		**796**	**953**
Interests and dividends received		599	548
Other financial income		198	405
XXI. Net interest charges		**-30,532**	**-27,598**
Interest on loans		-17,025	-15,584
Interest capitalised during construction		682	1,338
Cost of permitted hedging instruments		-13,688	-13,235
Other interest charges		-502	-117
XXII. Other financial charges		**-548**	**-502**
Bank charges and other commissions		-32	-57
Other financial charges		-516	-445
XXIII. Changes in the fair value of financial assets and liabilities	**XIV**	**1,787**	**7,839**
FINANCIAL RESULT	**X**	**-28,497**	**-19,308**
XXIV. Share in the result of associated companies and joint ventures		**-551**	**-382**
RESULT BEFORE TAXES		**132,132**	**143,866**
XXV. Corporate tax		**-842**	**-1,169**
XXV. Exit tax		**-1,057**	**0**
TAXES	**XI**	**-1,899**	**-1,169**
NET RESULT		**130,232**	**142,698**

Statement of overall income

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
I. NET RESULT	**130,232**	**142,698**
II. OTHER ELEMENTS OF OVERALL RESULT (RECOVERABLE THROUGH PROFIT AND LOSS)	**-122**	**448**
H. Other elements of the overall result after tax	**-122**	**448**
Revaluation of the solar panels in Belgium and the Netherlands	3,177	240
Revaluation of the solar panels in joint ventures	-3,299	208
OVERALL INCOME	**130,110**	**143,146**
Attributable to:		
Shareholders of the group	130,110	143,146
Minority interests	0	0

Other components of comprehensive income

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
EPRA Earnings		
EPRA Earnings (including share in the profits of joint ventures)	100,760	90,938
Result on the portfolio (including share in the profits of joint ventures)[1]	31,193	47,355
Changes in the fair value of financial assets and liabilities	1,787	7,839
Depreciation and amortization of solar panels (including share in the result of joint ventures)	-3,507	-3,435
NET RESULT (IFRS)	**130,232**	**142,698**

in euros (per share)[2]	31 DEC. 16	31 DEC. 15
EPRA Earnings		
EPRA Earnings (including share in the profits of joint ventures)	5.30	5.00
Result on the portfolio (including share in the profits of joint ventures)[1]	1.64	2.61
Changes in the fair value of financial assets and liabilities	0.09	0.43
Depreciation and amortization of solar panels (including share in the result of joint ventures)	-0.18	-0.19
NET RESULT (IFRS)	**6.86**	**7.85**

(in euros per share) (diluted)[2]	31 DEC. 16	31 DEC. 15
EPRA Earnings		
EPRA Earnings (including share in the profits of joint ventures)	5.30	5.00
Result on the portfolio (including share in the profits of joint ventures)[1]	1.64	2.60
Changes in the fair value of financial assets and liabilities	0.09	0.43
Depreciation and amortization of solar panels (including share in the result of joint ventures)	-0.18	-0.19
NET RESULT (IFRS)	**6.86**	**7.85**

1 Including deferred taxes on portfolio result.
2 Calculated on the weighted average number of shares.

Balance sheet – Assets

(in euros x 1,000)		Note	31 DEC. 16	31 DEC. 15
I.	**FIXED ASSETS**		**2,166,060**	**1,893,137**
B.	**Intangible fixed assets**		**160**	**96**
C.	**Investment properties**	**XII**	**2,036,723**	**1,796,888**
	Property available for lease		1,950,268	1,739,291
	Property developments		52,083	27,392
	Other: land reserves		34,372	30,206
D.	**Other tangible fixed assets**	**XIII**	**86,218**	**74,708**
	Tangible fixed assets for own use		863	896
	Other: solar panels		85,355	73,812
E.	**Financial fixed assets**		**24,805**	**14,084**
	Assets at fair value through result		4,189	155
	Permitted hedging instruments	XIV	4,189	155
	Loans and receivables		20,617	13,929
	Other		20,617	13,929
G.	**Trade receivables and other non-current assets**	**X**	**3,796**	**4,088**
I.	**Participations in associated companies and joint ventures, equity method**		**14,357**	**3,273**
II.	**CURRENT ASSETS**		**16,549**	**14,143**
A.	**Assets held for sale**		**1,367**	**823**
	Investment properties	XV	1,367	823
D.	**Trade receivables**	**XVI**	**10,662**	**5,792**
E.	**Tax receivables and other current assets**	**XVII**	**2,902**	**5,395**
	Taxes		0	1,441
	Other		2,902	3,954
F.	**Cash and cash equivalents**		**340**	**551**
G.	**Accruals and deferrals**	**XIV**	**1,277**	**1,582**
TOTAL ASSETS			**2,182,608**	**1,907,281**

Balance sheet – Liabilities

(in euros x 1,000)		Note	31 DEC. 16	31 DEC. 15
EQUITY CAPITAL			**1,032,352**	**768,273**
I.	**Attributable to the parent company's shareholders**		**1,032,352**	**768,273**
A.	Capital	XVIII	163,752	143,568
	Subscribed capital		171,034	148,427
	Costs of capital increase		-7,282	-4,859
B.	Issue premiums		492,330	304,426
C.	Reserves		246,038	177,582
D.	Net result for the financial year		130,232	142,698
LIABILITIES			**1,150,256**	**1,139,008**
I.	**Non-current liabilities**		**931,075**	**980,884**
A.	Provisions	XIX	1,045	1,046
	Other		1,045	1,046
B.	Non-current financial debt	XX, XXI	866,463	916,010
	Credit institutions		532,350	639,615
	Financial leasing		8,164	10,355
	Other		325,949	266,040
C.	Other non-current financial liabilities	XIV	63,568	61,321
	Permitted hedging instruments		63,568	61,321
D.	Trade payables and other non-current liabilities		0	2,507
II.	**Current liabilities**		**219,180**	**158,125**
B.	Current financial liabilities	XX, XXI	179,473	126,313
	Credit institutions		177,503	123,828
	Financial leasing		1,970	2,485
C.	Other current financial liabilities		0	0
	Permitted hedging instruments	XIV	0	0
D.	Trade payables and other current debt		24,056	17,456
	Exit tax		1,775	2,967
	Other		22,281	14,489
	Suppliers		17,778	11,739
	Tax, salary and social security		4,503	2,750
E.	Other current liabilities	XXII	1,736	579
	Other		1,736	579
F.	Accruals and deferrals	XIV	13,916	13,777
TOTAL LIABILITIES			**2,182,608**	**1,907,281**

Cash flow statement

(in euros x 1,000)	Note	31 DEC. 16	31 DEC. 15
CASH AND CASH EQUIVALENTS, OPENING BALANCE SHEET		**551**	**234**
NET CASH FLOWS CONCERNING OPERATING ACTIVITIES		**118,770**	**123,504**
1. Cash flows concerning operations		**119,685**	**123,637**
Profit/loss from operating activities		161,867	170,512
Profit for the financial year		130,232	142,698
Interest charges	X	30,532	27,598
Interest received	X	-796	-953
Income tax	XI	1,899	1,169
Adjustments to non-monetary items		-34,734	-51,500
Write-downs		3,755	3,665
Depreciations	XVI	904	-350
Carried interest charges		-1,245	-1,208
Interest capitalised during construction	X	682	1,338
Carried interest income		955	612
Increase (+)/decrease (-) in provisions	XIX	-1	0
Changes in the fair value of investment properties	XII	-34,046	-47,690
Increase (+)/decrease (-) in deferred taxes		-1,163	-695
Changes in fair value of financial derivatives	XIV	-1,786	-7,838
Share in the result of associated companies and joint ventures		-2,748	590
Increase(+)/decrease (-) in disposals	IX	-41	76
Increase (+)/decrease (-) in working capital requirements	XXVI, XXVII	-7,448	4,625
Increase (+)/decrease (-) in assets		-8,456	24,299
Increase (+)/decrease (-) in liabilities		1,100	-19,651
Other		-93	-23
2. Cash flows concerning other operating activities		**-915**	**-133**
Interest received classified by operating activities		-158	341
Income tax paid/received		-757	-474
NET CASH FLOWS CONCERNING INVESTMENT ACTIVITIES		**-226,685**	**-237,869**
1. Purchases		**-214,385**	**-242,779**
Payments regarding purchases of real estate investments		-183,795	-222,638
Payments regarding purchases of shares of real estate companies	XII	-20,003	-14,193
Acquisitions of other tangible and intangible fixed assets		-10,587	-5,948
2. Transfers		**6,024**	**5,266**
Receipts from the sale of investment properties		5,024	3,266
Receipts from sale of shares in real estate companies		1,000	2,000
3. Financing provided to joint ventures		**-6,688**	**-356**
Financing of joint ventures	XXIV	-6,688	-356
4. Capital increase provided in joint ventures		**-11,636**	**0**
Capital increase in joint ventures		-11,636	0
NET CASH FLOWS CONCERNING FINANCING ACTIVITIES		**107,705**	**114,682**
1. Loan acquisition	**XX, XXI**	**274,087**	**238,353**
2. Loan repayment	**XX, XXI**	**-270,473**	**-59,845**
3. Interest paid		**-29,969**	**-27,728**
4. Dividends paid[1]		**-41,401**	**-36,098**
5. Capital increase		**175,461**	**0**
NET INCREASE (+)/DECREASE (-) IN CASH AND CASH EQUIVALENTS		**-211**	**317**
CASH AND CASH EQUIVALENTS, CLOSING BALANCE		**340**	**551**

1 This only relates to cash-out, as an optional dividend was offered in 2015 and 2016, with 55% and 61% of the shareholders respectively opting for distribution in shares rather than cash.

Consolidated statement of changes of the equity capital 2016

in euros x (1,000)	01 JAN. 16	ALLOCATION OF RESULTS FROM THE 2015 FINANCIAL YEAR		
		Profit for the previous financial year	Transfer of result on portfolio and revaluation of subsidiaries	Transfer of changes in the fair value of financial instruments
A. Subscribed capital	**143,568**	**0**	**0**	**0**
Subscribed capital	148,428			
Costs of capital increase	-4,860			
B. Issue premiums	**304,426**	**0**	**0**	**0**
C. Reserves	**177,581**	**142,698**	**0**	**0**
Statutory reserves (+)				
Reserves for the balance of changes in the fair value of the properties (+/-)				
Reserves for the balance of changes in the investment value of the properties (+/-)	178,521		57,635	
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-53,203		-9,945	
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-69,005			7,839
Reserves for the balance of exchange rate differences for monetary assets and liabilities (+/-)	-184			
Reserves for conversion differences arising from the conversion of a foreign activity	249			
Reserves for deferred taxes related to property located outside Belgium	-634			
Other reserves	17,910			
Result carried forward from previous financial years	103,927	142,698	-47,690	-7,839
D. Net result for the financial year	**142,698**	**-142,698**	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY	**768,273**	**0**	**0**	**0**

OTHER ELEMENTS OF THE OVERALL RESULT		OTHER			31 DEC. 16
Net result for the current financial year	Changes in the fair value of solar panels	Capital increases	Dividends distributed and capital increase as a result of an optional dividend	Other	
0	**0**	**16,747**	**3,437**	**0**	**163,752**
		19,003	3,603		**171,034**
		-2,256	-166		**-7,282**
0	**0**	**158,713**	**29,191**	**0**	**492,330**
0	**-123**	**0**	**-74,029**	**-89**	**246,038**
					236,156
					-63,148
					-61,166
					-184
					249
					-634
	-123			397	**18,184**
			-74,029	-486	**116,581**
130,232	**0**	**0**	**0**	**0**	**130,232**
130,232	**-123**	**175,460**	**-41,401**	**-89**	**1,032,352**

Consolidated statement of changes of the equity capital 2015

in euros x (1,000)	01 JAN. 15	ALLOCATION OF RESULTS FROM THE 2014 FINANCIAL YEAR			
		Profit for the previous financial year	Transfer of result on portfolio and revalu-ation of subsidiaries	Transfer of changes in the fair value of financial instruments	
A. Subscribed capital	**135,329**	**0**	**0**	**0**	
Subscribed capital	139,857				
Costs of capital increase	-4,529				
B. Issue premiums	**239,399**	**0**	**0**	**0**	
C. Reserves	**174,016**	**64,750**	**0**	**0**	
Statutory reserves (+)	0				
Reserves for the balance of changes in the fair value of the properties (+/-)					
Reserves for the balance of changes in the investment value of the properties (+/-)	147,652		30,869		
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-42,700		-10,503		
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-49,630			20,838	
Reserves for the balance of exchange rate differences for monetary assets and liabilities (+/-)	-184				
Reserves for conversion differences arising from the conversion of a foreign activity	249				
Reserves for deferred taxes related to property located outside Belgium	-634				
Other reserves	17,462				
Result carried forward from previous financial years	101,800	64,750	-20,366	19,375	
D. Net result for the financial year	**64,750**	**-64,750**	**0**	**0**	
TOTAL SHAREHOLDERS' EQUITY	**613,494**	**0**	**0**	**0**	

OTHER ELEMENTS OF THE OVERALL RESULT		OTHER			31 DEC. 15
Net result for the current financial year	Changes in the fair value of solar panels	Capital increases	Dividends distributed and capital increase as a result of an optional dividend	Other	
0	**0**	**5,338**	**2,902**	**0**	**143,568**
		5,468	3,102		**148,427**
		-130	-200		**-4,859**
0		**42,485**	**22,542**	**0**	**304,426**
0	**448**	**0**	**-61,610**	**-22**	**177,582**
					0
					178,521
					-53,203
					-69,005
					-184
					249
					-634
	448				**17,910**
			-61,610	-22	**103,927**
142,698	**0**	**0**	**0**	**0**	**142,698**
142,698	**448**	**0**	**-61,610**	**-22**	**768,273**

2. 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 Wolvertem (Belgium). The telephone number is +32 (0)52 338 400.

The consolidated financial statements of the company as at 31 December 2016 include the company and its subsidiaries. The financial statements have been drawn up and their publication authorised by the meeting of the Board of Directors of 20 March 2017.

WDP is listed on Euronext Brussels and Amsterdam.

II. Representational model

The consolidated financial statements are drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the statutory 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 group's activities and are effective for the financial years starting on or after 1 January 2016.

The consolidated financial statements are presented in thousands of euros, rounded to the nearest thousand. The 2016 and 2015 financial years are presented here. For the historical financial information for the 2014 financial year, please refer to the financial reports for 2015 and 2014.

Accounting methods were consistently applied for the financial years presented.

Standards and interpretations effective for the financial year beginning on 1 January 2016

The new standards, amendments and interpretations have no effect on the consolidated statements for 2016.

- Improvements to IFRS (2010-2012) (effective for financial years as of 1 February 2015)
- Improvements to IFRS (2012-2014) (effective for financial years as of 1 January 2016)
- Amendment to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the consolidation exemption (applicable to financial years* as at 1 January 2016)
- Amendment to IFRS 11 *Joint agreements – Recognition of acquisitions of participations in joint operations* (applicable to financial years as of 1 January 2016)
- *Amendment to IAS 1 Presentation of Financial Statements – Disclosure Initiative* (effective for financial years starting on or after 1 January 2016)
- Amendment to IAS 16 and IAS 38 *Tangible and intangible fixed assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable to financial years as of 1 January 2016)

- Amendment to IAS 16 and IAS 41 *Tangible fixed assets and biological assets* – Bearing plants (applicable to financial years as of 1 January 2016)
- Amendment to IAS 19 *Benefit plans – Employee contributions* (applicable to financial years as of 1 February 2015)
- Amendment to IAS 27 *Separate Financial Statements – Equity method* (applicable to financial years as of 1 January 2016)

New or amended standards and interpretations that are not yet effective

A number of new standards, amendments to standards and interpretations were not yet in force in 2016, but could have been applied earlier. Unless indicated otherwise, WDP has not made use of this option. 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 2017 and the following years is presented below. The standards will at most have a negligible impact on the consolidated financial statements, except for IFRS 16. WDP is investigating their impact.

- IFRS 9 *Financial instruments* and subsequent amendments (applicable to financial years as of 1 January 2018). An initial analysis indicates that the possible impact of this new standard will be marginal for WDP's consolidated financial statements.
- IFRS 14 *Regulatory Deferral Accounts* (applicable to financial years as of 1 January 2016, but not yet adopted by the European Union)
- IFRS 15 *Revenue from contracts with customers* (applicable to financial years as of 1 January 2018). Given that WDP's revenue mainly comes from rental income and income from solar power, this new standard will have a negligible impact on the recognition of WDP's revenue sources.
- IFRS 16 *Lease agreements* (applicable to financial years as of 1 January 2019, but not yet adopted by the European Union)
- Improvements to IFRS (2014-2016) (applicable to financial years as of 1 January 2017 or 2018, but not yet adopted in the European Union)
- Amendment to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* (applicable to financial years as of 1 January 2018, but not yet adopted in the European Union)
- Amendment to IFRS 4 *Insurance contracts – Applying IFRS 9 Financial Instruments with IFRS 4* (applicable to financial years as of 1 January 2018, but not yet adopted in the European Union)
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (the effective date has been deferred indefinitely, hence EU approval has again been postponed)
- Amendment to IAS 7 *Statement of Cash Flows – Disclosure Initiative* (applicable to financial years as at 1 January 2017, but not yet adopted in the European Union)
- Amendment to IAS 12 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses* (applicable to financial years as at 1 January 2017, but not yet adopted in the European Union)

- Amendment to IAS 40 *Transfer of investment properties* (applicable to financial years as of 1 January 2018, but not yet adopted in the European Union)
- IFRS 22 *Transactions in foreign currency and payments on account* (applicable to financial years as of 1 January 2018, but not yet adopted in the European Union)

III. Accounting rules

1. Consolidation principles

Subsidiaries

Subsidiaries are entities over which the company exercises control. A company exercises control over a subsidiary if, and only if, the parent company:

- has power over shareholding;
- is exposed to, or has rights to variable revenues, by virtue of its involvement in the participation and;
- has the ability to use its power over the participation to influence the amount of investor returns.

The companies in which the group holds a direct or indirect stake exceeding 50% or in which it has the power to set the financial and operational policy in order to benefit from its activities are entirely included in the group's annual consolidated financial statements.

This means that the group's assets, liabilities and results are fully reflected. Inter-group transactions and profits are entirely eliminated.

Minority interests are the interests in the subsidiaries that are not held directly or indirectly by the group.

Joint ventures

Joint ventures are companies over which the group has joint control, as specified by contractual agreement.

Such joint control is applicable when the strategic financial and operational decisions with regard to the business require unanimous agreement from the parties that share the control (the shareholders in the joint venture).

As set down in IFRS 11 *Joint agreements*, the results and balance sheet impact of the joint ventures WDP Development RO (in which WDP holds a 51% stake) and I Love Hungaria (in which WDP holds a 50% stake) will be recognised according to the equity method. With regards to the statistics in relation to the reporting on the portfolio, WDP's proportional part in the portfolio of WDP Development RO and I Love Hungaria continues to be shown.

Transactions eliminated from the consolidation

All transactions between group companies, balances and unrealised profits and losses on transactions between group companies are eliminated in the preparation of the consolidated financial statements.

2. Business combinations and goodwill

When WDP acquires control over an integrated set of businesses and assets, as defined in IFRS 3 *Business Combinations*, the identifiable assets, obligations and conditional obligations of the acquired company will be booked at their fair value on the purchase date. The goodwill represents the positive difference between the acquisition cost and the group's share in the fair value of the acquired net assets. If this difference is negative (negative goodwill), it is immediately booked in the result after re-evaluation of the values.

After the initial recognition, goodwill is not written down, but rather subjected to an impairment test conducted once a year on the cash flow generating units to which the goodwill is allocated. If the book value of a cash flow generating unit exceeds the operating value, the loss of value following from this will be booked in the result and initially included in the reduction of any goodwill, and subsequently to the other assets of the unit, in proportion to their book value. A write-down on goodwill cannot be reversed in a subsequent financial year.

3. Foreign currency

The individual financial statements of each group member are presented in the currency unit of the primary economic environment in which the entity operates (its functional currency). For the preparation of the consolidated annual accounts, the results and the financial position of each entity are expressed in euros, the functional currency of the parent company and the currency used for the presentation of the consolidated annual accounts.

Transactions in foreign currency

Transactions in foreign currency are immediately booked at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are converted at the closing price.

Realised and unrealised exchange rate differences are recognised in profit and loss, except when they relate to intra-group borrowings that meet the definition of a net investment in a foreign activity. In that case the exchange rate differences are included in a separate component of shareholders' equity and recognised in profit and loss after disposal of a net investment.

Foreign activities

Assets and liabilities are converted at the closing price, except for the property, which is converted at the historic price. The profit and loss account is converted at the average price over the financial year.

The resulting conversion differences are included in a separate component of shareholders' equity. These conversion differences are included in profit and loss when the foreign entity is disposed of, sold or liquidated.

4. Investment properties

Land and buildings held to generate rental income over the long term are included as investment properties. On initial recognition, investment properties are valuated at the purchase price, including the transaction costs and directly attributable costs.

Land held for the purposes of initiating project developments with a view to subsequent leasing and long-term increase in value, but for which no construction plans or project developments (as referred to in the definition of project development) have been initiated (land reserves), is also deemed to be investment property.

The financing costs that are directly attributable to the acquisition of an investment property are also capitalised. If specific funds were borrowed for a specific asset, the actual financing costs of that loan during the period are capitalised, less any investment income from the temporary investment of that loan.

After initial recognition, the investment properties are valuated at fair value, in accordance with IAS 40. From the seller's perspective, the valuation is after deduction of the registration fees. In the opinion of independent property experts that regularly value the properties of GVVs/SIRs, registration fees of 10 to 12.5% should be taken into account for transactions involving buildings in Belgium with an overall value of less than 2.5 million euros. This depends on the Region of Belgium where these properties are located (i.e. 10% in the Flemish Region and 12.5% in the Brussels and the Walloon Regions).

For transactions involving buildings with an overall value of greater than 2.5 million euros, independent property experts have valuated the weighted average of the transaction costs at 2.5%. This is due to the wide range of property transfer methods used in Belgium. This percentage will be revised annually as needed in increments of 0.5%. The experts will confirm the agreed percentage to be deducted in their regular reports to shareholders. The independent property experts take account of the theoretical local registration fees for property located outside Belgium.

Estimates are made on a quarterly basis at fair value. This means that the transaction costs of 2.5% are recognised in the income statement in accordance with IAS 40. Pursuant to the GVV/SIR Royal Decree, these must be included in the relevant reserves at the end of the financial year.

Property under construction or in development for future use as investment property (project development) is also recognised in *Investment property at fair value.*

After initial recognition, projects are valuated at fair value. The fair value takes substantial development risks into account. In this respect, the following criteria must be met: there must be a clear understanding of the project costs, all permits required for the project development must have been obtained and a substantial part of the project development must have been pre-let (signed final lease). This fair value measurement is based on the valuation by the independent property expert (in accordance with customary methods and assumptions) and takes into account costs to be incurred before final completion of the project.

All costs directly related to the purchase or construction of property and all other investment costs are included in the cost of the development project. In accordance with IAS 23, financing costs attributable directly to the creation of an investment property are also capitalised for the period during which the investment property is prepared for leasing.

Capitalisation of financing costs as part of the cost price of an eligible asset must begin as soon as:
- disbursements are made for the assets;
- financing costs are incurred;
- activities are in progress to prepare the property for its intended use.

The activities required to prepare the asset for its intended use comprise more than the physical construction of the asset. They also include the technical and administrative work before construction begins, such as activities in connection with the acquisition of permits.

However such activities do not include holding an asset without carrying out any production or development that changes the condition of the property:
- financing costs that are incurred during preparation of land, for instance, are capitalised during the period in which these activities occur;
- on the other hand, financing costs incurred in the period that the land is held for construction purposes without any development activity are not eligible for capitalisation.

The capitalisation of financing costs is suspended during long periods without active development. Capitalisation is not suspended during a period of extensive technical and administrative activities. Nor is capitalisation suspended if a temporary delay constitutes an essential part of the process to prepare a property for its intended use or sale.

At the end of each quarter these development projects are subject to a test for special impairment (see *7. Special impairments* on page 193).

The profit/loss realised on the sale is included in the profit and loss account under section *IX. Profit from te sale of investment property*. The result from investment properties is determined in accordance with IAS 40 and is the difference between the sale price and the fair value of the most recent valuation.

5. Other tangible fixed assets

General

Other tangible fixed assets are valuated at their cost price less the accumulated depreciations and write-downs. The cost price includes all directly attributable costs and the relevant part of the indirect costs incurred to make the asset ready for use.

Future disbursements for repairs are immediately recorded in the result unless they increase the future financial profits of the asset.

The straight-line depreciation method is applied over the estimated useful life of the assets. The useful life and the depreciation method are revised at least annually at the end of each financial year. The tangible fixed assets are depreciated in accordance with the following percentages:

- plants, machinery and equipment: 10-33%;
- rolling stock: 10-33%;
- office equipment and furniture: 10-33%;
- computers: 10-33%;
- projection installation: 20%;
- other tangible fixed assets: 10-20%.

Solar panels

These are valued on the basis of the revaluation model in accordance with IAS 16 *Tangible fixed assets*. After initial recognition, assets whose fair value can be reliably established must be booked at the revaluated value, which is the fair value at the time of the revaluation, less any subsequent accumulated depreciation and special impairments. The fair value is defined on the basis of the discount method of future returns.

The useful life of the solar panels is estimated at thirty years, without taking into account any residual value.

The added value on start-up of a new site is included in a separate component of shareholders' equity. Losses are also included in this component, unless they have been disposed of or if the fair value drops under the original cost less accumulated depreciation. In the latter case they are included in the result.

6. Lease agreement

WDP als lessee

A lease is classed as a financial lease if it transfers almost all the risks and benefits connected to the property to the lessee. All other lease forms are deemed to be operational leases.

At the start of the lease, financial leases are recorded as assets and liabilities in the balance sheet at the fair value of the leased asset or at the cash value of the minimum lease payments, whichever is lower. The minimum lease payments are recorded partly as financing costs and partly as settlement of the outstanding debt, such that this results in constant periodic interest over the remaining balance of the liability. The financial charges are allocated directly against the result. Conditional lease payments are included as charges in the periods in which they are made.

Lease payments on the basis of operational leases are recognised as an expense during the lease period, prorated based on time, unless another systematic attribution method is more representative of the time pattern of the user's benefits. Benefits (to be) received as an incentive to conclude an operational lease are also spread across the lease term prorated based on time.

WDP als lessor

If a lease meets the conditions of a financial lease (according to IAS 17), WDP as the lessor will recognise the lease from its effective date in the balance sheet as a receivable at an amount equal to the net investment in the lease. The difference between the latter amount and the book value of the leased property (excluding the value of the residual right held by WDP) at the start of the lease contract will be recognised in the profit and loss account for that period. Each periodic payment made by the lessee will be partly recognised by WDP as a repayment of the capital and partly as financial income based on a constant periodic return for WDP.

The residual right held by WDP will be recognised at its fair value on each balance sheet date. This value will increase every year and will correspond to the market value of the full right of ownership at the end of the lease. These increases will be recognised in *Changes in the fair value of investment property* in the profit and loss account.

7. Special impairments

On the balance sheet date it is checked whether there is an indication that the book value of an asset is higher than the realisable value, for tangible and intangible assets in the group.

If such indications are present, the realisable value of the asset must be estimated. Goodwill is subject to an annual test for special impairment, regardless of whether there is an indication of such.

A special impairment is booked if the book value of an asset or the cash flow generating unit to which the asset belongs is higher than the realisable value.

The realisable value is the operating value or the real value less sales charges, whichever is higher. The operating value is the capitalised value of the expected future cash flows for the continued use of the asset and its disposal at the end of its useful life, on the basis of a discount rate that takes into account the current market evaluations for the time value of the cash and the risks inherent to its assets. The fair value minus sales charges is the amount that may be realised from the sale of an asset in a commercial, objective transaction between well-informed independent parties between whom there is a consensus ad idem, after deduction of the disposal costs.

For an asset that does not generate significant cash income in itself, the realisable value is established for the cash flow generating unit to which the asset belongs.

For development projects, the realisable value is established each quarter by the property experts.

If the book value of an asset or a cash flow generating unit is higher than the realisable value, the surplus is recorded immediately as a special impairment in the profit and loss account.

Special impairments recognised in previous financial years are reversed if a subsequent increase in the realisable value can be objectively connected to a circumstance or event that took place after the special impairment was booked. Special impairments on goodwill are not reversed.

8. Financial instruments

Financial assets

All financial assets are recognised or no longer recognised in the balance sheet on the transaction date if the purchase or sale of a financial asset is based on a contract prescribing conditions for delivery of the asset within the term generally prescribed or agreed on the market in question and initially valuated at fair value, plus transaction costs, except for financial assets at fair value with changes in value in the profit and loss account, which are initially valuated at fair value.

Financial assets are classified in one of the categories provided for by IAS 39 *Financial instruments: recognition and measurement* depending on why the financial assets were purchased and are recorded at their initial recognition. This classification determines the valuation of the financial assets on future balance sheet dates: amortised cost price or fair value.

Financial assets at fair value with changes in value in the profit and loss account (FVPL)

Financial assets are classified at fair value with changes in value in the profit and loss account (FVPL) if they are held for trading purposes. Financial assets at FVPL are valuated at fair value, with all resulting income and expenditures recognised in the result. A financial asset is included in this category if it is primarily acquired for sale in the short term. Derivatives are also included in the category at FVPL, unless they are considered to be hedges and are effective.

Held-to-maturity investments

Securities with fixed determinable payments and a fixed term that are listed on an active market and that the group has the firm intention and is able to hold until maturity are classified as held until maturity. Held-to-maturity investments are valuated at the amortised cost price on the basis of the effective interest method, less any special impairment losses, with revenues recognised in accordance with the effective interest.

Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not listed on a active market. The group's loans and receivables include: cash and some cash equivalents, trade receivables and loans, excluding pension fund surpluses. Cash equivalents are short-term, very often liquid investments that can be immediately converted to cash of a known amount, have an original term of no more than three months and entail no significant risks of impairment. Loans and receivables are valuated at amortised cost price on the basis of the effective interest method, except for current receivables.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value with changes in value through the profit and loss account (FVPL) or as financial liabilities at amortised cost price.

Financial liabilities at fair value with changes in value through profit and loss (FVPL)

Financial liabilities are classified at fair value with changes in value through the profit and loss account (FVPL) if they are held for trading purposes. Financial liabilities at FVPL are valuated at fair value, with all resulting income and expenditures recognised in the result. A financial liability is included in this category if it is primarily acquired for sale in the short term. Derivatives are also included in the category at FVPL, unless they are considered to be hedges and are effective.

Financial liabilities at amortised cost price

Financial liabilities at amortised cost price, including debts, are initially valuated at fair value after deduction of the transaction costs. After initial recognition they are valuated at the amortised cost price. The group's financial liabilities amortised at cost price are the non-current financial debts, other non-current liabilities, current financial debts, trade debts, trade payables and payable dividends in the other current liabilities.

Financial liabilities and equity capital instruments

Financial liabilities and equity capital instruments issued by the group are classified on the basis of the economic reality of the contractual agreements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that includes the remaining interest in the assets of the group, after deduction of all liabilities. The principles for financial reporting with regard to specific financial liabilities and equity instruments are described below.

- Bank loans

Interest-bearing bank loans and overdrafts are initially valuated at fair value less transaction costs and are subsequently valuated at the amortised cost price calculated by the effective interest method. Any difference between the receipts (after transaction costs) and the settlement or payment of a loan is recognised over the term of the loan in accordance with the principles for financial reporting with regard to financing costs that are applied by the group (see above).

- Trade payables

Trade payables are initially valuated at fair value and are subsequently valuated at amortised cost price calculated by the effective interest method.

- Equity instruments

Equity instruments issued by the company are recognised for the sum of the amounts received (after deduction of directly attributable issue costs).

- Derivatives

The group uses derivatives to limit risks related to unfavourable interest rates resulting from the operational, financial and investment activities within the framework of its operational management. The group does not use these instruments for speculative purposes, does not hold any derivatives and does not issue derivatives for trading purposes.

Derivatives are valuated at fair value in accordance with IAS 39. The derivatives currently used by WDP do not qualify as hedging transactions. As a result, changes in the fair value are immediately recognised in the result.

9. Assets held for sale

Fixed assets and groups of assets that are to be disposed of are classified as *Assets held for sale* if their book value will mainly be realised in a sale transaction and not by their continued use. This condition is only met if the sale is highly likely and the asset (or group of assets that are to be disposed of) is immediately available for sale in its current state. The management must have agreed to a plan for the sale of the asset (or group of assets that are to be disposed of), which is expected to be eligible for recognition as a completed sale within one year after the date of the classification.

A fixed asset (or group of assets that are to be disposed of) classified as held for sale is recognised at book value or fair value less sale costs, whichever is lower.

Investment properties intended for sale are valuated in the same way as other investment properties (at fair value). These investment properties are presented separately in the balance sheet.

10. Provisions

A provision is included when:

- the group has an existing – legal or constructive – obligation as a result of an event in the past;
- it is likely that an outflow of funds may be required to settle the obligation; and
- the amount of the obligation can reliably be estimated.

The recognised provision is the best estimate on the balance sheet date of the funds needed to settle the existing obligation, discounted if necessary if the time value of the cash is relevant.

11. Employee benefits

The company has a number of defined contribution retirement schemes.

A defined contribution plan is a retirement plan where the company transfers fixed amounts to a separate company. The company has no legal or constructive obligation to pay further amounts should the fund not have sufficient assets to pay out the pensions of all employees with regard to services that they have provided in the current or past service periods. Amounts are recognised as expenses when they are due, and will then be recorded under employee costs.

For permanent staff, salaries, additional remunerations, retirement compensations, and compensations for dismissal or disruption are included in the profit and loss account in the period to which they pertain.

12. Revenue

Rental income includes leases, income from operational lease agreements and revenue directly related to these, such as indemnification for early termination of lease.

Revenue is valued at the fair value of the received or receivable compensation. Revenue is only recognised if it is likely that the economic benefits will befall the entity and can be determined with sufficient certainty.

Rental income, operational lease payments received and other revenues and costs are recognised in the profit and loss account in the period to which they pertain.

Compensations for early termination of leases are immediately taken up in the results of the financial year.

13. Costs

Lease-related costs pertaining to write-downs and decreases in trade receivables that are recognised in the results if the book value is higher than the estimated realisation value and the rent to be paid on leased assets (such as concessions fees).

Rental charges and tax on leased buildings and the recovery of these costs that fall to the tenant or lessee by law or custom. Depending on the contractual agreements, the owner will or will not re-bill these costs to the tenant.

Other lease-related income and expenses include the re-invoicing of management charges to tenants as well as other revenues that do not fall under rental income (including revenue from solar energy).

General expenses of the company are expenses related to the management and general operation of WDP. This includes expenses such as general administrative costs, employee costs for general management and depreciation of assets used for general management.

Costs related to works performed in the buildings are booked in various ways depending on the type of works:

- maintenance and repair: maintenance and repair costs are booked as property costs for the accounting period, given that these do not increase the expected future economic benefits of the building and do not add any functionality or improve the level of comfort in the building;
- improvement and renovation: these are works carried out occasionally to add features to the property and considerably increase the expected future economic benefits of the building. The costs of such works (material, contractor fees, technical studies, internal costs, architect fees and interests during the construction period) are capitalised. Examples: installing a new air-conditioning system, replacing a roof, substantial renovation of the entire building or part of it. Work sites for which costs are being capitalised are identified beforehand according to the above-mentioned criteria.

14. Tax on results

GVV/SIR status offers a fiscally transparent status, given that a GVV/SIR is only subject to tax on specific components of the result, such as non-deductible expenditures and exceptional and gratuitous advantages. No corporate tax is paid on profits from leases or realised capital gains.

Tax on the result for the financial year includes taxes due and deductible taxes for the current and previous reporting periods, the deferred tax and the exit tax due. The tax charge is recognised in the profit and loss account unless it pertains to components recognised directly in the shareholders' equity. In the latter case tax on equity is also included.

To calculate the tax on the year's taxable profit, tax rates applicable on the balance sheet date are used.

Exit taxes – tax on capital gains resulting from a merger of a GVV/SIR with a non-GVV/SIR company – are deducted from the established revaluation surplus at merger and if applicable are recognised as a liability.

In general, deferred income taxes (tax receivables) are recognised for all taxable (deductible) temporary differences. Such claims and liabilities are not recorded if the temporary differences result from the initial recognition of goodwill or the initial recognition (other than in a business combination) of other assets or liabilities. Deferred tax assets are recognised in so far as it is likely that taxable income will be available with which the deductible temporary difference can be taken into account. Deferred tax receivables are reduced when it is no longer likely that the associated tax benefit will be realised.

IV. Significant accounting estimates and key uncertainties affecting estimates

Significant estimates in the drawing up of financial statements

- determine whether control, joint control or significant influence is being exercised over investments (see note *III. Accounting rules* on page 188).
- during the acquisition of control over an entity that owns investment property, determine whether this acquisition is seen as a business combination. In 2016, the respective transactions are recognised as direct purchases of assets (even when shares are acquired in GVVs/SIRs) and IFRS 3 *Business Combinations* was not applied (see note *VII. Information on subsidiaries* on page 203).
- determine whether derivatives of financial instruments qualify for hedge accounting. The group has no hedging instruments that would qualify for this, hence changes in the fair value of hedging instruments are processes via the profit and loss account (see note *XIV. Financial instruments* on page 217).

Determining the fair value of investment property

The fair value of investment property is determined by independent property experts in accordance with GVV regulations (see note *XII. Investment properties* on page 208).

Assumptions applied in the fair-value estimate of solar panels

WDP has made considerable investments in solar energy. After initial recognition, the solar panels or PV systems mounted on a number of sites are valued according to the revaluation model in accordance with IAS 16 and booked as a fixed asset under *Other tangible fixed assets*. This revaluation is recognised directly in equity. There are no best practices regarding the revaluation method for these asset categories. The fair value of PV systems is calculated according to a valuation model based on future cash flows (see note *XIII. Other tangible fixed assets* on page 214)

Valuation of Vrieskaai 59, Antwerp based on the assumption of an extension of the concession period

The company was involved in a dispute with the Antwerp Port Authority regarding the term of the concession contract at the site at Vrieskaai 59, Antwerp. The Company is about to sign a settlement with the Antwerp Port Authority and the future concessionaire Wijngaardnatie to resolve the dispute amicably. This means without loss of rental income and without having to pay compensation for damages to its tenant to due premature termination, but – as per the general terms and conditions of concession – with demolition of the existing buildings on the concession site on dates determined in consultation between the parties.

V. Segmented information – Result by segment

(in euros x 1,000)		31 DEC. 16 Belgium	The Netherlands	France	Unallocated amounts	Total IFRS	Romania[3]
I.	Rental income[1]	61,265	67,486	5,010	0	**133,761**	2,215
III.	Rental charges	-803	-1,311	62	0	**-2,051**	0
	RENTAL INCOME, NET OF RENTAL-RELATED EXPENSES	**60,462**	**66,175**	**5,072**	**0**	**131,710**	**2,215**
IV.	Recovery of property costs	0	0	0	0	**0**	0
V.	Recovery of rental charges normally paid by the tenant on let properties	5,880	814	925	0	**7,620**	100
VI.	Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	0	-157	0	**-157**	0
VII.	Rental charges and taxes normally paid by the tenant on let properties	-6,500	-2,361	-1,018	0	**-9,878**	-211
VIII.	Other income and charges related to leases[2]	9,469	764	135	0	**10,367**	1,429
	PROPERTY RESULT	**69,312**	**65,392**	**4,957**	**0**	**139,661**	**3,532**
IX.	Technical costs	-1,825	-832	-100	0	**-2,757**	-323
X.	Commercial costs	-209	-192	-64	0	**-466**	-40
XII.	Property management costs	-998	170	7	0	**-821**	-20
	PROPERTY CHARGES	**-3,033**	**-854**	**-157**	**0**	**-4,044**	**-383**
	PROPERTY OPERATING RESULTS	**66,279**	**64,538**	**4,800**	**0**	**135,617**	**3,149**
XIV.	General company expenses	0	0	0	-5,376	**-5,376**	-683
XV.	Other operating income and expenses (depreciation and amortization on solar panels)	-2,918	-148	0	0	**-3,066**	-441
	OPERATING RESULT (BEFORE RESULT ON PORTFOLIO)	**63,361**	**64,390**	**4,800**	**-5,376**	**127,176**	**2,025**
XVI.	Result on disposals of investment properties	-41	0	0	0	**-41**	152
XVIII.	Changes in the fair value of investment properties	11,664	19,479	2,903	0	**34,046**	-1,997
OPERATING RESULT		**74,984**	**83,869**	**7,703**	**-5,376**	**161,180**	**180**

The basis for reporting per 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 in four regions.

This segmentation is important for WDP given that the nature of its business, its customers, etc. represent similar economic characteristics within these segments. Business decisions are taken at this level, and different key performance indi-

31 DEC. 15					
Belgium	The Netherlands	France	Unal-located amounts	**Total IFRS**	Romania[3]
57,664	55,835	8,785	0	**122,285**	710
-1,085	-137	-128	0	**-1,349**	0
56,579	**55,699**	**8,658**	**0**	**120,935**	**710**
0	0	770	0	**770**	0
6,166	225	931		**7,322**	94
0	0	-1,318	0	**-1,318**	0
-6,827	-1,564	-998	0	**-9,390**	-150
10,439	248	80	0	**10,767**	1,296
66,356	**54,607**	**8,122**	**0**	**129,086**	**1,950**
-1,756	-896	-137	0	**-2,789**	-211
-435	-64	-121	0	**-621**	-45
-863	334	19	0	**-511**	-8
-3,054	**-626**	**-240**	**0**	**-3,921**	**-264**
63,302	**53,981**	**7,882**	**0**	**125,165**	**1,686**
0	0	0	-6,213	**-6,213**	N/R
-2,987	-23	0	0	**-3,010**	-425
60,315	**53,958**	**7,882**	**-6,213**	**115,942**	**1,261**
-76	0	0	0	**-76**	0
20,593	31,333	-4,236	0	**47,690**	-176
80,832	**85,291**	**3,646**	**-6,213**	**163,556**	**1,085**

1 The maximum rental risk within the WDP portfolio is less than 10%, while the maximum risk per site is less than 5%. See also *8.1. Property report – Review of the consolidated property portfolio* on page 130.

2 Income from solar energy amounted to 9.655 million euros in 2016, against 9.458 million euros in 2015. This income was realised in Belgium (7.933 million euros in 2016, against 8.137 million euros in 2015), the Netherlands (0.446 million euros in 2016, against 0.064 million euros in 2015) and Romania (1.277 million euros in 2016, against 1.258 million euros in 2015). It is included in Section *VIII. Other income and charges related to leases*.

3 Pursuant to IFRS 11 *Joint Arrangements*, the joint venture WDP Development RO is accounted for using the equity method. The table shows the operating result (before general expenses and in line with WDP's 51% holding), which is subsequently reconciled with the 51% share in the result of this entity, as reported under the equity method pursuant to IFRS.

cators (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 logistical sites.

VI. Segmented information – Assets by segment[1]

(in euros x 1,000)	31 DEC. 16 Belgium	The Netherlands	France	Total	Romania
INVESTMENT PROPERTIES	**938,356**	**1,010,231**	**88,136**	**2,036,723**	**70,151**
Existing buildings	893,026	969,635	87,607	1,950,268	43,225
Investment properties under development for own account for the purpose of being rented out	30,862	21,220	0	52,083	8,404
Land reserves	14,468	19,376	528	34,372	18,522
ASSETS HELD FOR SALE	**1,367**	**0**	**0**	**1,367**	**465**
OTHER TANGIBLE FIXED ASSETS	**68,975**	**17,243**	**0**	**86,218**	**8,763**
Tangible fixed assets for own use	676	187	0	863	254
Other: solar panels	68,299	17,056	0	85,355	8,509

(in euros x 1,000)	31 DEC. 15 Belgium	The Netherlands	France	Total	Romania
INVESTMENT PROPERTIES	**844,999**	**875,101**	**76,788**	**1,796,888**	**45,809**
Existing buildings	802,646	862,882	73,762	1,739,291	21,688
Investment properties under development for own account for the purpose of being rented out	26,949	443	0	27,392	5,620
Land reserves	15,404	11,776	3,026	30,206	18,501
ASSETS HELD FOR SALE	**823**	**0**	**0**	**823**	**0**
OTHER TANGIBLE FIXED ASSETS	**70,751**	**3,957**	**0**	**74,708**	**12,423**
Tangible fixed assets for own use	801	95	0	896	229
Other: solar panels	69,950	3,862	0	73,812	12,194

1 Includes project developments in compliance with the IAS 40 standard.

VII. Information on subsidiaries

	SHARE OF CAPITAL	
	31 DEC. 16	31 DEC. 15
Fully consolidated companies		
Name and full address of the registered offices		
WDP France SARL – rue Cantrelle 28 – 36000 Châteauroux – France	100%	100%
WDP Nederland N.V. – Hoge Mosten 2 – 4822 NH Breda – Netherlands	100%	100%
with participation in WDP Development NL N.V. – Hoge Mosten 2 – 4822 NH Breda – Netherlands[1]	100%	100%
Eurologistik 1 Freehold BVBA – Blakebergen 15 – 1861 Wolvertem – Belgium[2]	100%	100%
Transeuropean Leuven NV – Blakebergen 15 – 1861 Wolvertem – Belgium[3]	100%	100%
Charles V Property NV – Blakebergen 15 – 1861 Wolvertem – Belgium[4]	100%	100%
Suncop I NV – Blakebergen 15 – 1861 Wolvertem – Belgium[5,8]	100%	100%
Suncop 2 BVBA – Blakebergen 15 – 1861 Wolvertem – Belgium[5,8]	100%	100%
MLB NV – Blakebergen 15 – 1861 Wolvertem – Belgium[6,8]	100%	100%
The Bridge Logistic III NV – Blakebergen 15 – 1861 Wolvertem – Belgium[7,8]	100%	100%
Colfridis Real Estate BVBA – Blakebergen 15 – 1861 Wolvertem – Belgium[8]	100%	
Joint ventures		
WDP Development RO SRL – 1 Baia de Arama Street, Building C, 1st floor, office no. 19, district 2 – Bucharest – Romania	51%	51%
I Love Hungaria – Mechelsesteenweg 61, Bus 401 – 2018 Antwerp – Belgium[9]	50%	50%

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 On 7 June 2013 WDP acquired 100% of the shares in Eurologistik 1 Freehold, holding the rights to an existing logistic site in Vilvoorde. This transaction is not considered to be a business combination.
3 At the end of April 2014 WDP acquired 100% of the shares in Transeuropean Leuven NV. This company owned a multi-unit in Zaventem. This transaction is not considered to be a business combination. On 30 June 2015, WDP merged with its wholly owned subsidiary Transeuropean Leuven NV.
4 At the end of April 2014, WDP also acquired 100% of the shares in Charles V Property NV, which owns a logistics building in Ternat. This transaction is not considered to be a business combination. On 30 June 2015, WDP merged with wholly owned subsidiary Charles V Property NV.
5 At the end of May 2015, WDP acquired 100% of the shares in SUNCOP I NV and SUNCOP 2 BVBA to acquire two PV systems on the roof of the MLB site in Bornem. This transaction is not considered to be a business combination. On 30 June 2016, WDP merged with its wholly owned subsidiaries SUNCOP I NV and SUNCOP 2 BVBA.
6 On 31 March 2015, WDP acquired 100% of the shares in MLB NV, which owned the rights to the site of the same name in Bornem. This transaction is not considered to be a business combination. On 30 June 2016, WDP merged with its wholly owned subsidiary MLB NV.
7 At the beginning of June 2015, WDP acquired 100% of the shares in the company The Bridge Logistics III NV, which held the rights to the site in Willebroek, at Victor Dumonlaan 32. This transaction is not considered to be a business combination. On 30 June 2016, WDP merged with its wholly owned subsidiary The Bridge Logistics III NV.
8 With the acquisition of these sites, apart from the investment properties and/or solar panels, no other assets or liabilities were acquired, with the exception of two external financings in SUNCOP I NV and SUNCOP 2 BVBA respectively for a total amount of 5.3 million euros.
9 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.

WDP Development RO is a material joint venture within the group, consolidated according to the equity method. IFRS 12 requires provision of information on 100% joint ventures in the notes. In line with internal reporting at the WDP group, this information is still given proportionally to 51%. The Chief Operating Decision Maker will also base policy decisions on the information in this form. There is no reconciliation difference between the value recognised in the balance sheet according to the equity method and the proportional share of own equity of WDP Development RO, nor have dividends been paid out by WDP Development RO, and there is no limit on cash transfers to other companies from the group.

I Love Hungaria NV is also consolidated via the equity method. Considering the marginal impact of this joint venture within the group, it is not presented separately.

VIII. Overview of future income

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Future rental income (including income from solar power) with final expiry date within		
no more than one year is	142,935	341,082
more than one but less than five years is	377,544	36,341
more than five years is	565,899	484,190
TOTAL	**1,086,377**	**949,454**

This table contains an overview of the rental income (including the income from solar power) 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 rental agreements.

The impact of the applied indexing of rents amounts to an average of 0.4% and 0.6% for the 2015 and 2016 financial years, respectively.

The income with respect to the previous year rose by 14.4%. This is mainly due to strong portfolio growth (see also *6.3. Management report – Transactions and realisations* on page 49).

Type lease agreement

For its buildings, WDP mainly signs agreements subject to either the regime of supply of storage space which is liable to VAT, or to common rent law.

Rent is usually paid three months in advance (sometimes on a quarterly basis). It is indexed annually on the anniversary date of the lease contract.

According to the contractual provisions, taxes and charges, including withholding tax, insurance premiums and collective charges, are billed to the tenant. The tenant must pay a monthly charge for this. The tenant receives an annual invoice for the actual expenses.

To ensure compliance with the duties that the contract imposes on the tenant, the latter must provide a deposit, usually in the form of a bank deposit equivalent to six months of rent.

At the start of the lease contract, a joint property survey is conducted between the parties by an independent expert. On expiry of the contract, the tenant must return the leased space in the same condition as described in the move-in inspection report, apart from normal wear and tear. An end-of-lease inspection is made. The tenant must pay for repairing any damage that is determined, and should the premises be unavailable during repair.

The tenant may not perform any activities that present a risk on the leased premises, unless WDP has provided prior written authorisation. In such cases, WDP may demand that the tenant take certain precautions. Before the end of the contract, tenants who have performed a risk activity during the lease period must have an exploratory soil inspection carried out, and if soil pollution is established, pay for any clean-up operations and consequential damage.

The tenant is responsible for obtaining operational and environmental authorisation. Refusal or withdrawal of such authorisation will not be cause for dissolution or annulment of the contract.

The tenant may not transfer the contract or sublease the leased premises without prior written authorisation from WDP. Upon agreement to transfer a lease contract, the original tenant remains jointly and severally liable towards WDP.

The tenant has the duty to have the contract registered at their expense.

IX. Result from the sale of investment property

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Net property sales (sales price – transaction costs)	5,024	3,266
Book value of properties sold	-5,065	-3,342
RESULT FROM THE SALE OF INVESTMENT PROPERTY	**-41**	**-76**

The capital loss in 2016 is due to the sale of two plots of land in Nivelles and three plots in Wieze.

X. Financial result

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
FINANCIAL INCOME	**796**	**953**
Interests and dividends received	599	548
Other financial income	198	405
NET INTEREST CHARGES	**-30,532**	**-27,598**
Interests on loans	-17,025	-15,584
Interest capitalised during construction	682	1,338
Cost of permitted hedging instruments	-13,688	-13,235
Other interest charges	-502	-117
OTHER FINANCIAL CHARGES	**-548**	**-502**
Bank charges and other commissions	-32	-57
Other financial charges	-516	-445
CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**1,787**	**7,839**
FINANCIAL RESULT	**-28,497**	**-19,308**

For comments on the Financial result, see *6.2. Notes to the consolidated results of 2016* on page 40.

WDP's risk policy with regard to financial policy is detailed in *1. Risk factors on page 2.* The derivatives currently used by WDP do not qualify as hedging transactions. As a result, changes in the fair value are immediately recognised in the result.

XI. Taxes

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Corporate tax and exit tax	-1,244	-128
Advance levy on mandatory dividends from subsidiaries	-655	-1,041
TOTAL TAXES	**-1,899**	**-1,169**

XII. Investment property[1]

Changes during the financial year

(in euros x 1,000)	31 DEC. 16				
	Belgium	The Netherlands	France	**Total**	Romania
Level according to IFRS	3	3	3		3
FAIR VALUE AS AT PREVIOUS FINANCIAL YEAR-END	**844,999**	**875,101**	**76,788**	**1,796,888**	**45,809**
Investments	48,539	39,009	8,445	**95,992**	20,619
New acquisitions	16,761	76,641	0	**93,402**	6,572
Acquisition of investment properties by means of share-based payment transactions[2]	22,065	0	0	**22,065**	0
Transfers to fixed assets held for sale	-3,546	0	0	**-3,546**	-465
Sales and disposals	-2,125	0	0	**-2,125**	-388
Changes in the fair value	11,663	19,480	2,903	**34,046**	-1,997
Latent change on existing properties (+/-)	11,674	19,520	2,903	**34,096**	-1,992
Latent change on assets under construction (+/-)	-10	-40	0	**-50**	-5
FAIR VALUE AS AT FINANCIAL YEAR-END	**938,356**	**1,010,231**	**88,136**	**2,036,722**	**70,151**
Acquisition price	823,144	976,201	85,465	**1,884,810**	78,059
Insured value	733,342	731,067	67,023	**1,531,432**	73,041
Rental income during 2016	61,180	67,486	5,040	**133,705**	2,215

(in euros x 1,000)	31 DEC. 15				
	Belgium	Netherlands	France	**Total**	Romania
Level according to IFRS	3	3	3		3
FAIR VALUE AS AT PREVIOUS FINANCIAL YEAR-END	**734,405**	**646,708**	**80,701**	**1,461,814**	**28,917**
Investments	19,510	44,476	323	**64,309**	13,444
New acquisitions	14,826	152,585	0	**167,410**	3,624
Acquisition of investment properties by means of share-based payment transaction[2]	58,484	0	0	**58,484**	0
Transfers to fixed assets held for sale	-481	0	0	**-481**	0
Sales and disposals	-2,338	0	0	**-2,338**	0
Changes in the fair value	20,593	31,333	-4,236	**47,690**	-176
Latent change on existing properties (+/-)	20,710	31,214	-4,236	**47,687**	-180
Latent change on assets under construction (+/-)	-117	119	0	**2**	4
FAIR VALUE AS AT FINANCIAL YEAR-END	**844,999**	**875,101**	**76,788**	**1,796,888**	**45,809**
Acquisition price	741,451	860,589	77,020	**1,679,060**	51,719
Insured value	677,418	632,523	67,221	**1,377,161**	40,984
Rental income during 2015	57,664	55,835	5,035	**118,535**	710

1 Includes project developments in compliance with the IAS 40 standard.
2 The difference from the amount in the cash flow statement is attributable to the fact that working capital was also received on acquisition of the company.

Capital expenditures pertain to investments made in the scope of new purchases, own project developments and investments within the existing portfolio (for more information, see *6.3. Management report – Transactions and realisations* on page 49).

The property portfolio is valued at fair value. Fair value is based on non-observable inputs, and consequently, assets in property investments belong to Level 3 of the fair value hierarchy as defined in IFRS. No changes in the fair-value hierarchy level took place in 2016. For information: Level 1 of the fair-value hierarchy specifies that the fair value is based on listed (non-adjusted) prices in an active market for identical assets or liabilities, while level 2 is based on different information from level 1, which can be determined directly or indirectly for the assets or liabilities in question.

No assets are valued according to their highest, optimum use, as no assets are being used for less than their optimum use.

In 2016, WDP realised a net investment volume of approximately 250 million euros (including solar panels). This was realised in the core market, Benelux and Romania. For a detailed description of the various individual purchases and the (100% pre-leased) projects that have been or are in the process of being carried out, see *6.3. Management report – Transactions and realisations* on page 49.

The following table shows a comparison between the annual rental income for purchased properties and the rental income actually received since the purchase of the properties in the course of 2016 (in particular the year of purchase of these properties). In 2016 it was also decided to sell two plots of land in Nivelles, three in Wieze and part of the plot in Paulesti, Romania. These generated no rental income in 2016.

(in euros x 1,000)	Annual rental income	Actual rental income
Oud-Beijerland, A. Flemingstraat 2	722	22
Alphen aan den Rijn, Antonie van Leeuwenhoekweg	1,028	169
Barendrecht, Dierensteinweg 30/C1	421	309
Barendrecht, Dierensteinweg 30/C2	281	206
Barendrecht, Dierensteinweg 30/D	108	79
Schiphol, Folkstoneweg 65	450	337
Duiven, Typograaf 2	540	449
Amsterdam, Maroastraat 81	831	715
Alblasserdam, Nieuwland Parc 121	830	823
Puurs, Schoonmansveld 1	540	57
Londerzeel, Weversstraat 15	680	170
Londerzeel, Weversstraat 17	328	82
Londerzeel, Weversstraat 21	249	62
Londerzeel, Weversstraat 27-29	787	198
Total	**7,795**	**3,679**

The positive change in the valuation of investment properties is due to the higher yield on logistical properties in the investment market and unrealised gains on project developments. The gross rental yield, after the addition of the estimated market rental value of the non-leased parts, is 7.5% as at 31 December 2016, compared to 7.6% at the end of 2015.

Valuation method

The estimation of a site consists of determining its value on a specific date, in other words the price at which the site would likely be tradable between well informed buyers and sellers in the absence of information asymmetries who wish to perform a similar transaction, without taking account of any particular agreement between them. This value is the investment value when it corresponds to the total price payable by the buyer, plus any possible registration fees or VAT, if it is a purchase that is subject to VAT. The fair value, in the sense of the IAS/IFRS reference scheme, can be obtained by deducting an adjusted minimum charge for registration fees and/or the VAT from the investment value. To calculate the variation in the fair value, the hypothetical local registration fees are deducted from the investment value. The average per country is: Belgium: 2.5%, Netherlands: 6.1%, France: 3.3% and Romania: 1.5%.

		Non-observable inputs in the determination of fair value			
Level (IFRS)	Classification according to geographic area	Fair value 31 DEC. 16 (in euros x 1,000)	Valuation method	Input 31 DEC. 16	Range (min./max.) (weighted average) 31 DEC. 16
3	Belgium	938,356	Discounted cash flow	* ERV (euros/m²)[1]	8-92 euros/m² (41 euros/m²)
				* Discount rate	5.4%-7.4% (6.1%)
				* Required yield	6.8%-8.5% (7.3%)
			Income capitalisation	* Remaining period of rental contract (till first expiry date)	6 months-19.9 years (4.4 years)
				* Remaining period of rental contract (till first expiry date)	9 months-30 years (7.5 years)
				* Occupancy rate	38%-100% (95.3%)
				* Inflation	1.25%-1.25% (1.25%)
3	The Netherlands	1,010,231	Discounted cash flow	* ERV (euros/m²)[1]	25-120 euros/m² (euros 45/m²)
				* Discount rate	5.5%-9.0% (6.4%)
				* Required yield	5.5%-9.3% (6.5%)
			Income capitalisation	* Remaining period of rental contract (till first expiry date)	6 months-18.5 years (7.0 years)
				* Remaining period of rental contract (till first expiry date)	6 months-18.5 years (7.4 years)
				* Occupancy rate	52%-100% (98.0%)
				* Inflation	2.0%-2.0% (2.0%)
3	France	88,136	Income capitalisation	* ERV (euros/m²)[1]	30-55 euros/m² (39 euros/m²)
				* Required yield	7.3%-8% (7.8%)
				* Remaining period of rental contract (till first expiry date)	1 month-3.4 years (2.1 years)
				* Remaining period of rental contract (till first expiry date)	1 month-9.4 years (5.2 years)
				* Occupancy rate	81%-100% (94.8%)
3	Romania	70,151	Income capitalisation	* ERV (euros/m²)[1]	33-48 euros/m² (44 euros/m²)
				* Required yield	8.5%-9.4% (8.9%)
				* Remaining period of rental contract (till first expiry date)	6 months-11.5 years (9.3 years)
			Comparable market transactions	* Remaining period of rental contract (till first expiry date)	6 months-14.8 years (11.8 years)
				* Occupancy rate	100%-100% (100%)

1 With respect to the ERV only the rent for available areas is taken into account. The wide range (min./max.) is due to the different kinds of storage premises (from outdoor storage to refrigerated warehouses).

Sensitivity of valuations

The sensitivity of the fair value with regard to changes in significant non-observable inputs used in determining the fair value of objects classified as level 3 according to the IFRS fair-value hierarchy, is as follows (ceteris paribus):

Non-observable input	Impact on fair value at: decrease	Impact on fair value at: increase
ERV (in euros/m²)	negative	positive
Discount rate	positive	negative
Required yield	positive	negative
Remaining period of rental contract (till first expiry date)	negative	positive
Remaining period of rental contract (till first expiry date)	negative	positive
Occupation rate (EPRA)	negative	positive
Inflation	negative	positive

In addition, it is usually the case that an increase (decrease) in the remaining period of a rental contract leads to an increase (decrease) in the discount rate (and required yield). An increase (decrease) in occupation rate may lead to an increase (decrease) in the discount rate (and required yield).

In addition, the sensitivity of the fair value of the portfolio can be estimated as follows (based on a ceteris paribus approach): the effect of an increase (decrease) of 1% of rental income leads to an increase (decrease) in the fair value of the portfolio of approximately 20 million euros (ceteris paribus). The effect of an increase (decrease) of 25 basis points in the required yield will lead to a decrease (increase) in the fair value of a portfolio of approximately 65 million euros (ceteris paribus).

Valuation process

The valuation process at WDP follows a centralised approach where the policy and procedures with regard to property estimates are determined by the CEO and CFO, after approval by the audit committee. Each year after approval by the audit committee, the CEO and CFO determine which independent property expert will be appointed for the various parts of the property portfolio. Contracts will typically be signed for a renewable term of three years subject to a double rotation obligation according to the Law of 12 May 2014 in the scope of a GVV (see *11.6. Permanent document – Property expert* on page 263). Selection criteria include for instance local market knowledge, reputation, independence and a guarantee of the highest professional standards. The property expert's fees are determined before their mandate starts and is not related to the value of the estimated objects.

Different property experts are appointed for each country, to ensure that the specificities of each geographical region and therefore the diversified, pan-European nature of the property portfolio is reflected correctly. The property portfolio is valued externally by independent property experts on a quarterly basis. The valuation method is determined by the external expert and is based on a multi-criteria approach. The independent property expert determines the fair market value based on a discounted cash-flow model, an income capitalisation method and/or comparable market transactions. In addition, estimates determined in this way are compared to the initial yield and available points of comparison via recent market transactions for comparable objects (including those purchased by WDP itself during that year). The valuation cycle within one financial year consists of a site visit after which a detailed estimate report is drawn up for each object as well as three desktop reviews in which new information provided by WDP with regard to the lease situation are reflected, and the most important assumptions with regard to significant non-observable inputs are recognised.

Property expert	Location	Fair value (in euros x 1,000)	% of portfolio
Stadim	Belgium[1]	552,985	26%
Cushman & Wakefield	Belgium, Romania	456,779	22%
DTZ Zadelhoff	The Netherlands	1,010,231	48%
BNP Paribas Real Estate	France	88,136	4%
TOTAL		**2,108,130**	**100%**

1 Including the proportion the portfolio in I Love Hungaria.

The independent property expert has full access to all quantitative and qualitative information with regard to the property portfolio. The group controller ensures continuous contact with and information provided to the respective property experts (such as all lease contracts, information on occupation rate, expiry dates, investments, and maintenance and repair costs). Twice a year, the CEO and country manager also discuss the asset management plan for each object in detail with the property expert. When estimate reports are handed in on a quarterly basis, all material differences (positive and negative) are compared in absolute and relative terms with the previous four quarters and analysed by the group controller and the CFO. Based on this, the CEO and CFO then conduct a detailed discussion with the respective property experts to ensure that all data with regard to the sites are reflected accurately and exhaustively in the estimate, with specific attention to property development projects. The property experts draw up an independent estimate of the future cash-flow profile and reflect the risks via a combination of cash-flow projections (rental growth, vacancy, incentives, investments, etc.) as well as the applied acquired yields or discount rates. The final property estimates are then presented to the audit committee.

XIII. Other tangible fixed assets

Changes during the financial year

(in euros x 1,000)	31 DEC. 16				31 DEC. 15			
	Solar panels	Other[1]	Total	Romania	Solar panels	Other[1]	Total	Romania
Level according to IFRS	3	N/R		3	3	N/R		3
AT THE END OF THE PREVIOUS FINANCIAL YEAR	**73,812**	**896**	**74,708**	**12,435**	**63,052**	**647**	**63,699**	**12,289**
Investments	12,432	281	**11,713**	55	5,342	554	**5,896**	363
New acquisitions	0	0	**0**	0	0	0	**0**	0
Acquisitions via share transactions	0	0	**0**	0	8,188	0	**8,188**	0
Disposals	0	0	**0**	0	0	-4	**-4**	0
Changes in the fair value	111	-314	**-203**	-3,727	-2,770	-301	**-3,071**	-217
Gains	3,177	0	**3,177**	-3,299	240	0	**240**	208
Depreciation and write-downs	-3,066	-314	**-3,380**	-428	-3,010	-301	**-3,311**	-425
END OF FINANCIAL YEAR	**85,355**	**863**	**86,218**	**8,763**	**73,812**	**896**	**74,708**	**12,435**
Acquisition price	67,388	3,119	**70,507**	10,787	55,955	2,839	**58,794**	10,732

1 Other includes: *Systems, Machines and equipment, Furniture and rolling stock* and *Other tangible fixed assets.*

Valuation method – Solar panels

	Valuation method		
Classification according to geographic area	Belgium	The Netherlands	Romania
Level (IFRS)	**3**	**3**	**3**
Fair value 31 DEC. 16 (in euros x 1,000)	**68,299**	**17,056**	**8,509**
Revenue 2016[1] (in euros x 1,000)	**7,933**	**446**	**1,277**
including Green Energy Certificates	7,380	261	1,028
including green energy (minus associated costs)	553	184	249

VALUATION METHOD	DISCOUNTED CASH FLOW	DISCOUNTED CASH FLOW	DISCOUNTED CASH FLOW
Implicit number of sunshine hours	The model assumes an implicit 950 sunshine hours per year. This is based on weather statistics and the available data at the end of the year. On 31 December 2016, the solar park consisted of 33 sites.	The model assumes an implicit 900 sunshine hours per year. This is based on weather statistics and the available data at the end of the year. On 31 December 2016, the solar park consisted of 13 sites.	The model assumes an implicit 1,250 sunshine hours per year. This is based on weather statistics and the available data at the end of the year. On 31 December 2016, the solar park consisted of 4 sites.
Green Energy Certificates (GECs)	Green Energy Certificates (GECs) in Flanders are issued to each project by the Flemish Electricity and Gas Market Regulator (the 'VREG') at a fixed price per certificate for a fixed period of twenty years. The price of certificates for operational sites vary between 270-450 euros per MWh. Green Energy Certificates (GECs) in Wallonia are issued to each project by the Wallonia Energy Commission (the 'CWaPE') at a guaranteed price per certificate for a fixed period of ten years. The price of certificates for operational sites is 65 euros per certificate.	Each project receives a subsidy from the Netherlands Enterprise Agency (the 'RVO') for a period of fifteen years. The maximum subsidy amount allocated per MWh produced depends on the time of request and is determined so that the maximum yield including subsidy does not exceed 147 euros per MWh.	Green Energy Certificates (GEC) are issued to each project by the ANRE (Romanian Energy Regulatory Authority) for a fixed period of fifteen years. PV projects for WDP in Romania receive GSC 6 per MWh of green energy produced (of which two with postponement in accordance with the regulatory framework). Certificates can subsequently be sold on the regulated market at a legal min./max. price of between 27 euros and 55 euros per certificate. With regard to solar parks, WDP has a 10-year purchasing agreement with Enel (a global leader in the energy market).
Energy price	The energy price in real terms increases by 1.5% per year. This increase is applied to the Endex basis. As a starting point, an average Endex price (see www.apxendex.com) (BE-power) of CAL t + 1, 2, 3 was chosen. At the end of 2016, it was valued according to the CAL 16, 17 and 18 published on 31 December 2016.	The energy price in real terms increases by 1.5% per year. This increase is applied to the Endex basis. As a starting point, an average Endex price (see www.apxendex.com) (NL-power) of CAL t + 1, 2, 3 was chosen. At the end of 2016, it was valued according to the CAL 16, 17 and 18 published on 31 December 2016.	The energy price in real terms increases by 1.5% per year. This increase is applied to the actual prices received for green energy sold.
Discount rate	The required yield is calculated as the ordinary average cost of the capital according to long-term interest, market risk premium and country-specific risk.	The required yield is calculated as the ordinary average cost of the capital according to long-term interest, market risk premium and country-specific risk.	The required yield is calculated as the ordinary average cost of the capital according to long-term interest, market risk premium and country-specific risk.
Decrease in yield	The PV installation has seen its yield decrease by 0.6% per year and has been decommissioned after thirty years. No account was taken here of any possible residual value of the installation, nor with the costs of dismantling the installation.	The PV installation has seen its yield decrease by 0.6% per year and has been decommissioned after thirty years. No account was taken here of any possible residual value of the installation, nor with the costs of dismantling the installation.	The PV installation has seen its yield decrease by 0.6% per year and has been decommissioned after thirty years. No account was taken here of any possible residual value of the installation, nor with the costs of dismantling the installation.
Maintenance and capex	Account is taken of the various operational costs related to exploitation as well as a ten-year maintenance cost in order to keep the expected evolution of the operational condition intact.	Account is taken of the various operational costs related to exploitation as well as a ten-year maintenance cost in order to keep the expected evolution of the operational condition intact.	Account is taken of the various operational costs related to exploitation as well as a ten-year maintenance cost in order to keep the expected evolution of the operational condition intact.

1 The income consists of the sale of green energy certificates and of green energy to the tenant and/or energy provider, minus costs related to the maintenance of solar panels.

Sensitivity of valuations

The sensitivity of the fair value with regard to changes in significant non-observable inputs used in determining the fair value of objects classified as level 3 according to the IFRS fair-value hierarchy, is as follows (ceteris paribus):

	Impact on fair value at:	
Non-observable input	decrease	increase
Implicit number of sunshine hours	negative	positive
Green Energy Certificates (GECs)	negative	positive
Energy price	negative	positive
Discount rate	positive	negative
Decrease in yield	negative	positive
Maintenance and capex	positive	negative

In addition, the sensitivity of the fair value of the solar panels can be estimated as follows (based on a ceteris paribus approach): the effect of an increase (decrease) of the required yield of 25 bps leads to an decrease (increase) of the fair value of the solar panels of approximately 3 million euros.

Valuation process

There is no standardised valuation model for solar panel investments. WDP calculates the fair value of these assets according to a discounted cash-flow model based on future income and costs.

The valuation cycle within a financial year consists of a complete, detailed update at the end of the year of all assumptions and expected cash flows, and three desktop reviews that include a roll-forward of the model as well as the key assumptions with regard to significant non-observable inputs.

Data and inputs with regard to expected future cash flows are continuously checked against available statistics on all PV systems, while a consistent comparable analysis is made of investors' financial yield requirements. Final fair values are approved by the audit committee on a quarterly basis.

XIV. Financial instruments

Financial instruments at amortised cost price

Fair value of financial instruments recognised in the balance sheet at amortised cost price:

(in euros x 1,000)	IFRS BALANCE SHEET SECTION	31 DEC. 16 Level (IFRS)	Amortised cost of hedging instruments	Amortised cost of loans, claims 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			4,189		**4,189**	**4,189**
Loans and receivables – Other	I. E.	2		20,617	**20,617**	**20,617**
Long-term receivables						
- Trade receivables and other fixed assets	I. G.	2		3,796	**3,796**	**3,796**
Short-term receivables						
Trade receivables	II. D.	2		10,662	**10,662**	**10,662**
Cash and cash equivalents	II. F.	2		340	**340**	**340**
Deferrals and accruals: interest charges on loans and permitted hedging instruments				131	**131**	**131**
TOTAL			**4,189**	**35,546**	**39,735**	**39,735**
FINANCIAL LIABILITIES						
Non-current financial liabilities						
- Bond loan: private placement	I. B.	2		201,082	**201,082**	**203,923**
- Bond loan: retail bond	I. B.	1		124,867	**124,867**	**132,713**
- Bank debt	I. B.	2		532,350	**532,350**	**532,350**
- Leasing debt	I. B.	2		8,164	**8,164**	**8,164**
Other non-current financial liabilities – Permitted hedging instruments	I.C.					
- Interest Rate Swaps			62,185		**62,185**	**62,185**
- Interest Rate Swaps (forward start)			1,383		**1,383**	**1,383**
Current financial liabilities						
- Commercial paper	II. B.	2		138,000	**138,000**	**138,000**
- Bank debt	II. B.	2		39,503	**39,503**	**39,503**
- Leasing debt	I. B. and II. B.	2		1,970	**1,970**	**1,970**
- Trade payables and other current liabilities	II. D.	2		24,056	**24,056**	**24,056**
Other current financial liabilities – Permitted hedging instruments	II.C.	2				
- Interest Rate Swaps			0		0	0
- Interest Rate Swaps (forward start)			0		0	0
Deferrals and accruals: interest charges on loans and permitted hedging instruments			613	6,641	**7,254**	**7,254**
TOTAL			**64,181**	**1,076,633**	**1,140,814**	**1,151,501**

(in euros x 1,000)	IFRS BALANCE SHEET SECTION	Level (IFRS)	31 DEC. 15 Amortised cost of hedging instruments	Amortised cost of loans, claims and financial obligations	Amor-tised cost price	Fair value
FINANCIAL FIXED ASSETS						
Assets at fair value through result – Permitted hedging instruments	I. E.	2				
- Interest Rate Swap			155		**155**	**155**
Loans and receivables – Other	I. E.	2		13,929	**13,929**	**13,929**
Long-term receivables						
- Trade receivables and other fixed assets	I. G.	2		4,088	**4,088**	**4,088**
Short-term receivables						
- Trade receivables	II. D.	2		5,792	**5,792**	**5,792**
- Cash and cash equivalents	II. F.	2		551	**551**	**551**
Deferrals and accruals: interest charges on loans and permitted hedging instruments				176	**176**	**176**
TOTAL			**155**	**24,536**	**24,691**	**24,691**
FINANCIAL LIABILITIES						
Non-current financial liabilities						
- Bond	I. B.	2		141,205	**141,205**	**144,472**
- Bond	I. B.	1		124,835	**124,835**	**131,550**
- Bank debt	I. B.	2		639,615	**639,615**	**639,615**
- Leasing debt	I. B.	2		10,355	**10,355**	**10,355**
Other non-current financial liabilities – Permitted hedging instruments	I.C.					
- Interest Rate Swaps			59,115		**59,115**	**59,115**
- Interest Rate Swaps (forward start)			2,205		**2,205**	**2,205**
Current financial liabilities						
- Commercial paper	II. B.	2		114,200	**114,200**	**114,200**
- Bank debt	II. B.	2		123,828	**123,828**	**123,828**
- Leasing debt	I. B. and II. B.	2		2,485	**2,485**	**2,485**
- Trade payables and other current liabilities	II. D.	2		17,456	**17,456**	**17,456**
Other current financial liabilities – Permitted hedging instruments	II.C.	2				
- Interest Rate Swaps			0		**0**	**0**
- Interest Rate Swaps (forward start)			0		**0**	**0**
Deferrals and accruals: interest charges on loans and permitted hedging instruments			540	5,514	**6,054**	**5,514**
TOTAL			**61,860**	**1,179,493**	**1,241,353**	**1,251,335**

The group's financial instruments as a whole correspond to fair value levels 1 and 2. Valuation at fair value is carried out on a regular basis.

In the case of bankruptcy of one of the contracting parties, the net position of the derivatives will be considered for the counter party.

Fair value level 1 withholds investments, cash and cash equivalents whose fair value is based on trading price.

Fair value level 2 pertains to other financial assets and liabilities whose fair value is based on observable inputs and other information that can be determined directly or indirectly for the assets or liabilities in question. The valuation method for the fair value of financial instruments of level 2 is the following: the fair value of the aforementioned financial assets and liabilities is valuated at book value, except for the bond whose fair value is determined according to a discounted cash-flow model based on market interest rates at the end of the year, as these are not frequently traded (level 2). Because the other financial liabilities are incurred at a floating interest rate, the fair value is close to the book value.

Fair value level 3 pertains to the fixed asset portfolio whose fair value is determined according to non-observable inputs.

Liquidity requirement on expiry dates related to non-current loans (contractual cash flows and non-capitalised interests)

(in euros x 1,000)	31 DEC. 16
Between one and two years	121,162
Between two and five years	420,617
More than five years	397,828
TOTAL	**939,608**

Financial instruments at fair value (as per IAS 39)

The group uses derivatives to hedge the interest rate risk on its financial debts in order to reduce volatility in EPRA Earnings (which is the basis for the dividend) while also minimising the cost of the debts. 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 used by WDP do not qualify as hedging transactions. As a result, changes in the fair value are immediately recognised in the result.

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

Fair value is based on observable inputs, and as such, the IRS contracts are at Level 2 of the fair value hierarchy as defined by IFRS. Fair value is determined according to a discounted cash-flow model based on the relevant market interest rates as reflected in the forward interest curve on the balance sheet date.

No changes in the fair-value hierarchy level took place in 2016. During this period, no hedging instruments are concluded before the final expiry date. A number of existing hedging instruments were extended by flattening these over time in a cash-neutral manner.

	31 DEC. 16			
	Level (IFRS)	Notional amount (in euros x 1,000)	Interest rate (in %)	Duration (in year)
CLASSIFICATION ACCORDING TO IFRS				
Interest Rate Swap	2	728,820	1.47	7.3
Interest Rate Swap (forward start)	2	25,000	0.96	6.0
TOTAL		**753,820**	**1.46**	**7.3**

	31 DEC. 15			
	Level (IFRS)	Notional amount (in euros x 1,000)	Interest rate (in %)	Duration (in year)
CLASSIFICATION ACCORDING TO IFRS				
Interest Rate Swap	2	510,776	2.24	7.0
Interest Rate Swap (forward start)	2	95,000	0.85	6.9
TOTAL		**605,776**	**2.12**	**7.0**

Changes in the fair value and valuation at fair value of hedging instruments on the balance sheet date are as follows:

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
FAIR VALUE AT THE BALANCE SHEET DATE	**-59,379**	**-61,166**
Financial fixed assets	4,189	155
Financial instruments at fair value through profit and loss	4,189	155
Other non-current financial liabilities	63,568	61,321
Permitted hedging instruments	63,568	61,321
Current financial liabilities	0	0
Other current financial liabilities	0	0
CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**1,787**	**7,839**
Revenue	18,010	20,276
Costs	-16,223	-12,438

The following table gives an overview of the impact of the fair value of the IRSes if the interest rate rises or falls by a max. of 0.50%:

CHANGE IN INTEREST RATE	
Change in interest rate	Impact on the change in fair value of IRS on 31 DEC. 16 (in euros x 1,000,000)
-0.50%	-28.3
-0.25%	-14.0
0.00%	0.0
+0.25%	13.7
+0.50%	27.1

For the impact of interest rate change on the EPRA Earnings, please refer to *6.6. Management report – Outlook* on page 82.

Liquidity requirement on the expiry date related to derivatives

(in euros x 1.000)	31 DEC. 16
Between one and two years	22,351
Between two and five years	27,487
More than five years	10,773
TOTAL	**60,611**

For a detailed overview of financial and other risks, their limiting factors and control, see chapter *1. Risk factors* on page 2. For a discussion of financial risk control (including credit risk, liquidity risk, interest risk and counter-party risk), see chapter *6.4. Management report – Management of financial resources* on page 64. See also the sensitivity analysis in chapter *6.6. Management report – Outlook* on page 82 as well as note *XX. Financial indebtedness* on page 227.

XV. Assets held for sale

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Belgium		
Assets held for sale at the end of 2015	0	823
Assets held for sale at the end of 2016	1,367	0
TOTAL	**1,367**	**823**

An amount of 1.4 million euros in *Assets held for sale* are currently recognised in the balance sheet. This is a building in Estaimpuis, rue du Pont Bleu 21, whose deed will be executed in early 2017.

XVI. Trade receivables and doubtful debtors

TRADE RECEIVABLES

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Customers	11,455	7,013
Write-downs booked on doubtful	-3,407	-2,503
Invoices to be prepared/credit notes to be received	2,613	1,282
TRADE RECEIVABLES	**10,662**	**5,792**

Trade receivables are mostly payable in cash. The table below shows the past due trade receivables.

(in euros x 1,000)	31 DEC. 16		31 DEC. 15	
Non-expired and expired < 30 days	6,032		3,291	
of which provisioned for as doubtful debtors		*-9*		*-89*
Expired 30-60 days	1,371		531	
of which provisioned for as doubtful debtors		*-1*		*-86*
Expired 60-90 days	0		0	
of which provisioned for as doubtful debtors		*0*		*0*
Expired > 90 days	4,053		3,191	
of which provisioned for as doubtful debtors		*-3,397*		*-2,328*
TOTAL CUSTOMERS	**11,455**		**7,013**	
of which provisioned for as doubtful debtors		***-3,407***		***-2,503***

DOUBTFUL DEBTORS – MUTATION TABLE

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
AT THE END OF THE PREVIOUS FINANCIAL YEAR	**-2,503**	**-1,690**
Additions	-1,273	-708
Reversals	370	358
Other	0	-464
AT THE END OF THE FINANCIAL YEAR	**-3,407**	**-2,503**

Compared to the previous financial year, the provision for doubtful debts has increased by 2.5 million euros to 3.4 million euros.

A clear procedure is followed to determine applicable provisions for doubtful debts, in which the management makes a quarterly estimate of receivables that are no longer likely to be collected. In this way the book value of trade receivables approaches the fair value. With regard to the policy on accounts receivable, WDP ensures a regular screening of the creditworthiness of its tenant portfolio. In addition, open customer balances are reported to all sales and technical staff members on a monthly basis. Through their direct contact with customers, they can provide an adequate follow-up of rent arrears.

More generally, credit risks are limited by the fact that WDP guarantees an adequate distribution amongst its tenants. Besides the legal standard of 20%, an in-house goal has been set that no more than 10% of the rental income (including from solar energy) may come from one customer. For the main tenants, see *8.1. Property report – Review of consolidated property portfolio* on page 130. Credit risks are moreover limited to a maximum risk of 5% per site.

XVII. Tax receivables and other current assets

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Tax receivables	0	1,441
Other current assets	2,902	3,954
TOTAL	**2,902**	**5,395**

The decrease in the *Tax receivables* section is due to the fact that a considerable amount of VAT had to be recovered at the end of 2015 following the acquisition of the Tiel site in the Netherlands.

XVIII. Capital

		CHANGES IN SUBSCRIBED CAPITAL 31 DEC. 16 (in euros x 1,000)	NUMBER OF SHARES
	Creation Rederij De Pauw	50	
	Capital increase through reserves incorporation	12	
	Capital increase by public issue (including issue premium)	69,558	
	Capital increase through merger and split transactions	53	
	Capital increase through incorporation of reserves to round off to the nearest euro	327	
	Capital increase by discharging losses	-20,575	
1999	**SUBSCRIBED CAPITAL AND NUMBER OF SHARES AT THE TIME OF IPO (JUNE 1999)**	**49,425**	**6,640,000**
2001	Capital increase following merger through Caresta takeover	2,429	259,593
2001	Capital increase through incorporation of reserves to round off to the nearest euro	46	0
2003	Capital increase by public issue (including issue premium)	27,598	985,656
2006	Capital increase partial demerger of Partners in Lighting International	29,415	707,472
2006	Capital increase associated with creation of available reserves	-40,000	0
2009	Capital increase DHL transaction	6,478	807,733
2009	Capital increase	25,130	3,133,484
2011	Capital increase through contribution of claim as a result of an optional dividend	5,216	650,437
2011	Capital increase Betafence transaction	3,642	454,146
2012	Capital increase through contribution of claim as a result of an optional dividend	4,988	622,013
2012	Capital increase partial demerger Immo Weversstraat	675	84,226
2012	Capital increase Lake Side bis transaction	5,910	736,932
2013	Capital increase through contribution of claim as a result of an optional dividend	4,600	573,596
2013	Capital increase as a result of the direct merger with three companies in Geel	3,400	423,959
2014	Capital increase through contribution of claim as a result of an optional dividend	3,693	460,317
2014	Capital increase Tiel transaction	7,213	899,080
2015	Capital increase as a result of the MLB transaction	5,468	681,828
2015	Capital increase through contribution of claim as a result of an optional dividend	3,102	386,788
2016	Capital increase through contribution of claim as a result of an optional dividend	3,603	449,223
2016	Capital increase in cash with irreducible allocation	19,004	2,369,560
TOTAL		**171,034**	**21,326,043**

	31 DEC. 16	31 DEC. 15
Number of shares entitled to dividend	**18,507,260**	**17,438,644**
Capital increase as a result of the MLB transaction		681,828
Capital increase through the payment of a debt in relation to the optional dividend	449,223	386,788
Capital increase in cash with irreducible allocation	2,369,560	
Number of shares entitled to dividends at the end of the financial year	**21,326,043**	**18,507,260**
Net result (IFRS) of the financial year (in euros x 1,000)	130,232	142,698
Net result (IFRS) per share (in euros)[1]	6.86	7.85

1 Calculated on the weighted average number of shares.

WDP has only one share category, namely ordinary shares. Holders are entitled to receive the declared dividend and have one vote per share at the Annual General Meeting of Shareholders.

All shares are fully paid up and are either registered or dematerialised.

The statutory manager is authorised to increase the fully paid-up share capital on the dates and under the conditions which he or she shall determine, one or more times to a maximum amount of:

I. 148,427,695,51 euros

(a) If the capital increase to be carried out is a capital increase via contribution in cash with the possibility to exercise preferential rights of the shareholders,

(b) and if the capital increase to be carried out is a capital increase via contribution in cash with the possibility to exercise the Priority Allocation Right (as referred to in the Belgian GVV/SIR Law) of the Shareholders,

II. 29,685,539,10 euros

for any form of capital increase other than that described in point I above, with the understanding that the share capital, within the framework of the authorised capital, shall not be increased by a total amount greater than 148,427,695.51 euros. The proxy is granted for a renewable period of five years starting from 3 May 2016, which is the date of publication of the minutes of the Extraordinary General Meeting of 8 April 2016 in the Annexes to the Official Gazette of Belgium (i.e. until 2 May 2021). The available balance of the authorised capital came to 129,423,892.12 euros on 31 December 2016.

XIX. Provisions

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
OPENING BALANCE	**1,046**	**1,046**
Used amounts	-1	0
Additions	0	0
CLOSING BALANCE	**1,045**	**1,046**
Time of expected outflow of economic resources	< 5 years	< 5 years

In the course of the 2016 financial year, ongoing investigations, monitoring activities and remediation continued in order to fulfil local legal obligations regarding soil remediation. The outstanding *Provisions* item at the end of 2016 still amounted to 1.0 million euros.

Provisions were mostly set aside for potential remediation of land in Anderlecht (Frans Van Kalkenstraat 9), Beersel (Stationsstraat 230) and Grimbergen (Eppegemsesteenweg 31).

XX. Financial indebtedness

(in euros x 1,000)	Included as of		< 1 years		1-5 years		> 5 years	
	31 DEC. 16	31 DEC. 15	31 DEC. 16	31 DEC. 15	31 DEC. 16	31 DEC. 15	31 DEC. 16	31 DEC. 15
Commercial paper	**138,000**	114,200	138,000	114,200				
Straight loans	**38,906**	9,275	38,906	9,275				
Roll-over loans	**597**	353	597	353				
Leasing debt	**1,970**	2,485	1,970	2,485				
Current financial liabilities	**179,473**	**126,313**	**179,473**	**126,313**		**0**		**0**
Roll-over loans	**532,350**	639,615			299,472	426,079	232,878	213,536
Bond	**325,949**	266,040			174,668	49,737	151,281	216,303
Leasing debt	**8,164**	10,355			7,649	9,142	515	1,213
Non-current financial debt	**866,463**	**916,010**	**0**	**0**	**481,789**	**484,958**	**384,674**	**431,052**
TOTAL	**1,045,936**	**1,042,323**	**179,473**	**126,313**	**481,789**	**484,958**	**384,674**	**431,052**

For further information on financial liabilities, please refer to chapter *6.4. Management report – Management of financial resources* on page 64.

For further information on the applicable banking agreements, see note *XXV. Rights and obligations not included in the balance sheet* on page 232. For a complete overview of sensitivity, please refer to the table in chapter *6.6. Management report – Outlook* on page 86.

XXI. Calculation of the gearing and notes regarding changes in gearing

(in euros x 1,000)		31 DEC. 16 (IFRS)	31 DEC. 16 (proportional)	31 DEC. 15 (IFRS)	31 DEC. 15 (proportional)
Non-current and current financial liabilities		1,150,256	1,208,983	1,139,008	1,190,184
To be excluded:					
I. Non-current liabilities – A. Provisions		1,045	1,046	1,046	1,052
I. Non-current liabilities – C. Other non-current financial liabilities – Permitted hedging instruments		63,568	63,568	61,321	61,321
I. Non-current liabilities – F. Deferred tax – Liabilities		0	107	0	197
II. Current liabilities – C. Other current financial liabilities – Other: Hedging instruments		0	0	0	0
II. Current liabilities – F. Accruals and deferred income		13,916	15,286	13,777	14,667
TOTAL DEBT	**A**	**1,071,727**	**1,128,976**	**1,062,864**	**1,112,947**
Total assets on the balance sheet		2,182,608	2,241,303	1,907,281	1,958,425
To be excluded:					
E. Financial fixed assets – Fair value of the permitted hedging instruments		4,189	4,189	155	155
TOTAL ASSETS INCLUDED IN THE CALCULATION OF THE GEARING	**B**	**2,178,420**	**2,237,115**	**1,907,126**	**1,958,269**
GEARING RATIO	**A/B**	**49.2%**	**50.5%**	**55.7%**	**56.8%**

Additional notes on the gearing ratio

As stipulated in the GVV/SIR legislation, notably in Article 24 of the GVV/SIR Royal Decree, GVVs/SIRs should, when their (proportional) consolidated gearing ratio rises to over 50%, draw up a financial plan with an implementation schedule in which they describe the measures to be taken to prevent the gearing ratio from rising above 65% of consolidated assets. A report is appended to this financial plan by the statutory auditor in which he confirms that he has verified the method of preparation of the plan, particularly with regard to its economic basis, and that the figures contained in this plan agree with those in the accounts of the GVV/SIR. In the interim and annual financial reports, an account should be given of how the financial plan was implemented during the relevant period and how the GVV/SIR will implement the plan in the future.

1. Changes in gearing

In 2016 WDP's consolidated gearing ratio (IFRS, respectively proportional) dropped significantly from 55.7% (56.8%) on 31 December 2015 to 49.2% (50.5%) on 31 December 2016. This takes into account a total net investment volume of approximately 250 million euros, which is financed almost entirely, in the amount of approx. 240 million euros, via new shareholders' equity through retained earnings, the optional dividend and the capital increase in cash with irreducible allocation right. In addition, the property portfolio also enjoyed value growth, as estimated by the independent experts.

On the basis of the current gearing ratio of 49.2% (50.5%) as of 31 December 2016, WDP still had an additional investment potential of at least 900 million euros, without exceeding the maximum gearing ratio of 65%. The potential for further investment amounts to at least 500 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, only with a decrease in the value of the investment properties of only approximately 500 million euros or a 24% loss of the property portfolio on the order of 2.110 million euros, would the maximum gearing ratio of 65% be exceeded. In this respect, WDP believes that the current gearing ratio is at an acceptable level and provides sufficient margin to absorb any decreases in value of the properties. Moreover, the appraisal of the independent property experts in 2011-14 indicates stabilisation in the fair value of the portfolio, and since 2015-16 an upward trend has been identified.

The GVV/SIR Law further stipulates that, should the consolidated gearing ratio of the GVV rise above 65% of its separate or consolidated assets depending on the case, it will no longer be allowed to proceed with an issue to shareholders until the gearing ratio has dropped below 65%. Reserves accumulated in this way may in that case only be used for repayments that are needed to bring the consolidated gearing ratio, or if applicable the separate gearing ratio of the public GVV, down below 65% of the consolidated or separate asset, depending on the case.

A quarterly update is applied to a detailed financial model incorporating forecasts for the profit and loss account and balance sheet, for a period of three years or more if, for example, certain scheduled investments extend beyond that period. In addition, all of the company's existing commitments as well as other parameters, both internal and external, are taken into account (internal: e.g. extending lease contracts, external: e.g. Interest rates). This includes an analysis based on the expected evolution of the gearing ratio and the sensitivity of this ratio (separate and consolidated) towards investments and possible capital losses in the portfolio. It is submitted at the same intervals – unless circumstances demand earlier submission – to the Board of Directors, which ensures that the gearing ratio does not exceed 65%.

2. Expected changes in gearing in 2017

The aim is to keep the gearing ratio in the range of 55% to 60%. In this context, the objectives proposed by WDP are based on an unchanged capital structure.

In the course of 2017, WDP's gearing ratio (IFRS, respectively proportional) is likely to change from 49.2% (50.5%) as of 31 December 2016 to approximately 51% (52%) as of 31 December 2017. This takes the following items into account:

- The development of the current investment programme and scheduled disinvestments[1].
- The retained earnings, accounting for the profit forecast for 2017 of approximately 115 million euros and the dividend pay-out over the financial year 2016.
- An optional dividend in addition to the investment potential freed up by it (through equity capital and shareholders' equity) is being applied for new investments, taking account of a constant capital structure.

3. Conclusion

WDP therefore believes that the gearing ratio will not exceed 65% and that currently, in 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.

WDP considers the current capital structure adequate, considering the nature of the property in which WDP invests with a continued average return of approximately 7%, leaving sufficient margin to cover interests on debt. WDP moreover has a solid track record in attracting funding resources. On the one hand the company has a good relationship with its partner banks, which should enable it to refinance debts on their expiry date or to attract new loans for possible further acquisitions. On the other hand the recent successful capital increases (including the optional dividend) have shown that WDP has the trust of investors and access to the capital market to partly finance new projects with equity capital in order to keep the gearing ratio within the intended range.

If certain events require adjustments to WDP's policy, this will happen without delay and the shareholders will be informed of this by the company in its periodic reports.

1 See also *6.3. Management report – Transactions and realisations* on page 49 and *Balance sheet – Assets* on page 243.

XXII. Other current liabilities

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Deposits and rental guarantees received	1,600	462
Other	15	15
Outstanding dividends	121	103
TOTAL	**1,736**	**579**

XXIII. Average workforce and breakdown of employee costs

	31 DEC. 16	31 DEC. 15
At fully consolidated enterprises		
Average workforce (in FTE[1])	**36.0**	**32.6**
a) Blue collar workers	5.4	5.9
b) White collar workers	30.6	26.7
Administrative staff	23.3	20.1
Technical staff	7.3	6.6
Geographic locations of workforce (in FTE[1])	**36.0**	**32.6**
Western Europe	36.0	32.6
Central and Eastern Europe	0.0	0.0
Staff costs (in euros x 1,000)	**3,363**	**3,363**
a) Salaries and direct social benefits	2,219	2,429
b) Employer contributions to social security	595	554
c) Employer premiums for non-statutory insurances	313	147
d) Other staff costs	236	233

1 *FTE* stands for *Full-time Equivalents*.

For its permanent staff, WDP took out a group insurance contract with a defined contribution plan at an outside insurance company. The company pays contributions to the fund which is independent from the company. Contributions to this insurance plan are financed by the enterprise. The group insurance contract applies the Vandenbroucke Law on pensions. The insurance company confirmed on 31 December 2016 that the shortfall for guaranteeing the statutory minimum yield is not substantial.

XXIV. Transactions between affiliates

Before 2016, the director of De Pauw NV determined directors' fees at WDP Comm. VA at 1,425,000 euros. This amount corresponds to the total market-level cost of the Board of Directors in 2016, including the bonus scheme for the executive management and the management of the GVV/SIR (see also *6.7. Management report – Corporate governance* on page 92).

In addition to directors' fees, other transactions took place in 2016 between WDP and its joint ventures WDP Development RO and I Love Hungaria. The table below lists the pending receivables that WDP has outstanding for the joint ventures WDP Development RO and I Love Hungaria. These are mainly the current and non-current receivables, the outstanding customer balance, the management fee charged and the financial revenues booked in WDP and received from WDP Development RO and I Love Hungaria.

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Receivables	**23,699**	**16,911**
Over more than one year	20,617	13,929
Maximum one year (interests and outstanding customer balance)	3,082	2,982
Operating result (before the result on the portfolio)	**864**	**495**
Management fee and other	864	495
Financial results	**590**	**543**
Income from current assets	590	543

XXV. Rights and obligations not included in the balance sheet

On 31 December 2016 WDP Comm. VA and its subsidiaries established bank guarantees for a total amount of 3,190,292 euros, the beneficiaries of which include the following categories for the following amounts:

(in euros)	31 DEC. 16
Environmental	1,023,580
Rent and concession	1,075,872
Financial	100,000
Legal	750,000
Services	7,979
Execution of works	232,861

WDP Nederland N.V. has committed to purchasing a land position intended for the construction of logistics buildings in Schiphol at a pre-agreed price partly by 31 December 2017, and partly by 2 January 2020.

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.

Taking into account Article 43 of the Belgian GVV/SIR Law, parent company WDP Comm. VA has granted the following personal securities for its subsidiaries:

- A parent company guarantee for the commitments of WDP Nederland N.V. amounting to 25 million euros in favour of ABN AMRO (short-term amounts financed through a straight loan of max. 25 million euros).
- A parent company guarantee for the commitments of WDP Development RO SRL amounting to 75 million euros in favour of EIB.
- A parent company guarantee for the commitments of WDP Development RO SRL amounting to 50 million euros in favour of BNP Paribas Fortis.

WDP has entered into the following commitments with financiers[1]:

- A commitment in favour of various financiers to refrain from burdening the fixed assets with mortgages or any other real securities (negative pledge). WDP confirms that as at 31 December 2016, there are no outstanding mortgages in the property portfolio.
- WDP has committed to various financiers that it will continue to qualify as a GVV/SIR. The conditions are laid down in the Law of 12 May 2014 and the Royal Decree of 13 July 2014. For more information, see *12. General information on REIT status* on page 267.
- For the financing of operations in the Netherlands through WDP Nederland N.V., WDP has entered into a commitment to continue to qualify as Fiscale Beleggingsinstelling (an 'FBI').
- For some financial institutions, WDP undertakes to maintain a minimum Interest Coverage Ratio[2]. For WDP, this level is usually 1.5x. For 2016, it amounts to 4.1x.
- For some financiers, WDP undertakes to repay the loan in the event of a change of control and subsequent request for repayment from the financier.
- For some financiers, WDP undertakes to limit projects not yet pre-leased (speculative developments) to 15% of the book value of the portfolio (excluding land reserves). As at 31 December 2016, the ratio is 0%.

As at 31 December 2016, all agreements have been met, with both credit institutions and bondholders.

1 'Financiers' is understood to mean credit institutions as well as financiers through debt capital markets.

2 Defined as operating result (before result on the portfolio), divided by interest charges, minus interest income and dividends, minus income from financial leases and similar.

XXVI. Increase/decrease in working capital requirements

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Increase (+) / decrease (-) in assets	**-8,456**	**24,299**
Trade receivables	-5,833	15,382
Tax assets	2,493	8,527
Transferable costs and accrued income	304	108
Other current assets	-5,420	282
Increase (+)/decrease (-) in liabilities	**1,100**	**-19,651**
Trade payables and other liabilities	1,404	-24,470
Tax, social security and liabilities under salaries	555	2,237
Other current liabilities	-988	48
Attributable costs and transferable income	129	2,534
Other	**-92**	**-23**
TOTAL	**-7,448**	**4,625**

XXVII. Working capital requirement

(in euros x 1,000)		31 DEC. 16	31 DEC. 15
Current assets – working capital components	**A**	**14,841**	**12,769**
Trade receivables		10,662	5,792
Tax assets		0	1,441
Other current assets		2,902	3,954
Transferable costs and accrued income		1,277	1,582
Current liabilities – working capital components	**B**	**39,708**	**31,789**
Exit tax		1,775	2,967
Trade payables		17,778	11,739
Tax, social security and liabilities under salaries		4,503	2,750
Other current liabilities		1,736	579
Attributable costs and transferable income		13,916	13,754
Working capital requirements at the end of the financial year	**A-B**	**-24,867**	**-19,020**

XXVIII. Significant events after the balance sheet date

No significant events have occurred after the balance sheet date. Any events occurring in the run-up to publication of this annual financial report will be reported at www.wdp.eu.

XXIX. Financial relations with third parties

in euros	31 DEC. 16	31 DEC. 15
Statutory auditor		
The statutory auditor(s) and the people with whom they are associated		
Statutory auditor's pay	117,970	115,170
Pay for special work or special assignments completed within		
the company by the statutory auditor(s)		
Other auditing assignments	7,200	10,000
Tax consulting assignments		
Other non-auditing assignments	191,257	119,777
Pay for special work or special assignments completed within		
the company by persons with whom the statutory auditor(s) are associated		
Other auditing assignments		
Tax consulting assignments	48,582	59,835
Other non-auditing assignments		

By virtue of Article 133(§6) of the Belgian Companies Code: the one-to-one rule must be evaluated at the level of WDP Comm. VA. The one-to-one rule may be broken with the approval of the audit committee. The 247,039 euros includes 7,200 euros for statutory duties and 103,322 euros for due diligence work.

(in euros)	31 DEC. 16	31 DEC. 15
Financial service fees paid	**129,268**	**146,543**

(in euros)	31 DEC. 16	31 DEC. 15
Property expert fees paid	**318,541**	**271,748**
Stadim CVBA	109,567	123,009
Cushman & Wakefield VOF	44,524	76,635
DTZ Zadelhoff	148,800	58,088
BNP Paribas Real Estate	15,650	14,016

	31 DEC. 16	31 DEC. 15
Insurance cover		
Premiums (in euros x 1,000)	**1,460**	**1,522**
Belgium	608	670
The Netherlands	610	566
France	67	81
Romania	88	97
Solar panels, Belgium	44	53
Solar panels, the Netherlands	4	2
Solar panels, Romania	39	53
Insured value of the property portfolio (in million euros)	**1,679**	**1,488**
Belgium	733	677
the Netherlands	731	632
France	67	67
Romania	73	40
Solar panels, Belgium	44	42
Solar panels, the Netherlands	6	4
Solar panels, Romania	25	25

3. Auditor's report

Report of the company auditor 2016

Statutory auditor's report to the General Meeting on the consolidated financial statements closed on 31 December 2016

To shareholders

In accordance with legal provisions, we are reporting to you in the framework of our appointment as statutory auditor. This report includes our report on the consolidated financial statements, as well as our report on other statutory and regulatory requirements. The consolidated financial statements include the consolidated balance sheet on 31 December 2016, the consolidated profit and loss account, the consolidated statement of overall income, the consolidated statement of changes in equity capital, and the consolidated statement of cash flows for the financial year ending on that date, as well as an overview of the accounting policies used for financial reporting and notes.

Report on Consolidated Financial Statements – Unqualified Opinion

We have conducted an audit of the consolidated financial statements of WDP Comm. VA (the company) and its subsidiaries (together the group), drawn up in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union and with the statutory and regulatory requirements applicable in Belgium. The consolidated condensed balance sheet shows total assets of 2,182,608 (000) euros and the consolidated condensed income statement shows a consolidated profit (group share) for the financial year of 130,232 (000) euros.

Responsibility of the Board of Directors for the preparation of the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with statutory and regulatory requirements applicable in Belgium, as well as for the implementation of an internal audit that they deem necessary in order to prepare consolidated financial statements that are free of material misstatements resulting from fraud or error.

Responsibility of the statutory auditor

It is our responsibility to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit in accordance with the International Standards on Auditing (ISA) as adopted in Belgium. These standards require us to meet ethical requirements and plan and conduct the audit in order to obtain reasonable assurance that the consolidated financial statements contain no material misstatements.

An audit consists of procedures to obtain audit evidence of amounts and notes in the consolidated financial statements. The procedures chosen depend on the statutory auditor's judgement, including the latter's estimate of the risk of material misstatements in the consolidated financial statements resulting from fraud or error. In making the risk assessment, the statutory auditor takes the group's internal audit into account in so far as it is relevant for preparing consolidated financial statements that give an accurate view, in order to set up audit procedures that are suitable in the given circumstances but that are not aimed at judging the effectiveness of the group's internal audit. An audit further includes an assessment of the suitability of the accounting policies for financial reporting, the appropriateness of the Board of Directors' estimates, and the presentation of the consolidated financial statements as a whole. The appointees and the group's Board of Directors provided us with the necessary clarifications and information for our audit.

We believe the audit information we received to be adequate and suitable as a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Warehouses De Pauw Comm. VA give an accurate view of the group's capital and financial condition as per 31 December 2016, and of its revenue and cash flows in the financial year ending on that date, in accordance with the International Financial Reporting Standards as adopted by the European Union as well as statutory and regulatory requirements applicable in Belgium.

Report on other statutory and regulatory requirements

The Board of Directors is responsible for the preparation and content of the annual report of the consolidated financial statements.

In the scope of our appointment and in accordance with the additional Belgian standard for the applicable International Financial Reporting Standards, it is our responsibility in all material respects to verify compliance with specific statutory and regulatory requirements. On this ground, we make the following additional statement that does not alter the scope of our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements covers legally required information, complies with the consolidated financial statements and contains no material inconsistencies with regard to the information at our disposal in the scope of our appointment.

Antwerp, 20 March 2017

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA
Represented by
Kathleen De Brabander

THE STATUTORY AUDITOR

Report of the company auditor 2015

Statutory auditor's report to the General Meeting on the consolidated financial statements closed on 31 December 2015

To shareholders

In accordance with legal provisions, we are reporting to you in the framework of our appointment as statutory auditor. This report includes our report on the consolidated financial statements, as well as our report on other statutory and regulatory requirements. The consolidated financial statements include the consolidated balance sheet on 31 December 2015, the consolidated profit and loss account, the consolidated statement of overall income, the consolidated statement of changes in equity capital, and the consolidated statement of cash flows for the financial year ending on that date, as well as an overview of the accounting policies used for financial reporting and notes.

Report on Consolidated Financial Statements – Unqualified Opinion

We have conducted an audit of the consolidated financial statements of WDP Comm. VA (the company) and its subsidiaries (together the group), drawn up in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union and with the statutory and regulatory requirements applicable in Belgium. The consolidated condensed balance sheet shows total assets of 1,907,281 (000) euros and the consolidated condensed income statement shows a consolidated profit (group share) for the financial year of 142,698 (000) euros.

Responsibility of the Board of Directors for the preparation of the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with statutory and regulatory requirements applicable in Belgium, as well as for the implementation of an internal audit that they deem necessary in order to prepare consolidated financial statements that are free of material misstatements resulting from fraud or error.

Responsibility of the statutory auditor

It is our responsibility to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit in accordance with the International Standards on Auditing (ISA). These standards require us to meet ethical requirements and plan and conduct the audit in order to obtain reasonable assurance that the consolidated financial statements contain no material misstatements.

An audit consists of procedures to obtain audit evidence of amounts and notes in the consolidated financial statements. The procedures chosen depend on the statutory auditor's judgement, including the latter's estimate of the risk of material misstatements in the consolidated financial statements resulting from fraud or error. In making the risk assessment, the statutory auditor takes the group's internal audit into account in so far as it is relevant for preparing consolidated financial statements that give an accurate view, in order to set up audit procedures that are suitable in the given circumstances but that are not aimed at judging the effectiveness of the group's internal audit. An audit further includes an assessment of the suitability of the accounting policies for financial reporting, the appropriateness of the Board of Directors' estimates, and the presentation of the consolidated financial statements as a whole. The appointees and the group's Board of Directors provided us with the necessary clarifications and information for our audit.

We believe the audit information we received to be adequate and suitable as a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of WDP Comm. VA give an accurate view of the group's capital and financial condition as per 31 December 2015, and of its revenue and cash flows in the financial year ending on that date, in accordance with the International Financial Reporting Standards as adopted by the European Union as well as statutory and regulatory requirements applicable in Belgium.

Report on other statutory and regulatory requirements

The Board of Directors is responsible for the preparation and content of the annual report of the consolidated financial statements.

In the scope of our appointment and in accordance with the additional Belgian standard for the applicable International Financial Reporting Standards, it is our responsibility in all material respects to verify compliance with specific statutory and regulatory requirements. On this ground, we make the following additional statement that does not alter the scope of our opinion on the consolidated financial statements:

The annual report on the consolidated financial statements covers legally required information, complies with the consolidated financial statements and contains no material inconsistencies with regard to the information at our disposal in the scope of our appointment.

Antwerp, 23 March 2016

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA
Represented by
Kathleen De Brabander

The Statutory Auditor

4. Condensed version of the non-consolidated financial statements for the 2016 financial year

The statutory auditor has issued an unqualified opinion on the statutory financial statements of WDP Comm. VA. These are drawn up in accordance with IFRS as adopted within the European Union and as per the Belgian Royal Decree of 7 December 2010. The financial statements had not yet been filed at the publication of this annual financial report.

Profit and loss account

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
I. Rental income	**58,067**	**57,495**
Rents	58,012	53,745
Indemnification for early termination of lease	55	3,750
III. Rental charges	**-587**	**-798**
Rent to be paid for leased premises	-862	-642
Provisions for doubtful debtors (additions)	-83	-373
Provisions for doubtful debtors (reversals)	358	217
NET RENTAL RESULT	**57,480**	**56,697**
IV. Recovery of property costs	**0**	**770**
V. Recovery of rental charges normally paid by the tenant on let properties	**5,729**	**5,954**
Re-invoicing rental charges paid out by the owner	1,658	1,880
Re-invoicing advance property levy and taxes on let buildings	4,071	4,075
VI. Costs payable by the tenant and paid out by the owner for rental damage and refurbishment at end of lease	**-157**	**-1,318**
VII. Rental charges and taxes normally paid by the tenant on let properties	**-6,354**	**-6,600**
Rental charges paid out by the owner	-1,808	-1,989
Withholding levies and taxes on let properties	-4,546	-4,611
VIII. Other income and charges related to leases	**8,603**	**9,500**
Property management fees	702	608
Other operating income/costs	511	1,709
Income from solar energy	7,390	7,183
PROPERTY RESULT	**65,300**	**65,003**
IX. Technical costs	**-1,688**	**-1,740**
Recurrent technical costs	-1,746	-1,705
Repairs	-1,570	-1,382
Insurance premiums	-176	-323
Non-recurrent technical costs	58	-35
Accidents	58	-35
X. Commercial costs	**-323**	**-465**
Agency commissions	-111	-84
Advertising	-103	-202
Lawyers' fees and legal charges	-109	-180
XII. Property management costs	**-1,009**	**-843**
(Internal) property management costs	-1,009	-843
PROPERTY CHARGES	**-3,020**	**-3,047**
PROPERTY OPERATING RESULTS	**62,280**	**61,956**
XIV. General company expenses	**15,179**	**10,939**
XV. Other operating income and expenses (depreciation and write-downs on solar panels)	**-2,691**	**-2,533**

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
OPERATING RESULT (BEFORE RESULT ON PORTFOLIO)	**74,768**	**70,361**
XVI. Result on disposals of investment properties	**-41**	**-66**
Net property sales (sales price – transaction costs)	5,024	3,346
Book value of properties sold	-5,065	-3,412
XVIII. Changes in the fair value of investment properties	**11,164**	**21,489**
Positive changes in the fair value of investment property[1]	13,270	28,714
Negative changes in the fair value of investment properties	-2,106	-7,225
OPERATING RESULT	**85,891**	**91,785**
XX. Financial income	**26,666**	**21,267**
Interests and dividends received	26,578	21,135
Income from financial leases and similar	0	0
Other financial income	88	132
XXI. Net interest charges	**-30,817**	**-28,199**
Interest on loans	-16,956	-15,243
Interest capitalised during construction	329	395
Cost of permitted hedging instruments	-13,688	-13,235
Income from permitted hedging instruments	0	0
Other interest charges	-502	-117
XXII. Other financial charges	**-458**	**-470**
Bank charges and other commissions	-32	-57
Other financial charges	-426	-413
XXIII. Changes in the fair value of financial assets and liabilities	**49,630**	**62,625**
Permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	1,787	7,839
Other[2]	47,843	54,787
FINANCIAL RESULT	**45,021**	**55,222**
RESULT BEFORE TAXES	**130,912**	**147,007**
XXIV. Corporate tax	**-783**	**-1,141**
XXV. Exit tax	**-1,019**	**0**
TAXES	**-1,802**	**-1,141**
NET RESULT	**129,110**	**145,866**

1 This pertains only to fluctuations in the fair value of investment properties. Fluctuations in the fair value of solar panels are booked directly to equity capital, under *Reserves* in accordance with IAS 16.

2 This pertains to fluctuations in shares in affiliates and associated companies.

Statement of overall income

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
I. NET RESULT	**129,110**	**145,866**
II. OTHER ELEMENTS OF OVERALL RESULT (RECOVERABLE THROUGH PROFIT AND LOSS)	**671**	**-2,954**
H. Other elements of the overall result after tax	671	-2,954
Revaluation of solar panels in Belgium	671	-2,954
OVERALL INCOME	**129,781**	**142,912**

Other components of comprehensive income

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
EPRA Earnings		
EPRA Earnings	71,048	64,351
Result on the portfolio[1]	11,123	21,424
Changes in the fair value of shares	47,843	54,787
Revaluation of financial instruments	1,787	7,839
Depreciation and amortization of solar panels		-2,533
NET RESULT (IFRS)	**129,110**	**145,866**

(in euros per share)[2]	31 DEC. 16	31 DEC. 15
EPRA Earnings		
EPRA Earnings	3.74	3.54
Result on the portfolio[1]	0.59	1.18
Changes in the fair value of shares	2.52	3.01
Revaluation of financial instruments	0.09	0.43
Depreciation and amortization of solar panels	-0.14	-0.14
NET RESULT (IFRS)	**6.80**	**8.02**

(in euros per share) (diluted)[2]	31 DEC. 16	31 DEC. 15
EPRA Earnings		
EPRA Earnings	3.74	3.54
Result on the portfolio[1]	0.59	1.18
Changes in the fair value of shares	2.52	3.01
Revaluation of financial instruments	0.09	0.43
Depreciation and amortization of solar panels	-0.14	-0.14
NET RESULT (IFRS)	**6.80**	**8.02**

1 Including deferred taxes on portfolio result.
2 Calculated on the weighted average number of shares.

Balance sheet – Assets

(in euros x 1,000)		31 DEC. 16	31 DEC. 15
FIXED ASSETS		**2,062,316**	**1,818,637**
B.	**Intangible fixed assets**	**160**	**96**
C.	**Investment properties**	**923,181**	**779,965**
	Property available for lease	877,768	742,740
	Property developments	31,213	21,728
	Other: land reserves	14,200	15,498
D.	**Other tangible fixed assets**	**68,975**	**60,305**
	Tangible fixed assets for own use	676	801
	Solar panels	68,299	59,505
E.	**Financial fixed assets**	**1,068,944**	**977,214**
	Assets at fair value through result	4,189	155
	Permitted hedging instruments	4,189	155
	Loans and receivables	489,863	467,327
	Other	489,863	467,327
	Other	574,892	509,731
	Shares in affiliates and associated companies	574,892	509,731
H.	**Trade receivables and other non-current assets**	**1,056**	**1,056**
CURRENT ASSETS		**90,109**	**67,606**
A.	**Assets held for sale**	**1,367**	**823**
	Investment properties	1,367	823
D.	**Trade receivables**	**73,996**	**52,462**
E.	**Tax receivables and other current assets**	**14,015**	**12,773**
	Tax assets	166	7
	Other current assets	13,849	12,766
F.	**Cash and cash equivalents**	**0**	**454**
G.	**Accruals and deferrals**	**731**	**1,093**
	Property yields not yet due	6	7
	Prepaid property costs	223	77
	Prepaid interests and other financial costs	130	89
	Other	372	920
TOTAL ASSETS		**2,152,425**	**1,886,242**

Balance sheet – Liabilities

(in euros x 1,000)		31 DEC. 16	31 DEC. 15
EQUITY CAPITAL			
I.	**Attributable to the parent company's shareholders**	**1,031,644**	**767,745**
A.	Capital	163,818	143,633
	Subscribed capital	171,034	148,427
	Costs of capital increase	-7,216	-4,794
B.	Issue premiums	492,330	304,426
C.	Reserves	246,385	173,820
D.	Net result for the financial year	129,110	145,866
LIABILITIES		**1,120,781**	**1,118,497**
I.	**Non-current liabilities**	**931,075**	**973,073**
A.	Provisions	1,045	1,046
	Other	1,045	1,046
B.	Non-current financial debt	866,463	910,706
	Credit institutions	532,350	634,311
	Financial leasing	8,164	10,355
	Other	325,949	266,040
C	Other non-current financial liabilities	63,568	61,321
	Hedging instruments	63,568	61,321
II.	**Current liabilities**	**189,706**	**145,424**
B.	Current financial liabilities	163,808	124,715
	Credit institutions	161,838	122,229
	Financial leasing	1,970	2,485
C.	Other current financial liabilities	0	0
	Permitted hedging instruments	0	0
D.	Trade payables and other current debt	13,945	9,267
	Suppliers	7,883	6,572
	Tax, salary and social security	6,062	2,695
E.	Other current liabilities	474	312
	Other	474	312
F.	Accruals and deferrals	11,478	11,130
	Property revenue received in advance	2,338	2,913
	Non-expired interest and other costs	7,068	6,025
	Other	2,072	2,192
TOTAL LIABILITIES		**2,152,425**	**1,886,242**

Statutory appropriation of results

	(in euros x 1,000)	31 DEC. 16	31 DEC. 15
A.	**Net result**	**129,110**	**145,866**
B.	**Addition to/withdrawal from reserves**	**34,100**	**58,597**
1.	Addition to/withdrawal from reserves for the (positive or negative) balance of changes in the fair value of property[1]	14,944	21,897
	Financial year	14,403	21,897
	Construction of property	541	0
2.	Addition to/withdrawal from the reserve of estimated transaction duties and fees for the hypothetical sale of investment property	-3,239	-474
	Financial year	-3,239	-474
3.	Addition to the reserve for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined n IFRS	0	0
	Financial year	0	0
4.	Withdrawal from the reserve for the balance of changes in the fair value of permitted hedging instruments that are subject to hedging accounting as defined n IFRS	0	0
	financial year		0
5.	Addition to the reserve for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	1,787	7,839
	Financial year	1,787	7,839
6.	Withdrawal from the reserve for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined n IFRS	0	0
	Financial year	0	0
7.	Addition to/withdrawal from the reserve for the balance of the translation differences	0	0
8.	Addition to/withdrawal from deferred tax reserves in relation to the property	0	0
9.	Addition to/withdrawal from reserves for the receipt of dividends intended for financial debt repayment		0
10.	Addition to/withdrawal from the reserve for the dividends received designated[2]	20,608	29,335
	Financial year	20,608	29,335
11.	Addition to/withdrawal from results carried forward from previous financial years	0	0
C.	**Compensation for capital in accordance with article 13(1)(1)**	**56,470**	**51,880**
D.	**Compensation for capital other than C**	**33,885**	**22,149**
E.	**Result to be carried forward**	**4,655**	**13,240**

1 Based on the investment value of property.
2 This pertains to fluctuations in the fair value of shares with regard to solar panels and fluctuations in the fair value of shares with regard to property.

Distribution obligation in accordance with the GVV/SIR Royal Decree of 13 July 2014

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
NET RESULT	**129,110**	**145,866**
Depreciation and amortization (+)	3,046	2,878
Write-downs (+)	83	373
Reversals of write-downs (-)	-358	-217
Reversals of carried forward and incorporated rents (-)	0	0
Other non-monetary components (+/-)	-49,630	-62,625
Result from property sales (+/-)	41	66
Changes in the fair value of property (+/-)	-11,164	-21,489
ADJUSTED RESULT (A)	**71,128**	**64,850**
Capital gains/losses on property realised during the financial year (+/-)	-541	0
Capital gains realised during the financial year that are exempt from the mandatory disbursement provided they are reinvested within a period of four years (-)	0	0
Capital gains on property previously exempt from mandatory disbursement that is not reinvested within a period of four years (+)	0	0
NET CAPITAL GAIN ON PROPERTY REALISATION NOT EXEMPT FROM MANDATORY DISBURSEMENT (B)	**-541**	**0**
TOTAL (A+B) x 80%	**56,470**	**51,880**
DEBT IN LIABILITIES (-)	**0**	**0**
DISTRIBUTION OBLIGATION	**56,470**	**51,880**

Non-distributable shareholder's equity in accordance with Section 617 of the Belgian Companies Code

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
Paid out capital or, if it is more, called-up capital	171,034	148,427
Issue premiums not available according to the Articles of Association	492,330	304,426
Reserves for the balance of changes in the fair value of property[1]	262,880	228,865
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment property	-22,387	-19,148
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	-59,379	-61,165
Other reserves declared unavailable by the Annnual General Meeting[2]		15,374
NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY IN ACCORDANCE WITH SECTION 617 OF THE COMPANIES CODE	**862,457**	**616,779**
Net asset	1,031,644	767,745
Proposed dividend payment	-90,788	-74,029
NET ASSET AFTER DISTRIBUTION	**940,856**	**693,716**
REMAINING MARGIN AFTER DISTRIBUTION	**78,981**	**76,937**

1 Based on the investment value of property, including changes in the fair value of subsidiaries with regard to property (see also note *V. Segmented information – Result by sector* on page 200), as the latter is a non-distributable reserve. This pertains to a non-cash item.

2 Based on the revaluation reserves for solar panels, including changes in the fair value of subsidiaries with regard to solar panels, as the latter is a non-distributable reserve. This pertains to a non-cash item.

Statement of changes in the statutory equity capital 2016

in euros x (1,000)	01 JAN. 16	ALLOCATION OF RESULTS FROM THE 2015 FINANCIAL YEAR		
		Profit for the previous financial year	Transfer of result on portfolio	Transfer of changes in the fair value of financial instruments
A. Capital	**143,633**	**0**	**0**	**0**
Subscribed capital	148,427			
Costs of capital increase	-4,794			
B. Issue premiums	**304,426**			
C. Reserves	**173,820**	**145,866**	**0**	**0**
Reserves for the balance of changes in the fair value of the properties (+/-)				
Reserves for the balance of changes in the investment value of the properties (+/-)	181,362		47,829	
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-18,674		-474	
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-69,004			7,839
Other reserves	11,645		3,403	
Result carried forward from previous financial years	68,491	145,866	-50,758	-7,839
D. Net result for the financial year	**145,866**	**-145,866**		
TOTAL SHAREHOLDERS' EQUITY	**767,745**	**0**	**0**	**0**

OTHER ELEMENTS OF THE OVERALL RESULT		OTHER			31 DEC. 16
Net result for the current financial year	Changes in the fair value of solar panels	Capital increases	Dividends distributed and capital increase as a result of an optional dividend	Other	
0	**0**	**18,748**	**3,437**	**0**	**163,818**
		19,004	3,603		171,034
		-2,256	-166		-7,216
		158,713	**29,191**		**492,330**
0	**671**	**0**	**-74,029**	**58**	**246,386**
				18,191	229,191
					-19,148
					-61,165
	671			3,260	18,979
			-74,029	-3,202	78,529
129,110					**129,110**
129,110	**671**	**175,461**	**-41,401**	**58**	**1,031,644**

Statement of changes in the statutory equity capital 2015

	01 JAN. 15	ALLOCATION OF RESULTS FROM THE 2014 FINANCIAL YEAR		
in euros x (1,000)		Profit for the previous financial year	Transfer of result on portfolio	Transfer of variations in the fair value of financial instruments
A. Capital	**135,325**	**0**	**0**	**0**
Subscribed capital	139,857			
Costs of capital increase	-4,532			
B. Issue premiums	**239,399**	**0**	**0**	**0**
C. Reserves	**172,167**	**66,224**	**0**	**0**
Reserves for the balance of changes in the fair value of the properties (+/-)				
Reserves for the balance of changes in the investment value of the properties (+/-)	160,310		2,861	
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-17,548		-1,126	
Reserves for the balance of changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-49,629			-19,375
Other reserves	14,599			
Result carried forward from previous financial years	64,433	66,224	-1,735	19,375
D. Net result for the financial year	**66,224**	**-66,224**	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY	**613,115**	**0**	**0**	**0**

OTHER ELEMENTS OF THE OVERALL RESULT		OTHER			31 DEC. 15
Net result for the current financial year	Changes in the fair value of solar panels	Capital increases	Dividends distributed and capital increase as a result of an optional dividend	Other	
0	**0**	**5,338**	**2,970**	**0**	**143,633**
		5,468	3,102		148,427
		-130	-132		-4,794
0	**0**	**42,485**	**22,542**	**0**	**304,426**
0	**-2,954**	**0**	**-61,610**	**-5**	**173,820**
				18,191	181,362
					-18,674
					-69,004
	-2,954				11,645
			-61,610	-18,196	68,491
145,866					**145,866**
145,866	**-2,954**	**47,823**	**-36,089**	**-5**	**767,745**

5. Detailed calculation of the Alternative Performance Measures applied by WDP[1]

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
RESULT ON THE PORTFOLIO (INCLUDING PARTICIPATION IN JOINT VENTURES)		
Result on disposal of investment property	-41	-76
Changes in the fair value of investment properties	34,046	47,690
Deferred tax on portfolio result	-1,057	0
Participation in the profit of associated companies and joint ventures	-1,755	-259
RESULT ON THE PORTFOLIO (INCLUDING PARTICIPATION IN JOINT VENTURES)	**31,193**	**47,355**

(in euros x 1,000)	31 DEC, 16	31 DEC, 15
CHANGES IN THE GROSS RENTAL INCOME BASED ON AN UNCHANGED PORTFOLIO		
Properties owned throughout the two years	96,225	98,261
Development property	25,540	18,274
Acquisitions	13,877	5,450
Disposals	335	992
TOTAL	**135,977**	**122,978**
To be excluded:		
Rental income of joint ventures	-2,215	-693
Rental income (IFRS)	**133,761**	**122,285**

(in euros x 1,000)	31 DEC, 16	31 DEC, 15
OPERATING MARGIN		
Property income (IFRS)	139,661	129,086
Operational profit (before the portfolio result) excluding depreciations and write-downs of solar panels)	130,242	118,952
OPERATING MARGIN	**93.3%**	**92.1%**

(in euros x 1,000)	31 DEC, 16	31 DEC, 15
AVERAGE COST OF DEBT		
Financial result (IFRS)	-28,497	-19,308
To be excluded:		
Financial incomes	-796	-953
Changes in the fair value of financial assets and liabilities	-1,787	-7,839
Interest capitalised during construction	-682	-1,338
To be added:		
Interest expenses of joint ventures	-770	-603
Effective financial expenses (A)	**-32,532**	**-30,042**
Average outstanding financial debts (IFRS)	1,109,654	976,341
Average outstanding financial debts of joint ventures	54,949	35,302
Average outstanding financial debts (proportional) (B)	1,164,602	1,018,643
AVERAGE COST OF DEBT (A/B)	**2.8%**	**2.9%**

1 Excluding EPRA metrics, some of which are regarded as APMs and reconciled under chapter *6.5. Management report – EPRA stats* on page 73.

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
FINANCIAL RESULT (EXCLUDING CHANGES IN THE FAIR VALUE OF FINANCIAL INSTRUMENTS)		
Financial result (IFRS)	-28,497	-19,308
To be excluded:		
Changes in the fair value of financial assets and liabilities	-1,787	-7,839
FINANCIAL RESULT (EXCLUDING CHANGES IN THE FAIR VALUE OF FINANCIAL INSTRUMENTS)	**-30,284**	**-28,022**

(in euros x 1,000)	31 DEC. 16	31 DEC. 15
HEDGE RATIO		
Notional amount of Interest Rate Swaps	753,820	605,776
Financial debts at a fixed interest rate	8,098	5,051
Fixed-interest bonds	266,500	229,400
Group's fixed-interest financial liabilities at balance sheet date (A)	**1,028,418**	**840,227**
Groups' current and non-current financial liabilities (IFRS)	1,045,936	1,042,323
Proportional share in joint ventures in current and non-current financial liabilities	55,119	49,990
Groups' financial liabilities at balance sheet date (B)	**1,101,055**	**1,092,313**
HEDGE RATIO (A/B)	**93%**	**77%**

(in euros x 1,000)		31 DEC. 16 (IFRS)	31 DEC. 16 (proportionate)	31 DEC. 2015 (IFRS)	31 DEC. 2015 (proportionate)
GEARING RATIO					
Non-current and current financial liabilities		1,150,256	1,208,983	1,139,008	1,190,184
To be excluded:					
- I. Non-current liabilities – A. Provisions		1,045	1,046	1,046	1,052
- I. Non-current liabilities – C. Other non-current financial liabilities – Authorised hedging instruments		63,568	63,568	61,321	61,321
- I. Non-current liabilities – F. Deferred taxes – Liabilities		0	107	0	197
- II. Current liabilities – E. Current financial debts – Other: Hedging instruments		0	0	0	0
- II. Current liabilities – F. Accruals and deferred income		13,916	15,286	13,777	14,667
TOTAL DEBT	**A**	**1,071,727**	**1,128,976**	**1,062,864**	**1,112,947**
Total assets		2,182,608	2,241,303	1,907,281	1,958,425
To be excluded:					
- E. Financial fixed assets – Financial instruments at fair value through profit and loss account – Permitted hedging instruments		4,189	4,189	155	155
TOTAL ASSETS	**B**	**2,178,420**	**2,237,115**	**1,907,126**	**1,958,269**
GEARING RATIO	**A/B**	**49.2%**	**50.5%**	**55.7%**	**56.8%**


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Permanent document
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1. Basic information

1.1. Company name (Article 1 of the coordinated Articles of Association)

Warehouses De Pauw, or WDP for short.

1.2. Legal form, incorporation[1]

The company was founded as a public limited company ('NV') under the name *Rederij De Pauw* by a deed executed by civil-law notary Paul De Ruyver in Liedekerke on 27 May 1977, published in the Annexes to the Official Gazette of Belgium of 21 June 1977 under number 2249-1. By means of a general merger and demerger operation, this NV became the holding company bringing together the property portfolios of nine different companies. At the same time, the name of the company was changed to *Warehousing & Distribution De Pauw* and it was converted into a partnership limited by shares under Belgian law (a 'Comm. VA'). The associated amendments to the Articles of Association were provisionally enacted by a deed executed by civil-law-notary Siegfried Defrancq in Asse-Zellik, acting as substitute for civil-law-notary Jean-Jacques Boel in Asse due to his statutory incapacity, on 20 May 1999, subsequently published in the Annexes to the Official Gazette of Belgium of 16 June under number 990616-21, and endorsed in two deeds dated 28 June 1999 by the same civil-law notary, subsequently published in the Annexes to the Official Gazette of Belgium of 20 July under numbers 990720-757 and 758.

1 See also *3. History and milestones* on page 18 of this annual financial report.

At the Extraordinary General Meeting of 25 April 2001, the company name was changed to Warehouses De Pauw, as set out in the deed executed by the aforementioned civil-law notary Siegfried Defrancq, substituting for the aforementioned civil-law notary Jean-Jacques Boel due to his statutory incapacity, subsequently published in the Annexes to the Official Gazette of Belgium of 18 May under number 20010518-652.

The Articles of Association of WDP have since been amended on repeated occasions, most recently a provisional amendment on 16 November 2016 due to a capital increase within the framework of the authorised capital with cancellation of the preferential right and granting of priority allocation rights, followed by the deed establishing the capital increase of 28 November 2016. Both deeds were executed by civil-law notary Tim Carnewal in Brussels and published in the Annexes to the Official Gazette of Belgium on 6 December 2016 under number 16166669 and on 21 December 2016 under number 16174327, respectively.

Since 28 June 1999, WDP Comm. VA has been registered with the Belgian Financial Services and Markets Authority, (the 'FSMA'), as a fixed-capital Belgian REIT (a 'Vastgoedbevak/SICAF'). On 16 October 2014, in order to better meet economic realities, and due to the changes in the legal framework related to our capacity as an operational and commercial real-estate company, WDP changed its status to that of a public Regulated Real-Estate Company under Belgian law (a public 'GVV/SIR'). The relevant amendments to the Articles of Association were enacted in a deed executed by the aforementioned civil-law notary Yves De Ruyver substituting for the aforementioned civil-law notary Jean-Jacques Boel due to his statutory incapacity, subsequently published in the Annexes to the Official Gazette of Belgium of 31 October 2014 under number 14199666. Consequently, WDP is subject to the legal framework set out in the GVV/SIR legislation.

1.3. Registered office (Article 3 of the coordinated Articles of Association)

The company is registered at Blakebergen 15, 1861 Meise, Belgium. The registered office may be relocated within Belgium without amending the Articles of Association by a decision of the Manager, in compliance with language legislation.

1.4. Company number

The company is registered in the Central Enterprise Databank, in the district of Brussels, under legal entity registration number 0417.199.869.

1.5. Duration (Article 2 of the coordinated Articles of Association)

The duration of the company is unlimited.

1.6. Object of the company (Article 4 of the coordinated Articles of Association)

Article 4 of the Articles of Association states that the company has the sole purpose of (a) making immovable goods available to users directly or by means of a company in which it holds a stake in accordance with the provisions of the Belgian GVV/SIR Law and the decisions and regulations adopted to implement this; and (b) possessing property within the limits of the Belgian GVV/SIR Law.

'Property' shall mean:

- immovable goods as defined in Article 517 et seq of the Belgian Civil Code and rights in rem to immovable goods;
- shares with voting rights issued by real-estate companies, that are controlled exclusively or in part by the company;
- option rights to properties;
- shares in public or institutional GVVs/SIRs, on the condition that in the latter case, joint or exclusive control is exercised over these;
- rights arising from contracts in which one or more goods are leased to the GVV/SIR, or other analogous rights of use are granted;
- shares in public vastgoedbevaks/SICAFs;
- units in foreign undertakings for collective investment in real estate that are registered on the list drafted by the FSMA;
- units in undertakings for collective investment in real estate based in a different member state of the European Economic Area that are not registered on the list drafted by the FSMA, to the extent that they are subject to equivalent supervision as public GVVs/SIRs;
- shares issued by companies (i) with legal personhood; (ii) that fall under the law of a different member state in the European Economic Area; (iii) whose shares have been admitted for trading on a regulated market and/or are subject to a prudential supervision regime; (iv) whose main activity consists in the acquisition and construction of immovable goods with a view to making these available to users, or direct or indirect ownership of holdings in companies with similar activities; and (v) that are exempt from income tax on the profits from the activities referred to in the provi-

sion under (iv) above, assuming compliance with certain statutory obligations, and that are at least obligated to distribute part of their income to shareholders (Real Estate Investment Trusts (REITs));
- real-estate certificates as defined in the applicable financial legislation;
- as well as all other goods, shares or rights defined as property in the applicable regulations on GVVs/SIRs.

Within the framework of provision of immovable goods, the company may carry out any and all activities related to the erection, construction (without infringing on the prohibition against acting as a construction promoter, except in occasional transactions), conversion, setup, renovation, development, acquisition, disposal, letting, subletting, exchanging, contribution, transfer, parcelling, entry into a scheme for joint ownership or ownership in common, granting or receipt of building rights, right of usufruct, leasehold rights or other corporate or personal rights to property as defined above, and the management and operation of immovable goods;

The company may also do the following in accordance with the applicable regulations on GVVs/SIRs:

- rental of immovable goods, with or without a purchase option;
- letting of immovable goods, with or without a purchase option, with the understanding that it is only permitted to let immovable goods with a purchase option as an ancillary activity;
- ancillary or temporary investment in securities other than properties in the sense of the applicable regulations on GVVs/SIRs. These investments are made in accordance with the risk management policy adopted by the company and diversified to ensure suitable risk diversification. The company may also possess unallocated liquid assets. The liquid assets may be held in any currency in the form of demand or term deposits or by any money market instrument susceptible to rapid mobilisation;
- provision of mortgages and other sureties or guarantees within the framework of financing the company or its group, within the limits defined for this in the applicable regulations on GVVs/SIRs;
- provision of loans within the limits defined for this in the applicable regulations on GVVs/SIRs;
- performance of transactions on permitted hedging instruments (as defined in the GVV/SIR legislation) to the extent that these transactions are part of a policy defined by the company to hedge financial risks, with the exception of speculative transactions.

The company may acquire, let or rent, transfer or exchange any and all immovable goods, materials and necessities, and in general perform any and all commercial or financial operations directly or indirectly related to its object and the exploitation of all intellectual rights and commercial properties pertaining to these.

Taking into account the applicable regulations on GVVs/SIRs, the company may acquire a stake in any and all existing or future companies or undertakings, in Belgium or abroad, with a company object that is similar it its own, or that works towards or facilitate achievement of its object – by means of contributions in cash or in kind, mergers, demergers or other restructuring under corporate law, registration, participation, financial intervention or otherwise.

Amendments to the Articles of Association of the company shall require the prior approval of the FSMA.

1.7. Places where documents are available for public inspection

In accordance with the relevant provisions of the law, the separate and consolidated annual financial statements of the company shall be deposited with the National Bank of Belgium.

The Articles of Association of the company are available for inspection at the clerk of the Commercial Court of Brussels.

The annual financial reports and the Articles of Association of the company are also available at the registered offices and may be viewed for reference purposes at www.wdp.eu. Only the printed Dutch versions of the annual financial report are legally valid. Other information on the website of the company or any other website is not part of the annual financial report. The electronic version of the annual financial reports shall not be copied or made available anywhere. It is also prohibited to print the text for further distribution. Every year, all holders of registered shares, and anyone who requests such, shall receive the annual financial report.

The financial reporting is published in the financial press where required by law. All interested parties may view the press releases and the required financial information on this website of the company (www.wdp.eu). In this process, WDP applies the relevant provisions of the law and the FSMA guidelines. The most recent version of the Corporate Governance Statement is also available on the website (www.wdp.eu). Decisions related to the appointment and dismissal of members of the Board of Directors are published in the Annexes to the Official Gazette of Belgium.

The obligations on the company and the rights of the shareholders with regard to the General Meeting must be indicated in extenso in the investor relations section of the WDP website (www.wdp.eu/nl/voor-investeerders/aandeelhoudersinformatie/algemene-vergadering) starting from convocation of the meeting to participation and voting. This information shall remain accessible on the website of the company for a period of at least five years starting from the date of the General Meeting to which it pertains.

Information included by way of reference

This annual financial report provides information on the 2016 and 2015 financial years. For the historical financial information for the 2014 financial year, please refer to the financial reports for 2015 and 2014, available at www.wdp.eu.

2. Share capital

2.1. Subscribed capital (Article 6 of the coordinated Articles of Association)

The subscribed capital of WDP Comm. VA comes to 171,034,254.51 euros, represented by 21,326,043 ordinary shares, each representing 1/21,326,043 of the capital. None of these shares provides special voting or other rights.

2.2. Authorised capital (Article 7 of the coordinated Articles of Association)

I. 148,427,695.51 euros (a) if the capital increase to be achieved is a capital increase by contribution in cash with an option to exercise the preferential right for company shareholders, and (b) if the capital increase to be achieved is a capital increase by contribution in cash with an option to exercise the irreducible allocation right (as referred to in the Belgian GVV/SIR Law of 12 May 2014) of the company shareholders,

II. 29,685,539.10 euros for any form of capital increase other than that described in point I above, with the understanding that the share capital, within the framework of the authorised capital, shall not be increased by a total amount greater than 148,427,695.51 euros for a five-year period starting on 3 May 2016.

This authorisation is renewable. Thus far, the Manager has used the power granted to him to increase capital on one occasion, after which the remaining available balance of authorised capital came to 129,423,892.12 euros.

These capital increase(s) can be carried out via contributions in cash, contributions in kind or conversion of reserves, including profits carried forward and issue premiums as well as all of the equity components in the Company's individual IFRS financial statements (drawn up based on the regulations applicable to GVVs/SIRs) which are convertible into capital, possibly with issuance of new securities, in accordance with the rules set out in the Belgian Company Code, the regulations applicable to GVVs/SIRs and the current Articles of Association.

Where applicable, in the case of a capital increase decided by the Manager, the Manager places the issue premiums in a blocked account, which serves as surety for third parties on the same basis as the capital, and which shall not under any circumstances be reduced or repealed except by a resolution of the General Meeting passed in the same manner as an amendment to the Articles of Association, except for conversion into capital as provided for above.

Without prejudice to the application of Articles 592 to 598 and 606 of the Belgian Company Code, in this process the Manager may limit or cancel preferential rights, even if this benefits one or more particular persons other than employees of the company or its subsidiaries, to the extent that existing shareholders are granted an irreducible allocation right on allocation of new securities. Without prejudice to application of Articles 595 to 599 of the Belgian Company Code, the aforementioned restrictions within the framework of the cancellation or restriction of the preferential right do not apply to contributions in cash with restriction or cancellation of the preferential right in addition to a contribution in kind within the framework of the payment of an optional dividend, to the extent that this is made effectively payable for all shareholders.

When issuing securities in exchange for contributions in kind, the special terms and conditions for contributions in kind (see *2.4. Changes in capital*) must be met (including the option to deduct an amount corresponding to the part of the non-distributed gross dividend). The special rules on capital increases in kind are however not applicable to contributions of dividend rights within the framework of payment of an optional dividend, to the extent that this is made effectively payable for all shareholders.

2.3. Share repurchases (Article 10 of the coordinated Articles of Association)

In accordance with Article 10 of its Articles of Association, the company may acquire its own fully paid-up shares and hold these in pledge pursuant to a resolution of the general meeting taken in accordance with the provisions of the Belgian Company Code. The same meeting may decide the conditions for sale for these shares.

In addition to this, for a period of five years after 8 April 2016, the Manager may acquire shares in the company, receive these as pledges and resell them (including outside of the share exchange), at the expense of the company, at a unit price of no less than 0.01 euros per share (acquisition, and holding in pledge) or 75% of the closing price on the trading day prior to the transaction date (resale) and that is no greater than 125% of the closing price on the trading day prior to the transaction date (acquisition, and holding in pledge), provided that the company does not possess more than 10% of the total number of shares issued.

On 31 December 2016, WDP Comm. VA has no shares in its possession.

2.4. Changes in capital (Article 11 of the coordinated Articles of Association)

Barring the option to use authorised capital by a decision of the Manager, it is only possible to increase or decrease the capital by a resolution of an Extraordinary General Meeting, with the approval of the Manager, and in compliance with the application regulations on GVVs/SIRs.

In accordance with GVV/SIR legislation, the following conditions must be met when issuing shares in exchange for contributions in kind, without prejudice to Articles 601 and 602 of the Belgian Company Code:

- the identity of those making the contribution must be indicated in the report from the Manager provided for under Article 602 of the Belgian Company Code, as well as in invitations to the General Meeting that will decide upon the contributions in kind;
- the issue prices shall be no less than the lower value of (a) a net value per share dated no more than four months prior to the date of the contribution agreement or, at the discretion of the company, before the date of the capital increase deed, and (b) the average closing price of the thirty days before this date;
- unless the issue price as well as the method used are determined by the working day after conclusion of the contribution agreement and are announced to the public with indication of the timeframe within which the capital increase will actually be complete, the capital increase deed shall be executed within no more than four months;

- the report of the Manager provided for under Article 602 of the Belgian Company Code shall also indicate the impact of the proposed contribution on the situation for prior shareholders, and more specifically with regard to their share in the profit, in the net value per share and in the capital, as well as the impact in terms of voting rights.

These rules on the contribution in kind shall apply, with necessary modifications, to mergers, demergers and transactions deemed equivalent to these.

By virtue of GVV/SIR legislation, in cases of a capital increase by contributions in cash and without prejudice to application of Articles 592 to 598 of the Belgian Company Code, the preferential right shall be limited or cancelled if existing shareholders are granted an irreducible allocation right on allocation of new securities.

3. Control in the company (Article 14 of the coordinated Articles of Association)

Control over WDP Comm. VA falls to the statutory Manager of De Pauw NV, represented by its permanent representative. Since 1 September 2002, this has been Tony De Pauw, by virtue of Article 61(§ 2) of the Belgian Company Code. All shares in De Pauw NV are held by the management body RTKA, represented by Tony De Pauw in the Board of Directors of De Pauw NV.

For the meaning of 'control', see *2. Some background: the Comm. VA and its statutory manager* under *6.7. Management report – Corporate governance* on page 93.

4. Statutory auditor (Article 20 of the coordinated Articles of Association)

On 25 April 2007, Deloitte Bedrijfsrevisoren, a company under civil law in the form of a cooperative company with limited liability under Belgian law (CVBA), member of the Belgian Institute of Registered Auditors, with offices at Berkenlaan 8b, 1831 Diegem, Belgium, was appointed as the statutory auditor for WDP Comm. VA. On 27 April 2016, the statutory auditor, represented by its permanent representative Kathleen De Brabander, was re-appointed until the annual meeting of 2019. On 6 December 2016, WDP launched an open call for tenders for this term of appointment as statutory auditor in accordance with the European Audit Directive 537/2014/EU. Due to this legislation, the term of Deloitte Bedrijfsrevisoren will already come to an end at the Annual General Meeting of 26 April 2017, and this meeting must appoint a new statutory auditor or re-appoint Deloitte Bedrijfsrevisoren.

The duties of the statutory auditor consist in auditing the consolidated and separate financial statements of the WDP group and the other Belgian subsidiaries.

In France, Deloitte & Associés, represented by Pierre-Marie Martin, with offices at 67, rue de Luxembourg, 59777 Euralille, France, was appointed as statutory auditor for the subsidiary WDP France SARL.

In the Netherlands, Deloitte Accountants BV, represented by Jef Holland, with offices at Gustav Mahlerplein 2970, 1081 LA Amsterdam, the Netherlands, was appointed as statutory auditor for the subsidiaries WDP Nederland N.V. and WDP Development NL N.V.

The fees of the statutory auditor shall be determined based on prices in line with market conditions and independently of WDP as per the code of conduct and the standards of the Belgian Institute of Registered Auditors and in accordance with the applicable provisions with regard to the independence of statutory auditors set out in the Belgian Company Code.

5. Financial service (paying agent)

ING België NV
Legal Financial Markets
Marc Sanders
Marnixlaan 24, 1000 Brussel
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The fees for financial services are determined based on market conditions as a percentage of the volume of the transactions in question (such as dividend payments, optional dividends, etc.) and are independent of the company.

6. Property expert

In accordance with the applicable regulations on GVVs/SIRs, the expert values all buildings of the GVV/SIR and its subsidiaries at the end of each financial year. The book value of the buildings appearing on the balance sheet is adjusted to these values.

In addition, at the end of each of the first three quarters of the financial year, the independent property expert updates the overall valuation prepared at the end of the previous year based on the development of the market and the individual characteristics of the properties in question. The expert also valuates the properties of the GVV/SIR and its subsidiaries when the GVV/SIR wants to perform transactions such as share issues or mergers.

All immovables goods that the GVV/SIR or its subsidiaries want to acquire or transfer are valuated by the independent property expert prior to the transaction. The valuation of the expert shall apply as a minimum price (in cases of disposal), or maximum price (in cases of acquisitions) for the GVV/SIR when the counter party is a person that is closely involved with the GVV/SIR (as determined in the applicable regulations for GVVs/SIRs) or if such persons receive any benefits from the transaction in question.

The GVV/SIR legislation formulates statutory obligations on procedures followed by property experts to ensure the necessary degree of independence of property appraisers in the valuation of the property. It is stipulated that the remuneration cannot be related to the value of the property that is the subject matter of the expert's report. An obligation is also imposed on the GVV/SIR to ensure replacement of the expert(s) that it appoints under a double rotation requirement. Thus, the GVV/SIR may only appoint the expert for a renewable term of three years. Moreover, an expert may only be entrusted with valuation of a particular property for a maximum period of three years, after which a cooling-off period of three years must be observed. An expert who has already served a three-year term may therefore only be appointed to a new three-year term if, for this period, the expert is responsible for a different part of the assets in the public GVV/SIR or its subsidiaries. Special rules apply if the expert is a legal entity.

The property experts, appointed by WDP Comm. VA are:

Stadim CVBA, Uitbreidingstraat 10-16 (Antwerp Gate 2), 2600 Antwerp, Belgium, represented by Mr Philippe Janssens;

Cushman & Wakefield VOF, Kunstlaan 56 Bus 7, 1000 Brussels, Belgium, represented by Mr Koen Nevens;

DTZ Zadelhoff, Apollolaan 150, 1077 BG Amsterdam, the Netherlands, represented by Mr. Leopold Willems;

BNP Paribas Real Estate, 167 quai de la Bataille de Stalingrad, 92867 Issy-Les-Moulineaux Cedex, France, represented by Ms Caroline Hussenot.

These natural persons are the authorised representatives of the legal entities with which the contracts have been concluded.

Remuneration for property experts is not connected to the value of the property and is based on a fixed fee per property valuated and/or a variable fee according to the surface area to be valuated. The agreements with the property experts meet the new regulations on this topic.

7. Insurance cover

WDP and its subsidiaries must take out adequate insurance cover for all of their immovable goods.

The insurance cover must be in line with customary market conditions. At this time, WDP has 100% of its buildings insured at renewal value.

In 2016, 76% of the portfolio had insurance coverage. The fair value of the portfolio includes land and potential building land, together accounting for 36% of the fair value.

8. Structures abroad

To ensure optimum management of the property portfolio abroad, WDP Comm. VA has subsidiaries in various European countries (these subsidiaries do not have status of institutional GVV/SIR).

- The companies in the group have a number of features in common.
- The corporate structure is also the local equivalent of a private limited liability company (‘BVBA’) or a public limited company (‘NV’).
- WDP owns 100% of the shares in all foreign subsidiaries, except for WDP Development RO (51%).

The results of the subsidiaries are liable to local corporate tax, except for WDP Nederland which has FBI status (Fiscale Beleggingsinstelling) and WDP France which has SIIC status (Société d’Investissement Immobilier Cotée), with the corresponding fiscal transparency. For more information on FBI and SIIC status, see further in this annual financial report under *12. General information on REIT status* on page 267.

- The net profits can be disbursed to WDP, in which case the withholding tax or exemption depends on the EU Parent-Subsidiary Directive and the relevant double taxation agreements between Belgium and the various countries where WDP is active. Results from foreign subsidiaries are included in the consolidation, after elimination of the depreciation of immovable goods and offset of deferred tax receivables.

The choice of financing method (group loans versus bank loans) must always take into account the impact of this financing on the consolidated gearing ratio for WDP (the maximum gearing ratio at the consolidated level comes to 65% as per GVV/SIR legislation. This same maximum gearing ratio also applies to the separate statements of the GVV/SIR). At the consolidated level, subordinate group loans do not affect the gearing ratio of the group. In contrast, bank loans do.

For this financing strategy, the main factors to consider (aside from the gearing ratio) is the two key principles of taxation that differ from country to country:

- the rules on the thin capitalisation[2] obligation for companies;
- the percentage of the advance levy to be retained on interest on outstanding group loans that is paid out to the country of origin.

2 Thin capitalisation refers to excessive use of debt capital by a company, in order to maximise the tax deduction on interest. Local tax regimes typically impose limits on this by restricting the tax deduction on interest on the part of the debt that is considered excessive.

WDP Comm. VA is represented in France by its permanent establishment at rue Cantrelle 28, 36000 Châteauroux, France.

WDP Nederland N.V. also has its own 100%-subsidiary: WDP Development NL N.V., Hoge Mosten 2, 4813 DA Breda, Netherlands, Box 9770, 4822 NH Breda, Netherlands.

9. Milestones in the history of WDP

For an overview of key events in the history of WDP, please refer to the first part of this annual financial report in chapter *3. History and milestones* on page 18.

12 General information on REIT status

1. Public regulated real estate company under Belgian law

A public regulated real-estate company under Belgian law (public GVV/SIR):

- is a real-estate company that (i) mainly makes immovable goods available to users, (ii) may possess other types of property within the statutory limits (shares in public vastgoedbevaks/SICAFs, units in certain foreign ICBs, shares issued by other REITs and real-estate certificates), and (iii) within the framework of making immovable goods available, may perform any and all activities associated with the erection, conversion, renovation, development (for the company's own portfolio), acquisition, disposal, management and operation of immovable goods;
- follows a strategy intended to retain possession of its properties over the long-term;
- prioritises active management in the performance of its activities, which specifically entails that the company itself is responsible for the development and day-to-day management of the immovable goods, and that all other activities that it performs provide added value for these same immovable goods or their users, such as offering services that supplement provision of the immovable goods;
- is subject to the provisions of the Belgian GVV/SIR Law of the Belgian Royal Decree on GVVs/SIRs;
- must be incorporated as a private limited company under Belgian law ('NV') or a partnership limited by shares under Belgian law ('Comm. VA');
- is exchange-listed, and at least 30% of the shares must be distributed in the market;
- cannot act (directly or indirectly) as a construction promoter (other than occasionally);
- may possess full or partial subsidiaries, which may or may not take the status of institutional GVV/SIR;
- must adhere to strict rules regarding conflicts of interest and internal auditing structures.

Public and institutional GVVs/SIRs fall under the supervision of the FSMA.

Aside from Article 523 (conflicts of interest of directors) and 524 (conflicts of interest of affiliated companies) of the Belgian Company Code, which apply to all listed companies, special rules apply to GVVs/SIRs regarding functional conflicts of interest (by virtue of Article 37 of the Belgian GVV/SIR Law).

For further information on each of the procedures, please refer to *6.7. Management report – Corporate governance* on page 92 of this annual financial report.

2. Special regulations applicable to public GVVs/SIRs

Property portfolio

No single transaction shall result in over 20% of the consolidated assets constituting a single property unit, in order to ensure an adequate risk spread.

In certain cases however, the FSMA may permit a deviation from the aforementioned limit, more specifically (a) for a period of no more than two years from the date of the permit, (b) if the GVV/SIR demonstrates that the deviation is in the interests of the shareholders, or (c) if the GVV/SIR demonstrates that the deviation is justified based on the specific characteristics of the investment, in particular its nature and scope, and always on the condition that the consolidate debt ratio of the public GVV/SIR and its subsidiaries does not exceed 33% of the consolidated assets (minus the permitted hedging instruments) at the time of the acquisition or transfer in question. The deviation and the associated conditions must be included in detail in the prospectus and in the annual or semi-annual financial reports drafted by the GVV/SIR, until the deviation no longer has any consequences.

Thus far, no deviations of this kind have been awarded to WDP, given its adequate portfolio distribution.

Financial reporting

European legislation states that public GVVs/SIRs, like all other exchange-listed companies, must draw up their consolidated financial statements according to the international reference IAS/IFRS. In addition, by virtue of the GVV/SIR legislation, a public GVV/SIR (as well as an institutional GVV/SIR) must also draw up its separate financial statements in accordance with IAS/IFRS standards. Given that investment properties constitute the majority of the assets of a GVV/SIR, GVVs/SIRs must valuate these at fair value by virtue of IAS 40.

Valuation

The fair value of a specific property is valuated at the end of every financial year by an independent property expert. This expert updates this fair value at the end of each of the first three quarters in the financial year, based on the development of the market and the characteristics of the property in question. These valuations are binding on public GVVs/SIRs with regard to the drafting of their separate and consolidated financial statements.

In addition to this, the independent property expert must valuate a property in a number of special cases. Some examples here would be shares issues, mergers, demergers or transactions deemed equivalent to these.

The property held by the public GVV/SIR is not depreciated.

Results

As remuneration for the capital, the company must pay out a sum that corresponds to at least the positive difference between the following amounts:

- 80% of the amount equal to the sum of the adjusted result and the net capital gains from the development of real estate that is not exempt from mandatory disbursement;
- the net reduction in the debt burden of the company over the course of the financial year.

Naturally, this obligation only applies if the net result is positive, and to the extent that the company has distribution capacity under corporate law.

Debts and sureties

The consolidated and separate gearing ratios of the public GVV/SIR are limited to 65% of the consolidated and separate assets, respectively (minus the permitted hedging instruments). If the consolidated debt ratio of the public GVV/SIR and its subsidiaries is greater than 50% of the consolidated assets (minus the permitted financial hedging instruments), the public GVV/SIR must draw up a financial plan with an execution schedule, which details the measures to be taken to prevent the consolidated debt ratio exceeding 65% of the consolidated assets.

A public GVV/SIR or its subsidiaries are not permitted to grant any mortgages or other sureties or guarantees within the framework of financing the real-estate activities of the group. The sum total that is covered by these mortgages, sureties or guarantees cannot exceed 50% of the total fair value of the property of the public GVV/SIR and its subsidiaries. In addition, the mortgage, surety or guarantee granted cannot be for more than 75% of the value of the encumbered asset.

Institutional GVV/SIR

Subsidiaries of a public GVV/SIR must always be controlled exclusively or jointly by the public GVV/SIR. In addition to the traditional real-estate company, subsidiaries or a public GVV/SIR may also take on the status of an institutional GVV/SIR (that only attracts funding from eligible investors and whose shares may only be acquired by these investors). This status allows the public GVV/SIR to execute special projects with a third party, for instance.

If the public GVV/SIR has control over an institutional GVV/SIR, then in principle, it cannot have any subsidiaries under Belgian law that take the form of an ordinary real-estate company. Institutional GVVs/SIRs fall under the total or partial supervision of the FSMA.

WDP does not have any subsidiaries with the status of GVV/SIR.

Tax regime

Public and institutional GVVs/SIRS are subject to corporate tax at the normal rate, but only on a limited taxable base, consisting of the sum of (1) the exceptional and gratuitous advantages it received and (2) expenditures and costs not deductible as professional expenditures, other than write-downs and capital losses on shares. In addition, it may be subject to the special secret commission tax of 309% on commissions and salaries paid out that are not justified by the individual breakdowns and a summary. In principle, the advance levy on dividends paid out by a public GVV/SIR is equal to 30% as at 1 January 2017.

Companies that apply for a GVV/SIR licence, that merge with a GVV/SIR, or that demerge part of their immovable assets and transfer them to a GVV/SIR are subject to a capital gains tax (known as the 'exit tax') of 16.995% (16.5% plus the crisis contribution of 3%). This exit tax is the fiscal price that companies of this kind must pay in order to exit the general tax regime. In terms of taxation, this transition is treated as a total or partial distribution of share capital by the company to the GVV/SIR. For distribution of the share capital, a company must treat the positive difference between the distributions in cash, in shares or in any other form, and the revaluated value of the paid-up capital (in other words, the added value present in the company), as a dividend. The Belgian Income Tax Code (the 'WIB') states that the sum distributed is equal to the actual value of the share capital on the date on which the transaction took place (Article 210, § 2 WIB 1992). The difference between the actual value of the share capital and the revaluated value of the paid-up capital is deemed equal to a paid dividend. The reserves already taxed must be deducted from this difference. Therefore , in principle, the remainder constitutes the taxable base that is subject to the rate of 16.995%.

3. Fiscale Beleggingsinstelling (FBI)

Since 1 November 2010, WDP Nederland N.V. has fallen under the FBI regime (Fiscale Beleggingsinstelling), which means a corporate tax rate of 0% has applied since that date. The company must meet the following rules in order to enjoy this regime:

- WDP Nederland must be a B.V., N.V. or a unit trust.
- The object as per the Articles of Association and the actual activities of WDP Nederland N.V. are limited to the investment of capital.
- Only 60% of the financing of the funds for investment (fiscal book value) can be debt capital, in the case immovable goods. For other investments (not related to immovable goods), only 20% of the fiscal book value of financing can be debt capital.
- The operating profits of WDP Nederland N.V. must be provided to the shareholder of WDP Nederland N.V. starting from application of the FBI regime within eight months after the end of the financial year.
- The profits distribution must be distributed evenly across all shares.
- 75% of more of the shares in WDP Nederland N.V. must be held by a body that is not subject to a tax based on profit.
- 5% or more of the shares cannot be held directly or indirectly by natural persons.
- 25% or more of the shares cannot be held by funds based abroad for persons residing or legal entities domiciled in the Netherlands.

4. Société d'Investissement Immobilier Cotée (SIIC)

Since 2005, WDP has been under the SIIC regime (Société d'Investissement Immobilier Cotée) via its permanent establishment in France and its subsidiary WDP France SARL, which means that a corporate tax rate of 0% has applied since that date. The company must meet the following rules in order to enjoy this regime:

- The parent company must have the structure of an NV or any other form of company limited by shares that can be admitted for listing on the exchange. This parent company must be listed on an exchange under EU law.
- The main activity of the SIIC must be limited to the letting of immovable goods. Property development cannot exceed 20% of the gross book value of the portfolio.
- No more than 60% of the shares in WDP can be held by a single investor or a group of investors acting in mutual consultation.
- The profit originating from the letting of buildings, the capital gains realised on the sale of buildings, the capital gains realised on the sale of securities in the partnerships or subsidiaries that are liable to corporate tax and that have opted for SIIC status, contributions disbursed through their subsidiaries that have opted for SIIC status and shares in the profit in partnerships are exempt from corporate tax.
- A distribution obligation applies to the results for 95% of the exempt profit originating from rental income, 60% of exempt profit originating from the sale of buildings and securities of partnerships and subsidiaries that are subject to SIIC status and 100% of the dividends that are paid to them by their subsidiaries that are liable to corporate tax and that have opted for SIIC status.
- Payment of exit tax at a rate of 19% on the unrealised gains on buildings that are the property of the SIIC or its subsidiaries that are liable to corporate tax and have opted for SIIC status, and on the securities of partnerships that are not subject to the corporate tax.

13

Glossary

Acquisition price
This refers to the value of the property at the time of purchase. Any transfer costs paid are included in the purchase price. See also *Transfer costs*.

Advance levy
Tax that a bank or financial intermediary withholds on payment of a dividend. As at 1 January 2017, the standard rate for the advance levy on dividends was set to 30%.

AIFMD (Alternative Investment Fund Managers Directive)
The Directive for managers of alternative investment funds is a law proposed by the European Union to bring hedge funds, private equity funds and real-estate funds under the supervision of an EU regulatory body.

APM (Alternative Performance Measure)
This is a financial measure of the historic and future financial performance, financial position or cash flow of an undertaking that has not been defined in the customary reporting guidelines. In accordance with the guidelines issued by ESMA (the European Securities and Markets Authority), the Alternative Performance Measures (APMs) used by WDP must be defined in a footnote on their first mention in this annual financial report. This definition will also be accompanied by a symbol (◤) so that the reader can easily recognise it as an APM definition.

Average cost of debt
◤This is the weighted average annual interest rate for the reporting period, taking into account the average outstanding debt and hedging instruments over this period. (APM)

Occupancy rate
The occupancy rate is calculated on the basis of the rental values of the leased buildings and the unleased space and includes income from solar panels. Projects under construction and/or renovation are not taken into account.

BREEAM (Building Research Establishment Environmental Assessment Method)
BREEAM is a sustainability certificate related to the performance of a building over its complete life cycle. BREEAM is the main and most used sustainability label for buildings in Europe. Unlike other standards, BREEAM applies a multi-criteria approach. The certification process examines not only the energy consumption of a property, but also land use, ecology, the construction process, water use, waste, pollution, transport, materials, health and comfort. A building can receive an overall rating of Acceptable[1], Pass, Good, Very Good, Excellent of Outstanding.

Gross dividend
The gross dividend per share is the dividend before deduction of the advance levy. See also *Advance levy*.

Bullet loan
A debt instrument of the bullet type entails that over the term, interest liabilities are due on the principal and repayment in full of the capital is due on the final expiry date.

1 This rating only applies to BREEAM In-Use.

Change in the fair value of the financial instruments
Changes in the fair value of financial assets and liabilities (non-cash item) are calculated based on the mark-to-market (MtM) value of the interest rate hedges entered into.

Compliance Officer
The compliance officer is tasked with monitoring for compliance with the code of conduct for financial transactions indicated in the Corporate Governance Charter.

Contractual rent
The gross rent that is contractually stipulated in the lease agreement on the date of conclusion.

Contribution in kind
Assets contributed at the time of founding of a company or at the time of an increase in its capital, other than cash deposits.

Corporate Governance Code 2009
Belgian code that was drawn up by the Corporate Governance Committee with practices and provisions on sound governance that must be met by undertakings under Belgian law whose shares are traded on a regulated market. To view the Belgian Corporate Governance Code, please visit www.corporategovernancecommittee.be.

Dealing code
Code of conduct with rules to be followed by members of the Board of Directors and the persons designated there who would like to trade in financial instruments issued by the company.

Derivatives
As a borrower, WDP would like to hedge itself against any interest rate increases. The interest rate risk can be hedged in part by using derivatives (such as interest rate swaps).

Discounted cash flow
This is a valuation method based on a detailed projected revenue flow that is discounted to the net current values based on a specific discount rate according to the risk of the asset being valuated.

Dividend yield
Gross dividend divided by the trading price.

Due diligence
Extensive investigation conducted within the framework of all acquisitions and/or financial transactions in the areas of real estate, economics, taxation, law, bookkeeping and administration, possibly along with specialised outside advisers.

EMIR (European Market Infrastructure Regulation)
This regulation specifies that information on all European derivative transactions must be reported to transaction registers and must be accessible to supervisory authorities, including the European Securities and Markets Authority (ESMA), so policy-makers and supervisors have a clear overview of the markets. This regulation also states that standard derivative contracts must be cleared through a Central Counter-Party (CCP), sets margin requirements on uncleared transactions and subjects these CCPs to strict organisational requirements, codes of conduct and prudential requirements.

EPRA (European Public Real Estate Association)
A pan-European association of exchange-listed real-estate undertakings that aims to promote the sector, introduce best practices for bookkeeping, reporting and corporate governance, provide qualitative information to investors and serve as a think tank for challenges facing the sector (www.epra.com).

EPRA cost ratio (including direct vacancy costs)
◤Administrative and operating costs (including direct vacancy costs), divided by the gross rental income. (APM)

EPRA cost ratio (excluding direct vacancy costs)
◤Administrative and operating costs (excluding direct vacancy costs), divided by the gross rental income. (APM)

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. (APM)

EPRA NNNAV
◤This is the EPRA NAV that is adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred tax as well. See also www.epra.com. (APM)

EPRA Earnings
◤This 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. (APM)

EPRA earnings per share
◤This is the EPRA Earnings based on the weighted average number of shares. (APM)

Estimated Rental Value (ERV)
The estimated rental value is the rental value determined by the independent real-estate experts.

Ex-date
Start date of trading the share on the exchange without entitlement to the next dividend distribution, in other words, the cut-off date of the coupon.

Exit tax
Undertakings that request recognition as GVVs/SIRs or that merge with a GVV/SIR are subject to what is known as the exit tax. This tax is deemed equal to a liquidation tax on the unrealised net gains and on the tax-exempt reserves and comes to 16.995% (which is the base rate of 16.5% plus the additional crisis tax of 3.0%).

Facility management
Day-to-day management of the real-estate portfolio, more specifically formulation of the policy for management of existing buildings (maintenance, adjustment and improvement works). WDP has

an internal team of facility managers working exclusively for the undertaking.

Fair value

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. The market value must additionally reflect the current rental incomes, the current gross margin for self-financing (or cash flow), the reasonable assumptions regarding potential rental income and the expected costs.

FBI (Fiscale Beleggingsinstelling)

Special fiscal status in the Netherlands available if specific requirements are met. See also *12. General information on REIT status* on page 267.

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

◤This is the financial result according to IFRS exclusive of changes in the fair value of financial assets and liabilities, and reflects the actual financial expenses of the company. (APM)

Free float

Percentage of the shares in the possession of the public. According to the definition of EPRA and Euronext, this means every individual shareholder that possesses 5% of the total number of shares.

FSMA (Financial Services and Markets Authority)

Since 1 April 2011, the FSMA has been the successor to the Banking, Finance & Insurance Commission (the 'CBFA'). Along with the National Bank of Belgium (the NBB), the FSMA supervises the Belgian financial sector. According to the latest supervisory model that took effect in 2011, the powers of the FSMA fall into the following six areas: supervision of financial markets and listed companies, conduct supervision, product supervision, supervision of financial service providers and intermediaries, supervision of supplementary pensions and facilitation of better financial education.

Gearing ratio (proportionate)

Statutory ratio is calculated based on the regulations on GVVs/SIRs by dividing the financial and other liabilities by the total assets. For the method of calculation of the gearing ratio, please refer to the Belgian Royal Decree of 13 July 2014 on GVVs/SIRs.

Gearing ratio (IFRS)

◤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. (APM)

GVV/SIR (Regulated real-estate company under Belgian law)

A GVV/SIR is an exchange-listed operational real-estate company that is specialised in making immovable goods available to users and meets the statutory conditions set out in the GVV/SIR legislation. They position themselves in an international context as REITs, characterised by a regime of fiscal transparency. GVV/SIRs fall under the prudential supervision of the Belgian regulator. See also *GVV/SIR legislation*.

Green Energy Certificates (GECs)
These are granted by the Flemish Electricity and Gas Market Regulator (the 'VREG') in Flanders, the Wallonia Energy Commission (the 'CWaPE') in Wallonia and the Romanian Energy Regulatory Authority (the 'ANRE') in Romania for alternative energy projects, including solar power, with a minimum price per certificate.

GVV/SIR Royal Decree
Belgian Royal Decree of 13 July 2014 on Regulated Real-Estate Companies. Along with the Belgian GVV/SIR Law, this constitutes the GVV/SIR legislation. See also GVV/SIR Law, GVV/SIR legislation and REIT.

GVV/SIR Law
Belgian 3 of 12 May 2014 on Regulated Real-Estate Companies. Along with the Belgian GVV/SIR Royal Decree, this constitutes the GVV/SIR legislation. See also *Belgian Royal Decree on GVVs/SIRs and GVV/SIR legislation*.

GVV/SIR legislation
The Belgian Law of 12 May 2014 (the GVV/SIR Law) and the Belgian Royal Decree of 13 July 2014 (GVV/SIR Royal Decree).

Hedge ratio
◤Percentage of fixed-rate and floating-rate debts hedged against interest rate fluctuations using derivatives. This economic parameter is not a mandatory parameter under the Belgian GVV/SIR Law. (APM)

IAS/IFRS
The IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) apply to the preparation of financial statements and are drafted by the International Accounting Standards Board (IASB).

IAS 16 Tangible fixed assets
IAS 16 is an IAS/IFRS that applies to administrative treatment of tangible fixed assets unless a different standard requires or permits different treatment. The main issues arising in the administrative treatment of tangible fixed assets is the recognition of assets, calculation of their book value and depreciation costs and special impairment losses to be recognised in relation to the assets.

IAS 39 Financial instruments: recognition and measurement
IAS 39 is an IAS/IFRS that determines how an undertaking must classify and measure the financial instruments on its balance sheet. This standard provides for the obligation that all derivatives must be booked in the balance sheet at their fair value.

IAS 40 Investment property
IAS 40 is an IAS/IFRS that applies to recognition and measurement of and the provision of information on investment properties. This standard therefore provides the treatment method for investment properties and the corresponding disclosure requirements.

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.

Indexing
The rent is contractually adjusted to inflation annually on the anniversary of the contract start date, based on a benchmark in each individual country.

Income capitalisation
This is a valuation technique used to calculate the value of a property, in which the revenue flow is discounted in a perpetuity of specific required yields. Next, certain corrections are applied to account for deviations in full occupancy under market conditions (subletting, incentives, vacancy, etc.).

Initial yield
The ratio of the (initial) contractual rent of a purchased immovable good to the purchase price. See also *Purchase price*.

Insider trading
Insider trading means trading using: any information not publicly disclosed that is specific and pertains directly or indirectly to one or more issuers of financial instruments or to one or more financial instruments and that, if made public, could have a significant impact on the price of these financial instruments (or derivatives of these).

Interest Rate Swap (IRS)
An interest rate swap is an instrument in which parties exchange interest payments with one another for a set term. WDP uses interest rate swaps to convert floating interest payments into fixed interest payments, to hedge against rate increases.

Interest Rate Swap (callable)
These instruments comprise a combination of a traditional interest rate swap, in which the undertaking pays a fixed interest rate and receives a floating interest rate, and an option that WDP sold to the financial counter party to annul this interest rate swap as at a specified date. The sale of this option allows the fixed interest rate of the interest rate swap to decrease over the term of the contract.

Interest rate hedges
The use of derivatives to protect existing positions against an interest rate increase.

IVSC (International Valuation Standards Council)
An independent body that develops general standards for valuations in which investors and other third parties or stakeholders should place their trust.

Lease agreement expiry date
A termination date for a lease agreement.

Like-for-like growth
This is the organic growth in gross rental income year-on-year exclusive of project developments, acquisitions and sales during these two comparison periods. (APM)

Liquidity
This is the average number of shares traded per trading day measured over a specific period of time.

Listed real-estate investment company under French law (SIIC)
Special fiscal status in France for exchange-listed real-estate companies, available if specific requirements are met.

Market capitalisation
Closing price on the exchange multiplied by the number of shares in circulation on that date.

Net dividend
This is equal to the gross dividend after deduction of the 30% advance levy. See also *Advance levy*.

Net Asset Value
The value of the portfolio determined by the independent property experts, including transaction costs. The fair value (see also *Fair value*), in the sense of the IAS/IFRS reference scheme, can be obtained by deducting an adjusted minimum charge for registration fees and/or the VAT from the investment value.

Optional dividend
With an optional dividend, the dividend receivables associated with a well-defined number of existing shares shall grant a right to a new share at an issue price per share which may, where applicable, include a discount with respect to the trading price (possibly an average trading price over a specific period). The issue of shares within the framework of the optional dividend is subject to common corporate law regarding capital increases. If a contribution in cash is made in addition to a contribution in kind within the framework of payment of an optional dividend, then the special provisions of Article 26(§1) of the Belgian Capital Increase in Cash Law of 12 May 2014 may be declared legally inapplicable to the extent that this optional dividend is made effectively payable for all shareholders. The special rights on contributions in kind for a GVV/SIR, as set out in Article 26(§2) of the Belgian Law of 12 May 2014, shall also be inapplicable, provided certain conditions are met.

Operating margin
◤We obtain the operating margin by dividing the operating result (before the result on the portfolio) by the property result. (APM)

Operating margin
◤See Op*erating margin*. (APM)

Partial demerger
A partial demerger is a legal transaction in which part of the assets of a company (both rights and obligations) is transferred to an existing or new company without dissolution, in exchange for transfer of shares in the acquiring company to shareholders in the demerging company (Article 677 of the Belgian Company Code).

Payout rate
Percentage of the EPRA earnings paid out as dividends over a given tax year.

Portfolio value
The portfolio value is made up of the investment properties, investment properties under development at the company's expense with the purpose of being rented out, assets held for sale and the fair value of the solar panels.

Project management
Management of construction and renovation projects. WDP has an in-house team of project managers working exclusively for the undertaking.

Property expert
Independent property expert responsible for valuation of the property portfolio.

Property portfolio
The investment properties including the buildings intended for letting, the investment properties under development for the purpose of being rented out and the assets held for sale.

PV system
Photovoltaic or solar panel system.

Quality classification of properties within the property portfolio

The quality classification of the properties within the property portfolio is based on a system such as Class-A BREEAM warehouse, Class-A warehouse, Class-B warehouse, Class-C warehouse and Cross-dock warehouse.

Record date

The date on which the positions are closed for identification of shareholders entitled to dividends, also known as the ex-date for short.

REIT (Real Estate Investment Trust)

International term for listed real-estate investment funds with a special fiscal status (such as in Belgium, the Netherlands and France).

Result on the portfolio (including participation joint ventures)

◤Realised and unrealised capital gains/loss with respect to the latest valuation by the expert, 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. (APM)

Result on the portfolio (including participation joint ventures) per share

◤This is the result on the portfolio (including participation joint ventures) based on the weighted average number of shares. (APM)

Risk management

Identification of the main risks facing the company, their potential impact and development of a strategy to mitigate any impact.

Sales value

The fair value at which a certain immovable good is sold.

Sustainable enterprise

Environmentally friendly policy of sustainable warehouses that is geared towards reducing the CO_2 emissions of the warehouses in the portfolio, and achieving significant savings on power bills for tenants.

Take-up

The total take-up of surface area by users on the rental market over a particular period of time.

Thin capitalisation

Thin capitalisation refers to excessive use of debt capital by a company, in order to maximise the tax deduction on interest. Local tax regimes typically impose limits on this by restricting the tax deduction on interest on the part of the debt that is considered excessive.

Transfer costs

The transfer of ownership of an immovable good is subject in principle to collection of transaction tax by the state, which constitutes the majority of the transaction costs. The sum of this tax depends on the method of transfer, the capacity of the buyer and the geographic location of the immovable goods.

Velocity

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

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This annual financial report is a registration document in line with article 28 of the Act of 16 June 2006 on the public offering of investment instruments and the authorisation to trade investment instruments on a regulated market. It was approved by the FSMA on 21 March 2017 in accordance with article 23 of the aforementioned law. This approval does not imply any judgement on the situation of the company.

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